

FUTUREAL

Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság

(limited liability company incorporated in Hungary)

Public Offering of "FUTURE2031/I HUF" Bonds

up to HUF

50,000,000,000

due 2031

This document constitutes a public offering memorandum (the "**Information Memorandum**") prepared in respect of the Bonds (as defined below) to be issued by Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság (registered seat: 1082 Budapest, Futó utca 47-53. VII. em.; tax number: 14434459-2-42; the "**Issuer**") in the course of a public offering (in Hungarian: "*nyilvános forgalomba hozatal*") in an amount of up to HUF 50,000,000,000 plus an additional amount of up to a HUF amount with which the complete amount of the issuance (i.e., 50,000,000,000 plus overallotment) does not exceed the equivalent HUF amount of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction. The overallotment shall not in any case exceed HUF 5,000,000,000. The Bonds will be offered to qualified investors (in Hungarian: "*minősített befektetők*"; the "**Investors**") within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Bonds to be issued after the date of this Information Memorandum are to be issued subject to the provisions herein. This Information Memorandum comprises neither a prospectus nor a base prospectus for the purposes of Act CXX of 2001 on the Capital Markets (the "**Capital Markets Act**") and the Prospectus Regulation nor an information document (in Hungarian: "*információs dokumentum*") within the meaning of the Capital Markets Act.

The Bonds will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer, will be guaranteed under a parent company guarantee issued by Futureal Holding B.V. (registered seat: Prins Hendriklaan 26, 1075BD Amsterdam., the Netherlands; registration number: 75024012), and will rank *pari passu* without any preference among themselves and as to the order of their satisfaction and at least *pari passu* with all other existing and future direct, unsecured, unconditional and unsubordinated loans, bonds or any other borrowings of the Issuer. Due to the fact that the Bonds are not secured with assets of the Issuer, only with parent company guarantee, if the Issuer defaults on its obligations, Investors in the Bonds may lose some or all of their investments. The Bonds do not constitute deposits or other obligations of a depository institution and are not insured by the National Deposit Insurance Fund (*Országos Betétbiztosítási Alap*), the National Investor Protection Fund (Befektető-védelmi Alap), or any other governmental agency.

The Issuer and the bonds to be issued under the Information Memorandum are rated BB by Scope Ratings GmbH. Scope Ratings GmbH is established in the EU and registered under Regulation (EC) No 1060/2009 as amended on credit rating agencies (the "**CRA Regulation**") and appear on the latest update of the list of registered credit rating agencies (as of 24 May 2011) on the website of the European Securities and Markets Authority (registered seat: 103 rue de Grenelle,

F-75345 Paris, France; the "ESMA") <http://www.esma.europa.eu>. The ESMA website is not incorporated by reference into, nor does it form part of, this Information Memorandum. Any change in the rating of the Bonds may adversely affect the price that a purchaser may be willing to pay for the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Bonds will be offered and issued solely in Hungary and within the framework of the Bond Funding for Growth Scheme (*Növekedési Kötvényprogram*) launched by the National Bank of Hungary (the "NBH") and the Issue (as defined below). Terms and conditions applicable for the Bond Funding for Growth Scheme are set out in the Handout for the Bond Funding for Growth Scheme (*Tájékoztató a Növekedési Kötvényprogram feltételeiről*) available in Hungarian language on the website of NBH at <https://www.mnb.hu/letoltes/nkp-termektajekoztato.pdf> (the "BGS Handout").

The Bonds will be registered on the XBond multilateral trading facility operated by the Budapest Stock Exchange as set out herein.

The Bonds will be offered and issued in Hungary. The Bonds will not be registered under the U.S. Securities Act of 1933, or any state securities law of the United States, and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person.

An investment in the Bonds involves certain risks. Prospective investors should have regard to the factors described under Section 3 (*Risk Factors and Risk Management*) before investing in the Bonds.

Warning: Investing into the Bonds qualifies particularly risky from investor perspective, since the Issuer is solely responsible for the information contained herein. This Information Memorandum has not been reviewed or approved by any competent authority in the European Union or by any stock exchange or by any other regulator in any other jurisdiction; nor has any regulatory authority or stock exchange endorsed the accuracy or adequacy of this Information Memorandum or the Bonds being offered pursuant to this document. This means that the document is not a prospectus for the purposes of the Prospectus Regulation, may not be used for an offering requiring such prospectus, and the Issuer will not be responsible for the content of this document in relation to any offering which requires such a prospectus. Further, you should be aware that (i) this Information Memorandum may not include the same level of disclosure required by the Prospectus Regulation or other relevant national or EU legislation and (ii) if you acquire Bonds under this Information Memorandum you will not have any recourse to the Issuer under any Prospectus Regulation related liability regime, and consequently investment into the Bonds may imply higher risk comparing to the investments into securities offered on the basis of an offering document or prospectus approved by the competent authorities.

Dealer and Paying Agent: Raiffeisen Bank Zrt.

The date of this Information Memorandum is 11 March 2021.

IMPORTANT NOTICES

This Information Memorandum (the "**Information Memorandum**") is prepared by the Issuer for the purpose of issuing by the Issuer (the "**Issue**") of HUF denominated, fixed interest rate, dematerialised, amortising, rated, registered, unsecured, non-redeemable and non-convertible Bonds up to the amount of HUF 50,000,000,000 plus an additional amount of up to a HUF amount with which the complete amount of the issuance (i.e., 50,000,000,000 plus overallotment; the overallotment shall not, in any case, exceed HUF 5,000,000,000) does not exceed the equivalent HUF amount of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction (name: FUTUREAL 2031/I HUF Kötvény; short name: FUTURE2031; ISIN Code: HU0000360268; the "**Bonds**"), guaranteed by Futureal Holding B.V. (registered seat: Prins Hendriklaan 26, 1075BD Amsterdam., Netherlands; registration number: 75024012) and contains relevant information and disclosures required for the purpose of issuing of the Bonds. The Bonds will be issued in the course of a public offering (in Hungarian: "*nyilvános forgalomba hozatal*") under Hungarian law, by way of offer of securities to the public (in Hungarian: "*értékpapírra vonatkozó nyilvános ajánlattétel*"; within the meaning of Article 2(d) of the Prospectus Regulation) limited to qualified investors (in Hungarian: "*minősített befektetők*"; the "**Investors**") within the meaning of Article 2(e) of the Prospectus Regulation.

On 1 March 2021, the Issuer has been authorised under Resolution 1/2021 (III. 01.) of the Issuer's managing director(s) to issue the Bonds. The Issuer will comply with all laws, rules and regulations and has obtained all corporate approval(s) for the Issue.

On 3 March 2021, the Guarantor has been authorised, under the resolution of the Guarantor's board of director(s), to guarantee the Bonds. The Guarantor will comply with all laws, rules and regulations and has obtained all corporate approvals for guaranteeing the Bonds.

This Information Memorandum is neither a prospectus (in Hungarian: "*tájékoztató*") within the meaning of the Prospectus Regulation nor an information document (in Hungarian: "*információs dokumentum*") within the meaning of the Capital Markets Act.

The Issuer may withdraw the offer to sell the Bonds according to the rules of the MMTS1 Trading System (as defined below). The Issuer accepts no liability or responsibility towards prospective Investors or any third party in relation to the withdrawal of the offering.

Apart from this Information Memorandum, no offer document or prospectus has been prepared in connection with the offering of this Issue or in relation to the Issuer nor is such a prospectus required to be registered under the applicable laws. Accordingly, this Information Memorandum has neither been delivered for registration nor is it intended to be registered.

This Information Memorandum is to be read and construed in conjunction with all documents which are deemed to be incorporated herein by reference (see in Section 14 (*Documents Incorporated by Reference or On Display*) below).

This Information Memorandum has been prepared to provide general information about the Issuer and Futureal Group (including the Guarantor) to the potential Investors for whom the Bonds are offered and who are willing and eligible to buy the Bonds during the course of the Auction (as defined below).

This Information Memorandum does not purport to contain all the information that any potential Investor may require. Neither this Information Memorandum nor any other document supplied in connection with the Bonds is intended to provide the basis of any credit or other evaluation nor should any recipient of this

Information Memorandum consider such receipt a recommendation to purchase any Bonds.

However, Investors are not to construe the content of this Information Memorandum as investment, legal, regulatory or tax advice. Each Investor contemplating the purchase of any Bonds should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, accounting, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyse such investment and the suitability of such investment to such Investors' particular circumstance. It is the responsibility of Investors to also ensure that they will sell these Bonds in strict accordance with this Information Memorandum and other applicable laws. The Issuer accepts no liability or responsibility regarding any costs, expenses and/or damages incurred, either directly or indirectly, at any third party in relation to any negotiations, transaction offerings or advisory services with respect to this Information Memorandum, the Issue or the Bonds.

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information stipulated in this Information Memorandum carefully. For making an investment decision, the Investors must rely on their own examination of the Issuer and the Issue including particularly the risks involved. The Investors are advised to pay special attention to the statements of Section 3 (*Risk Factors and Risk Management*) of this Information Memorandum.

The Bonds are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, and appropriate addition of risk to their overall portfolios. Each potential Investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential Investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Information Memorandum or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

None of the information contained in this Information Memorandum has been independently verified by Raiffeisen Bank Zártkörűen Működő Részvénytársaság (registered seat 1133 Budapest Váci út 116-118.; company registration number: Cg.01-10-041042; tax number: 10198014-4-44; the "**Dealer**") as dealer mandated by the Issuer with respect to the Issue. Accordingly, the Dealer makes no representation as to and shall have no liability in relation to the information contained in this Information Memorandum or any

other information provided by the Issuer in connection with the Issue.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

The contents of this Information Memorandum are intended to be used only by those Investors to whom it is distributed by the Issuer. The Information Memorandum is not intended for distribution to any other persons and should not be reproduced by any recipient.

This Information Memorandum may only be used for the purposes for which it has been published.

The person to whom a copy of this Information Memorandum is provided, is alone entitled to apply for the Bonds. Any application by a person to whom this Information Memorandum has not been distributed by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without prior written consent of the Issuer. This Information Memorandum is made available to potential Investors on the strict understanding that it is confidential.

The Issuer does not undertake to update this Information Memorandum to reflect subsequent events after the date of this Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, constitute a representation or, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented, or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Bonds will be offered and issued under this Information Memorandum solely in Hungary. This Information Memorandum does not constitute nor may it be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Bonds or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the Bonds may be restricted by law in certain jurisdictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.

The Bonds offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933 or with any securities regulatory authority of any state or other jurisdiction in the United States for offer or sale as part of their distribution and may not be offered or sold in the United States. Neither the U.S Securities and Exchange Commission (the "**SEC**") nor any state securities commission nor any non-U.S securities authority has approved or disapproved of the Bonds offered in the Issue or determined that this

Information Memorandum is accurate or complete. Any representations to the contrary is a criminal offense. Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

This Information Memorandum has not been reviewed or approved by any competent authority in the European Union or by any stock exchange or by any other regulator or stock exchange in any other jurisdiction; nor has any regulatory authority or stock exchange endorsed the accuracy or adequacy of this Information Memorandum or the Bonds being offered pursuant to this document. This means that the document is not a prospectus for the purposes of the Prospectus Regulation, may not be used for an offering requiring such prospectus, and the Issuer will not be responsible for the content of this document in relation to any offering which requires such a prospectus. Further, you should be aware that (i) this Information Memorandum may not include the same level of disclosure required by the Prospectus Regulation or other relevant national or EU legislation and (ii) if you acquire Bonds under this Information Memorandum you will not have any recourse to the Issuer under any Prospectus Regulation related liability regime, and consequently investment into the Bonds may imply higher risk comparing to the investments into securities offered on the bases of an offering document or prospectus approved by the competent authorities.

This Information Memorandum is drawn up in the English language. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Presentation of Financial Information

Financial Statements Presented

The following financial statements and financial information has been incorporated by reference in this Information Memorandum:

- ***Issuer's audited financial statements:***
 - the Issuer Separate Financial Statements for the three months period ended on 31 December 2019 (audited and prepared in accordance with the provision of Act C of 2000 on Accounting ("**Accounting Act**") and with applicable laws and regulations of Hungary) ("**31 December 2019 Issuer Separate Financial Statements**");
 - the Issuer Separate Financial Statements for the financial year ended on 30 September 2019 (audited and prepared in accordance with the provision of the Accounting Act and with applicable laws and regulations of Hungary) ("**30 September 2019 Issuer Separate Financial Statements**");¹
 - the Issuer Separate Financial Statements for the financial year ended on 30 September 2018 (audited and prepared in accordance with the provision of the Accounting Act and with applicable

¹ The Issuer has changed its financial year end date from 30 September to 31 December, in 2019. In consequence the Issuer published two financial statements in 2019. The Issuer Separate Financial Statement for the financial period ended on 30 September 2019 covers the financial period commenced on 1 October 2018 and ended on 30 September 2019. The Issuer Separate Financial Statement for the financial period ended on 31 December 2019 covers the financial period commenced on 1 October 2019 and, due to the change of the financial year, ended on 31 December 2019.

laws and regulations of Hungary) ("**30 September 2018 Issuer Separate Financial Statements**");

(the 31 December 2019 Issuer Separate Financial Statements, the 30 September 2019 Issuer Separate Financial Statements, and the 30 September 2018 Issuer Separate Financial Statements are together the "**Issuer Separate Financial Statements**")

- the Issuer Consolidated Financial Statements for the financial year ended on 30 September 2018 (audited and prepared in accordance with the provision of the Accounting Act and with applicable laws and regulations of Hungary) ("**Issuer Consolidated Financial Statements**");²

- **Issuer's unaudited, but reviewed financial information**

- the Issuer Special Purpose Interim Financial Statements for the period commenced on 1 January 2020 and ended on 30 June 2020 prepared in accordance with the provision of the Accounting Act and with applicable laws and regulations of Hungary ("**Issuer Unaudited Financial Information**");³

- **Guarantor's unaudited financial information:**

- the Guarantor Unaudited Preliminary Special Purpose Consolidated Financial Information for the period commenced on 1 January 2019 and ended on 31 December 2019 prepared in accordance with the basis set out in note 2 "*basis of preparation*" ("**Guarantor Unaudited Consolidated Financial Information**");

- the Guarantor Unaudited Consolidated Interim Financial Information for the period commenced on 1 January 2020 and ended on 30 June 2020 (reviewed (but not audited) by auditor and prepared in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union) ("**Guarantor Unaudited Consolidated Interim Financial Information**"),

(the Guarantor Unaudited Consolidated Financial Information and the Guarantor Unaudited Consolidated Interim Financial Information are together the "**Guarantor Unaudited Financial Information**").

The purpose of drawing up the Guarantor Unaudited Consolidated Financial Information is that this report shall be prepared as part of the Guarantor's conversion to International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the Guarantor Unaudited Consolidated Financial Information will be used as information for the comparative periods under IFRS, respectively. The first full set of IFRS consolidated financial statements of the Guarantor including the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the comparative data for the periods covered by the Guarantor Unaudited Consolidated Financial Information shall be prepared for the year ending 31 December 2020.

The Guarantor Unaudited Consolidated Financial Information has been prepared in accordance with the basis of preparation as explained in note 2, the accounting principles disclosed in the significant

² Following the end of the financial year 2018, the Issuer is no longer required to prepare consolidated financial statements. In consequence, the Issuer did not prepared consolidated financial statements for and from the financial year 2019.

³ These financial information prepared for informative purposes. These financial information are not audited, but reviewed by the Issuer's independent auditor.

accounting policies in note 4 and the section on the use of estimates and critical judgments in note 5 of the Guarantor Unaudited Consolidated Financial Information. These sections were prepared in analogy of the requirements in IFRS 1 "*First-time Adoption of International Financial Reporting Standards*", assuming the transition date as at 1 January 2019.

Although the Guarantor Unaudited Consolidated Financial Information is based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, this may be subject to possible changes. For example, amended or additional standards or interpretations may be issued by International Accounting Standards Board. Therefore, until the Guarantor prepares its first full IFRS consolidated financial statements and establishes its transition date as defined by IFRS 1, the possibility cannot be excluded that the accompanying Guarantor Unaudited Consolidated Financial Information may have to be adjusted.

In preparing the Guarantor Unaudited Consolidated Financial Information, management has used its best knowledge of the standards and interpretations, facts and circumstances, and accounting policies that will be applied when the Guarantor will prepare its first full IFRS consolidated financial statements as of 31 December 2020. It also requires management to exercise its judgement in the process of applying the Guarantor's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preliminary special purpose consolidated financial information are disclosed in note 5.

Forward-looking Statements

This Information Memorandum may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or other similar terms. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. This applies in particular to statements relating to, among other things, the future financial performance, goals, plans, strategy, projected revenues, future financial position and expectations regarding developments in the business and management of the Issuer and the Futureal Group, and the general economic and regulatory conditions and similar factors affecting the Issuer and the Futureal Group.

Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

Market Share Information and Statistics

This Information Memorandum contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Issuer's and the Futureal Group's business and market. Unless otherwise indicated, such information is based on the Issuer's analysis of multiple sources, including several public regulatory bodies, internal company analysis based on the Issuer's knowledge of its sales and markets and information otherwise obtained from other third-party sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analysis and estimates, thus requiring the Issuer to rely on internally developed data. Consequently, the Issuer has made its estimates largely based on internal surveys and studies.

The Issuer has not independently verified and cannot give any assurances as to the accuracy of market data

contained in this Information Memorandum that were extracted or derived from external sources. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Internal company analyses, while believed by the Issuer to be reliable, have not been verified by any independent sources, and the Issuer does not make any representation as to the accuracy or completeness of such information and does not take any responsibility in respect of any information and data detailed under this Section (*Market Share Information and Statistics*).

In considering the industry and market data included in this Information Memorandum, prospective Investors should note that this information may be subject to significant uncertainty due to differing definitions of the relevant markets and market segments described.

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1 PERSONS RESPONSIBLE – DECLARATION OF RESPONSIBILITY

Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság (seat: 1082 Budapest, Futó utca 47-53. VII. em.; company registration number: Cg. 14434459-2-42; the „**Issuer**”), as solely responsible person for the content of the Information Memorandum, hereby makes the following declaration.


The Issuer accepts sole responsibility for the content of this Information Memorandum.

The Issuer hereby declares that, to the best of its knowledge as of the date hereof and having made all reasonable care, the Information Memorandum

- (a) consists of information that is consistent with the facts and are true;
- (b) does not omit the disclosure of circumstances that could affect important conclusions to be made from such information;
- (c) does not omit the disclosure of any information that is material for the assessment of the Bonds, the Issuer and the Guarantor.

In this declaration all capitalised terms and expressions shall, unless otherwise defined, have the meanings attributed to such terms and expressions in the Information Memorandum (including by reference to any other document).

Budapest, 11 March 2021



**Futureal Development Holding Ingatlanforgalmazó
Korlátolt Felelősségű Társaság**

Tibor Tatár

Managing director

2 AUDITORS

The independent auditors of the Issuer are PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (registered seat: 1055 Budapest, Bajcsy-Zsilinszky út 78.) and Márton Kalavszky (registration number with Chamber of Hungarian Auditors: 007413).

PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (registered seat: 1055 Budapest, Bajcsy-Zsilinszky út 78.) and Pál Tímár (registration number with Chamber of Hungarian Auditors: 002527) were the auditors of the Issuer from 31 August 2017 to 31 May 2020, and the latter was personally responsible for the Issuer's audit (of the Issuer Separate Financial Statements and the Issuer Consolidated Financial Statements).

PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság, Pál Tímár, and Márton Kalavszky are members of the Chamber of Hungarian Auditors (*Magyar Könyvvizsgálói Kamara*).

PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság have audited, without qualification, the Issuer Separate Financial Statements and the Issuer Consolidated Financial Statements in accordance with Hungarian National Standard on Auditing and with applicable laws and regulations in force in Hungary.

The Issuer's auditors are independent of the Issuer and the Futureal Group (including the Guarantor) in accordance with the applicable laws of Hungary and have been mandated and appointed as auditors from the date of incorporation of the Issuer until 31 May 2023.

The independent auditor of the Guarantor is PricewaterhouseCoopers Accountants N.V. (registered seat: Thomas R. Malthusstraat 5 1066JR Amsterdam).

The Guarantor's auditor is independent of the Guarantor and the Futureal Group (including the Issuer), and appointed as auditor as of the year ending 31 December 2020 in accordance with the applicable laws of Netherlands.

3 RISK FACTORS AND RISK MANAGEMENT

Investors should carefully consider all the risk factors and other information contained in this Information Memorandum for evaluating the Issuer, its business and the Bonds before making any investment decision relating to the Bonds. The occurrence of one or more of these risk factors alone or in combination with other circumstances may have a material adverse effect on the Issuer's or the Futureal Group's business, cash flows, financial condition, and results of operations or prospects.

Even though the following risk factors cover all risks the Issuer currently believes to be material, the risks discussed below may, in retrospect, turn out not to be complete or prove not to be exhaustive and therefore may not be the only risks the Issuer is exposed to. The order in which the risks are presented below does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risks. Additional risks and uncertainties of which the Issuer is not currently aware or which it does not consider significant at present could likewise have a material adverse effect on the Issuer's or the Futureal Group's business, cash flows, financial condition, results of operations or prospects.

Moreover, it is important to note that the life-cycle of a commercial real estate project starts at purchase of a plot of land and usually finishes at handover of the last finished unit to the customers (tenants, buyers, end users, investors etc.). Typically, such process takes minimum of 2.5-3 years, but may take even much longer especially in case of multi-phased projects. It is important to understand that the Issuer or any Subsidiaries involved in developing such commercial real estate projects may be exposed at many risks and

at many potential changes in its business environment around particular projects and significantly impacting the profitability of the business as well as the Issuer's ability to repay and service its liabilities. Therefore, the following list of risks presented below shall be read with observation of not only of the expected maturity of the Bonds, but also with observation of the long-term cycle of the commercial real estate projects developed by Futureal Group.

Those Investors who have any reservations regarding the content of this Information Memorandum should contact their stockbroker, bank, lawyer, tax advisor or financial advisor. The information in this Information Memorandum is not equivalent to the professional advice from the persons mentioned above. Investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

3.1 Risks related to the real estate market

Pandemic risk

The real estate markets and Futureal Group's business may be negatively affected by the effects of the COVID-19 or other pandemic(s), however demand for some real estate asset classes – such as logistics – may benefit from it.

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, such as the COVID-19 pandemic, together with any measures aimed at mitigating a further expansion thereof, such as restrictions on travel, imposition of quarantines, prolonged closures of workplaces, or curfews or other social distancing measures, may have a material adverse effect on the global economy and international financial markets in general and on the markets in which the Futureal Group operates in particular. The implications of such outbreaks depend on a number of factors, such as the duration and spread of the respective outbreak as well as the timing, suitability and effectiveness of measures imposed by authorities, the availability of resources, including human, material, infrastructure and financial (e.g., governmental stimulus packages and/or measures introduced by central banks) required to implement effective responses to the respective situation at the international, national and regional level as well as the level of civil compliance with such measures. There is no guarantee that such measures, or a combination thereof, are effective means to combat such an outbreak and the implications resulting therefrom, which may result in an increase of credit risk, liquidity risk and operational risk for the Futureal Group.

A number of factors that are important for the Futureal Group to successfully conduct its business could be materially affected by the spread of COVID-19 or similar pandemic diseases. The social distancing measures implemented by countries around the world to slow the spread of COVID-19 could potentially result in a severe recession and financial crisis. As economic activity is drastically reduced for several months, many businesses could be forced to close, leading to a dramatic increase in unemployment. As businesses and unemployed workers no longer have the income to pay their outstanding debts, the number of defaults could significantly increase. The COVID-19 pandemic also clearly brought to light issues related to the supply chains of construction materials that in some cases may lead to shortages. Such developments could have a number of effects on Futureal Group's business, including, but not limited to, the following.

As regards Futureal Group's properties for investment sale, lower economic activity could also make it more difficult to sell properties at the price expected by Futureal Group or at all.

The measures imposed by authorities to mitigate the crisis and the resulting economic implications could have material negative effects on the valuation of real estate properties and therefore on the assets of the Futureal Group, though lower interest rates are generally positive for real estate valuations.

In the scenario of an exogenous shock such as that caused by a pandemic, an environmental catastrophe or similar, banks may reduce liquidity, which may make it difficult or impossible for Futureal Group to obtain the required construction project financing. Futureal Group mitigates this risk by careful planning of the development program, increasing its activity to obtain pre-leases, not starting any construction without contracted senior financing and keeping cash reserves (for increased equity requirements, cost overruns, etc.) to ensure that no ongoing construction ceases due to lack of financing. It is important to note, that the National Bank of Hungary has implemented appropriate measures including significant financial packages in time to avoid such freezing of banking activities in Hungary. Although the Government of Hungary has announced a moratory for several kinds of banking debt services helping borrowers to survive crisis, Futureal Group opted not to cease any of its obligations due towards the financial institutions and not to draw down any governmental crisis-subsidy financing as Futureal Group's own reserves are sufficient to bridge a certain period of challenging times. For more details of COVID-19 related government and central bank actions in Futureal Group's countries of operation please see market overviews in Section 5.7.

Post-Covid risks

The real estate markets and Futureal Group's business may be negatively affected by the long-term effects of the COVID-19 or other pandemic(s). There is an ongoing debate among real estate experts regarding the extent to which European office markets may be affected by the swift increase in distance working. Estimates of the depth of potential change vary from hardly any effect to the potential for considerable shrinkage of occupier demand.

The retail property market is also subject to potential structural changes as a result of the pandemic. The growth of online shopping during lock-downs might have permanently changed consumer habits as regards as of how to shop and what to buy. The potential increase in home working days might geographically change where office workers tend to do the bulk of their shopping, therefore reducing the natural customer base of retail units within office developments.

However, some asset classes – like logistics – may take benefit from the same structural shifts in the post-pandemic world. Supply chains might be shortened and larger inventories might be built-up by producers and retailers, increasing the need for warehousing space to satisfy both offline and online demand.

Potential effect of economic recession, turn of the credit cycle

A potential economic recession or negative developments in the credit cycle may cause a drop or even a pause in commercial real estate development. In addition, activity in the property investment markets may slow down or freeze. Turbulence in financial markets, especially the credit markets, may also have a direct effect on the Issuer's or the Futureal Group's profitability and cash-flows.

These factors could cause fluctuations in rental income, operating expenses, occupancy rate, and/or the value of the properties, causing a negative effect on the operating returns derived from properties. The value of properties may also be significantly diminished in the event of a downturn in real estate prices. Such a decrease in rental income, increase in operating expenses and decrease in the occupancy rate or in the value of the properties could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Cyclicality of commercial real estate markets

Despite the fact that the Issuer's and the Futureal Group's risk profile is strengthened by the geographical diversification of the commercial real estate development or re-development operation currently in 3 major

European cities (Budapest-Hungary, Warsaw-Poland, and Glasgow-UK), the commercial real estate development markets are cyclical historically in all the Futureal Group's countries of operation. In addition to that Budapest-Hungary is a predominant location of the operation. The output of new buildings completed each year has varied from year to year, depending on, among other things, general macro-economic factors, changes in the demographics of specific areas, fluctuations in the volume of purchase power (special effect on retail schemes), availability of financing, demand for leasable space, employment level, availability of development land plots and redevelopment opportunities and their price levels. Typically, growing demand by commercial real estate tenants and institutional investor demands for quality investment products results in an increase of margins of real estate developers and an increase in the number of new projects. An upturn in the market is typically followed by a downturn as new developers are deterred from commencing new projects due to reduced profit margins. This market cyclicity may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer or the Futureal Group.

The COVID-19 pandemic presents a unique challenge of downturns occurring simultaneously across all selected markets of Futureal Group's development business, and is therefore addressed separately as a risk factor.

Futureal Group's operational diversification across commercial real estate asset classes helps to smoothen the volatility caused by the different cyclicity as well as flexibility in acquisition strategy by carefully adjusting volumes of development land acquisitions, investments into standing value-add schemes or income generating core assets.

The fair value of the Group's properties may fluctuate

The fair value of the Group's investment properties is inherently uncertain due to the individual nature of each property and the characteristics of the local, regional and national real estate markets. The fair value is influenced by several factors, such as general and local economic conditions, interest rates, inflation expectations, current and future market rent levels, currency fluctuations, vacancy rates, property investors' yield requirements and competition.

The valuation of investment property is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property, the expected expenses, subsidies, capital expenditures and, in the case of development land, the expectations as to the cost and timing of that development and its ability to attract tenants.

As a result, the valuations of investment property, which account for the vast majority of the Group's assets, will be subject to a high degree of uncertainty and will be made on the basis of assumptions, which may not prove to be accurate, particularly in periods of volatility or low transaction volume in the real estate property market.

The fair values as determined by external, independent real estate valuation experts use all available information from reliable sources in developing appropriate assumptions to determine the fair value of investment properties.

A reduction of the market value of a property based on such a valuation analysis could have an adverse effect, among other things, on the Group's value of its total assets and its profitability. As a result, fluctuations in the valuation of the Group's properties could have a material adverse effect on the Group's business, financial condition, prospects, results of operations and execution of its strategy.

The Group is subject to the counterparty risk of its tenants

The creditworthiness of a tenant can decline over the short or medium term, for example as a result of change in the economic environment or the COVID-19 pandemic, leading to a risk that the tenant will become insolvent or be otherwise unable to meet its obligations under the lease. In particular, the government-imposed trading restrictions in response to the evolving COVID-19 pandemic in the Group's areas of operations, have a negative impact on the Group's tenants and their profitability which could have a direct impact on the earnings of the Group, as some tenants' rent is based on the turnover generated.

If a tenant seeks bankruptcy protection, the Group may be subject to delays in receipt of rental and other contractual payments, if it is able to collect such payments at all, and the Group may not be able to secure vacant possession of the property without a court order, thus preventing the Group from re-letting that property to a new tenant. The Group may not be able to limit its potential loss of revenues from tenants who are unable to make their lease payments. The Group's credit losses may increase in the future. Any significant credit losses could have a material adverse effect on the Group's business, financial condition, cash flows, prospects and results of operations.

The financial performance of the Group is subject to the Group's ability to secure initial tenants, rent renewals or re-lettings and manage lease expiries

The financial performance of the Group is subject to the Group's ability to secure initial tenants, rent renewals or re-lettings and manage lease expiries which are reflected in the occupancy rates of the Group's properties. The Group's ability to manage occupancy rates is also dependent upon its ability to attract tenants, the remaining term of the Group's lease agreements, the financial position of its current tenants and the attractiveness of properties to current and prospective tenants. As such the evolving COVID-19 situation could have a negative impact on the Group's ability to attract tenants, the remaining term of the Group's lease agreements, the financial position of its current tenants and the attractiveness of properties to current and prospective tenants.

In order to retain current tenants or attract new tenants the Group may be required to offer lease incentives such as reductions in rent, capital expenditure programs, rent clauses based on turnover rent, gross rentals and other terms in its lease agreements that make such leases less favorable to the Group. Some of the Group's lease agreements provide for break clauses after an initial tenancy period of five to fifteen years. It is possible that some of the tenants may choose to exercise their rights under the respective break clauses and terminate their leases early.

In addition, the Group may not be successful in maintaining or increasing occupancy rates or successfully negotiating favorable terms and conditions in relation to its lease agreements. A failure to do so could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to risks related to capex, maintenance, and repair of properties.

The Group is required to maintain the properties in the portfolio of the Group in good condition, based not only on the requirements of law and its obligations under the relevant lease agreements, but also based on the quality of similar properties in the relevant regions of the portfolio. The Group performs maintenance and repairs, as well as invests capex, in its properties for many reasons, including amongst others to increase value or in order to avoid loss of value and to maintain demand for its properties. Modernisation, refurbishment and capex for the Group's properties may also be necessary in order to increase their appeal or to meet changing legal requirements, such as provisions relating to modernisation and energy savings and health requirements.

These costs may increase substantially as a result of many factors, such as increased costs of materials, increased labour costs, increased energy costs, bad weather conditions, unexpected safety requirements or unforeseen complexities and developments at the building site. The Group may be unable to undertake work on its properties in a timely fashion or at all for many reasons, including lack of a skilled labour force, bad weather conditions or the failure of contractors or subcontractors to adhere to agreed-upon time schedules or continue as going concerns during the course of necessary work. Further, necessary building or other permits may be delayed or denied, or only issued subject to further restrictions or with fewer rights than anticipated by the Group. The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations and net profits.

Political and economic risk

The Issuer and Futureal Group carries out the vast majority of its activities in Hungary, diversifying only recently to Warsaw (PL) and Glasgow (UK), as well as assessing the potential of other Western European cities. Investors purchasing bonds in companies operating in diverse markets should be aware of the various political and economic risks. CEE region may be subject to various risks, which may include instability or changes in national or local government authorities, land expropriation, changes in taxation legislation or regulation, changes to business practices or customs, changes to laws and regulations relating to currency repatriation. At the same time, mature markets like the market of the UK may be exposed to a special risk environment due to special circumstances like the post-Brexit situation and ongoing debate surrounding Scottish independence which – on the other hand – may create unique opportunities for business.

The differing financial conditions of the property development sectors in Futureal Group's current and potential markets and the financial condition of the Issuer, are linked with many economic factors, such as changes in GDP, inflation, unemployment, currency rates and interest rates, and availability of credit. These risks are difficult to quantify or predict, however any future adverse changes in one or more of these factors could result in a fall in the demand for leasable space (development) and commercial investment products, which could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer especially if these effects occur simultaneously in all of the Issuer's markets. COVID-19 did have an adverse effect and the appearance of a similar pandemic or other healthcare or environmental crises in the future may significantly affect some of the asset classes Futureal Group operates within.

Regulatory risk

The potential for an unforeseen national and/or governmental decision or legislation that would have a negative effect on the permitting process, construction conditions, customer financing, and sales or leasing, and, consequently, affecting the profitability of the Issuer's business and its liquidity position cannot be fully eliminated in any of the Issuer's target markets. In extreme crisis situations governments may implement temporary or long-lasting measures that can adversely affect contractual relationships and civil contracts.

Any central or local regulations may also have a positive or negative effect on the Issuer's business, on the investment transactions or rental price levels.

The Group may be subject to litigation, administrative proceedings and similar claims

The Group may be subject to various administrative and legal proceedings. These proceedings, even for routine matters, can be lengthy and expensive and involve substantial resources at the Group. In addition, larger or unexpected proceedings may distract or delay management from implementing the Group's business strategy. The Group may also be subject to litigation in connection with agreements entered into

relating to the purchase and/or sale of property, interests in companies or other assets, or other activities of the Group. It is impossible for the Group to predict if and when significant litigation or administrative or legal proceedings may occur. The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Tax related risks

The activities of Futureal Group are subject to tax at various rates. Action by governments to increase effective tax rates or to impose additional taxes, interpret the taxation of certain arrangements may reduce the profitability of the Futureal Group.

Futureal Group's overall tax risk is limited as its activity is diversified to a few markets, nevertheless any adverse change in any market may have an adverse impact on the profitability of the Issuer. In addition, the preferential tax treatment of investment funds, REITs and the tax treatment of international corporate and funding structures may also change adversely, or may be interpreted by the tax authorities in a different manner than in the past or then existing tax opinions.

Changes in the local property-, transfer-, trading- and/or any other taxes or general industrial penalties potentially imposed or increased by the relevant local authorities, municipalities may have also a direct effect on Futureal Group's profitability.

Exchange rate risk

The Issuer invests its free resources into developments or standing assets usually in EUR or in local currency pegged to EUR. However, in some cases transactions may involve exposure to local currency (such as transactions and business conducted on a Pound sterling basis in the UK) which may make the Issuer's ability to service its corporate debt denominated in Hungarian Forint exposed to currency exchange rate risk. In the scenario of a potential appreciation of Hungarian Forint versus the Pound sterling of Euro, the ability of the Issuer (dependent on the profitability and liquidity of its Subsidiaries) to repay its debt denominated in Hungarian Forint may be negatively impacted. The Issuer may be indirectly affected by significant exchange rate fluctuation through its exposure to rent paying tenants whose businesses are conducted in local currency but who pay their rent in Euro.

Shortage of properly qualified labor force and materials

Global real estate development markets are exposed to the volume and quality of the available engineering expertise and professional construction workforce and in more limited cases, supply of materials.

In Hungary the 2008 sub-prime economic crises had a deep impact on the construction industry: cca. 30% of the general contracting companies went bankrupt or ceased operations, while qualified labor either moved to Western-European markets or changed profession further decreasing construction capacities in Hungary. After the renewal of demand for professional construction capacity in 2015 following a significant increase in the volume of public and private developments, a shortage in qualified labor force was experienced especially in Budapest.

The Warsaw development market faced similar dynamics of a migration of construction professionals to Western-Europe, however this has been balanced with the immigration of construction workers from Ukraine. Further onward migration of Ukrainian workers towards Western-Europe may cause a shortage and thus increases in price in local CEE markets. The flow of labor however is also affected in the opposite direction by the pandemic and political uncertainty caused for example by Brexit.

The UK labor market was a beneficiary of the workforce flows prior to Brexit, however that trend subsequently reversed leading to an outflow of East-European citizens back to their home countries.

Starting in 2021 many European governments plan to boost their local economies by direct infrastructure investments and/or by stimulating real estate investment and development. This might increase construction industry demand. In Hungary, particularly, the Government introduced a temporary VAT decrease on residential sales VAT (from 27% down to 5%) which is expected to considerably increase residential development activity from the 2nd half of 2021. The growing number of public constructions and private developments might create a surge in the utilization of existing construction capacity and therefore an increase in construction costs.

The lack of a sufficient number of workers and their increased costs in target countries may result in increased budget costs and delays in construction, and consequently may have a material adverse effect on the business, cash flows, financial condition, and results of operations or prospects of the Issuer.

Safety measures – especially limitations in social distancing, travelling, mandatory and/or self-quarantine, lock-ups - introduced by European countries during the COVID-19 crises led quickly to a situation where workforces operating abroad returned to home countries increasing the supply in local labor markets. Nevertheless, the direction of the workflow can change again as the situation reverts or approaches to normal. These movements show the sensitivity of Futureal Group's industry to labor markets. The Issuer mitigates the risk of fluctuations in capacity of properly qualified labor by creating long term and reliable relationships with its construction partners

The COVID-19 pandemic also clearly brought to light issues related to the supply chains of construction materials that in some cases may lead to shortages. Futureal Group mitigates the risks of potential shocks in supply chains by maintaining and constantly developing multiple material supply channels as well as by ordering in timely manner. This however might create slightly increased financing needs in the form of extended-time deposits and advance payments.

3.2 Risks related to the operation of Futureal Group

Futureal Group may be unable to sell or lease out commercial real estate properties at budgeted or projected rents / prices

Futureal Group may be unable to fully lease out and/ or sell to end investors its developments at attractive valuations. The value of a commercial real estate property depends to a large extent on its location, architectural design and standard of construction, financial and environmental sustainability, and especially the quality of the lease agreements which are the basis of the income generating ability of the scheme. If any of the development projects is required to reduce the rental fees to attract tenants or any other important lease terms and conditions are needed to be compromised, the market value of the property could be significantly reduced and the development project margins could decrease. The failure to sell or fully lease out the commercial real estate developments at attractive prices may have a material adverse effect on the Issuer's business, cash flows, financial condition, results of operations or prospects of the Issuer.

Any member of the Futureal Group may be unable to acquire further land at competitive prices and to identify profitable development projects

The successful growth and profitability of the Issuer is dependent, in particular, on the ability to acquire good development sites at competitive prices and their appropriate development. The acquisition of sites for development may be difficult for reasons such as competition in the real estate market, the slow process

of obtaining permits, the absence of local zoning plans and the limited availability of land with the appropriate infrastructure. These factors could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer. The Issuer mitigates this risk by targeting to increase its constant rental income generating quality standing asset portfolio as well as acquiring carefully selected standing assets for value-added / redevelopment purposes. Furthermore, the Issuer and its sister company, Cordia, has a unique mix of development skills in multiple real estate segments, which increases Futureal Group's capability to buy high complexity projects or large land parcels of district scale, such as Corvin Promenade or Marina City.

Futureal Group faces significant competition from other developers

Futureal Group faces significant competition from other developers. Competition may lead, among other things, either to an over-supply of commercial real estate properties through over-development or to an increase in land prices. Such competition may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

The Issuer may mitigate this risk to some extent by directing its resources and investments to the markets less penetrated by its competitors, leveraging on its unique experience in urban redevelopments with multiple asset classes (retail, office, entertainment and residential – together with the Issuer's sister company Cordia International Zrt. (tax ID: 25558098-2-42; "Cordia")) in place. Moreover, the Issuer is able to take advantage of its significant financial and other resources, focusing on development of more demanding and challenging projects, which may not appeal to less experienced developers and those in a weaker financial position.

The Issuer's profits are dependent on the conditions of the respective commercial real estate markets

Even though the pre-lease and construction progress of currently on-going projects are progressing to plan, a sudden stop in the markets may slow down Futureal Group's profit generation pace and harm Futureal Group's liquidity. Among others, this is a reason why the Issuer decided to focus on developing a high-quality income generating asset portfolio unless market conditions result in potential exit pricing that well exceed original expectations.

The Issuer is dependent on key management personnel

The Issuer is dependent on senior members of the management, especially the members of the management board. The departure of any member of the management board could have an adverse effect on the ability of the Issuer to conduct its activities and, as a result, could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Futureal Group's activities are dependent on contractors

The Subsidiaries use specialist construction companies for most of the construction work on their various projects. Neither the Issuer nor the Subsidiaries can guarantee the correct and timely performance of the contracted works by the contractors. This may cause delays in the completion of individual projects and consequently increase the costs of their completion. Moreover, contractors may develop liquidity problems which may affect the quality and timely completion of the works commissioned by Futureal Group. In extreme cases this may lead to the contractor stopping work altogether and the necessity to replace the contractor. Consequently, all the delays and costs associated with a change of contractor may adversely affect the profitability of a given project. Any such event may have a material adverse effect on the business,

cash flows, financial condition, results of operations or prospects of the Issuer.

Risks related to administrative consents

The Issuer cannot guarantee that any permits, consents or permissions required from various government or municipality / local / other entities in connection with existing or new development projects will be obtained by Futureal Group members in a timely manner or, what is less likely, will be obtained at all, or that any current or future permits, consents or permissions will not be withdrawn. A failure to obtain the required consents, or their withdrawal, may have an adverse effect on the value of the property, which could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer. In order to mitigate the above risks, Futureal Group always calculates adequate time in the project phase to obtain the necessary permits, the requests to obtain the permits are always well prepared and grounded and Futureal Group maintains a good, professional relationship with the relevant authorities.

Futureal Group's business is exposed to the risk of non-compliance with building permits and other regulations as regards the construction of buildings. It is possible, that the required building permits will be issued with delay. If such permits are issued with delay, or are issued only subject to conditions, this can lead to substantial delays of the completion of the properties and may result in higher than projected costs and lower income.

Risk relating to new zoning plans, building permits and building rights

There is a risk that zoning plans or building permit plans necessary for Futureal Group's projects will not be adopted by the municipality or that Futureal Group will not receive a final approval of these plans within the prescribed time period or that the permits will contain conditions that Futureal Group must satisfy in order to develop the project. Opposition by local residents to zoning and/or building permit applications may also cause considerable delays. Changing building regulations might lead to increasing construction costs. If any of the described risks would materialise, it could have a material negative impact on Futureal Group's operations, earnings and financial position.

Futureal Group may incur environmental liabilities

Properties owned, developed or acquired by Futureal Group may contain ground contamination, hazardous substances, wartime relics and/or other residual pollution and environmental risks. Futureal Group would bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances, wartime relics or other residual pollution. Moreover, even the mere suspicion of the existence of ground contamination, hazardous materials, wartime relics or other residual pollution can negatively affect the value of a property. The Issuer has a long history of acquiring vacant land and improved real estate after running proper due-diligence processes. However, the risk of environmental damages can not be fully eliminated.

Futureal Group may be faced with archaeological findings on historic sites

During the development phase of a project, Futureal Group may be faced with archaeological findings or be faced with building restrictions on historic sites. Such findings and restrictions will in most cases lead to a substantial delay in the development of a project and may have an adverse effect on the costs involved with such project.

The Issuer may incur material losses in excess of insurance pay-outs

It is a Futureal Group policy to adequately insure the projects under and following the construction. However, the buildings developed and held by Futureal Group could suffer physical damage caused by fire or other causes, resulting in losses which may not be fully compensated by insurance. In addition, there are certain types of risks that may be uninsurable.

Should an uninsured loss or a loss in excess of insured limits occur, Futureal Group could suffer a loss in the value of an investment in the affected development as well as the anticipated future revenue from that development. Futureal Group could also be liable for the repair of the damage caused by the risk which is not covered by the insurance. In addition, Futureal Group may be obliged to continue servicing the debt associated with the damaged development project. This may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Futureal Group is exposed to the risk of impairments of its reputation

The business model of Futureal Group is based on its reliability, professional excellence and good reputation. Futureal Group is subject to laws and regulations relating to several areas such as environment, health and safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment and data protection. Such laws and regulations may be subject to change and interpretation. Any failure to comply with applicable laws and regulations that may change over time, may lead to administrative procedures and may result in negative publicity harming Futureal Group's business and reputation. Such negative publicity may cause business partners and purchasers of Futureal Group to distance themselves from a relationship with Futureal Group. Furthermore, harm to the reputation could impair Futureal Group's ability to raise capital and bank financing on favourable terms or at all.

The fair value of Futureal Group's real estate assets may be harmed by certain factors

Certain circumstances may affect the fair value of Futureal Group's real estate assets, including, among other things, (i) the absence of, or modifications to, permits or approvals required for the construction and/or operation of any real estate asset; (ii) the commercial real estate properties may be exposed to a risk of demands for leased space being significantly lower than otherwise might be the case; (iii) delays in completion of works beyond the anticipated target, may adversely affect Futureal Group's results of operations and cash flows; and (iv) lawsuits that are pending, whether or not Futureal Group is a party thereto, may have a significant impact on its real estate assets.

Specific risks related to specific projects

Etele Plaza – shopping centre development

Etele Plaza is scheduled for opening in October 2021. The construction of the shell & core building is well advanced and is in the occupancy permitting phase. However, there is a risk that tenant fit-out works, to be performed by tenants themselves, might be slowed by an accelerating construction industry due to several government programs aimed on invigorating the residential market. To come around this potential risk the Issuer agreed with the contractor, Pedrano Construction Hungary Kft., to start securing fit-out capacity for Q3 2021.

The leasing status of Etele Plaza is also well advanced and even during the two lock-downs several major lease agreements were signed or at least business terms were agreed. However, there was an apparent slowdown in securing small tenants in the 2nd half of 2020. This might be due to local tenants becoming uncertain about the lasting impact of the Covid-19 pandemic. The leasing team of Futureal Group implemented several actions to regain the speed of the leasing, including regular site visits for retailers,

establishing direct contacts between retailers and banks for fit-out financing, introducing step-rents for the first 1-2 year of operation that were anyway in the original business plan although not frequently applied so far.

As for any new shopping centre, the first year in operation of Etele Plaza is significant in determining the long-term success of the shopping centre. For the development phase Futureal Group assembled the most experienced project team available on the Hungarian market, many members joined from competing shopping centres. The management is dedicated to preserve this team for the operating phase as well.

Budapest ONE phase 2&3 – office development

As of Q1 2021 the concrete structure is being constructed, therefore, the project carries ordinary construction and occupancy permitting risk. This risk is mitigated by the joint team of Futureal Group and Pedrano Group construction experts with extensive professional experience.

Both development phases of Budapest ONE are approximately 50% leased. This leaves the two phases jointly with approximately 18K sqm vacant space which can be considered substantial in a changing office market. However, the two major lease agreements with Vodafone Hungary and British Telecom were signed during the Covid-19 pandemic with both tenants down-scaling their office needs to a minimum level.

Bank financing is under negotiation for both phase 2&3. Since several offers were received and certain offers were advanced to a mutual understanding of relevant conditions, Futureal Group's debt financing team is sufficiently optimistic in closing a deal. In case of any unexpected turmoil on the financial markets project financing might be at risk.

Corvin Innovation Campus phase 1&2 - office development

As of Q1 2021 the project is in the deep-construction phase and tenders for the structural construction are being processed. At this early stage the project bears increased but not irregular construction risk related to the potential crack of neighboring buildings and unexplored sub-soil difficulties.

There is no pre-lease secured for this project, yet. Since the cca. 100K sqm completed office area on the Corvin Promenade is literally 100% leased, it is not overly optimistic to assume strong occupier attention for this project. Leasing terms might slightly deteriorate compared to before-Covid conditions, but Corvin Promenade has a 10 years history of over-performing the rest of the Budapest market due its unique attributes.

Since there is no pre-lease there is no bank financing either. Technically the project is phased into two parts so that even a medium size tenant of 5-6K sqm makes phase 1 feasible for financing banks.

Marina City – multi-purpose development

Marina City is a major urban development project with multiple use, mostly office and residential. The project was obtained in 2020 and it is in the concept design phase. In this early stage of such a major urban development there are a number of potential risks to be identified, none of which is out of the ordinary, except for the fact that part of the development area is officially a flood area and a dam along the Danube bay needs to be constructed. When purchasing the project Futureal Group was aware of this obligation, cost and timeframe were considered. It has to be noted, that Futureal Group has a proven history of city scale multi-purpose projects including Corvin Promenade and South Buda City Center. The key staff who worked through these two successful projects are still honored experts of Futureal Group.

Acquisition / expansion risks

The Issuer targets to expand its activities by a number of means including acquisitions of development land parcels, portfolios of that, potentially also other developers and step-by-step by acquiring income producing standing core assets. A takeover of other companies may potentially generate higher return than regular commercial real estate developments however simultaneously require more effort on the side of the Issuer relating to integration of operations as well as requiring that all corporate and other risks relating to the acquired company are properly addressed in the transaction parameters. Acquisitions of standing core assets, generating sustainable rental income may require significant senior financing which increases the indebtedness of Futureal Group.

The operating and other costs may increase

Factors which could increase operating and other costs include: inflation (of construction costs, land prices, wages); increases in taxes and other statutory charges; changes in the law, regulations or government policies (including those relating to health and safety at work and environmental protection) which increase the costs of compliance with such laws, regulations or policies; and increases in the cost of borrowing. In light of the growing competition in the real estate markets of the Issuer's operation the Issuer could also be faced with increased marketing costs. Any material increase in the Issuer's operating costs may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Futureal Group companies and other entities have entered into, and will enter into, construction agreements with general contractors to build the development projects. The costs of these projects – despite the Issuer's practice that assumes execution of fixed-price contracts – can still vary due to: changes in the scope of a given project and in its architectural design; substantial increases in the cost of building materials and of labour costs which are not properly forecast or budgeted by the contractors; the contractors not completing the works within the agreed term and to a standard which is acceptable to Futureal Group. Any material increase in the project costs may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Futureal Group may be liable in connection with post-construction obligations

The respective special purpose vehicle entities (companies and funds or sub-funds, the "SPV"-s) are liable under the statutory warranty for defects of the commercial real estate properties developed by them and – when selling to end investors may need to provide certain guarantees and warranties and thus may be required to be guaranteed by the Issuer. Warranties and guarantees obtained by such special purpose vehicle entities from general contractors and other subcontractors that render the construction works or particular construction elements, allow the SPVs to transfer the contractors' obligations to the investment purchaser(s) of the properties developed. As the general contractor guarantee commences upon handover of the construction and the guarantee of the SPVs commences upon handover of the property to the investment purchaser, there may be (and usually is) a period in which the general contractor's guarantee has already run out but the warranty provided by the SPV and /or the Issuer remains in effect. Claims made during such interim period, if not fully covered under the respective insurance policy, may have a material adverse effect on the business, cash flows, financial condition, results of operation or prospects of the Issuer. Wherever is possible this risk is mitigated by applying full warranty insurance policy at investment sale transactions.

Business disruptions, operational shortcomings, system failures and internal deficiencies may expose Futureal Group to operating risk and cause it to incur losses

The term operating risk refers mainly to the risk of financial consequences and consequences related to the loss of trust which may ensue from shortcomings in internal routines and systems, including IT systems. The risk also includes legal risks and risks within regulatory compliance. The handling of operating risks is aimed at identifying, assessing, monitoring and reducing those risks. The risks are handled based on the expected consequences and the degree of probability that they could occur. Internal directives and guidelines form the basis of risk management within Futureal Group. Corporate culture is critical in ensuring that internal controls are a normal and necessary operating prerequisite.

All operational activities are associated with the risk of incurring losses due to deficient routines and/or the business being detrimentally affected by disruptions caused by shortcomings or internal or external events. Operational certainty, achieved through sound internal control, appropriate administrative systems and access to reliable valuation and risk models, is required to mitigate such risks and reduce the risk to Futureal Group's administrative security and control. However, business disruptions and shortcomings in operational security may have a material adverse impact on Futureal Group's operations, financial position and earnings.

Risks related to the Equity Plan

Certain employees, key officers, and long-time advisors (or their related parties) of Futureal Group, that are not Controlling Shareholders (as defined below in paragraph 11 (*Issuer's Undertakings*) of Section 4 (*Terms and Conditions of the Bonds*)) or their close relatives (in Hungarian: "közeli hozzátartozó") within the meaning of Paragraph 1 of Section 8:1 of the Civil Code, receive Equity Plan payments (as defined below in paragraph 11 (*Issuer's Undertakings*) of Section 4 (*Terms and Conditions of the Bonds*)). The Equity Plan is paid out through an asset management entity (the "**Equity Plan Paying Entity**"). The Equity Plan Paying Entity is funded by dividends paid by Futureal Real Estate Holding Ltd. ("**FREH**") (part of Futureal Group) to Futureal Investments Ltd. (an intermediate entity, not consolidated under the Guarantor, but currently held by the same beneficial owners that of the Futureal Group) which, in return, pays dividends to the Equity Plan Paying Entity. The dividends paid by FREH qualify as dividend payments in respect of FREH's separate financial statements, however such funds are recorded in the consolidated account of the Guarantor (i.e. of Futureal Group) as costs. Equity Plan related payments are not limited by the overall profitability of Futureal Group and, therefore, such Equity Plan may also be paid, for example, if Futureal Group would have an overall annual consolidated loss.

3.3 Risks related to the financial condition of Futureal Group

Financing related risk

Futureal Group's operations are financed through equity and interest-bearing debts and loans. As a consequence, the Issuer is exposed to the risk of changes in market interest rates, credit availability loan costs and margins, equity and pre-lease requirements. Increased interest expenses, higher equity requirements, lower funding limits, lower credit availability may have a material adverse impact on Futureal Group's operations, financial position and earnings.

Concerning bank financing, Futureal Group's projects are financed by different prominent banking partners. A long-term relationship is maintained with these partners, which has allowed as of now the Issuer not to deal with potential financing or liquidity problems. However, the Issuer cannot guarantee that it will always be able to procure funding at all or at commercially attractive rates and with reasonable equity and pre-lease requirements. Furthermore, Futureal Group may need to refinance some or all of its indebtedness on or before maturity. Futureal Group cannot guarantee that it will be able to refinance its indebtedness at any time and at any financial market conditions. Should the Issuer not be in a position to procure additional

funds in line with its expectations, it may be forced to change its strategy and to restrict its growth and to refinance such borrowings.

In most of the cases, financed projects themselves serve as collateral for the repayment of the debt borrowed and, accordingly, credit facility agreements are typically secured by land charges, real estate mortgages and, occasionally, backed with payment guarantee by the Issuer, for example completion or cost overrun guarantees.

Refinancing of the bonds issued by the Issuer may be difficult or hindered if financial markets are frozen by that time or for whatever reasons the Issuer is unable to arrange for such refinancing.

The Group may be forced to refinance its debt or may forfeit secured assets if it fails to meet the obligations and requirements under its loan agreements

The Group's existing secured debt facilities may contain covenants, such as an obligation to maintain a maximum loan to valuation ratio, income to interest coverage ratio and minimum equity. The Group's compliance with such covenants is dependent on, amongst other things, the fair market value and income yielding capacity of its properties which are subject to fluctuations. A decline in the fair market value or net income of such properties could affect the Group's compliance with these covenants. A breach of any of the covenants contained in the Group's loan agreements could result in the acceleration of its payment obligations, the freezing of cure accounts, the forfeiture of its secured assets or make future borrowing difficult or impossible. In these circumstances, the Group could also be forced in the long term to sell some of its assets to meet its debt obligations. Any of the events described above could have a material adverse effect on the Group's business, financial condition, prospects and results of operations. The Group has never defaulted on any loan or obligation to its lenders since its foundation.

The Group may not be able to secure financing in the future

The Group operates in a sector that requires high level of capital investment for growth. The Group uses, and has used in the past, debt, together with free cash flow, to finance the Group's acquisitions. The Group's growth strategy, future investments and maturity schedule of its existing debt will create a need for new funding. The availability of financing may fluctuate over time. The factors that affect the availability of financing and financing costs and the ability to raise external bank financing could have a material adverse effect on the execution of the Group's strategy or the inability to refinance on commercially acceptable terms debt falling due in accordance with the maturity schedule of the Group's indebtedness which could in turn have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

A rise in interest levels and credit margins might increase the Group's financing costs

Changes in interest rates have a significant effect on the real estate sector. Market interest rates have declined since the global financial crisis and stayed at low levels in historical terms since then. Since 2019 interest rates for the Euro area have reached all time lows, but are generally expected to increase over time. An increase in interest rates may result in an increase in the cost of the Group's new debt financing and the Group's average interest rate level. Any increase in interest rates, the Group's interest expense or credit margins could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Access to financing of the Subsidiaries' potential clients may be limited

The high demand for office space and the increase in rents at office developments in CEE (including Hungary

and Poland) over the last several years is largely facilitated by the accelerating economy, low interest rates and the increase in the availability of credit and loans for financing. Increase in relative purchasing power of the Hungarian population drove retail turnovers beyond a 10% increase annually in the recent years thus making standing retail schemes more and more profitable. This was also supplemented by favorable customer credit facilities. Despite the demand on the purchase power side a rigorous restriction hindered the development of major retail schemes in Hungary in the last decade due to the national regulation of the so called "Plaza Stop". Futureal Group has managed to obtain all necessary consents and permissions to develop Etele Plaza in district 11, Budapest making a unique chance to offer the market a state-of-the-art retail hub.

An increase in interest rates, reduction in credit availability, increase in equity requirements, deterioration in the economic situation of the commercial real estate markets or administrative restrictions on the ability of banks to grant credits and loans to office and retail tenants as well as customer credits may result in a fall in the demand for commercial property spaces for lease.

3.4 Risks related to the company structure

Special ownership and control structure of the Issuer's Dutch management partnership and its proportional consolidation

The majority of the projects carried out by Futureal Group are managed by FR Management Partnership C.V. (a limited partnership registered in the Netherlands) ("**FMPCV**") as well as Futureal Management Kft. ("**FutMan**"). FutMan is (indirectly) 100% owned and controlled by the Issuer. FMPCV is a limited partnership where the Guarantor has control over the general partner of FMPCV (which is a 100% Dutch subsidiary of the Guarantor) and such general partner holds only 1% of the economic interests in FMPCV. FMPCV's limited partners (holding 99% of the economic interests) are not members of Futureal Group. The financial statements of FMPCV is partially consolidated into Futureal Group due to applicable IFRS proportional consolidation rules, which reflects the 1% indirect shareholding by the Guarantor.

All fees paid and payable by Futureal Group developments and standing investments to the above service provider companies are reflected in the consolidated reports but vast majority (99%) of the revenues at the service provider's side are not. Issuer considers these fees as arms-length management fees verified in multiple cases by the project financing banks.

Business relationships with related parties of the majority shareholders

The original operation of Futureal Group has historically been within the corporate group of Futureal Property Group Ingatlanforgalmazó Kft. together with Cordia International Zrt. and its subsidiaries ("**Cordia Group**") which has recently been separated to operate as an independent entity focusing on residential developments with separate corporate structure and separate organization.

In the view of the Issuer, the cooperation of Futureal Group and Cordia Group in certain projects (for example in mixed-use projects like Corvin Promenade and future Marina City) and certain functions (like aggregating purchasing, deal sourcing and due diligence) is mutually advantageous. In addition, internationally, Issuer's management companies and Cordia's management companies may, from time to time provide certain services to each other on an arm's-length basis in order to optimize costs or use special capabilities. Cordia is a corporate group also owned by the Futó Family engaged in residential real estate development and of which the Issuer's founder is also a member.

In the Etele Plaza project as described in Section 5.6.2., two significant tenants are Etele Cinema Operations

Kft. and Etele Fitness Kft.. Pursuant to the preliminary business plan regarding Etele Plaza, Etele Cinema Operations would provide 6% and Etele Fitness Kft. would provide 2% of the rental fees with which Etele Plaza is calculating at the moment. The ultimate beneficial owners of both Etele Cinema Operations Kft. and Etele Fitness Kft. are the ultimate beneficial owners of the Issuer and the Guarantor.

In addition, dr. Futóné Szántó Zsuzsanna (one of the ultimate beneficial owners of the Issuer) owns BrandArt Group, which has been providing creative and design services to Futureal Group and Cordia Group companies for close to two decades on an arm's-length basis.

Interests of the main shareholders may conflict with the interest of the holders of the Bonds

The interests of the Issuer's ultimate shareholders may, under certain circumstances, conflict with the interest of the holders of the Bonds. For example, (i) the Issuer's shareholders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to the holders of the Bonds, (ii) the Issuer may pay out Shareholder Distributions (including in the form of dividends, pre-payments of dividends, capital reductions, share buy-back, loans or loan repayments) that decrease the cash or equity of the Issuer, however, in order to reduce such potential risk, the Conditions contain financial undertakings that limit such Shareholder Distributions.

Change of control risk

The occurrence of specific change of control events may result in certain debt to be breached or become immediately payable and the Issuer may not be able to repay or repurchase such debt. The change of control may also result (on the short or longer term) in the unwinding of certain partnerships relations of the Futureal Group described in the relevant sections, loss of or less support from the current main shareholders or the arrival of different controlling shareholders with different strategic approach. These potential events or even the forced repayment/repurchase may have a material negative impact on Futureal Group's operations, earnings and financial position.

The developments are carried out in special purpose vehicle entities

The Issuer does not directly own real estate projects. Projects are generally carried out in separate limited liability special purpose vehicles (the "SPVs", companies and funds or sub-funds) in order to allow for separate lenders for each project, avoid cross-collateralization and to compartmentalize project level risk. Generally, the Issuer holds these SPVs indirectly through holding vehicles.

The Issuer has currently no significant assets other than the equity interests in and loans given to its Subsidiaries. As a result, the Issuer's ability to make required payments under the Bonds depends on the performance of its subsidiaries and their ability to distribute funds to it. Such cash flows will depend on the business and financial conditions of its Subsidiaries. In addition, the ability of certain Subsidiaries to pay dividends/ loan repayments and distributions may be limited by applicable laws and any indebtedness those subsidiaries have incurred. Equally, if the Issuer's Subsidiaries do not pay any dividends or distributions, or do so irregularly, the Issuer's performance may be adversely affected.

Further, on the liquidation of one of its Subsidiaries, the Issuer's right to receive repayment in respect of finance it has provided to such Subsidiary, and therefore the right of Bondholders to participate in those proceeds are structurally subordinated to the claims of the project financing bank and other creditors of that subsidiary. In addition, even if the Issuer is a creditor of any of its Subsidiaries, its rights as a creditor would be subordinated to any existing security interest in the assets of such Subsidiary.

The Issuer may have limited control over jointly-owned companies and other investment vehicles

In addition to Issuer's wholly-owned subsidiaries, the Issuer may have in the future ownerships/participations in jointly-owned holding and project entities. In certain cases, the Issuer cannot exercise sole control over these holdings and/or SPVs and their cash flows. Disputes or disagreements with any of the Issuer's joint venture partners could result in significant delays and increased costs associated with the development of Futureal Group's properties.

The Issuer's Hungarian projects are mostly constructed by Pedrano Group

Futureal Group and Cordia Group manage most of their construction projects in Hungary through Pedrano Group (Pedrano Construction Hungary Kft., Pedrano Commercial Kft., and Pedrano Homes Kft.; the "**Pedrano Group**" or "**Pedrano**") as general contractors on a fully transparent basis on cost plus fixed margin contracts, generally ensuring 6% margin for Pedrano Group. Pedrano Group acts as general contractor, manages the construction process and ensures Futureal Group's access to its wide subcontractor network, in addition it protects Futureal Group's project entities from several project level constructions related liabilities. On the other hand, Pedrano Group derives the vast majority of its revenues from Futureal Group and grants it absolute priority.

Having regard to the above close co-operation between Pedrano Group and Futureal Group, the Issuer provides – on case-by-case basis, as and when the liquidity situation of Pedrano Group makes it necessary - short term, interest free, framework loans solely for the purpose to finance Futureal Group projects in the interest to support the on time completion of the projects. Each of the loans shall be repaid until the completion and handover of the relevant Futureal Group project.

Any negative change in this relationship may have a negative impact on Futureal Group and would require it to build a specific construction management team or find a similar relationship. Any negative change in the financial standing of Pedrano Group may result in the loss of a part or the entire financing provided to Pedrano Group by the Issuer.

3.5 Risks related to the Bonds

In respect of any Bonds issued as "green bonds", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

It is the Issuer's intention to allocate the proceeds from an offer of those Bonds specifically for projects and/or activities that promote climate-friendly and other environmental purposes (either in those words or otherwise) in conjunction with Issuer's Green Bond Framework available at: <https://www.futurealgroup.com/en/futureal-holding#bonds/green-finance-framework> ("**Green Projects**"). Prospective investors should have regard to the information in the Conditions regarding such allocation of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Project). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor

market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labeled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Bonds and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Information Memorandum. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Bonds. Any such opinion or certification is only current as of the date that such opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labeled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of the Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Bonds.

While it is the intention of Futureal Group to allocate the proceeds of any Bonds so specified for Green Projects in conjunction with Issuer's Green Bond Framework, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Bonds.

Any such event or failure to apply the proceeds of the Bonds for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer

is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or the Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Bonds and also potentially the value of any other Bonds which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risk of non-performance of bond related payments resulting in event of default

The Issuer may not be able to pay coupon, amortization of principal or to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in the event of a default as set out in the Conditions. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full.

An investment in the Bonds may be subject to inflation risks

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Bonds. If the inflation rate were to increase and match or exceed the nominal yield, the real yield of the Bonds would be zero or even negative.

The Conditions do not contain a tax gross up clause

Investment in the Bonds may entail the necessity of the Bondholders paying taxes.

The Conditions do not contain a tax gross up clause related to payments to the Bondholders. If any payment on account of Bonds entails the obligation to collect and pay any tax, charge or other public imposts, the Issuer shall not be obliged to pay to the Bondholders any amounts compensating the collected taxes, charges or other public imposts, or to make any other payments.

The obligation to pay any taxes connected with acquiring, holding (in terms of any payments under the Bonds), or selling the Bonds may result in a lower than expected rate of return on the investment in the Bonds.

Changes in interest rates and credit spreads may affect the price of the Bonds

All securities such as in the present Issue, are subject to price risk. The price of such securities offering a fixed rate of interest will vary inversely with changes in prevailing interest rates (base rate plus applicable credit spread), when interest rates rise, prices of fixed income securities fall and when interest rates drop, the price increase. The extent of fall or rise in the prices is a function of the duration, existing coupon, amortization schedule, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or growing economy, but also widening of credit spreads are likely to have a negative effect on the pricing of the Bonds.

The Bonds involve high levels of risk and may not be a suitable investment for all investors

Each Investor in any Bonds must determine the suitability of that investment in light of its own circumstance. In particular, each Investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of the investing in the Bonds and the information contained in this Information Memorandum;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its

particular financial situation, and investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (d) understand thoroughly the terms of the Bonds; and
- (e) be able to evaluate (either alone or with the help of financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An Investor should not invest in the Bonds, unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the Investor's overall investment portfolio.

The Issuer may be unable to admit the Bonds to the XBond

The admission of the Bonds to trading on the XBond requires that the BSE approves the information document to be prepared and published by the Issuer. Pursuant to the terms of the BGS, the Issuer is obliged to admit the Bonds to the XBond no later than ninety (90) days from the Issue. The Issuer intends to take all the necessary steps to ensure that the Bonds are admitted to the XBond as soon as possible. However, there is no guarantee that all of the aforementioned conditions will be met and that the Bonds will be admitted to trading on the XBond on the date expected or at all.

Trading in the Bonds on the XBond may be suspended

The BSE has the right to suspend trading of the Bonds if the Issuer fails to comply with the obligations under the Applicable Laws, regulations and XBond Business Rules (specified currently in Section 12 of Chapter II and Section 17 of Chapter V of the Second Book of the XBond Business Rules). There can be no assurance that trading in the Bonds will not be suspended. However, currently the Issuer has no reasons to believe that such a suspension may occur. During the period of suspension of trading in the Bonds, investors would have no possibility to buy or sell such securities on XBond, which would have a negative impact on liquidity. Sale of the Bonds outside of XBond may be affected at substantially lower prices as compared to the most recent prices obtained in transactions carried out on the XBond, thus any suspension of trading would adversely affect the Bonds' price.

The Bonds may be deleted from the security list of the XBond

The BSE has the right to delete the Bonds from the security list of XBond if the Issuer fails to comply with the obligations under the Applicable Laws, regulations and XBond Business Rules. At the date of this Information Memorandum, such rules are set out in Section 13 of Chapter IV of the Second Book and Section 17 of Chapter V of the Second Book of the XBond Business Rules. There can be no assurance that such a situation will not occur in relation to the Bonds.

Once the Bonds are deleted from the security list of XBond the investors lose the possibility of trading in the Bonds on the XBond, which may adversely affect their liquidity. The sale of the Bonds outside the Xbond platform may be affected at substantially lower prices compared to the most recent prices obtained in transactions carried out on the XBond.

There can be no assurance that such a situation will not occur in relation to the Bonds, however, currently there is no reason to believe that such a situation will occur in the future.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of the Issuer's competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, including the credit rating (if any) of the Issuer and the trading market (supply, demand, liquidity) for the Bonds and other bonds, including the bonds issued by or on behalf of Hungary as a sovereign borrower. Any change in supply and demand for and limited liquidity of the Bonds may increase its price volatility. In addition, in recent year, the global financial markets have experienced significant crisis-driven price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's operating results or financial condition or any credit rating of the Issuer.

There is no prior market for the Bonds and therefore no assurance can be given regarding the future development of such market

The lack of a prior public market for the Bonds similar to XBond may have a negative effect on the ability of Bondholders to sell their Bonds. Therefore, there can be no assurance as to the liquidity of any trading in the Bonds or that an active market for the Bonds will develop.

The secondary market for the Bonds may be illiquid

The Bonds may be very illiquid, and so no secondary market may develop in respect thereof. Pursuant to the BGS Handout, a Market Maker will make sell and buy offers on the secondary market as a solution for the possible liquidity problems of the Bonds. However, the operation of the Market Maker does not guarantee to sell or buy the Bonds on an intended price (with the intended margin) and Investors may have to hold the Bonds until redemption to realize any value. For more information for the operation of and regulations applicable to the Market Maker please see the BGS Handout from the following link: <https://www.mnb.hu/letoltes/nkp-termektajekoztato.pdf>.

Credit risk and rating downgrade risk

The Credit Rating Agency has assigned a credit rating of BB to the Bonds on BB. According to the provisions of BGS the Credit Rating Agency will review its credit rating annually in connection with the Bonds hold by NBH until the maturity of the Bonds.

In the event of deterioration in the financial health of the Issuer, there is a possibility that the Credit Rating Agency may downgrade the rating of the Bonds or the market assessment of the credit quality of the Issuer may deteriorate. In such cases, Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the Credit Rating Agency at any time.

The Bonds are not secured by collateral asset

The Bonds will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer, guaranteed under a parent company guarantee issued by Futueral Holding B.V. (registered seat: Prins Hendriklaan 26, 1075BD Amsterdam., Netherlands; registration number: 75024012) and rank and will rank *pari passu* without any preference among themselves and as to the order of their satisfaction and at least *pari passu* with all other existing and future direct, unsecured, unconditional and unsubordinated loans,

bonds or any other borrowings of the Issuer.

The Bonds do not entitle the Bondholder to security interest in any collateral over specific assets. Given that the Bonds are not secured with specific assets, if the Issuer defaults on its obligations, Investors in the Bonds may lose some or all of their investments. The Bonds do not constitute deposits or other obligations of a depository institution and are not insured by the National Deposit Insurance Fund (*Országos Betétbiztosítási Alap*), the National Investor Protection Fund (*Befektető-védelmi Alap*), or any other governmental agency.

Also, in the future the Issuer / Futureal Group may also grant other security interests, whether collateralised or not, in connection with existing or future debt. This means that if creditors seek to collect from assets, assets that serve as collateral will be used to satisfy claims of the creditors who have collateralised claims first. It cannot be ruled out that in such a situation the value of the remaining assets intended to satisfy other creditors, including the Bondholders, may prove insufficient to satisfy their claims and hence the Bondholders may not recover the amount they invested in the Bonds, or they recover amounts lower than invested.

The Bondholders' Meeting may fail to pass some resolutions, or may pass resolutions which are contradictory to the interest of the Bondholders voting against such resolutions or not present at the Bondholders' Meeting

Decisions related to the Bonds are passed by the Bondholders' Meeting. Convening a Bondholders' Meeting requires specific actions to be taken with the support of HUF 500 million Face Value or 2.5% of all outstanding Bonds (whichever is smaller), while the decisions are carried by certain majority of the votes (for example 20% support from all outstanding Bonds is needed for the notification of the Issuer on the possibility to remedy a breach under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a), and 85% support from all outstanding Bonds is needed for agreeing to the Issuer's proposal on changing the Conditions). The Bondholders' Meeting may be unable to be called or even if called in may not pass certain resolutions if the resolution is backed by Bondholders representing less than the required number of Bonds. There is a risk that actions taken as a result of resolutions passed by the Bondholders' Meetings may conflict with the interest of the Bondholders voting against these resolutions, or those who do not attend the Bondholders' Meeting. In addition, there is a risk that Bondholders seeking adoption of a specific resolution, in particular a resolution changing the Conditions of the Bonds, may not gain the required majority of votes or there may be no quorum as required for passing such a resolution.

Accounting considerations

Special accounting considerations may apply to certain types of taxpayers. Investors are urged to consult with their own accounting advisors to determine implications of this investment.

3.6 Risk Management

The Issuer, the Subsidiaries and the management of Futureal Group – including the business, finance, technical, marketing and legal corporate bodies – are fully aware of the risks mentioned in this Information Memorandum, and are constantly reviewing, analysing and following every circumstance connected to these risks and develop and put in place appropriate internal procedures.

In order to manage and eliminate these risks, Futureal Group has a risk management system which has developed risk management strategies and processes tailored to the business of the Futureal Group. Such risk management strategies and processes are continuously updated and are particularly designed to

monitor all potential risks which may damage Futureal Group.

The Issuer and Futureal Group manages specific risks in particular (but not limited to) as follows:

| RISK | RISK MITIGATION |
|---|--|
| <i>Cyclical commercial real estate markets</i> | deepening and extending the diversification both geographically and operationally: investment into standing core- and value-added assets, entering into new asset classes (logistics) carefully selecting new markets in new cities |
| <i>Unable to acquire further land</i> | developing, maintaining and motivating the agency network, proactive search and mapping activity, searching for acquisition and other special opportunities, in co-operation with sister company, Cordia, in acquiring multi-purpose large scale projects |
| <i>Zoning risk</i> | limiting the share of lands without proper zoning, closing of land acquisitions conditioned on zoning, purchasing large, multi-phased project complexes with the upside of potential re-zoning |
| <i>Building permit risk</i> | selecting experienced and locally well reputed architects, concept always in line with the prevailing regulation, proper management of interest of the stakeholders (authorities, neighbours, city architects, media providers, etc.) |
| <i>Market risk</i> | <ul style="list-style-type: none"> • deep understanding of the markets with quarterly competitor analysis, regular market research, other indicators having effect on the market, regularly requiring agency feed-backs • active and direct leasing management • proper and efficient marketing activities with active advertisement management • constant monitoring of the property investment market developments |
| <i>Construction risk</i> | well prepared project with good quality construction design, close monitoring of the subcontractor activity payments and performances under the General Contractor, two-fold performance/quality/contract management of the contractors, including internal experts and third-party quantity surveyors, selecting contractors with proper references and in good financial status |
| <i>Bank financing risk</i> | full-cover financing for projects, non-recourse loans, limited number of or no construction starts without bank financing offer/agreement available; keeping enhanced cash reserves for freezing banking liquidity situations when and until necessary |

| | |
|-------------------------------------|--|
| Operation risk | well defined, proper processes and people management |
| Warranty risk | proper security/insurance from contractors, permanent monitoring of the warranty processes, active intervention, application of full WI policies |
| Risks of supply chain shocks | establish and maintain multiple quality material supply sources with geographical diversification; selective and well-designed increase of raw material inventories |
| COVID-19 (or other) pandemic | regional health protection and social distancing measures including – among others – strict disinfection of headquarter’s offices, home office work, providing equipment for remote work, allocate funds for safe travel if travel is inevitable, disinfection gels, masks, gloves are provided to the on-site personnel, restrictive measures relating to on-site meetings. |

4 TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions (the “**Conditions**”) of the HUF denominated, fixed interest rate, registered, unsecured, dematerialised, amortising bonds due 23 March 2031 (name: FUTUREAL 2031/I HUF Kötvény; short name: FUTURE2031; ISIN Code: HU0000360268; the “**Bonds**”), guaranteed by Futureal Holding B.V. (registered seat: Prins Hendriklaan 26, 1075BD Amsterdam., Netherlands; registration number: 75024012 ; “**Guarantor**”), which will form part of the Document (as defined below). The Bonds are issued by Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság (registered seat: 1082 Budapest, Futó utca 47-53. VII. em.; tax number: 14434459-2-42; the “**Issuer**”) by way of a public offering (in Hungarian: “*nyilvános forgalomba hozatal*”) addressed to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation (the “**Issue**”).

1 Type, Form, Kind, Title, Records and Authorisation

(a) Type

The Bonds are issued in accordance with Section 12/B of Act CXX of 2001 on the Capital Markets (the “**Capital Markets Act**”), 285/2001 (XII. 26.) Government Decree on bonds and Act V of 2013 on the Civil Code (the “**Civil Code**”) as registered debt securities.

(b) Form

The Bonds are in dematerialized and registered form. The Bonds are not issuable in bearer form.

The Issuer will, in accordance with Sections 7(2) and 9(1) of the Capital Markets Act, issue and deposit with KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (English name: KELER Ltd.; registered seat: 1074 Budapest, Rákóczi út 70-72.; company registration number: Cg.01-10-042346; tax number: 10873151-2-44; “**KELER**”) a document (the “**Document**”; in Hungarian “*Okirat*”), which does not qualify as a security, with the particulars of the Bonds. The Document will remain to be deposited with KELER, or (if applicable) KELER’s successor, as long as all claims of the Bondholders under the Bonds will be satisfied.

Should any Bonds be cancelled or further Bonds to be issued prior to the Maturity Date by the Issuer in accordance with these Conditions, the Document will be cancelled and a new Document (the “**New Document**”) with the particulars of the outstanding number of Bonds will be issued and deposited with

KELER in order to reflect the change in the number of outstanding Bonds which arises due to such cancellation or tap-issuance. These Conditions form a part of the Bonds and, accordingly, also the Document or new Document, as the case may be. This procedure shall apply accordingly in the case of amendment of Conditions pursuant to Condition 21 (*Meeting of Bondholders and Amendment of the Conditions of the Bond*).

(c) *Kind*

Each Bond is a fixed rate bond.

(d) *Title*

In accordance with Section 6:566(6) of the Civil Code and Section 138(2) of the Capital Markets Act, any reference to a "Bondholder" or the "Bondholders" in relation to any Bonds shall mean the person or persons to whose securities account the Bonds are credited until the opposite is proven (the "**Bondholder**").

The holder of any Bond who acquired the Bonds in accordance with the paragraph above will (except as otherwise required by law) be deemed and treated as its absolute owner for all purposes (whether or not any amounts payable under the Bonds has become due) and no person will be liable for so treating the holder.

Pursuant to Section 6(5) of the Capital Markets Act, the Bondholders will not be entitled to exchange the dematerialized Bonds for printed bonds (in Hungarian: "*nyomdai úton előállított kötvények*").

(e) *Records of KELER*

The records of KELER shall be evidence of the identity of the securities account managers who have Bonds credited to their securities account with KELER (the "**Securities Account Managers**") and the number of Bonds credited to the securities account of each Securities Account Manager.

(f) *Authorisation*

The issue of the Bonds has been authorised under Resolution No. 1/2021 (III. 01.) of the managing directors of the Issuer on 1 March 2021.

2 Denomination, Issue, Maturity and Rating

(a) *Number of Bonds and denomination*

The Issue consists of up to 1000 Bonds plus, subject to overallotment, an additional number of up to 100 Bonds, but a maximum number of Bonds with which the complete amount of the issuance (i.e., 1000 Bonds plus overallotment; the overallotment shall not, in any case, exceed 100 Bonds) does not exceed a Total Face Value of HUF equivalent of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction.

Each Bond is issued in Hungarian forint and with a face value of HUF 50,000,000 (fifty million Hungarian Forints) (the "**Face Value**").

Total Face Value of the Bonds is maximum HUF **50,000,000,000** (i.e., fifty billion Hungarian Forints) (plus an additional amount of up to a HUF amount with which the complete amount of the issuance (i.e., 50,000,000,000 plus overallotment; the overallotment shall not, in any case, exceed HUF 5,000,000,000) does not exceed the equivalent HUF amount of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction.

The Issuer is entitled to accept up to ten per cent (10%) overallotment with the specific restriction pursuant to which the complete amount of the issuance (i.e., 50,000,000,000 plus overallotment; the overallotment shall not, in any case, exceed HUF 5,000,000,000) does not exceed the equivalent HUF amount of EUR

150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction.

(b) *Place and date of the issue, offering and creation of the Bonds*

The place of the issue, the place of offering (in Hungarian: "forgalomba hozatal") and the place of creation of the Bonds (in Hungarian: "kiállítás és keletkeztetés") are in each case: Budapest, Hungary.

The Bonds are issued within the framework of a public offering through auction process.

The issue of the Bonds will take place on 23 March 2021 (the "Issue Date").

(c) *Term of the Bonds*

The term of the Bonds is a ten-year period commencing on the Issue Date and ending on 23 March 2031 (the "Maturity Date").

(d) *Rating*

The Bonds were rated BB by Scope Ratings GmbH (registered seat: Lennéstraße 5., 10785 Berlin, Germany) as published on 16 February 2021.

3 Status and Ranking of the Bonds

The obligations under the Bonds will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer, guaranteed by a parent company guarantee issued by the Guarantor.

The Bonds will rank *pari passu* without any preference among themselves and as to the order of their satisfaction and at least *pari passu* to all other direct, unsecured, unconditional and unsubordinated bonds, loans or any other borrowings of the Issuer, present and future, unless otherwise provided for under the mandatory provisions of statutory law in the case of insolvency procedure.

The Guarantee will rank *pari passu* without any preference among the Guarantor's liabilities outstanding under the Guarantee towards the holders of the Bonds and as to the order of their satisfaction and at least *pari passu* to all other direct, unsecured, unconditional and unsubordinated bonds, loans or any other borrowings of the Guarantor, present and future, unless otherwise provided for under the mandatory provisions of statutory law in the case of insolvency procedure.

4 Transferability

The Bonds will be transferable by debiting the seller's securities account and crediting the buyer's securities account in accordance with the rules and procedures for the time being of KELER.

The Issuer does not restrict the transfer of the Bonds other than as set out in this Condition.

The rules and procedures for the time being of KELER may specify limitations and closed periods in relation to the transfer of the Bonds between the respective securities accounts of the relevant Securities Account Managers which shall apply to, and be binding on, the Bondholders.

No rights of exchange or pre-emption rights (in Hungarian: "elővásárlási jog") are attached to the Bonds.

5 Coupon

(a) *Coupon*

Each Bond bears a coupon of 4% per annum, with annual coupon payments on the Amortized Face Value and payable on the Coupon Payment Date using actual/actual day count convention. **Amortized Face Value**

means the amount of the Face Value decreased with the aggregate amount of all Amortization Amounts already paid by the Issuer before the respective Coupon Payment Date.

The Issuer shall be entitled to unilaterally (permanently, temporarily and/or conditionally) increase the above rate of the coupon without the consent of the Bondholders, in each case subject to and in accordance with applicable laws and regulations.

(b) *Coupon Payment Date*

The first coupon payment date shall be the day which is falling on the first anniversary of the Issue Date, being 23 March 2022, and then each subsequent coupon payment date shall be the day which is falling on the first anniversary of the preceding coupon payment date during the term of the Bonds, except for the last coupon payment date which shall be the Maturity Date (the "**Coupon Payment Date**").

Hence, Coupon Payment Date in each respective year is 23 March.

Schedule of Coupon Payment Dates:

| Coupon Payment Dates: | Interest amount (per Bond): |
|------------------------------|------------------------------------|
| 23 March 2022 | HUF 2,000,000 |
| 23 March 2023 | HUF 2,000,000 |
| 23 March 2024 | HUF 2,000,000 |
| 23 March 2025 | HUF 2,000,000 |
| 23 March 2026 | HUF 2,000,000 |
| 23 March 2027 | HUF 2,000,000 |
| 23 March 2028 | HUF 2,000,000 |
| 23 March 2029 | HUF 1,800,000 |
| 23 March 2030 | HUF 1,600,000 |
| 23 March 2031 | HUF 1,400,000 |

Where the interest is to be calculated in respect of a period which is equal to or shorter than a coupon period interest is calculated as follows:

The amount of the coupon payable during

- (i) the first coupon period shall be calculated as follows: the number of days elapsed between the first Coupon Payment Date (exclusive) and Issue Date (inclusive) multiplied by the coupon (4%) multiplied by the Amortized Face Value during the coupon payment period and divided by 365.
- (ii) any subsequent coupon period shall be calculated as follows: the number of days elapsed between the relevant Coupon Payment Date (exclusive) and the preceding Coupon Payment Date (inclusive) multiplied by the coupon (4%) multiplied by the Amortized Face Value during the coupon payment period and divided by 365 or 366 in case the coupon payment period includes 29 February in case of a leap year.

To the extent the above calculation of the amount of the Coupon payable per Bond results in a fractional number, such fractional number shall be rounded upwards in a manner that HUF 0.5 shall be rounded upwards.

(c) *Delay in payment*

If the Issuer fails to pay any amount payable by it under any of the Bonds on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 6% p.a. higher than the coupon which would have been payable on the overdue amount (the "**Late Payment Interest**").

No Bondholder will be entitled to any Late Payment Interest, coupon or other payment for any payment delay by the Issuer if the Bondholder fails to provide the Issuer with the relevant Ownership Certificate (where and as required under the Conditions) in a timely manner.

(d) *Business Day convention*

For the payment of any coupon provisions of Condition 6 (*Payments*) shall apply, including particularly but not limited to Condition 6(b) (*Payment Day*).

6 Payments

(a) *Method of payment*

Payments of principal and coupon in respect of the Bonds shall be made via bank transfer through the Paying Agent in accordance with the rules and regulations of KELER as effective from time to time, and taking into consideration the relevant laws on taxation, to those Securities Account Managers to whose securities account at KELER such Bonds are credited at close of business on the Reference Date (as defined below) for that payment, as designated in the regulations of KELER effective from time to time. Pursuant to the currently effective rules and regulations of KELER, the Reference Date is the day falling two (2) Business Days immediately prior to the relevant Payment Date (the "**Reference Date**"). Payment shall be due to that person who is deemed to be the Bondholder on the Reference Date.

(b) *Payment Day*

If the date for payment of any amount in respect of any Bond does not fall on a Payment Day (as defined below), the Bondholder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further coupon or other payment in respect of such delay. For these purposes,

Payment Day means any day which is:

- (i) a day which is a Business Day; and
- (ii) a day on which KELER is effecting money and securities transfers.

(c) *General provisions applicable to payments*

Bondholders shall be the only persons entitled to receive payments in respect of the Bonds. Each of the persons shown in the records of KELER as the beneficial holder of a particular Face Value of Bonds must look solely to KELER, as the case may be, for his share of each payment so made by the Issuer or to the order of, the Bondholders.

For the purpose of the Conditions, **Business Day** means a day on which commercial banks (including the Paying Agent) are open for general business in Budapest.

7 Amortisation, Redemption and Purchases

(a) *Scheduled amortisation during the term of the Bonds and redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Bond will be amortised by the Issuer:

- (i) at HUF 5,000,000 (per Bond) as amortisation amount (the "**Amortisation Amount**") of the Bond due and payable on the 7th, the 8th, and the 9th Coupon Payment Dates, being 23 March 2028, 23 March 2029, and 23 March 2030.
- (ii) at HUF 35,000,000 as the final amortisation amount (the "**Final Redemption Amount**"), due and payable on the Maturity Date. For the avoidance of doubt, the result of rounding under paragraph (i) above is corrected by the Final Redemption Amount. Upon the payment of all coupons and Amortisation Amounts and the Final Redemption Amount the Bonds shall be redeemed and cancelled by the Issuer.

Principal Amount means, with respect to each Bond, all Amortisation Amounts and the Final Redemption Amount; thus all Principal Amounts in aggregate are equal to the Face Value of the Bonds.

Notwithstanding the above, for the payment of any Amortisation Amount and the Final Redemption Amount provisions of Condition 6 (*Payments*) shall apply, including particularly but not limited to Condition 6(b) (*Payment Day*).

(b) *Other redemption*

None of the Bonds may be redeemed other than as set out under Condition 7(a) (*Scheduled amortisation during the term of the Bonds and redemption at maturity*) above and Condition 10 (*Events of Default*).

(c) *Purchases*

The Issuer may at any time purchase Bonds at any price in the open market or otherwise. Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold or cancelled.

(d) *Cancellation*

All Bonds which are redeemed by the Issuer may forthwith be cancelled in accordance with the rules and procedures for the time being of KELER. All Bonds so cancelled cannot thereafter be held, reissued or resold.

(e) *Tap-issuance*

The Issuer is entitled to perform tap-issuance (in Hungarian: *rábocsátás*) of bonds within the series of the Bonds. Such tap-issuance necessarily and automatically amends the technical parameters (e.g., authorisation for the tap-issuance, number of bonds within the series, total face value, total amount issued) of the Bonds as set forth in these Conditions. Such amendment of the Conditions shall not be subject to the approval or consent of the Bondholders' Meeting or the bondholders as the Bondholders hereby approve the right of the Issuer to perform tap-issuance in the future.

8 Taxation

All payments of principal and coupon in respect of the Bonds by or on behalf of the Issuer will be made in compliance with the applicable financial and tax legislation. In the event that any charges or tax related deductions on the interest or principal payments are applicable, the Issuer will fulfil its withholding obligation, so that the Bondholders would receive the net amount of the principal and coupon payments. Neither the Issuer, the Dealer, nor the Paying Agent shall have any obligation to pay any additional amounts to compensate any Bondholder for such charges or deductions. None of the Issuer, the Dealer and the Paying Agent, in line with the applicable law, can be held responsible to the Bondholders for any kind of fee, expense

or loss related to the payment of principal and coupon.

9 Prescription

Pursuant to Governmental Decree No. 285/2001 (XII.26.) on bonds, claims against the Issuer for payment under the Bonds may not be prescribed unless otherwise permitted by Hungarian law.

10 Events of Default

(a) Notification of potential default

The Issuer shall, in accordance with Condition 18 (*Notices*), notify the Bondholders of any circumstance(s) that may hinder or threaten the due performance of the Conditions by the Issuer (specifying the circumstance(s), event(s) giving rise to such circumstance(s), the steps being taken to mitigate it and the expected time of mitigation) promptly, but not later than three (3) Business Days from becoming aware of its occurrence.

(b) Events of Default

If any of the following events shall occur and be continuing:

- (i) a default is made in the payment of any Principal Amount or any coupon due in respect of the Bonds or any of them and the applicable Remedy Period expired without appropriate remedy in accordance with Condition 12 (*Remedy*); or
- (ii) the Issuer fails to comply with any of the undertakings set out under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a) (*Undertaking of the Issuer*) and the applicable Remedy Period expired without appropriate remedy in accordance with Condition 12 (*Remedy*),

(the "**Events of Default**" and each an "**Event of Default**"),

all Bonds shall become forthwith due and payable at the Early Redemption Amount, without any penalty, on the ninetieth (90th) day from the date of the occurrence of the Event of Default.

For the purpose of this Condition,

Early Redemption Amount means, with respect to a Bond, its Face Value minus its Principal Amount already paid plus all outstanding coupon and Late Payment Interest payments and pro-rated coupon accumulated since the last Coupon Payment Date (the days calculated from the last Coupon Payment Date until the Early Redemption Amount's Payment Date) divided by the actual number of days of the respective year.

11 Issuer Undertakings

(a) Undertakings of the Issuer

- (i) **No Shareholder Distributions shall be made** if the rating of the Bonds according to the Rating Agency falls below B+ or equivalent and is not remedied (i.e., until the Issuer receives a rating of B+ (or equivalent) or better from the Rating Agency) ("**Rating Undertaking**").
- (ii) **No Shareholder Distributions shall be made** if the following condition is not met based upon the latest financial statements:

Total Net Issuer Bonds and Other Borrowings / Consolidated Equity \leq 1 ("**Bond Debt to Equity Undertaking**"), where

Definitions

Total Net Issuer Bonds and Other Borrowings: Total Issuer Bonds and Other Borrowings, reduced by the Cash and Cash Equivalents,

Total Issuer Bonds and Other Borrowings: (a) the total amount of bonds issued by any of the Issuing Entities that are outstanding to third parties (not being part of Futureal Group) that are not subordinated to the Bonds, plus (b) any other third party loans and borrowings of the Issuing Entities that are outstanding to third parties (being not part of Futureal Group) that are not subordinated to the Bonds,

Issuing Entities: (i) the Issuer, (ii) the Guarantor and (iii) any other legal entity within the Futureal Group that issues bond(s) that are guaranteed (by way of a guarantee, suretyship or other liability arrangement) by the Guarantor or the Issuer, during the term of such guarantee,

Consolidated Equity: the total equity indicated in the consolidated balance sheet of the Guarantor, and

Cash and Cash Equivalents: the Cash and Cash Equivalents as indicated in the consolidated balance sheet of the Guarantor (for the avoidance of doubt, not including restricted cash).

(iii) **No Shareholder Distribution shall be made** in a way that as a result of such Shareholder Distribution, the cumulative amount of all the Shareholder Distributions made after the date of the most recent financial statements **would exceed the maximum amount that could have been distributed** on the date of the most recent financial statements **without resulting in the Bond Debt to Equity Undertaking exceeding its limit** as set out in paragraph (ii) above and as calculated on the basis of the figures of such latest financial statements and considering the amount of the contemplated distribution.

Such limitation shall be applied after the date of the publication of the latest financial statements until the date of the publication of the new financial statements, at which point a new such limit is calculated and shall be applicable.

The Bond Debt to Equity Undertaking shall be calculated on the basis of the Guarantor's most recent audited consolidated financial statements, published by the Guarantor and the Issuer.

Disclosure and calculation of the above undertakings shall be an integral part of the financial statements of the Guarantor and the Issuer.

The following further definitions shall be used with respect to this Condition 11(a):

Shareholder Distribution means

- (i) any payment of dividend or advance dividend, share buy-back, capital decrease or similar transaction to the shareholder(s) of the Guarantor; and/or
- (ii) granting of loans or repayment of loans (including interest and principal) to the shareholder(s) of the Guarantor, or to the Controlling Shareholders or their Related Parties that are not part of Futureal Group,

but in each case other than the Equity Plan related payments.

Equity Plan means any compensation, dividend, profit sharing, option or share scheme made directly or indirectly (through other entities) in the normal course of business to or for the final benefit of such employees, officers, and long term advisors (or their related parties) of the Futureal Group that are not the Controlling Shareholders or their close relatives (in Hungarian: "közeli hozzátartozó") within the meaning of Paragraph 1 of Section 8:1 of the Civil Code.

Controlling Shareholder means a person who own shares in the Guarantor representing more than 25% of the registered capital of the Guarantor, or has the ability and/or power to direct the affairs, assets, management and/or policies of the Issuer or the Guarantor, respectively, and/or to control the composition of the Issuer's or the Guarantor's, respectively, executive officers, whether through the ownership of voting equity capital, the possession of voting power, by contract law, by any concerted practice or otherwise. The Controlling Shareholders currently are Gábor Futó and Péter Futó.

Futureal Group means together the Issuer, the Guarantor and the Subsidiaries.

Related Party means any company in which a Controlling Shareholder holds, directly or indirectly, more than 50% of the share capital or the voting rights in respect of such company.

Subsidiaries mean the entities that are controlled (directly or indirectly) by the Guarantor or should otherwise be consolidated in the consolidated financial statements of the Guarantor under IFRS and FMPCV.

12 Remedy

(a) *Methods of remedy*

The Issuer shall be entitled to remedy

- (i) any payment default by paying the overdue amount in favour of the Bondholders; and
- (ii) any default under Condition 11(a) by way of a third party (that is not part of the Futureal Group) providing a capital increase or a loan that is fully subordinated to any payment under the Bonds and the Guarantee, at least in the amount that such Shareholder Distribution was not compliant with Condition 11(a) (*Undertaking of the Issuer*).

(b) *Remedy period*

The Issuer shall be entitled to remedy

- (i) any payment default within the period starting on the day of such default and ending thirty (30) days thereafter, and
- (ii) any default under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a) within the period starting on the day on which the Bondholders' Meeting passes a resolution on the occurrence of a default in accordance with Paragraph (b)(ii) of Clause 7 of the By-Laws and ending ninety (90) days from the date of the above Bondholders' Meeting,

(the "**Remedy Period**").

13 Listing

Each Bond will be registered on the **XBond multilateral trading platform** operated by the Budapest Stock Exchange within ninety (90) days following the Issue Date. The Issuer shall decide, at its sole discretion, on the admission of the Bonds to any other regulated market or multilateral trading facility, provided that the Bonds will remain traded on the XBond multilateral trading platform until their maturity.

14 Guarantee

The Bonds are guaranteed by the parent company guarantee (the "**Guarantee**") issued by Futureal Holding B.V. (registered seat: Prins Hendriklaan 26, 1075BD Amsterdam., Netherlands; registration number: 75024012) (the "**Guarantor**"). The Guarantee is a first demand, unconditional corporate guarantee issued by the Guarantor in accordance with Section 6:431 of Act V of 2013 on the Civil Code of Hungary with the

terms set forth in the Guarantee as attached to this Information Memorandum as Annex 7. In case the address of the Guarantor - as set out in Annex 7 (*Parent Company Guarantee*) of this Information Memorandum - would change, the Issuer will notify the Bondholders as to the changed address of the Guarantor within ten (10) days following such change in accordance with Section 4.18 (*Notices*) below.

15 Purpose of the Issue of the Bonds

The net proceeds of the issue of the Bonds will be applied by the Issuer for the financing or refinancing of investments into real estate development and investment projects, acquisitions (acquisition of real estate directly or indirectly through the acquisition of legal entities, acquisition of companies, including asset, investment, development or other management companies, and of immaterial goods, etc.), working capital, refinancing of outstanding loans (including senior loans, shareholder loans, etc.). Bond proceeds shall be used in line with the Issuer's Green Financing Framework (accessible via: <https://www.futurealgroup.com/en/futureal-holding#bonds/green-finance-framework>) being in accordance with the Green Bond Principles issued by the International Capital Markets Association. The independent second party opinion (as defined in the Green Bond Principles as of June 2018 issued by the International Capital Market Association) was issued by Sustainalytics (registered seat: MoselStraBe 4, 60329 Frankfurt am Main, Germany) on 4 February 2021. in relation to the Issuer's Green Financing Framework.

16 Paying Agent

The Bonds to be issued are subject to and with the benefit of a paying agency agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Paying Agent Agreement**") to be made between the Issuer and the paying agent (the "**Paying Agent**") currently, Raiffeisen Bank Zártkörűen Működő Részvénytársaság (registered seat: 1133 Budapest Váci út 116-118.; company registration number: Cg.01-10-041042; tax number: 10198014-4-44). Pursuant to the Paying Agent Agreement, the Paying Agent agrees to provide coupon and principal paying agent services set out therein.

The Paying Agent Agreement (excluding any part of the Paying Agent Agreement which relates to the remuneration of the Paying Agent) will be available free of charge for inspection by physical means on the basis of a prior written request, during the Issuer's regular business hours on any Business Day at the Issuer's registered seat, for any Bondholder who has evidenced its ownership title by an Ownership Certificate with a record date as of the day of inspection.

The Issuer is entitled to vary or terminate the appointment of the Paying Agent and/or appoint additional or other Paying Agents, provided that there will at all times be a paying agent in relation to the Bonds in Hungary.

In acting under the Paying Agent Agreement, the Paying Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agent or trust with, any Bondholders.

17 Market Making

The Bonds to be issued are subject to and with the benefit of a market making agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Market Making Agreement**") to be made between the Issuer and the market maker (the "**Market Maker**"), currently Raiffeisen Bank Zártkörűen Működő Részvénytársaság (registered seat: 1133 Budapest Váci út 116-118.; company registration number: Cg.01-10-041042; tax number: 10198014-4-44).

The Issuer is entitled to vary or terminate the appointment of the Market Maker and/or appoint additional or other Market Makers, provided that there will at all times be a market maker in relation to the Bonds in

Hungary.

The Market Maker is entitled to terminate the Market Making Agreement with normal and extraordinary termination.

18 Notices

All notices relating to the Bonds will be deemed to be validly given and delivered if published on the website of the Issuer (<https://www.futurealholding.com>). Notwithstanding the foregoing, the Issuer shall, solely until the date of registration of the Bonds in the XBond multilateral trading platform, make all reasonable efforts to inform the Bondholders for the time being via e-mail of any notice published on the Issuer's website in relation to any payment or non-payment under the Bonds or circumstances directly relating to it. The Issuer shall ensure that notices are published in accordance with applicable law and in the manner prescribed by the competent supervisory authority. Such notices shall be deemed to have been published on the date of their first publication.

Notices and/or declarations from the Bondholders shall be duly signed ("*cégszerűen aláírva*"), in written form, in Hungarian and/or English language and, unless otherwise stated, shall be sent to the Issuer, by way of registered post or personal delivery, at its registered seat at – unless otherwise notified to the Bondholders by the Issuer in accordance with this Condition – 1082 Budapest, Futó utca 47-53. VII. em., and shall be accompanied with an ownership certificate issued by KELER or the relevant Securities Account Manager which document certifies at least the title of the Bondholder (the "**Ownership Certificate**").

Any regulated information will be published on the Issuer's website, the website of BSE (<https://www.bet.hu/>) and NBH (<https://kozzetetelek.mnb.hu/>). Any relevant regulated information (if any) is disclosed by the Issuer in accordance with the applicable laws and rules imposed by the Budapest Stock Exchange.

19 Governing Law and Submission to Jurisdiction

(a) Governing Law

The Bonds and any matters relating to them shall be governed by, and construed in accordance with, the laws of Hungary.

(b) Submission to jurisdiction

Any claim against the Issuer in connection with the Bonds shall be submitted to the exclusive jurisdiction of the ordinary courts of Hungary.

20 Language

These Conditions of the Bonds are originally in the governing language of English. A Hungarian language translation of the Conditions (being part of the Document) has been deposited with KELER in accordance with its rules and regulations. The English language version of the Conditions of the Bonds shall be legally binding and, in the case of any discrepancy between the English and the Hungarian version, the English version shall prevail.

21 Meeting of Bondholders and Amendment of the Conditions of the Bond

The Bondholders' Meeting is to be held in accordance with the provisions set out in Annex 2 (*Provisions on Meetings of Bondholders*) of the Information Memorandum (the "**By-Laws**"). Bondholders' Meeting may be convened to consider – among other things –

- (a) the amendment of the Conditions (if and as permitted under applicable law); or

(b) any actions to be taken in relation to an Event of Default.

The amendment of the Conditions may result in the replacement (in Hungarian: "kicserélés") of the Document deposited with KELER and shall be subject to the fulfilment of the requirements set out under applicable law.

This Condition 21 shall be interpreted in accordance with the By-Laws.

5 INFORMATION ABOUT THE ISSUER

5.1 Introduction

| | |
|---|---|
| Name of the Issuer: | Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. em. |
| E-mail: | futureal.development.holding@futureal.hu |
| Place and Date of incorporation: | Hungary, 19 August 2008 |
| Issuer registration number: | Cg. 01-09-903759 |
| Tax number: | 14434459-2-42 |
| Legislation under which the Issuer operates: | Hungarian |
| Legal form: | Limited liability company |
| Main activity: | 68.10 Buying and selling of own real estate |
| Registered capital: | EUR 11,520,000 (as of the date of Issuance) |
| Total Equity: | HUF 42,700,842,000 (pursuant to the last audited financial statements of the Issuer) |
| Type: | Quota |
| Members and ownership structure: | Futureal Holding B.V (seat: Prins Hendriklaan 26, 1075BD Amsterdam, the Netherlands; CCI number: 75024012) |
| Ultimate beneficial owner: | Gábor Futó Dr. György Péter Futó Dr. Futóné Szántó Zsuzsa |
| Auditor: | PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (Márton Kalavszky) (10 February 2020 – 31 May 2023) PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (Pál Tímár) (31 August 2017 – 31 May 2020) |
| Management: | Managing Directors with individual signing rights |
| Members of the management: | Tibor Tatár (20 September 2010 -), managing director Péter László Pusztai (15 January 2015 -), managing director |

5.2 Date of incorporation and corporate history

For the purpose of this section, the Issuer is presented as part of Futureal Group because Futureal Group's activities and operations can be interpreted in context as a whole. This, however, does not affect that the Issuer, of course is presented independently in other sections this Information Memorandum for the purpose of providing appropriate information as to the Issuer to the potential investors.

The wider group (including Futureal Group, Cordia Group, their predecessors and other related entities; together the "**Futureal Investment Group**") was co-founded by Gábor Futó and his father, Dr. Péter Futó. Over the last 17 years it has grown approximately 150 times in terms of its capital value and number of employees.

Futureal Group and Cordia Group are together engaged and currently engaging in various urban renewal, property development, redevelopment, and investment projects. Prior to its spin-off from the Futureal Investment Group, Cordia Group was participating in such activities as an integrated part of Futureal Group, and following its spin-off remains in a close co-operative relationship with Futureal Group. In order to provide a comprehensive overview of the history of Futureal Group, in this section, Futureal Group and Cordia Group are presented together, but this does not affect that in general and in other sections of this Information Memorandum, the Issuer, and Futureal Group are presented independently.

History of the Issuer

The Issuer was founded by Futureal Real Estate Holding Ltd. on 14th of July 2008 and was incorporated on 19th of August 2008 as a limited liability company ("Kft.") with the view of creating a company and separate corporate structure for the commercial real estate projects of Futureal Group.

The Issuer was incorporated with an initial capital of HUF 500,000.

In 2009 the share capital was increased to HUF 524,300,000 and the main shareholder became Futureal Property Group Ingatlanforgalmazó Kft.

In 2017 the main shareholder increased the share capital to HUF 4,124,300,000 and the share premium to HUF 32,400,000,000.

In 2020 six subsidiaries of Futureal Holding BV (FGPP Group Finance Kft., Futureal Property Group Kft., FR-Irodák Holding Kft., FutInvest Hungary Kft., Futureal Zéta Kft., GLOREMAN Zrt.) merged into the Issuer and Futureal Holding BV became the main direct shareholder.

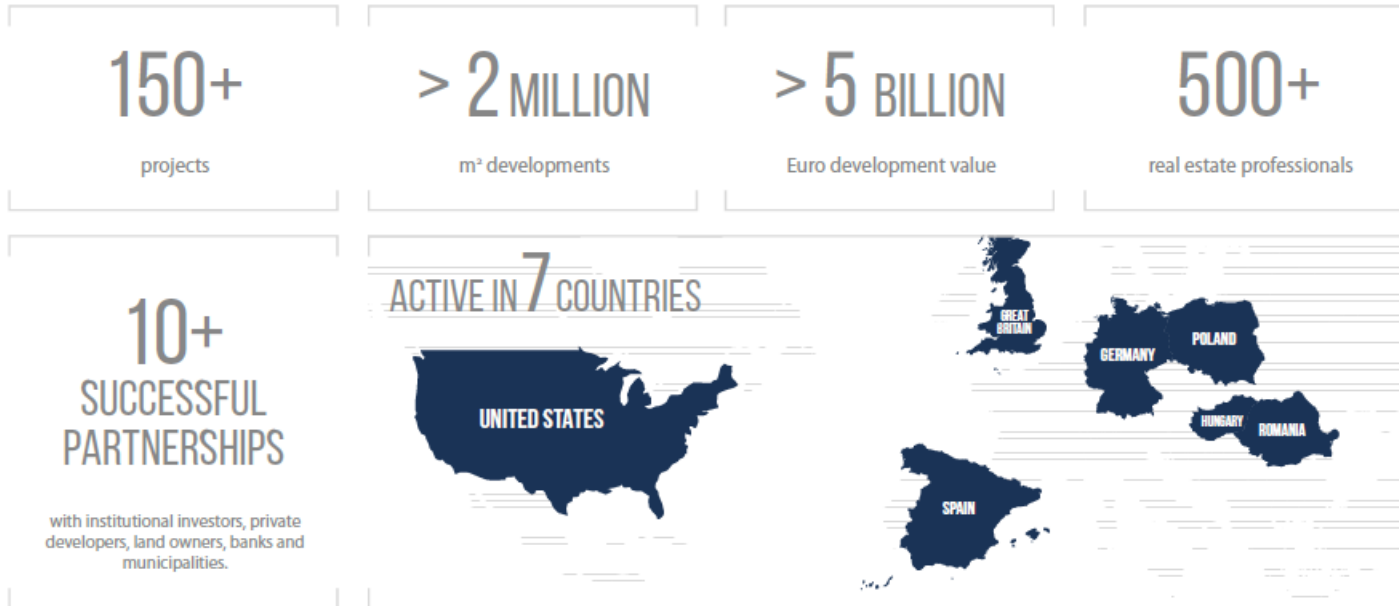
Futureal Holding BV purchased the minority shareholding of the Issuer from Dr. Péter Futó on 17th of December 2020.

As of January 1, 2021, the registered capital of the Issuer has been converted into EUR at the rate of 1 EUR=358,01 HUF.

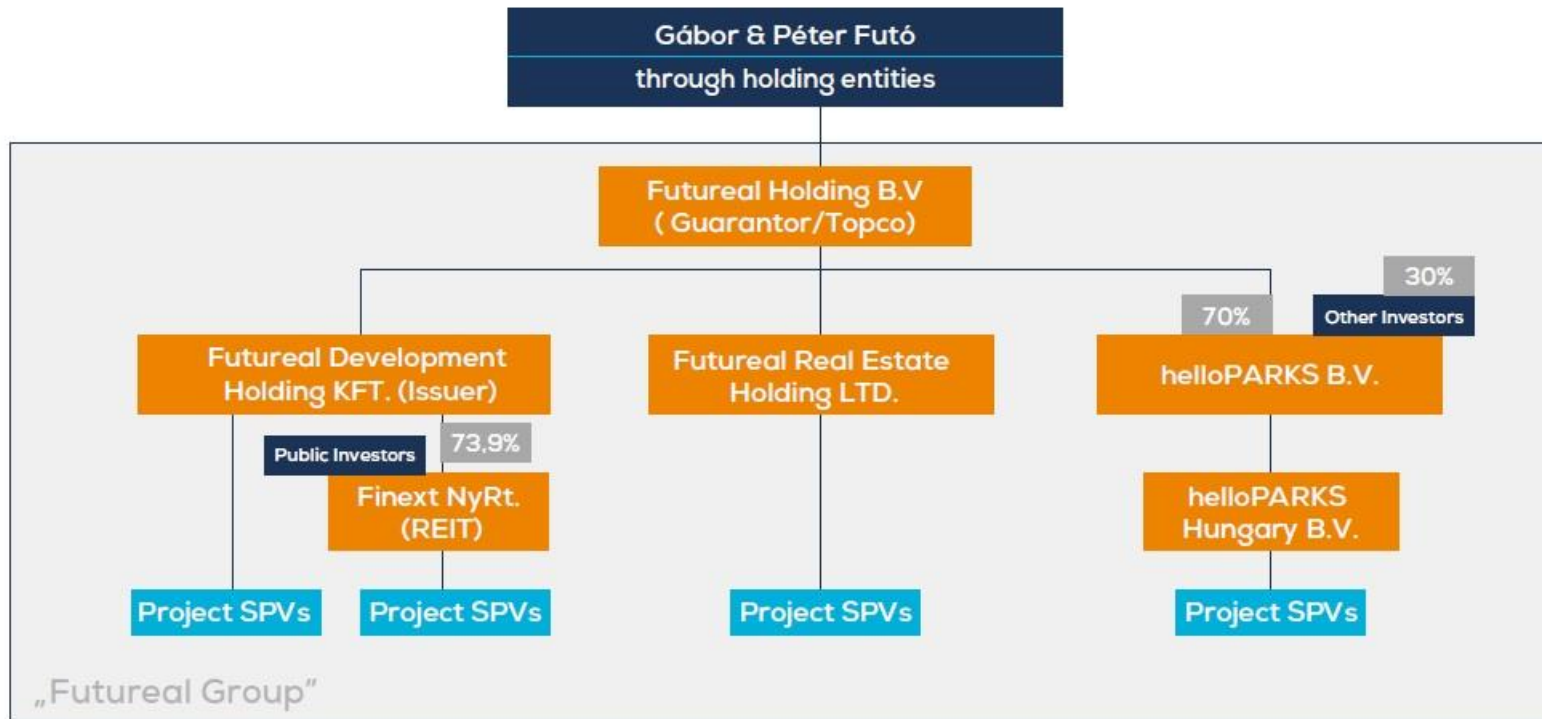
As a result of the purchase and conversion the sole quotaholder of the Issuer, Futureal Holding B.V. (the Guarantor) currently holds 100% of the quotas in the Issuer with a registered capital of EUR 11,520,000.

Chart 1 *Futureal Investment Group at glance*

The Futureal Investment Group (that includes Futureal Group, Cordia Group, Futureal USA and other related entities) members are active worldwide, with a core focus on Central European real estate development and investment.



Futureal Group (as part of Futureal Investment Group) simplified corporate structure



The Guarantor holds 99,9% of Futureal Real Estate Holding Ltd. The other 0,01% is ultimately held by Gábor Futó and Péter Futó, indirectly through various holding entities.

The other investors holding 30% stake at helloPARKS B.V. are Gábor Futó and Péter Futó, indirectly, through various holding entities.

Futureal Investment Group is one of the leading real estate developer and investor groups in Central Europe

Futureal Investment Group has been involved in large-scale mixed use urban renewal projects, residential (earlier within Futureal Group and then by Cordia Group following Cordia Group's spin-off), office and logistics developments, redevelopment projects and commercial property investments.

With over 500 professionals Futureal Investment Group operates one of the largest property teams in Central Europe. The group is built on its core values of integrity, creativity, perseverance and team spirit. Since its foundation, Futureal Investment Group's portfolio has encompassed more than 150 real estate projects, with a total value of EUR 5 billion across 2 million gross square meters. Currently, Futureal Investment Group is in the construction phase with over 30 projects simultaneously, with a total value of EUR 1.2 billion and a gross area of over 600,000 square meters.

Futureal Investment Group has gained a reputation for honoring its obligations to its customers, contractors, banks and financial partners, which was the case even in the depth of the 2008 financial crisis. Futureal Investment Group is among the most recognized and reputable market participants and is the proud bearer of multiple international awards, including: "ULI Global Awards for Excellence" from Urban Land Institute, "Best Mixed Use Project in Europe" International Property Awards, Bloomberg TV, The New York Times, "Best Purpose Built Project Worldwide" by International Real Estate Federation (FIABCI).

Futureal Investment Group: Market leading developers and investors

Over the past 17 years Futureal Investment Group have developed 500,000 sqm of class A office and dominant commercial real estate projects in Hungary, Romania, Poland and also thousands of residential units.

Futureal Investment Group's owners decided to spin-off the residential development operation into a separate corporate entity (Cordia International Zrt.) in 2016. Cordia Group Operates as a fully separated corporate entity with no cross ownership with Futureal Group and with a separated team. All residential development and management related operations have been transferred to Cordia Group, which is by now operating already in 5 countries and 8 regions (Budapest (H), Bucharest (RO), Warsaw, Krakow, Tri-City, Poznan (PL), Costa del Sol (SP), West Midlands / Birmingham (UK) and is also investing in residential rental properties in Germany (primarily in Leipzig, Dresden and Magdeburg with some land developments in Berlin).

Futureal Investment Group is among the leading market participants in the development of large-scale mixed-use projects and has 4 transformational projects underway. These projects offer synergies between different functions and uses thereby adding value to our customers and creating competitive advantages:

- **Corvin Promenade Project**, one of Central Europe's largest city-center regeneration projects
- **South Buda City Center**: one of Central Europe's largest public transport-lead brownfield developments
- **Marina City**: a large-scale mixed use waterfront project on the Danube with ~1.2 km riverside
- **Wilanów Smart City**: a district-wide greenfield development project in Warsaw, a continuation of CEE's largest urban development project

Futureal Investment Group is currently developing and re-developing ~500,000 sqm (gross) in office, residential, logistics and retail real estate projects in Hungary, Poland, Romania, Spain and in the UK, while more than 70 projects are under preparation with over 1,500,000 gross sqms.

Core values

Our management and employee team work together in a dynamic, people-oriented and informal working environment, held together by the shared values of integrity, creativity, perseverance and team spirit.

- Integrity – Operating under the highest ethical standards in our business activities
- Creativity – Finding innovative solutions for our partners in every area of the property market
- Perseverance – Thinking and performing long-term
- Team spirit – Building long-term relationships, working together with our suppliers, clients and other partners as a strong team with mutual respect and appreciation

Strong brand name and reputation

Over the past 15 years Futureal Investment Group has completed close to 300,000 gross sqm of class A office (15 projects), 200,000 gross sqm of retail (6 projects), 300,000 gross sqm of residential (21 projects) and 6 investment projects in Budapest (Hungary) Warsaw, Kraków, Gorzów Wielkopolski (Poland), Bucharest and Baia Mare (Romania).

The commercial real estate brand „Futureal“ means more than just excellent developments: the Futureal Investment Group aims to be associated as a developer of outstanding investment assets, providing long-term value and secure rental yields. Futureal Group’s projects are designed to offer security, convenience, superior quality of industrial and commercial use and well-designed office, commercial real estate, and logistics spaces that fit the highest market standards.

Diversification & Organic Growth

Currently, Futureal Group has real estate development and re-development projects in 3 countries Budapest – Hungary, Warsaw - Poland, Glasgow - UK and is diversified across the office, retail and logistics sectors.

Futureal Group has grown organically, step-by-step and in a highly counter-cyclical and risk conscious way by continuing to invest through market downturns in order to benefit from the inevitable upswing in the economic cycle.

Highly skilled management team

Futureal Group and Cordia Group have currently one of the largest professional teams in the CEE region with more than 500 professionals. In its almost two decades of operation, Futureal Investment Group’s highly qualified real estate professionals and local management teams have accumulated extensive knowledge of local markets and demonstrated a proven ability to source strategic development sites, design attractive and innovative projects that meet the demands of the local market and obtain planning and building permissions expeditiously. Most of the management team – many of them are considered leaders in their professional fields appearing for example at industry conferences - have 10-20 year tenures at Futureal Investment Group. Strongly aligned interests, a satisfying and inspiring work environment coupled with long-term, profit-linked incentives for directors and other key employees result in low turnover among employees.

5.3 Strategy

1. *General strategy*

Integrated, full-service operation, best-in-class team, efficiencies of scale

Futureal Group, and as part thereof, the Issuer, is one of the leading commercial real estate developers,

specializing on large-scale, mixed-use urban regeneration projects with a strong and well-known brand, active in the class A office, dominant shopping and high street retail segments, while recently establishing its activities in value-add office projects and large-scale logistics developments. Geographically, Futureal Group is focused on Hungary, while first steps of international diversification have been taken in Warsaw, Poland and Glasgow, UK. The corporate culture of Futureal Group focuses on operational excellence to continuously improve all aspects of the commercial real estate development and urban regeneration processes from land acquisition, project planning, procurement, leasing, sales and marketing to benefiting from scale. Co-operation with Cordia Group, wherever it is relevant from a project design and customer value perspective helps exploit mutual synergies and increase efficiency of scale.

Cycle-conscious, diversified, value investor's approach to acquisitions

Futureal Group, and as part thereof, the Issuer, has been focusing on step-by step, organic expansion, and diversification by investing and developing in different market segments (office, retail, logistics), accompanied with carefully selected opportunistic and value-add acquisitions and cycle-conscious exits executed with a value-investor's approach.

Futureal Group's medium-term targets include building-up a high-quality rental income generating portfolio of core commercial real estate assets. Futureal Group plans to maintain an agile investment and exit strategy with a focus of managing cyclical, market risks and recycling capital. Acquisitions are based on strict underwriting standards and deep due diligence.

Strong financing partners

Futureal Investment Group, has a long-term partnership with the leading local banks in Hungary and Poland (e.g. OTP Bank, Erste Bank, Unicredit Bank, K&H/KBC Bank, Raiffeisen Bank, etc.).

Strong and supportive ownership with very long-term view

Futureal Investment Group was co-founded by Dr. Péter FUTÓ and his son Gábor FUTÓ and is supported by family owners since then. They have demonstrated a highly responsible and supportive long-term approach by:

- having engaged in long-term, complex projects, making up to two-decades-long commitments;
- having supported a loyal team of key employees who have been with the company for up to two decades with very limited fluctuation and turnover; having injected capital during the financial crisis to make whole other stakeholders, including repayment of non-recourse land loans in contrast to the market norm at the time;
- Family ownership has instilled a long-term view of being able to stick to the plan, developing transformational, decade long projects with massive synergies, risk conscious, step-by-step, anti-cyclical growth.
- The family owners' „name” and outstanding public recognition is strongly linked to the success and reputation of Futureal Investment Group and its exemplary best practices. The founder family has developed an organizational culture at Futureal Investment Group for it to operate at the highest level of integrity both internally and towards its outside stakeholders (banks, investors, customers, suppliers, municipalities, etc.), and has embedded the corporate values of honesty and integrity, creativity, perseverance and team spirit into the organization.

2. *The real estate strategy of Futureal Group relies on four main pillars:*

- Futureal Group and Cordia Group alongside, is an **expert in developing large scale urban mixed-use projects** which provide long-term pipeline and strong synergies between the uses (i.e. residential, office, retail) that better stand the storm of real estate cycles. (major city-in-a-city hubs: Corvin Promenade, South Buda City Center, Marina City);
- Futureal Group aims to **build a portfolio of excellent quality core assets with long term sustainability** both economically and environmentally. This may include among others office, retail, logistics and hotel properties developed by Futureal Group itself as well as standing, income generating projects acquired on the investment markets.
- Futureal Group can act in an **opportunistic manner to** take advantage of its financial strength, deep industry expertise and quick decision-making capabilities, as well as use its capabilities of in-depth analysis of risk/return and structuring, to identify and execute complex and potentially highly profitable opportunities. Examples of this in recent years include Nova Park, Advance Tower, and Vision Tower.
- Futureal Group's owners are **platform-builders**: when ample opportunity arises, which allows for a scalable business to be built based on long-term growth potential, Futureal Investment Group is ready to assemble a strong leadership team, capitalize a new platform and scale it up, enable it to develop its own capital market access, and later potentially exit the platform itself (e.g.: Cordia residential development platform, Argo – German residential rentals platform, HelloParks logistics development platform).

3. *Financing strategy*

All projects are developed in separate SPVs, either limited liability project companies, partnerships or private real estate development funds. Land acquisitions are typically financed by Futureal Group's own equity and this is maintained until launch of the actual construction. All projects are financed by local or regional banks in separate SPVs by construction financing facilities with project equity provided by Futureal Group (and potentially by institutional co-investors together with Futureal Group). All loans at the SPV's level are non-recourse – except cost overrun, completion or in certain cases stabilization or similar guarantees – and are typically not cross-collateralized. The project-equity and pre-lease requirements vary from country to country, asset class to asset class and project to project, but contracted at usually between 25-35% equity of total development costs and between 25-40 % pre-lease requirements. Typical leverage is 70 % (loan-to-cost) during the construction translating into a 50-55% net LTV at project completion. Corporate level leverage arising from secured debt is typically lower than the project starting leverage due to the unleveraged land bank and a portfolio of development and standing projects in different (lower) leverage and life-cycle phases as well as cash reserves even after some project refinancing. Futureal Group maintains good relationships with multiple senior lenders, currently engaging several leading banks for development and construction loans and facilities for financing standing investment. Futureal Group benefits from favorable margins and loan conditions due to a strong corporate credit track record, synergies with Futureal Group's sister company, Cordia, and a strong track record of performing on its obligations towards its customers, banks, investors, contractors, and its partners even in the depth of the economic crisis.

5.4 Corporate structure

The ultimate beneficial owners of the Issuer are Gábor Futó, Dr. György Péter Futó, and Dr. Zsuzsa Futóné

Szántó indirectly, through the Guarantor being the sole quota-holder of the Issuer.

The Guarantor controls (directly or indirectly) and owns (directly or indirectly, fully or partially) several Subsidiaries (including the Issuer).

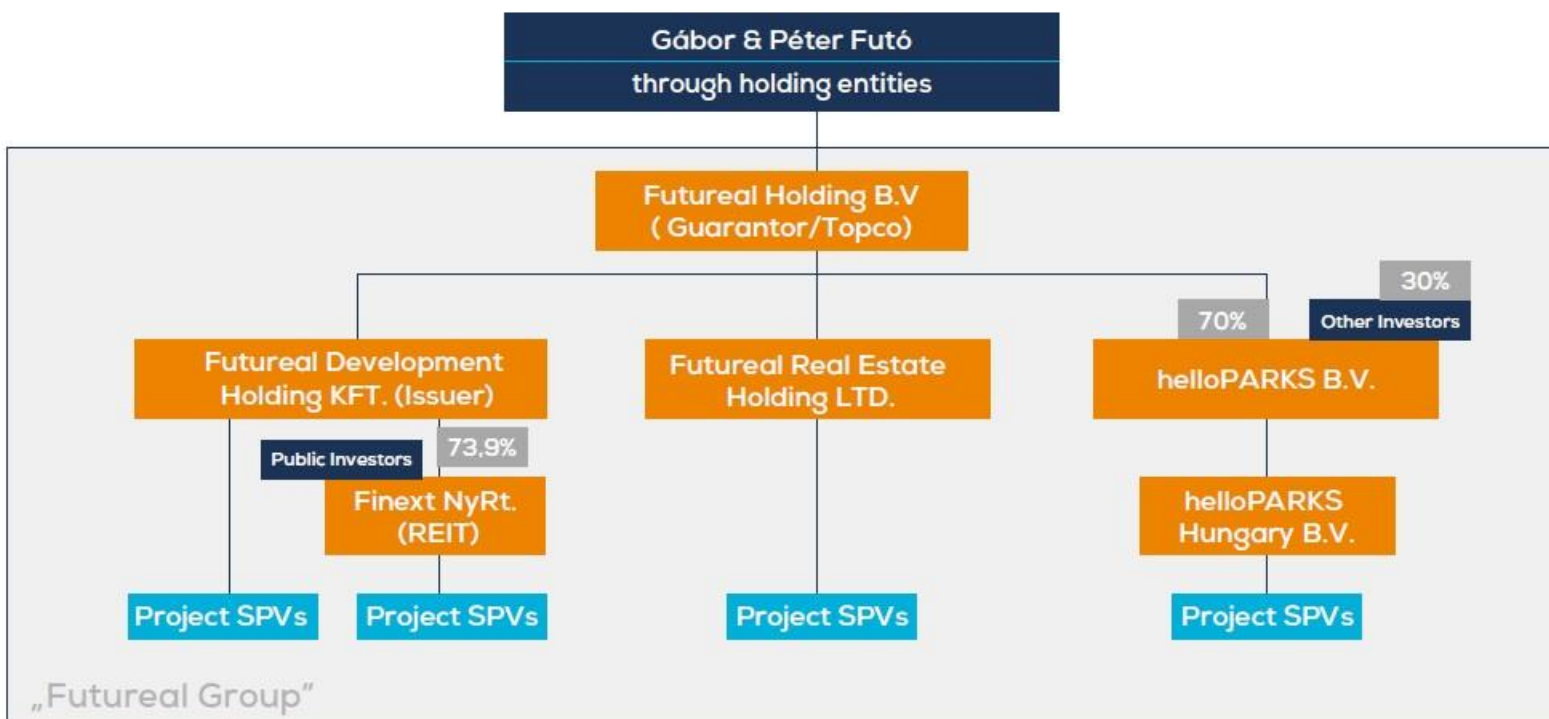
The Subsidiaries are mainly used as:

- (i) project vehicles (generally each real estate development is carried out in separate limited liability legal entity or real estate fund, real estate sub-fund, land bank may be grouped) (the “**Project Entities**”),
- (ii) holding entities (including country holdings) (the “**Holding Companies**”),
- (iii) service provider entities (management companies providing development services in each country, and leasing and property management service provider in Budapest) (the “**Service Companies**”).

The legal forms of the Subsidiaries are currently:

- (i) limited liability companies and private limited companies;
- (ii) partnerships (with general and limited partners); and
- (iii) real estate investment funds / sub-funds.

The Issuer’s main assets currently are the equity interests in and loans – as receivables – provided to its Subsidiaries.



The Guarantor holds 99,9% of Futureal Real Estate Holding Ltd. The other 0,01% is ultimately held by Gábor Futó and Péter Futó, indirectly through various holding entities. The other investors holding 30% stake at helloPARKS B.V. are Gábor Futó and Péter Futó, indirectly, through various holding entities.

Capital reorganization

The Guarantor was founded on 4 June 2019 as part of a group reorganisation.

The purpose of the reorganization was:

1. to establish one common group for the already existing Futureal Group entities dealing with commercial property development and investment, separately from the previously separated residential development activities and from other businesses;
2. to be headquartered in a jurisdiction that is best suited (from a legal system, HR and service environment perspective) to grow the group internationally and to diversify out of Hungary with the main initial focus on Poland, Germany and The Netherlands (later adding the UK).
3. to prepare the group structure (from a legal, financial, stock and bond market and investor protection perspective) to be able to efficiently access the European debt and equity capital markets and other sources of institutional capital to become a regular issuer of bonds and structured financial products.

Before the reorganisation there was no single controlling entity over these companies, but three sub-groups existed. All three sub-groups consisted of operating projects, financing and holding companies engaged in the development and management of commercial properties and office buildings, and the exit where deemed appropriate of completed and leased office buildings. The former three sub-groups are as follows:

- FR Irodák Holding Kft. (founded on 4 April 2007) and its subsidiaries

This sub-group consisted of several companies including property construction project companies, real estate funds and holding companies. This sub-group also included the overall group management company (Futureal Management Kft.) and an advertising agency. The group management company provided management and engineering services for the companies in all the three sub-groups. The group management company also employed the key management personnel who were responsible for strategic and operational management decisions for all the three sub-groups.

- FutInvest Hungary Kft. (founded on 2 May 2017) and its subsidiary

This sub-group consisted of two companies – the parent company (holding) and a subsidiary dealing only with financing of related parties. The companies in this sub-group had no employees, management services were provided by the group management company (i.e. being part of FR Irodák Holding Kft. sub-group).

- Futureal Real Estate Holding Ltd ("FREH Ltd" – founded on 7 October 2006) and its subsidiaries

This sub-group consisted of several operating companies - including property construction project companies, real estate funds and holding company, but it did not have any employees. Construction project companies operated with external service providers. Management services were provided by group management company (i.e. being part of FR Irodák Holding Kft. sub-group as explained above).

The group structure was reorganized by establishing a new holding company (the Guarantor) and by contributing or selling the shares of the parent entities of the three sub-groups. The Guarantor was registered in the Netherlands on 4th of June 2019, which became the new intermediate parent company of the three sub-groups - as a result of a capital contribution and share purchase transactions finalized by October 2019

(i.e. 7 October 2019 is the date for completing the reorganization). All the transactions were at fair market values.

After the reorganization, Péter Futó and Gábor Futó remained the ultimate controlling parties of the companies, there were no changes in the ultimate ownership structure.

5.5 Details of the Subsidiaries

For the details of the main Subsidiaries at the end of December 2020, please see Annex 3 (*Details of the Subsidiaries*) of this Information Memorandum. For the avoidance of doubt, the list of Subsidiaries will change from time to time.

5.6 Operation and main activities of Futureal Group, and as part thereof, the Issuer

The Issuer is a holding company, which holds subsidiaries (Holding Companies, Project Companies, Project Funds or Sub-Funds, Funds-of-funds, and Service Companies). Project Subsidiaries (project companies, REIT'S ("SZIT" in Hungarian)) are real estate companies and real estate funds or sub-funds that develop and potentially hold office, retail, logistics or hotel properties and/or the land parcels for those. As an exit Futureal Group sells either its share in the project entities (share deals) or the project entity sells the real estate asset (asset deal). Alternatively, Futureal Group may decide – especially in the case of core assets – to keep and hold the property as standing, income producing asset or to dispose of them only partially.

Futureal Group, and as part thereof, the Issuer, is active on the class A office development and (value-add and core) investment market, in shopping center development and logistics development markets, currently in Budapest (HU), Warsaw (PL) and Glasgow (UK) with further European cities potentially in the scope for value-add and core office investments.

Futureal Group's, and as part thereof, the Issuer's, historic core business is real estate development in the residential, office, retail, and commercial asset classes. After having Cordia established, residential developments were fully spin-off to Cordia Group and Futureal Group does not develop any more residential units, however close cooperation with Cordia remains active in the mixed-use projects undertaken together. Properties which have been developed by Futureal Group have been successfully sold to domestic and international end investors after project completion and letting. End investors include Klepierre, Immofinanz, OTP Real Estate and OTP Prime funds, Erste Property Fund, Sonae Sierra, and Prime Capital.

On the retail side, Futureal Group has completed 3 shopping center development projects and 1 retail park redevelopment and 1 preferred equity investment in three different countries in the region in partnership with three large players in the property market with long track records:

- CORVIN Plaza (Budapest), forward sold to Klépierre,
- Sziget Center retail park (Tököl, HU) sold to OTP,
- Gold Plaza (Baia Mare, RO) in JV with and sold to Immofinanz,
- Park Lake Plaza (Bucharest) in JV with Caelum (in JV with and sold to Sonae Sierra),
- NOVA Park (Gorzów Wielkopolski, PL) in JV with Caelum and sold to Prime Capital

Futureal Group is currently developing the 55,200 sqm GLA Etele Plaza, Buda's largest shopping center in the dynamic and developing Kelenföld area.

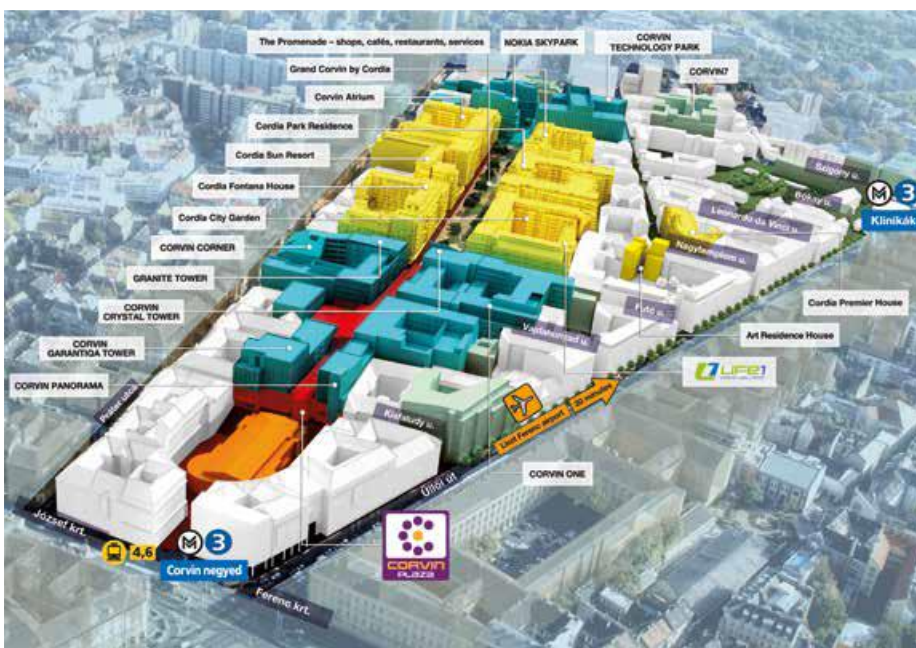
As a result of our deep and detailed expertise we aim to create sustainable, busy and innovative shopping centers with the cooperation of the local government, investors and leading stakeholders in the property

market.

Futureal Group has built up significant experience in carrying out actual, long-term city regeneration projects honored with major international awards.



The most important project complex in the history of Futureal Investment Group has been the regeneration of the Corvin Quarter that will be completed by construction of the last 2-phase office buildings (Corvin 7&8) by Futureal Group and the last residential building by Cordia Group (Grand Corvin 2).



Corvin Quarter is one of Central Europe's largest, 22-hectare city center regeneration project in the heart of Budapest. It is the one of Budapest's largest ongoing development with a total gross newly built area of ~500,000 m². Corvin Promenade is the Corvin Quarter's landscaped, 800 m-long pedestrianized street, a 10,000 m² meeting point

A previously neglected city area has been revived in terms of architecture, culture and economy, containing one of Budapest's largest city center office and retail development, with a combination of open and covered shopping, entertainment, leisure, sport and eating facilities.

Corvin Quarter in numbers

- 500,000 m² newly built gross area
- EUR 900 M development value
- EUR 50 M spent on public programs
- 1000+ families relocated from the original slum

- 2500+ new apartments
- >~130,000 GLA of office buildings
- 50,000 m2 of retail areas
- dozens of historical buildings renovated



These large-scale mixed-use projects with good public transport connections offer massive value creation potential and unique resilience. All functions (office-retail-services-residential-hotel) are complementary to one another, thereby strengthening and creating value for each other. **A strong network effect underpins the unique sustainability and market power of these large-scale mixed-use projects with full-service environments and easy access.**

Long-term, large scale projects may require over a decade of development and operation, therefore, they **feature huge entry barriers due to demand for top locations, very long term commitment, specialized expertise of a very wide range and extensive local connections** and network. **90% of Futureal Group's portfolio has been or is in such unique mixed-use projects next to major transportation junctions making these A+ class core assets hard to replace and very difficult to substitute or compete with.**

Futureal/Cordia groups current projects are overwhelmingly located in such large-scale urban redevelopments:

- **Corvin Promenade: Corvin Innovation Campus and Corvin Promenade Street retail,**
- **South Buda City Center: Budapest ONE Business Park and Etele Plaza,**
- **Marina City – Budapest, district 13 - in preparation phase,**
- Budapest downtown: Váci street - street retail,
- Wilanow Smart City – Warsaw (in preparation phase) in cooperation with Cordia's Polnord SA

Futereal Group's current unique portfolio of core assets

| | SEGMENT | LOCATION | STAKE | GLA sqm | COMPLETION quarter end | FULLY LEASED EUR m | WAVLT years |
|--------------------------------|------------------------------------|-----------|-----------------------|---------|------------------------|--------------------|-------------|
| Current Projects | | | | | | | |
| | Budapest ONE Bldg A | office | Budapest | 100% | 27,418 | standing | 6.30 |
| | Budapest ONE Vodafone Bldg. | office | Budapest | 100% | 19,418 | Q3 2022 | 4.50 |
| | Budapest ONE BT Bldg. | office | Budapest | 100% | 18,533 | Q3 2022 | 4.30 |
| | Corvin Innovation Campus 1&2 | office | Budapest | 100% | 31,834 | Q1 2023 | 7.10 |
| | Antares | office | Warsaw | 100% | 10,116 | Q3 2022 | 1.70 |
| | Spectrum | office | Glasgow | 100% | 6,807 | standing | 1.90 |
| | Etele Plaza | retail | Budapest | 100% | 55,188 | Q3 2021 | 17.90 |
| | Corvin Promenade 6 Váci st. Retail | retail | Budapest | 100% | 12,542 | standing | 3.10 |
| | hellol Parks 2021 | logistics | Metropolitan Budapest | 100% | 90,000 | Q1 2022 | 4.80 |
| Projects in Preparation | | | | | | | |
| | hellol Parks 2022 | logistics | Metropolitan Budapest | 100% | 90,000 | Q1 2023 | 4.80 |
| | hellol Parks 2023 | logistics | Metropolitan Budapest | 100% | 90,000 | Q1 2024 | 4.80 |
| | Marina City phase 1 | office | Budapest | 100% | 25,000 | Q3 2024 | 6.10 |
| | Office Total | | | | 139,540 | | 31.9 |
| | Retail Total | | | | 67,730 | | 21.0 |
| | Logistics Total | | | | 270,000 | | 14.4 |
| | Portfolio Total | | | | 476,856 | | 67.3 |
| | hellol PARKS Land | logistics | Metropolitan Budapest | 100% | | | |
| | Marina City Land | office | Budapest | 100% | | | |

The Main Hubs:

SOUTH BUDA CITY CENTER

BUDAPEST DOWNTOWN

CORVIN QUARTER

MARINA CITY

MEGAPARKS

5.6.1. Budapest ONE Business Park



The three buildings of Budapest's largest modern office complex (a total of 65,400 sqm) with its unique façade and structural design are located at Budapest's "western gate", representing the primary element of the South-Buda City Center development featuring excellent visibility. The area has great public and individual access at Hungary's largest multimodal transport intersection. Downtown Budapest can be reached via direct metro link M4 within ten minutes.

The exceptional service environment of the offices will be further enhanced by the ongoing development of Futereal Group's 55,200 sqm Etele Plaza, currently under construction, which will cater for the needs of both local residents and professionals in the area.

The complex consists of 3 category "A" office buildings designed to create a unique and modern visual experience. Over 950 underground parking spaces are available underneath the building complex. The Business Park with its spacious internal courtyard also offers in-house services for food, leisure, hospitality and medical services.

Budapest One Business Park Building A is operational since Q1 2020 and is fully let with high quality tenants like Roche, Oracle, Infosys, Estée Lauder, Instructure, Regus, etc.

Anchor tenants that have signed pre-leases in the 2 further phases under construction are Vodafone (the "Vodafone Building") and British Telecom (the "British Telecom Building"). Delivery of these 2 phases is scheduled for Q3 2022.

| PHASE I. | | BUILDING A | | | | | | |
|----------------------------|------------|---------------------------------|-------------|---------------|------------|------------|---------|-----------|
| Budapest One Business Park | Office NLA | Retail NLA | Common area | Add-on factor | Office GLA | GLA | Parking | Storage |
| Total: | 23 977 sqm | 2 248 sqm | 1 193 sqm | 4,98% | 25 170 sqm | 27 418 sqm | 429 pcs | 974 sqm |
| PHASE II. | | VODAFONE BUILDING | | | | | | |
| Budapest One Business Park | Office NLA | Retail NLA | Common area | Add-on factor | Office GLA | GLA | Parking | Storage |
| Total: | 16 063 sqm | 2 007 sqm | 1 347 sqm | 4,27% | 17 411 sqm | 19 418 sqm | 235 pcs | 411 sqm |
| PHASE III. | | BRITISH TELECOM BUILDING | | | | | | |
| Budapest One Business Park | Office NLA | Retail NLA | Common area | Add-on factor | Office GLA | GLA | Parking | Storage |
| Total: | 15 389 sqm | 1 700 sqm | 1 444 sqm | 4,93% | 16 833 sqm | 18 533 sqm | 292 pcs | 329 sqm |
| ALL PHASES | | | | | | | | |
| Budapest One Business Park | Office NLA | Retail NLA | Common area | Add-on factor | Office GLA | GLA | Parking | Storage |
| Total: | 55 429 sqm | 5 955 sqm | 3 984 sqm | 4,72% | 59 414 sqm | 65 369 sqm | 956 sqm | 1 714 sqm |



5.6.2. Etele Plaza



A dominant shopping center in Buda with a special focus on entertainment and restaurants

Etele Plaza features: 136,871 sqm Total Gross constructed area with 55,200 sqm GLA (retail, entertainment, and storages), 498 underground car parks on 2 floors, 800 top floors car parks on 4 floors.

Retail, restaurants and entertainment (including the top niche cinema complex) are accommodated on 3 retail levels, a food court level and a cinema level.

Completion / Grand Opening date scheduled: Q3 2021 / Current Status of construction: binding and enforceable use permit is available February 2021

Current status of pre-leasing: >75%



Positioning, unique selling points:

- Close to 100K commuters per day at the site
- The 3rd biggest shopping center in Hungary and the biggest on the Buda side with its 55,200 GLA
- Regional appeal due to its large and diversified fashion and leisure/entertainment orientated offer
- Largest offer of FASHION anchors (shop size 1000+ sqm) comparing to any other shopping center in Buda
- Strong focus on entertainment

- Food court with fast food and upper class / fine dining restaurants, available seating for over 800
- 14-screen multiplex cinema with VIP level and screens
- Two-levels fitness center
- Convenient and easy parking
- Unparalleled retail offering in Buda (fashion, entertainment, convenience, food)
- Smart features including interior navigation, contactless parking via direct customer access and advertising for retailers via a mobile app
- Due to national regulation of "plaza stop" no new major retail schemes are in development
- Special permitting took a decade for Futureal Group to obtain
- At the time being – to the best of the company's knowledge - no more suitable locations remain available for the development of a dominant shopping center in Budapest next to major transport hubs.



5.6.3 Corvin Innovation Campus 1&2

CORVIN INNOVATION CAMPUS

Category 'A' Corvin Innovation Campus office building complex, currently under development, will be the final development on Corvin Promenade. The first phase of the nine-story complex will provide 17,524 sqm of GLA, while the second phase offers 14,310 sqm of GLA. Making a total of 31,834 sqm office complex to be constructed in 2 phases. The buildings will feature BREEAM Excellent and WELL Platinum qualifications.

Phase 1 is scheduled to be handed over in Q3 2022 while the 2nd phase is scheduled for completion a year later.



5.6.4 High Street Retail Portfolio

Futureal Group's high street retail portfolio consists of two major parts: the majority of the portfolio is located at Corvin Promenade in district 8, Budapest, while some elements are in district 5, downtown Budapest.

The total gross leasable area of all premises is 12,000 sqm incorporating 49 units in total. Vacancy is below 10%.



5.6.5 Marina City Offices (planned projects in preparation phase)

Futureal Group's residential developer sister company Cordia International Zrt. has recently (Q1 2020) agreed to acquire and partially acquired a ~11 hectares land complex in Budapest, district 13 to revitalize from former industrial use. The land which is one of the last sizeable inner-city brown-field sites stretches alongside the River Danube featuring a cca. 1,200 m waterfront and is close to a major city artery road, Váci boulevard. The project offers in the opinion of the company, a unique opportunity to realize a high-quality mixed-use, brownfield urban renewal project – in close cooperation between Cordia Group and Futureal Group - of approx. 300,000 sqm gross above ground development area, including residential, office and retail functions, accompanied with public and social developments, simultaneously creating the heart of the project: a public space with direct connection to the Danube river and also next to two metro stations.

The Issuer entered into an agreement on an arms-length basis with Cordia Group holding company, Cordia International Zrt. on the subject matter of (i) the purchase by selected special purpose Futureal Group entities, phase-by-phase, of the future land parcels designated by the parties for the purpose of predominantly office development and (ii) the joint development and financing (i.e. on a pro rata basis) of the development of the public spaces and related infrastructure of the development area and (iii) joint efforts to conclude a new master plan and public area development agreement (Településrendezési Szerződés) with the municipalities.

According to the status of the current preliminary urban design, the development (which is not yet final) of approximately 100,000 sqm GLA of office space development opportunity could be available for Futureal Group in 4-6 phases in the forthcoming years.



5.6.6 Value-add investments

Increasing focus on value-add / manage-to-core projects

In numerous major cities across Europe, new supply of commercial space has not kept the pace with urbanisation and densification trends in recent years. This, often coupled with conversions of buildings from other uses to residential has resulted in a relative shortage of high-quality properties and is putting significant upward pressure on rents. Recognising this opportunity, Futureal Group has been pro-actively sourcing and executing value-add investment transactions. In order to achieve attractive risk-adjusted returns, the team focuses on properties which feature the following characteristics:

- Uncompromised location with excellent transportation links
- Strong building fundamentals
- Purchase price below replacement cost
- Attractive existing or expected near-term income yield

Futureal Group's experience in creating state-of-the-art commercial assets enables the group to establish very detailed and elaborated business plans prior to completing the acquisition and reposition of the acquired property to meet the demands of modern occupiers.

Typical value-add measures include the following:

- Upgrading common areas and adding amenities
- Modernising plant and machinery
- Enhancing sustainability, e.g. through improving energy efficiency
- Optimising the tenant mix
- Rebranding

5.6.6.1. Value-add investment: Spectrum Building, Glasgow, UK

The stainless-steel-clad Spectrum Building is Futureal Group's first office complex in the United Kingdom. Situated in the heart of Glasgow's central business district, the iconic building offers over 6,800 sqm of office and retail accommodation. The location provides easy access to a wide selection of amenities including restaurants, bars, coffee shops and hotels. The property is well-served by public transportation with major rail and metro stations within a short walk. Whilst offering great fundamentals in an excellent location, Spectrum was under-managed by its previous owner, leaving ample upside potential for Futureal Group without the need to take on significant risk.

Contemplated handover date after re-arrangements: turn of 2021 and 2022



5.6.6.2. *Value-add investment: Antares Office Building, Warsaw, PL*

Futureal Group has entered the international office market by acquiring Antares, a 13-storey office building offering 10,116 sqm of total rentable space, together with 85 underground parking spaces. In a modernization process, Antares will be transformed into a state-of-art office complex to meet the technology and design requirements of the 21st century, stepping from class „B” to class „A”. It has excellent location with easy access by public transport, located at the intersection of several bus and tram lines. Antares is close to the city center and only a 10-minute drive from the airport located just opposite the elegant and very popular retail shopping center Galeria Mokotów.

Contemplated handover date after refurbishment: Q3 2022



5.6.7 Futureal Group targets leadership in logistics

Futureal Group has launched an industrial / logistics property development business called HelloParks. The business line is led by a top industry team with deep experience (spin-off of the top management of a leading industrial developer), targeting headcount of 35+ by 2022, including in-house business development, leasing, construction, property and facility management.

HelloPARKS aims to become an industry leader in Hungary and to reach a solid presence in other regional markets. Competitive advantage is to be created by developing mega-parks offering, super-efficient, large-scale, standardized buildings and easy up-scaling.



Member of
Futureal Group

Plans include first developments to be realized in Hungary at ideally 4 locations (North, East, South, West Budapest) and later 2-3 locations in countryside (W & E).

Key development features:

- Establishing megaparks with minimum 150,000 sqm building potential
- Fully standardized buildings
- Competitive rent and service charge level
- International expansion from 2021
- First 2 land acquisition transactions have been completed
- Leadership in cost: land-, construction- and operating cost efficiency



5.6.8 Operational background

Within Futureal Group, management companies provide transactional, due diligence, development management, technical project management, financial and administration, sales and marketing, asset and property management and other related services to the Project Entities in each countries of operation (as described under first title of Section 3.2 of this Information Memorandum).

The management companies support the Project Entities in cross-country cooperation, process developments, brand and knowledge management and concept development of each project and operates as a center of knowledge and connection for the support of the Subsidiaries (other than the Holding Companies) (the “**Competence Center**”). In-house competencies include: acquisition, legal, due diligence, debt origination, architectural concept planning, value engineering, purchasing, marketing, HR and other support.

Architects are selected for each project and managed by Futureal Group’s in-house architect team to optimize concept and implement best practices according to the standards of Futureal Group and environmental sustainability requirements from the very beginning of a development project. Construction works are carried out by general contractors selected usually at tender, however recently in Hungary, – due to the shortage of general contractor capacities and high prices - Futureal Group’s long-term strategic partner, Pedrano Construction Kft. and Pedrano Homes Kft. (as parts of Pedrano Group) are the main and general contractors. Futureal Group maintains its own development management, leasing management and asset/property management teams for all the asset classes Futureal Group operates in. Centralized treasury, cash and cash flow management is provided also as a service to all asset classes and locations of operation.

Furthermore, computerized document and invoice approval system as well as sales support application are connected to the enterprise resource planning (ERP) system.

5.7 Markets, market position

1. Market Overview

Futureal Group, and as part thereof, the Issuer, is currently active as an office, logistics, and retail real estate developer in Budapest-Hungary, Glasgow-United Kingdom, Warsaw-Poland. Chart below presents basic economy parameters for these markets.

(All information contained in the charts below are the most recent data based on various statistical offices and on other research sources available to the Issuer by the date of October 2020 - January 2021)

| | Hungary | Poland | the UK |
|--|----------|--------|--------|
| Population (million) | 9.8 | 38.0 | 66.6 |
| Nominal GDP in EUR billion | 144 | 529 | 2,522 |
| GDP per capita (EUR) (2019) | 14,694 | 13,921 | 37,868 |
| IMF GDP forecast for 2021* | 3.9% | 4.6% | 5.9% |
| GDP growth rate (y-o-y 19-20)* | -6.1% | -3.6% | -9.8% |
| Inflation (HICP) in 2020 | 2.7% | 2.4% | 0.6% |
| Base/Reference Interest Rates (Jan 2020) | 0.6% | 0.1% | 0.1% |
| Unemployment rate | 4.2% | 6.1% | 5.0% |
| Local Currency rate to 1 EUR | 360.3814 | 4.4579 | 0.9055 |

*IMF GDP growth forecast based on October World Economic Outlook

https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD

In 2019, on all Futureal Group activity markets GDP grew faster than 1.4% average for EU-27 countries, with CEE region significantly higher than that. Strong economy supported labour market with falling unemployment

comparing to 2018, which in all countries except Spain was lower than 6.5% EU-27 benchmark.

The unprecedented Covid-19 pandemic situation triggered unprecedented Government and Central Bank stimulus packages globally, as well as in the CEE region. For example, the total stimulus package in Poland accounting for 15% of GDP was introduced in the period March to May 2020. The Hungarian Government announced measures intended to provide support for affected businesses and general public worth 9,000 – 10,000 billion HUF (18% - 20% of GDP).

2. *Market overview - real estate market*

Budapest – Office Market

It is too early to accurately estimate the mid-term impact of the Covid-19 pandemic on the Budapest office market. As an initial impact, a vast majority of office operations switched to home office. However, this has not significantly affected contractual relationships between landlords and tenants, neither has it affected rent collection ratios in any substantial matter. Some speculate that the forcedly picked up habit of home officing might hold back office demand in the medium term, others argue that hybrid officing (i.e. the mix of home officing and actual office work) is difficult to translate into substantial floor space reduction due to increasing social distancing requirements and the widespread rejection of shared desking.

Perceptibly, there was a considerable drop of tenant activity in 2020 which resulted in a gross take-up figure of 247K m2 in Q1-Q3 2020, compared to 637K m2 in the whole of 2019 (source: JLL). It is assumed that many tenants postponed their expansions or applied formerly agreed hand-back options due to uncertainty about future corporate office arrangements. Against this backdrop, Futureal Group has signed 2 major pre-leases with Vodafone and BT.

As a result of dropping tenant demand and relatively high completion volumes in 2020 (266K m2) overall vacancy grew to a still healthy 8.1% from record low 5.6% in 2019. The key sub-markets of Futureal Group South-Buda (6.3%) and Váci Corridor (5.2%) both enjoy a lower than average vacancy rate. Although the Pest Central South submarket had 10.0% vacancy in Q3 2020, Corvin Promenade stands on its own with its 100K m2 completed and almost fully occupied office stock. (vacancy rates by JLL)

Completions are expected to drop to 140K m2 in 2021, and 206K m2 in 2022 (excluding owner occupied MOL Campus). Year 2022 completions are somewhat uncertain due to tightening financing conditions including 40-50% pre-lease.

Budapest – Retail Market

Despite of some restrictions related to Covid-19, overall retail sales in Hungary increased 1.5% y-o-y between January and May 2020. Due to a change in consumption habits, however, the clear winners of the lock-down period starting in mid-March were FMCG and food products, while clothing and footwear suffered a drop of 37.6%. Parallel to this, consumption was partly redirected to the internet and to big box retail schemes, while Budapest shopping centers suffered a turn-over drop of 39% and footfall drop of 37%. By mid-July decreasing fear over the extensiveness of Covid-19 and the reopening of offices brought shopping centers back to life with a footfall level of about 80% of that of pre-pandemic. (source: CBRE and JLL). Although no hard data is available yet, it is assumed that - similarly to the 1st lock-down - the 2nd lock-down will see the so-called essential stores (grocery stores, drugstores, pharmacies, etc.) suffering minimum losses, if any, while fashion stores and restaurants will record significant footfall and revenue losses. Conversely, due to the Covid-19 pandemic there was no new retailer entry to the Hungarian market in H1 2020, on the contrary 5 international retailers left. It is not because of the pandemic, but for the so called "Plaza Stop Law", that there was no new

supply introduced to the Budapest market in 2020. The last shopping center opening in the capital was that of Corvin Plaza in 2010 (also developed by Futureal Group).

Warsaw – Office Market

In Warsaw demand for office space in 2020 was 31% lower than in 2019, with vacancy rate increasing by 2.2 p.p. to 9.9%. Due to a dropping demand several completions were postponed to 2021 resulting in a strong but not overwhelming new supply. The most notable trend last year was the substantial increase in sublease supply from near 50K m² to close to 130K m². Headline rents remained mostly unchanged, with certain landlords increasing the value of incentive packages.

Glasgow – Office Market

Although take-up levels improved during Q3 2020, overall activity in Year 2020 remains substantially below average levels. Vacancy of 4.2% in Q3 2020 is assumably increased in Q4. Headline rents remained stable, as well as typical rent-free periods.

5.8 Competitive positioning

1. Futureal Group

Futureal Group did not lose momentum during the Covid-19 pandemic. So far, all previously planned projects are continued and constructions are uninterrupted. Although the opening of Etele Plaza was postponed by 6 months, other projects are on track according to original timelines.

Futureal's key personnel also remained intact and professionally active. Existing projects and the concept design stage of Marina City created a very busy and fertile business year in 2020.

Although conditions somewhat tightened, banks' interest in financing Futureal projects remained robust with essentially all major banks holding regular discussions about the pipeline of Futureal Group. Futureal's reputation as a prime banking client is considered to be an increasing competitive advantage compared to less notable developers.

Futureal and its strategic construction partner, Pedrano, remains a reputable client for sub-contractors. The electronic bidding system introduced in H1 2020 has met with satisfaction from the sub-contractor side for its transparency, as well as from the management side for its achieved results.

2. Existing Futureal Projects

Budapest One Phase 2&3

Going against the Covid-19 pandemic, the office development team of Futureal managed to secure two major tenants during the pandemic. The British Telecom lease of >9,000 m² was signed in May 2020 in the middle of the 1st lock-down. The Vodafone lease of ~10,000 m² was signed in July 2020. The agreed pre-leases bring both Budapest One Phase 2 and 3 to an occupancy level of around 50%. Continued tenant interest and the success of Phase 1 gives confidence to the Futureal office team that remaining vacant areas should be leased successfully. Advanced financing negotiations are being performed and a 2nd round of indicative offers were received from several banks by the end of January 2021.

Corvin Innovation Campus

Corvin Innovation Campus has no pre-lease yet. However, there are advanced tenant negotiations ongoing. The 10-year continuous success of the Corvin Promenade project suggests a higher than average chance for successful leasing.

Marina Office Park

Futureal has a strong track record of successfully managing such complex projects and exploiting the synergy between different functions. Furthermore, the Marina City land has several unique attributes, such as a 1.2 km long Danube bank that can be transformed into a popular public space acting as a key selling point for both office and residential elements, direct connection to 2 metro stops at the two ends of the project, vicinity to the major office corridor (Váci boulevard), services of a local shopping center (Duna Plaza).

Etele Plaza

Despite the Covid-19 pandemic Etele Plaza lease-up level is continuously growing. Retailers, especially small local retailers are clearly challenged by the lockdowns and the immediate effects of the covid pandemic, but according to our experience this does not devalue the potential of Etele Plaza in their view.

No shopping center was opened since the hand-over of Corvin Plaza in 2010 and no additional shopping center is officially announced to be delivered any time soon after the opening of Etele Plaza in Q3 2021. The so-called "Plaza Stop Law" makes it extremely difficult to obtain building permit for substantial retail facilities and there is virtually no space available in major city center transport hubs. For the time being, Etele Plaza shall be the largest shopping center on the Buda side.

The substantial increase of on-line shopping may remain after the pandemic. Even so, off-line retail will according to management's estimates preserve its overwhelming proportion in overall retail trade in Hungary.

Street Retail Portfolio

The street retail portfolio of Futureal faced challenging times due to the Covid-19 pandemic. Tourists vanished from Váci street and office workers of Corvin Promenade switched to home-office, therefore substantially reducing the customer base of our retail tenants. Restaurants were officially forced to close for several months or operate on a take-away basis only. The company decided to grant rebates of varying levels based on individual judgement to certain retailers, mostly restaurant operators, due to their temporary lack of income, to enable them to restart after the easing of the restrictions. In management's estimation, in a post-pandemic world demand will be restored due to the exceptional location of the portfolio units, strong customer base and historically strong performance.

Antares, Warsaw

Before the pandemic the Warsaw office market was one of the busiest ones in the CEE region. The slow-down of net take-up might be more noticeable than in other capitals but it is down from a relatively high basis. Mokotow, where Antares is located is the 2nd largest office sub-market of Warsaw. It is our expectation that by the time of reopening Antares in Q3 2021 demand will start to return to the market. Mokotow is a very competitive sub-market with significant supply and increased sub-lease offering due to the pandemic, but most of the competition do not enjoy the exceptional location and visibility of Antares. Antares has also been purchased at a price significantly below replacement cost.

Spectrum, Glasgow

Positioned on the corner of Blythswood and Waterloo Street in the prime core of the Glasgow CBD, within close proximity to the central railway station and city center amenities. The Building is well known due to its unique architecture and excellent position in the midst of the business district. Glasgow has a fast-growing office market with limited supply therefore Spectrum has great potential. The building is going through some major improvements to offer more in-house amenities as well as modern interior design in the renewed

common areas.

HelloParks

The Hungarian market has had very little development activity and reached 2% vacancy (mostly concentrated in the office elements) and has experienced strong rental growth to 4.5-5 euros (per sqm per month) rental levels with 0.7-0.9 eur service charge. At these rental levels Hungary is less competitive in regional tenders than Slovakia, Czechia and Poland which offer much cheaper logistics solutions. As a result, there is very little speculative development in Hungary by the large global players like Prologis, Goodman, etc, only CTP has been growing aggressively.

Futureal / HelloParks aims to dominate the Hungarian (and later the regional) development market by creating mega-parks with common infrastructure and very large buildings offering significant efficiencies of scale and lower development costs. Mega-parks are much cheaper to operate resulting in an operational cost advantage, while tenants in mega-parks enjoy significant synergies based on complementing seasonality of warehousing peaks and the better service environment.

The business line is led by an industry-leading team with deep experience (spin-off of the top management of a leading industrial developer), target headcount of 35+ by 2022, in-house business development, leasing, construction, property and facility management team.

5.9 Strategic partners and cooperation

1. Cordia Group

Both Futureal Group and Cordia Group are ultimately owned by Gábor Futó and Dr. Péter Futó. Residential developments are developed by Cordia Group, while Futureal Group is involved in large-scale mixed-use urban renewal projects, office and retail developments, redevelopment projects, logistics and hotel projects and commercial property investments.

The two groups have separate, parallel corporate structures.

The two groups cooperate in certain mixed-use projects (for example in mixed-use projects like Corvin Promenade or Marina City) and certain limited functions (like aggregating purchasing, deal sourcing and due diligence). In addition, Cordia Group's management companies and Futureal Group's management companies may, from time to time provide certain services to each other on an arm's-length basis in order to optimize costs or use special capabilities.

2. Pedrano Group

One of the main strategic partners of Futureal Group is the Pedrano Group (Pedrano Construction Kft., Pedrano Invest Kft. and its subsidiaries) with the cooperation existing for over a decade now. Pedrano Group has been a stable, dependable participant in the private client market of the Hungarian construction business for more than 10 years. Futureal Group and Cordia Group manage most of their construction projects in Hungary through Pedrano Group (Pedrano Construction Kft., Pedrano Commercial Kft., and Pedrano Homes Kft.) as general contractors on a fully transparent basis on cost plus fixed margin contracts, generally ensuring 6% margin for Pedrano Group.

Pedrano Group acts as general contractor, manages the construction process and ensures Futureal Group's access to its wide subcontractor network, in addition, it protects Futureal Group's project entities from several project level constructions related legal liabilities. On the other hand, Pedrano Group derives the vast majority of its revenues from Futureal Group and Cordia Group and grants them absolute priority. Having regard to the

close co-operation between Pedrano Group and Futureal Group, the Issuer provides as and when the liquidity situation of Pedrano Group of the pre-financing level of a project on the Pedrano Group side makes it necessary - short term, interest free, framework loans solely for the purpose to finance Pedrano Group's implementation of the Futureal Projects (for example financing pre-payments made by Pedrano Group, non-refinanced subcontractor invoices, etc.) in the interest to support the timely completion of the projects or to lower costs, ensure capacities. Each of the loans shall be repaid until the completion and handover of the relevant Futureal Project.

3. *Finext Investment Fund Management Co. Ltd.*

Finext Befektetési Alapkezelő Zrt. (seat: 1082 Budapest, Futó utca 43-45. VI. em.; company registration number: Cg.01-10-044934; tax number: 13052502-2-42; the "**Fund Manager**") acts as the fund manager of the investment funds belonging to Futureal Group and acts in accordance with the fund management rules (in Hungarian: "*kezelési szabályzat*") of these funds. In Hungary investment funds (including umbrella funds and sub-funds) are recognized as legal entities and authorized and registered by the NBH. The investment fund and their managers are regulated by the Act No. XVI of 2014 on Collective Investment Trusts and Their Managers, and on the Amendment of Financial Regulations, and Government Decree no. 78/2014 on the Investment and Borrowing Regulations for collective investment forms.

4. *Group Management Equity Plan Program*

An equity plan program is operated at Futureal Group for the purpose of rewarding key individuals (including senior executives, employees and certain long-term advisors of Futureal Group, including FMPCV and FutMan) ("**Key Individuals**") in connection with the (i) success of the development and investment projects, and (ii) overall performance of the Futureal Group and (iii) other corporate objectives (the **Equity Plan**). In addition, certain Key Individuals may in the future also participate in a share scheme involving the shares of the Guarantor.

5.10 **Material Contracts in the ordinary course of business**

1. *Land sale and purchase agreements*

Contracts for the sale and purchase of the land plots are agreed on a case-by-case basis. In each case the documents contain terms and conditions standard for the respective market. In case of tenders or actions organised by State Agencies of Municipalities, the contracts are also negotiated by the parties, sometimes within less flexible but still market standard conditions. In certain markets, in preparatory phase of the projects, developers may also conclude preliminary sale and purchase agreements or option agreements which are capable to ensure the developers' title to obtain the land at a later stage of the development. These solutions are standard and well-functioning solutions on these markets of operation.

2. *General construction contracts*

General construction contracts (the "**GC Contract**") used in the countries of operation contain market standard provisions. The GC Contracts limit the developer's liability to the amount of the contractor's fee (which may be fixed or variable) and in certain cases, to the delivery of the plans and drawings/building permit as well as lay down market standard performance guarantee undertakings for the on-time performance of the general contractor. Also, the developers in certain cases (e.g. unacceptable delay in the construction due to the general contractor's fault) would be entitled to terminate the agreements which would also trigger the general contractors' penalty payment obligation. Nonetheless, penalty payment obligations of the general contractors are capped.

The general contractor shall maintain all-risk construction and installation (CAR) insurance for the whole construction period.

Short descriptions of material general contracts are provided under Section 10 (*Material Contracts*) of this Information Memorandum.

3. *Lease Agreements*

Futureal Group's standardized contract templates, which are tailored to local legal and regulatory framework, provide very strong legal positions for the Issuer and its Subsidiaries. Lease agreement (the "**Lease Agreement**") templates are well elaborated documents providing strong legal position to the projects / the developer.

Lease agreements are generally for definite terms and (except for cause) may not be terminated by the tenants prior to original expiry (unless there are pre-defined break options). Lease agreements generally provide for strong penalty obligations of the tenants in the case of early termination occurred due to tenants' breach of their obligations, such as lump sum penalty, repayment of rent free and reimbursement of fit out costs (or part thereof). Tenants are generally also obliged to secure their obligations under the lease agreement by first demand bank guarantee, security deposit or parent company guarantee.

Office leases are generally of a triple net nature, meaning that payments of tenants shall cover operating costs of office complexes including even real property taxes, insurance costs and costs of refurbishments. Rents are reviewed and adjusted on an annual basis pursuant to changes in MUICP. Retail leases may have service charge caps or complicated service charge reconciliation clauses, logistics lease agreements are often done on a fixed service charge basis.

4. *Joint venture agreement*

Marina City cooperation agreement with Cordia

The Issuer entered into an agreement on an arms-length basis with Cordia Group holding company, Cordia International Zrt. on the subject matter of (i) the purchase by selected special purpose Futureal Group entities (companies and/or investments funds) phase-by-phase the future land parcels designated by the parties for the purpose of office development (with retail function at ground floors) and (ii) the joint development and financing (i.e., on a pro rata basis) the development of the public spaces and related infrastructure of the development area after Cordia has managed to conclude the new master plan and public area development agreement (Településrendezési Szerződés) with local municipality.

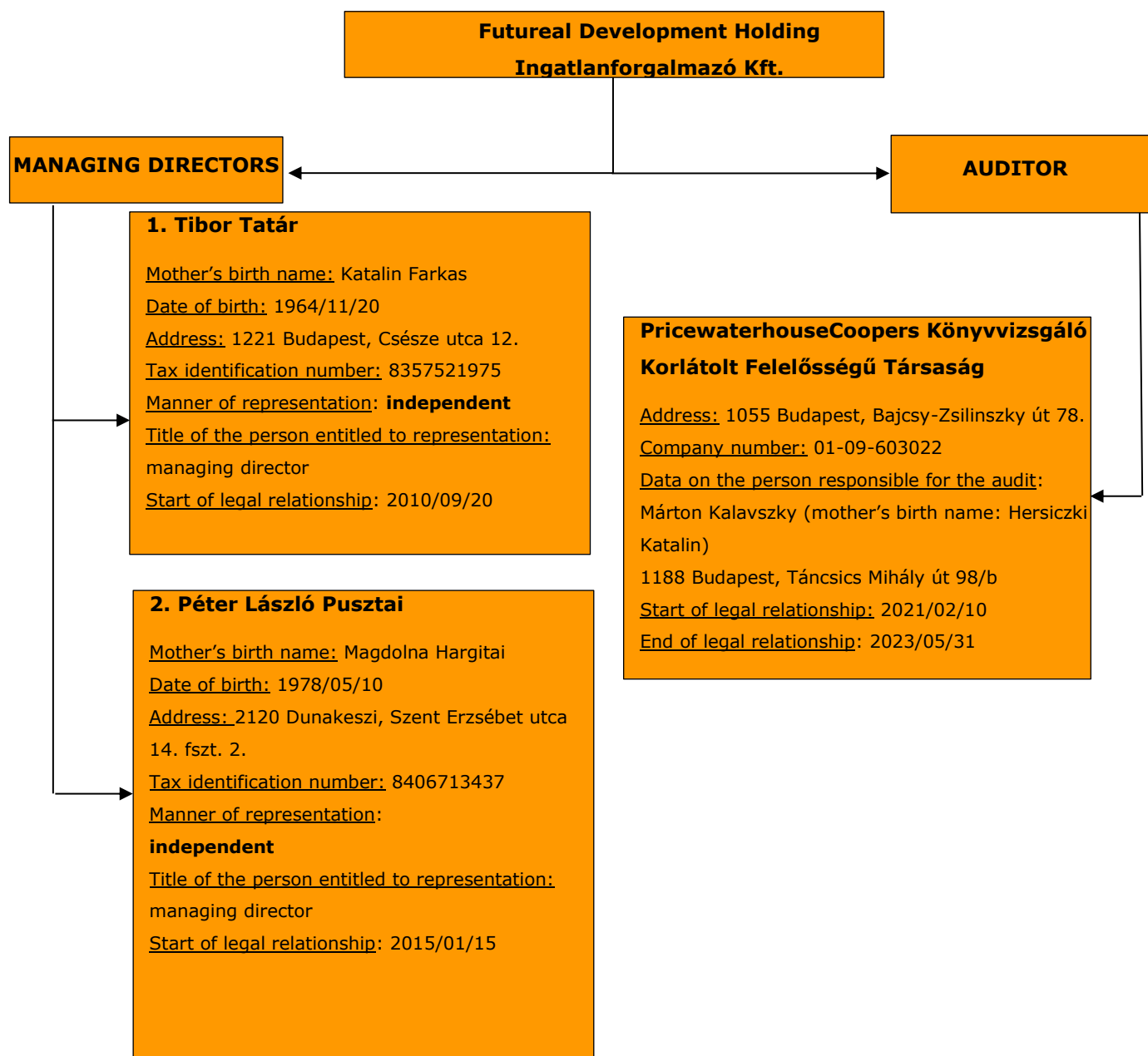
According to the status of current preliminary urban design the development, approx. 100,000 sqm GLA of office space development opportunity will be available for Futureal in 4-6 phases in the forthcoming decade.

5. *Credit Facility Agreements*

Certain Subsidiaries have entered into various credit facility agreements with prominent banking partners primarily for the purpose of financing its projects. Brief information as to certain terms of the credit facility agreements are provided under Section 3.2 (*Risks related to the operation of Futureal Group*), Section 10 (*Material Contracts*) and also included in the consolidated financial statement of the Issuer for the financial year ended on 31 December 2019.

5.11 Summary of the Issuer's corporate details

1. Corporate details of the Issuer



2. *Managing Directors*

The Issuer is managed by the managing directors with independent signing rights. The managing directors are (i) Tibor Tatár and (ii) Péter László Pusztai.

The managing directors are appointed for an indefinite period of time. The managing directors are entitled to individually represent and sign on behalf of the Issuer.

Each managing director represents the Issuer before third parties, courts and other authorities. Each managing director specifies and manages the daily operation of the Issuer. The employer's rights over the employees of the Issuer is exercised by the managing directors. The employer's rights over the managing directors is exercised by the quotaholders or a person appointed by the quotaholders for such purposes.

The managing directors qualify as executive officers under the Civil Code, therefore they must comply with the relevant provisions of the Civil Code pertaining to executive officers. The managing directors shall manage the Issuer with such due diligence as it is required from persons in such positions. They are liable towards the Issuer for any damage caused to the Issuer as a result of negligently breaching the law, the articles of association of the Issuer or the resolutions of the sole shareholder or their management duties under.



Tibor Tatár

Chief executive officer

Tibor joined Futureal Group in 2004 and became CEO in 2005 being responsible for the development activities of commercial and city regeneration projects in Hungary and Romania ever since. Tibor has a major role in Futureal Group becoming one of the top 20 developers in Europe.

Before joining Futureal Group Tibor was heading KPMG Property Services. Prior to that he was managing partner of TND Real Estate Advisory and Financial Consulting Ltd. He started his professional carrier at American Appraisal Hungary in 1989 having 30 years of industry experience

Tibor holds MSc degrees in Architecture at the Technical University of Budapest and at the Budapest University of Economics, later obtained MSc in Real Estate degree at Nottingham Trent University in 1999. He is a member of the Royal Institution of Chartered Surveyors as well as of the Hungarian Real Estate Association. He is vice-president of the Developers' Roundtable Association (HU).



Péter László Pusztai

Chief Accountant

Laszlo has been playing a key role at Futureal Group for more than 12 years. On one hand he is having a Senior Consolidation Manager role, making sure all the entities are properly consolidated under Futureal Holding BV, while on the other hand he is having Managing Director roles in 8 subsidiaries of Futureal Group. Laszlo is graduated as MSc in Economics and Management at University of Szeged, having a certification of Chartered Accountants.

3. *Supervisory Board*

No supervisory board has been established at the Issuer. The Issuer is not obliged to appoint a supervisory board in accordance with the applicable legal regulations.

4. *Quotaholder Information*

The current sole quotaholder of the Issuer is Futureal Holding B.V. Futureal Holding B.V. acquired, as a result of corporate merger, the quota represents 100% of the registered capital of the Issuer on 18 June 2020.

The Issuer did not issue preference quotas with prior voting rights, therefore there is no preferred/prior voting rights in connection with the shares of the Issuer.

5. *Employees*

The Issuer runs its operations via management companies, FutMan and FMPCV, which are employing employees and providing services to all other companies, including the project SPVs belonging to Futureal Group.

6. *Trademark*

The Issuer is the owner/beneficiary of well-established brands trademarked as indicated in Annex 5.

6 CREDIT RATING AND RATING RATIONALE

Scope Ratings GmbH as Credit Rating Agency has assigned a rating of BB to the Issuer and a BB instrument (senior unsecured debt) rating to the Bonds.

The latest information on the rating above, including rating reports and related methodologies applied, are published by the Credit Rating Agency and are also available on NBH's website through the following link: <https://www.mnb.hu/monetaris-politika/novekedesi-kotvenyprogram-nkp>.

The rating shall, pursuant to the terms of the BGS, be subject to regular revision by the Credit Rating Agency and may be revised anytime during the term of the Bonds. The Credit Rating Agency may also be replaced during the term of the Bonds with another entity as Credit Rating Agency as approved and acceptable for the National Bank of Hungary under the Bond Funding for Growth Scheme.

Further details of the credit rating requirement prescribed by the BGS may be found in the BGS Handout.

7 SELECTED FINANCIAL INFORMATION

This Section contains analysis on Futureal Group's and Issuer's financial condition, operating results, and the most recent selected financial information as presented herein, based on the Issuer Unaudited Financial Information and the Guarantor Unaudited Consolidated Interim Financial Information.

Major Factors Impacting the Business Results

Futureal Group, and as part thereof, the Issuer, is an experienced commercial real estate developer focused on development of office, retail and logistics projects.

Futureal Group, and as part thereof, the Issuer, operates in Hungary, Poland, and the UK and is present in leading local office, retail and logistics markets, i.e. in Budapest, Warsaw and Glasgow.

The office, retail and logistics projects are being developed by individual Subsidiaries established for that purpose, i.e. the Project Entities. Therefore, the below analysis of the financial position of Futureal Group is based on the Guarantor Unaudited Consolidated Interim Financial Information.

Futureal Group, and as part thereof, the Issuer, has very unique competences and extensive experience in managing each of the stages of development process.

Properties leased under operating leases are presented as investment and development properties in the consolidated statement of financial position, rental fees received are presented as rental income in revenue.

Futureal Group's revenue includes rental income in the scope of IFRS 16, while service revenue mainly consists of management fees, and other services provided to tenants (e.g. cleaning, maintenance, public utilities). Service revenue under the scope of IFRS 15 is recognized over time.

In case Futureal Group, and as part thereof, the Issuer, sells properties, income is recognized as revenue. In accordance with IFRS 15, revenue is recognized when control over the property is transferred when the customer takes possession of the sold property.

The dynamic expansion of Futureal Group, and as part thereof, the Issuer, in the past years resulted in the significant increase of the number of projects in Futureal Group's portfolio, including the projects that are under construction as well as number of projects which are still in the preparatory (and planning) phase.

At the end of December 2020 Futureal Group was involved in as much as 477,270 square meters of standing real estate and projects under development including as much as 139,540 square meters of office projects, 270,000 square meters of logistics, and 67,730 square meters of retail.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Futureal Group, is classified as investment and development property. Investment and development property also includes property that is being constructed or developed as future use as investment property.

Investment and development property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment and development property is carried at fair value. Investment and development property that is being redeveloped for continuing use as investment and development property, or for which the market has become less active, continues to be measured at fair value. Investment and development property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment and development properties under construction for which the fair value cannot be determined reliably, but for which the Futureal Group expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determined or construction is completed – whichever is earlier.

It may sometimes be difficult to determine reliably the fair value of the investment and development property under construction. In order to evaluate whether the fair value of an investment and development property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project/property is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- The development risk specific to the property;
- Past experience with similar construction; and
- Status of construction permits.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, Futureal Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment and development property being valued.

The fair value of investment and development property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that

future economic benefits associated with the expenditure will flow to Futureal Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment and development property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Changes in fair values are recognised in the income statement. Investment and development properties are derecognised when they have been disposed of. Where Futureal Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment and development property.

If an investment and development property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment and development property because its use has changed, any difference resulting between the carrying amount and the fair value of this item as at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the income statement.

Issuer's separate financial figures (data in THUF)

Revenues

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|-----------------------|-------------------------|-------------------------|
| Total service revenue | 0 | 4 |
| Total revenue | 0 | 4 |

Other income

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|----------------------|-------------------------|-------------------------|
| Impairment reversed | 115 | 2,034,732 |
| Other | 2 | 25 |
| Total revenue | 117 | 2,034,757 |

Operating expenditures

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|--|-------------------------|-------------------------|
| Contracted services | 1,818 | 9,206 |
| Other service activities | 3,891 | 3,341 |
| Value of services sold (intermediated) | 0 | 0 |
| Material costs | 5,709 | 12,547 |

Contracted services contain audit and advisory fees, membership fees, bookkeeping fees and other services. Other service activities include banking expenses, insurance premiums and other duties.

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|---------------------------------|-------------------------|-----------------------------|
| Covid-19 donation | | 172,000 |
| Impairment on loans | 2,495 | 951 |
| Other | 3 | 408 |
| Other operating expenses | 2,498 | 173,359 |

Financial result

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|--|-------------------------|-----------------------------|
| Dividends received | 0 | 0 |
| Gain from the disposal of participating interest | 5,447,686 | 5,900 |
| Interests received on long-term IC loan | 9,599 | 24,764 |
| Other interest and similar income | 54 | 3,772 |
| Other income from financial transactions | 1,015,693 | 972,166 |
| Income from financial transactions | 6,473,032 | 1,006,602 |
| Losses on disposal of participating interests | 126,558 | 2,248 |
| Interests payable (paid) and similar expenses | 55,689 | 16,779 |
| Impairment on participating interests, securities, long-term loans and bank deposits | 756 | 2,011,371 |
| Other expenses on financial transactions | 713,369 | 1,383,368 |
| Expenses on financial transactions | 896,372 | 3,413,766 |
| Net gain/loss on financial transactions | 5,576,660 | 2,407,164 |

Operating Profit

In 2020 the loss is due to a given donation for COVID-19 health care purposes.

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|-----------------------|-----------------------------|-----------------------------|
| Revenue | 0 | 4 |
| Cost of sales | 0 | 0 |
| Gross profit | 0 | 4 |
| Operating loss | -8,090 | -162,525 |

Profit after tax

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|------------------------------|-------------------------|-----------------------------|
| Profit/loss before tax | 5,568,570 | -558,318 |
| Tax payable | -20,802 | 0 |
| Profit/loss after tax | 5,547,768 | -558,318 |

Financial Investments

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|---|-------------------------|-----------------------------|
| Long-term participations in affiliated undertakings | 32,391,927 | 23,548,128 |
| Long-term credit to affiliated undertakings | 3,077,477 | 3,320,028 |
| Other long-term participations | 163,454 | 3,209,130 |
| Non-current financial assets | 35,632,858 | 30,077,286 |

Current assets

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|--|-------------------------|-----------------------------|
| Trade debtors | 951 | 0 |
| Receivables from affiliated undertakings | 10,964,470 | 12,067,401 |
| Other receivables | 16,261,105 | 9,900,619 |
| Petty cash and bank | 661,538 | 13,931,676 |
| Accrued and deferred assets | 10,714 | 40,819 |
| Current assets | 27,898,778 | 35,940,515 |

Other receivables include loans to related parties and to the Pedrano Group.

Equity and liabilities

| <i>In THUF</i> | As at 31.12.2019 | As at 30.06.2020 |
|-----------------------------|-----------------------------|-----------------------------|
| Shareholders' equity | | |
| Share capital | 4,124,300 | 4,124,300 |
| Share premium | 0 | 0 |
| Capital reserve | 29,635,663 | 31,444,500 |
| Retained earnings | 2,699,505 | 7,601,516 |
| Profit after tax | 5,547,768 | -558,318 |
| Total equity | 42,007,236 | 42,611,998 |

Liabilities

| | | |
|--|-------------------|-------------------|
| Total non-current liabilities | 0 | 0 |
| Current liabilities | | |
| Short term loans from related parties | 10,895,798 | 0 |
| Trade payable | 3,859 | 581 |
| Current liabilities to related companies | 9,397,213 | 22,270,386 |
| Other current liabilities | 1,225,699 | 16,844 |
| Accrued and deferred liabilities | 1,831 | 1,120,617 |
| Total current liabilities | 21,524,400 | 23,408,428 |
| Total liabilities | 21,524,400 | 23,408,428 |
| Total equity and liabilities | 63,531,636 | 66,020,426 |

Equity movements

| <i>In THUF</i> | Opening balance as at 01.01.2020 | Increase | Decrease | Closing balance as at 30.06.2020 |
|-------------------------------------|---|------------------|------------------|---|
| Share capital | 4,124,300 | 0 | 0 | 4,124,300 |
| Called-up share capital not paid | 0 | 0 | 0 | 0 |
| Capital reserve | 29,635,663 | 1,808,837 | 0 | 31,444,500 |
| Retained earnings | 2,699,505 | 5,547,768 | 645,757 | 7,601,516 |
| Non- distributable reserve | 0 | 0 | 0 | 0 |
| Revaluation reserve | 0 | 0 | 0 | 0 |
| After-tax profit (loss) | 5,547,768 | 0 | 6,106,086 | -558,318 |
| Total Equity | 42,007,236 | 7,356,605 | 6,751,843 | 42,611,998 |

Cash flow (data in THUF)

| | Line item | As at 31.12.2019 | As at 30.06.2020 |
|-------------|--|---------------------|-------------------|
| | b | c | d |
| I. | Change in cash from operating activities (Operating cash flow, lines 1-14) | -19 874 805 | -1 631 125 |
| 1a. | Pre-tax profit/(loss) ± | 5 568 569 | -558 318 |
| | of which: operational support received, financially settled | 0 | 0 |
| 1b. | Adjustments to pre-tax profit/(loss) + | 0 | -45 800 |
| 1. | Adjusted pre-tax profit/(loss) (lines 1a+1b) + | -7 499 868 | -604 118 |
| 2 | Amortisation charge + | 0 | 9 |
| 3 | Impairment recognised and reversed ± | 2 495 | 22 410 |
| 4 | Difference between provisions made and used ± | 0 | 0 |
| 5 | Proceeds from/(loss on) disposal of non-current assets ± | 0 | 0 |
| 6 | Change in trade liabilities ± | 3 859 | -3 278 |
| 7 | Change in other current liabilities ± | -39 505 490 | -1 260 050 |
| 8 | Change in accruals ± | -1 040 | 51 259 |
| 9 | Change in trade receivables ± | 0 | 951 |
| 10 | Change in current assets (net of trade receivables and cash at bank and in hand) ± | 14 086 900 | 190 718 |
| 11 | Change in prepayments ± | -9 296 | -29 026 |
| 12 | Tax paid or payable (on profit) - | -20 802 | 0 |
| 13 | Dividends and profit-sharing paid or payable - | 0 | 0 |
| II. | Change in cash from investing activities (Investment cash flow, lines 15-17) | 17 902 534 | -3 487 166 |
| 14 | Purchase of non-current assets - | 17 902 534 | -3 244 615 |
| 15 | Disposal of non-current assets + | 0 | 0 |
| 15/b | Change in non-current financial assets | 0 | 0 |
| 15/c | Change in advance payments for capital projects | 0 | 0 |
| 16 | Repayment, cancellation and redemption of long-term loans and bank deposits + | 0 | 0 |
| 17 | Long-term loans and bank deposits - | 0 | -242 551 |
| 18 | Dividend and profit sharing received + | 0 | 0 |
| III. | Change in cash from financial transactions (Financing cash flow, lines 18-28) | 0 | 18 342 629 |
| 19 | Proceeds from the issue of shares, capital increase + | 0 | 0 |
| 20 | Proceeds from the issue of bonds and debt securities + | 0 | 0 |
| 21 | Borrowings + | 0 | 18 342 629 |
| | of which: short-term borrowings | 0 | 0 |
| | loss on revaluation at the balance sheet date | 0 | 0 |
| 22 | Cash received without the obligation of repayment + | 0 | 0 |
| 23 | Share redemption, divestment (capital reduction) - | 0 | 0 |
| 24 | Repayment of bonds and debt securities - | 0 | 0 |
| 25 | Loan repayment - | 0 | 0 |
| | of which: short-term borrowings | 0 | 0 |
| | gain on revaluation at the balance sheet date | 0 | 0 |
| 26 | Cash transferred without the obligation of repayment - | 0 | 0 |
| IV. | Change in cash (lines I±II±III) | -1 972 271 | 13 224 338 |
| 27 | Revaluation of foreign currency cash + | 0 | 45 800 |
| V. | Change in cash according to the balance sheet (lines IV+27) | -1 972 271 | 13 270 138 |

Current and Planned Investments and Constructions

As of 30.06.2020 the Issuer was not involved in active development projects.

Source of Equity and Liability

Source of capital financing Issuer operations is presented in details in the foregoing chapters „Equity and Liabilities“ and „Cashflow“.

Guarantor's consolidated financial figures

a) Revenue

| <i>In EUR</i> | 01.01.2020-30.06.2020 |
|----------------------------------|------------------------------|
| Revenue from sale of real estate | 48,918,558 |
| Total rental income | 2,217,715 |
| Other rental income | 1,223,639 |
| Service revenues | 2,043,689 |
| Total revenue | 54,403,601 |

The revenues and profits recognized by Futureal Holding BV during financial half-year 2020 were driven mainly by revenues from the sale of an office building. In addition, the Company recognized rental income from office and retail properties, as well as service income related to investment properties.

b) Operating Expenditures

Cost of sales includes cost of sold real estate inventories comprising the cost of the office building at its balance sheet fair value as of the date of the sale. Direct costs of rental and operation include costs directly attributable to rental activities such as public utilities, taxes (e.g. land and buildings), property management fees and other operating expenses including maintenance, and security expenses.

| <i>In EUR</i> | 01.01.2020-30.06.2020 |
|--|------------------------------|
| Cost of goods sold | 48,497,233 |
| Total direct costs of rental and operation | 2,197,622 |
| Total other property related expenses | 420,906 |
| Total cost of sales | 51,115,761 |

Other property related costs mainly include depreciation of property, plant and equipment, cost of intermediary services, and other expenses mainly including commissions.

| <i>In EUR</i> | 01.01.2020-30.06.2020 |
|--|------------------------------|
| Selling and marketing expenses | (216,670) |
| Administrative expenses | (2,314,709) |
| Net gain/loss from fair valuation of investment and development properties | 12,196,730 |

| | |
|----------------------------------|-------------------|
| Other income | 138,764 |
| Other expenses | (982,206) |
| Gross profit | 3,287,840 |
| Operating (expenses) gain | 12,109,749 |

The majority of personnel expenses are related to staff of the Hungarian management company, Futureal Management Kft. The net gain relates to office developments in construction where fair value became reliably determined based on lease contracts with customers and progress in construction.

Other income primarily related to a net gain on disposal of subsidiaries, joint ventures and associates, in addition to a gain on the disposal of other investments.

c) Operating Profit

In 2020 Futureal Holding BV recorded strong operating profit of EUR 12,109,749 resulting primarily from net gains from fair valuation of investment and development properties as well as other income from a gain on the disposal of other investments.

| <i>In EUR</i> | 01.01.2020-30.06.2020 |
|-------------------------|------------------------------|
| Revenue | 54,403,601 |
| Cost of sales | -51,115,761 |
| Gross profit | 3,287,840 |
| Operating profit | 12,109,749 |

d) Financial Result

The below table presents the result on financial operations of Futureal Holding BV in the past period. Other finance income and expense is mainly related to realized and non-realized foreign exchange differences connected to transactions in foreign currency.

| <i>In EUR</i> | 01.01.2020-30.06.2020 |
|-------------------------------------|------------------------------|
| Interest income | 144,132 |
| Other financial income | 5,779,394 |
| Interest expense | -992,178 |
| Other financial expense | -13,269,424 |
| Net finance income/(expense) | (8,338,076) |

e) Profit After Tax

Futureal Holding BV made EUR 3,947,197 profit after tax in 2020 as a result of its real estate operations, development and leasing activity.

| <i>In EUR</i> | 01.01.2020-30.06.2020 |
|-------------------------------------|------------------------------|
| Profit before taxation | 3,770,778 |
| Income tax expenses | -134,091 |
| Profit/(loss) for the period | 3,636,687 |

f) Non-Current Assets

The most significant balance of Non-current assets relates to Investment and development property the fair value of which was EUR 415,694,032 the majority of which were located in Hungary.

Futureal Group is developing its current properties to be leased out under operating lease agreements and hold the properties for a long period of time. Though, this does not exclude that Futureal Group may sell them in the future as part of Futureal Group's ongoing business. Futureal Group and its predecessors have been historically successful in leasing out and selling investment properties and the long-term objective is the same for the future. The timing of exit depends on the speed of stabilization of the property, current and expected market conditions, potential target to develop a group of properties to be sold together as a portfolio, neighborhood or platform, etc.

Investments account for using equity method relates to Futureal Group's investment in Argo Properties N.V., which was subsequently disposed of in 2020. Argo Properties N.V. is a Dutch-based real estate company and is engaged in the acquisition and management of investment and development properties in Germany, mainly in the area of income-generating commercial and income-generating residential real estate.

| <i>In EUR</i> | As at 30.06.2020 | As at 31.12.2019 |
|---|-------------------------|-------------------------|
| Intangible assets | 312,553 | 332,819 |
| Investment and development property | 415,694,032 | 356,959,506 |
| Property, plant and equipment | 6,405,889 | 7,837,986 |
| Long-term receivables from related parties | 0 | 0 |
| Long-term receivables from third parties | 0 | 13,010 |
| Investments accounted for using equity method | 0 | 34,471,271 |
| Deferred tax assets | 0 | 47,3838 |
| Restricted cash | 1,829,341 | 940,000 |
| Other long-term assets | 10 | 49,327 |
| Other long-term financial assets | 259,377 | 527,224 |

| | | |
|---------------------------------|--------------------|--------------------|
| Total non-current assets | 424,501,203 | 401,178,526 |
|---------------------------------|--------------------|--------------------|

g) Current Assets

At the end of 2019, inventories include the Corvin 6 development project of Corvin 5 Projekt Kft in the amount of EUR 48,512,860. The project was sold after year end (in February 2020) based on a contract signed in November 2018. In the contract, Futureal Group undertook an obligation not to engage in activities related to rights and obligations regarding the property.

The company internally assessed the net realizable value of the inventory and decreased the value when the net realizable value was lower than the cost amount. During the year ended 31 December 2019, Futureal Group performed an inventory review regarding to its valuation of net realizable value. As a result, during the year ended 31 December 2019, Futureal Group did not make any write-down adjustment.

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

In case of Corvin 6, sales prices of the sales transaction in February 2020 had been known at the end of 2019, therefore net realizable value was determined based on actual sales price and not an estimated selling price. No write-down adjustment was necessary.

| <i>In EUR</i> | As at 30.06.2020 | As at 31.12.2019 |
|---|-------------------------|-------------------------|
| Current assets | | |
| Inventory | 34,937 | 49,440,489 |
| Trade and other receivables | 8,118,930 | 12,482,278 |
| Short-term receivables from related parties | 2 518,810 | 27,060,708 |
| Short-term receivables from third parties | 11,102,450 | 34,873,191 |
| Income tax receivable | 45,435 | 149,903 |
| Other short-term assets | 3,857,074 | 517,601 |
| Other short-term financial assets | 0 | 0 |
| Short-term VAT receivables | 1,457,325 | 6,967,938 |
| Restricted cash | 35,490,829 | 17,075,982 |
| Cash and cash equivalents | 50,979,556 | 49,718,663 |
| Total current assets | 113,605,347 | 198,286,753 |

Following earlier initiatives aimed at separation of Futureal Group from other Futureal entities (affiliated due to involvement of the joint leading shareholder), all loans granted by Subsidiaries to the companies

of other Futureal entities have been repaid in 2019. As a result of this operation the total loan balances between Futureal Group and other Futureal entities has been decreased. Based on historical experiences there were no instances of non-payment in the past, and balances from related parties were repaid in the first half of the subsequent financial year, until 30.06.2020.

Cash and cash equivalents comprise cash at bank and in hand. The vast majority of the cash and cash equivalents were held in EUR to a total of EUR 27,268,314 at the end of June 2020.

Restricted cash balances include restricted non-liquid deposits and non-liquid accounts related to loans and borrowings.

Tenant deposits can be used to cover losses from bad debt of the respective tenant. Loan escrow amounts consist of different type of escrow accounts. The balances can be used for capital expenditures, loan instalments, VAT payment obligations triggered by revenue invoices.

h) Equity and Liabilities

| <i>In EUR</i> | As at 30.06.2020 | As at 31.12.2019 |
|--|-----------------------------|-----------------------------|
| Shareholders' equity | | |
| Share capital | 342,000,000 | 324,000,000 |
| Share premium | 0 | 0 |
| Currency translation reserve | - 5,501,228 | -4,714,721 |
| Other reserves | - 4,417,940 | 0 |
| Retained earnings | - 4,718,346 | -11,294,371 |
| Equity attributable to equity holders of the parent | 327,362,486 | 307,990,908 |
| Non-controlling interests | 25,578,058 | 52,687,311 |
| Total equity | 352,940,544 | 360,678,219 |
| Liabilities | | |
| Non-current liabilities | | |
| Long-term liabilities to related parties | 0 | 2,371 |
| Loans and borrowings | 136,500,108 | 122,414,270 |
| Tenant deposits | 1,838,327 | 1,513,042 |
| Provisions | 358,965 | 0 |
| Amounts withheld for guarantees | 2,893,806 | 3,006,732 |
| Lease liabilities | 5,130,161 | 5,914,172 |

| | | |
|---|--------------------|--------------------|
| Total non-current liabilities | 146,721,367 | 132,850,587 |
| Current liabilities | | |
| Short-term liabilities to related parties | 275,728 | 41,117,259 |
| Loans and borrowings | 1,405,773 | 22,860,056 |
| Trade and other payables | 27,784,439 | 23,840,532 |
| Customer advances | 35,916 | 12,475,233 |
| Provisions | 0 | 363,965 |
| Income tax liabilities | 126,580 | 350,163 |
| Other tax liabilities | 328,118 | 532,928 |
| Lease liabilities | 957,383 | 977,581 |
| Derivative financial liabilities | 7,530,702 | 3,418,756 |
| Total current liabilities | 38,444,639 | 105,936,473 |
| Total liabilities | 185,166,006 | 238,787,060 |
| Total | 538,160,550 | 599,465,279 |

The parent company's share capital amounted – as end of June 2020 – to EUR 324,000,000 consisting of ordinary shares with nominal value of EUR 80,000 in the number of 4,275. All shares were fully paid – EUR 172,303,000 in form of cash, EUR 45,697,000 in form of shares and EUR 124,000,000 in form of loan receivables contributed. Ordinary shares provide the rights to the holders on a pro-rata basis.

Registered capital

In EUR

| Company | Nominal value of shares (EUR) | Ownership percentage |
|---------------------|--|-----------------------------|
| Futureal Group B.V. | 342,000,000 | 100% |
| Total | 342,000,000 | 100% |

Share Capital

In EUR

01.01.2020-30.06.2020

| | |
|------------------------|--------------------|
| Opening balance | 324,000,000 |
|------------------------|--------------------|

| | |
|--------------------------------|--------------------|
| Proceeds from capital increase | 18,000,000 |
| Closing balance | 342,000,000 |

In 2020, share capital increased by EUR 18,000,000 as a result of the capital increase in cash.

Retained earnings

| | |
|--|------------------------------|
| <i>In EUR</i> | 01.01.2020-30.06.2020 |
| Opening balance | -11,294,371 |
| Profit for the year | -2,197,710 |
| Transaction with non-controlling interests | 8,773,735 |
| Closing balance | -4,294,070 |

In 2020, retained earnings increased by EUR 8,773,735 as a result of transactions with non-controlling interests.

Non-controlling interests

Based on IFRS 10, non-controlling interest is defined as “the equity in a subsidiary not attributable, directly or indirectly to a parent”. Non-controlling interests in the acquiree are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation.

The following entities in Futureal Group had non-controlling interest as of 30 June 2020.

| | Principal place of business | As at 30.06.2020 |
|-----------------------------------|--|-------------------------|
| Finext Nyrt | Hungary | 26.13% |
| Futureal Real Estate Holding Ltd. | Malta | 0.10% |
| Futureal Development Holding Kft | Hungary | 2.03% |

The total equity of the Company as end of June 2020 amounted to EUR 352,940,544 including Equity attributable to equity holders of the parent amounting to EUR 327,362,486.

Loans and borrowings

Futureal Group finances its activity to great extent by bank loans, which are utilized during the period of construction works, while the pre-development phase (all preparatory works, including land purchase, preparation of design, arrangement of all needed permits, etc.) is usually financed by Futureal Group’s equity.

The table below presents the movement in loans and borrowings from third parties until 30.06.2020:

In EUR

01.01.2020 - 30.06.2020

| | |
|------------------------------|--------------------|
| Opening balance | 145,274,326 |
| New bank loan drawdown | 22,366,961 |
| Loan repayments | -28,333,092 |
| Revaluation (fx) | -1,402,314 |
| Total closing balance | 137,905,881 |

| <i>In EUR</i> | 30.06.2020 | 31.12.2019 |
|----------------------------------|--------------------|--------------------|
| EUR | 127,479,476 | 128,615,656 |
| HUF | 138,809 | 5,623,424 |
| GBP | 10,287,596 | 11,035,246 |
| Total closing balance | 137,905,881 | 145,274,326 |
| Closing balance includes: | 30.06.2020 | 31.12.2019 |
| Current liabilities | 1,405,773 | 22,860,056 |
| Non-current liabilities | 136,500,108 | 122,414,270 |
| Total closing balance | 137,905,881 | 145,274,326 |

New bank loan drawdowns and loan repayments relate to progress (new openings or completions) of the office, retail and logistics projects realized by Futureal Group and to increasing scale of Futureal Group operations. New bank loan drawdowns were related to projects in development by Futureal Group in Hungary.

The table below presents the list of the construction loan facilities, which Futureal Group arranged for in regards to entering into loan agreements with the banks in order to secure financing of the construction and other outstanding costs of the ongoing projects. The amounts presented in the table below include the unutilized part of the construction loans available to the Subsidiaries:

In EUR

| Entity name | Currency | Loan facility in EUR | Withdrawn amount in EUR at 30.06.2020 |
|-------------------------------|-----------------|-----------------------------|--|
| BPI Első Ütem Kft | EUR | 50,000,000 | 38,215,869 |
| BPI Első Ütem Kft | EUR | 756,384 | 52,172 |
| Futureal Prime Properties One | EUR | 150,000,000 | 74,012,654 |
| Futureal Prime | HUF | 1,815,321 | 86,637 |

| | | | |
|------------------|-----|--------------------|--------------------|
| Properties One | | | |
| Futureal 1 Alap | EUR | 15,842,917 | 15,250,953 |
| Spectrum Glasgow | GBP | 10,287,596 | 10,287,596 |
| Total | | 228,702,218 | 137,905,881 |

Liabilities to related parties

Following earlier initiatives aimed at separation of Futureal Group from other Futureal entities (affiliated due to involvement of the joint leading shareholder), the open balance of the loans granted as well as of the loans received from the companies belonging to other Futureal entities has been settled.

The table below presents the breakdown of liabilities to the related parties:

| <i>In EUR</i> | As at 30.06.2020 | As at 31.12.2019 |
|------------------------------|-----------------------------|-----------------------------|
| Loan | 0 | 36,639,063 |
| Trade payables | 136,516 | 102,888 |
| Deferred income | 8,708 | 16,642 |
| Accrued expenses | 114,178 | 1,730,032 |
| Other liabilities | 16,326 | 2,631,005 |
| Total closing balance | 275,728 | 41,119,630 |

Closing balance includes:

| | | |
|------------------------------|----------------|-------------------|
| Current liabilities | 275,728 | 41,117,259 |
| Non-current liabilities | 0 | 2,371 |
| Total closing balance | 275,728 | 41,119,630 |

Customer advances received

Customer advances received relate predominately the liability originated from a customer advance received in relation to the sale of Corvin 6. In the sales agreement related to the Corvin 5 project in 2018 Futureal Group made a commitment to keep the utilization rate above a certain level or pay compensation. Based on the best estimate Futureal Group made a provision which has a balance of EUR 358,965 at 30 June 2020 which is expected to cover the compensation.

i) Cash Flow

The cash-flow statement confirms and well illustrates the trends presented and described in previous chapters, namely the very dynamic expansion of Futureal Group (which can be traced as ongoing

increase in inventory line) has been financed by: i) equity injected by major shareholder ii) capital contributed by non-controlling holders of shares and investment notes, iii) bank loan financing.

| <i>In EUR</i> | 01.01.2020 - 30.06.2020 |
|--|------------------------------------|
| Cash flows from/(used in) operating activities | |
| Profit before taxation for the period | 3,770,778 |
| Adjustments to reconcile profit before for taxation to net cash used in operating activities: | |
| Depreciation | 649,298 |
| Provisions | 3,726,748 |
| Other non-cash movements ⁴ | -11,914,852 |
| Profit on disposal of subsidiaries, associates and joint ventures | 13,995 |
| Net (gain)/loss from valuation of investment and development property | -12,196,730 |
| Net finance (income)/expense | 8,338,076 |
| Increase in inventory | 48,819,192 |
| Share of loss in joint venture | 895 |
| Decrease/(increase) in short-term receivables | 59,415,089 |
| Decrease/(increase) in trade and other receivables | -6,238,395 |
| Decrease/(increase) in restricted cash and other assets | -18,196,427 |
| (Decrease)/increase in short-term liabilities | -57,421,638 |
| Increase in trade and other payables | 4,159,134 |
| Interest paid | -2,428,111 |
| Income tax paid | -206,273 |
| Net cash from/(used in) operating activities | 21,817,585 |
| Cash flows from/(used in) investing activities | |
| Acquisitions of investment and development property | -45,104,898 |
| Consideration received for disposed subsidiaries net of cash disposed | 1,063,116 |
| Consideration paid for the acquisition of subsidiaries net of cash acquired | -63,176 |

| | |
|---|--------------------|
| Acquisitions of tangible and intangible assets | -340,371 |
| Investing in long-term financial assets | 245,117 |
| Increase in long-term loan receivables | 0 |
| Repayment of long-term loan receivables | 13,010 |
| Interest received | 144,132 |
| Purchase of investments accounted for using equity method | 0 |
| Sale of investments accounted for using equity method | 34,398,470 |
| Dividend received | 0 |
| Net cash from/(used in) investing activities | -9,644,600 |
| Cash flows from/(used in) financing activities | |
| Proceeds from loans and borrowings | 22,366,961 |
| Repayment of loans and borrowings | -28,335,463 |
| Capital increase | 18,000,000 |
| Dividend paid | -22,663,051 |
| Repayment of lease liabilities | -492,898 |
| (Decrease)/Increase in other liabilities | 212,359 |
| Net cash from financing activities | -10,912,092 |
| Net change in cash and cash equivalents | 1,260,893 |
| Cash and cash equivalents at the beginning of the year | 49,718,663 |
| Cash and cash equivalents at 30 June 2020 and 2019 | 50,979,556 |

** Other non-cash movements mainly include realized and unrealized foreign exchange differences. The remaining balance consists of interest accruals in the amount of 1,5 mEUR and accumulated translation difference on transactions with non-controlling interest in the amount of 1,5 mEUR.*

j) Current and Planned Investments and Constructions

As of 31.12.2020 Futureal Group was involved in active development of twelve projects comprising seven office developments, two retail developments including a portfolio of standing assets, and three logistics projects (as describe in Section 5.6), of which pre-leasing rates were in-line or ahead of internal plans for the stage of developments. All these projects are intended to be completed by Futureal Group during the next several years which will substantially contribute to revenues and profits recognised by Futureal Group in the forthcoming periods.

k) Source of Equity and Liability

Source of capital financing Issuer operations is presented in details in the foregoing chapters „Equity and Liabilities“ and „Cashflow“.

8 FINANCIAL STATEMENTS

The copy of the Issuer Separate Financial Statements, the Issuer Consolidated Financial Statements and the copy of the audit report of thereon, as well as the copy of the Issuer Unaudited Financial Information, the Guarantor Unaudited Consolidated Financial Information and the Guarantor Unaudited Consolidated Interim Financial Information are attached to this Information Memorandum in Annex 4 (*Financial Statements*).

9 LITIGATION

There is no ongoing litigation involving either of the Guarantor, the Issuer or any of the Subsidiaries.

10 MATERIAL CONTRACTS

The Issuer and certain Subsidiaries have entered into the following contracts which qualify as material due to their value, however these contracts are within the ordinary course of business of Futureal Group and these could not result in the Issuer or any Subsidiary being under an obligation or having any entitlement that is material to the Guarantor's and the Issuer's ability to perform their obligations, to the assessment of the Guarantor, the Issuer or of the Bonds:

(i) Agreements entered into in connection with development of Phase 1 of Budapest One Office Complex

a. Construction agreements

i. 1st Phase of Budapest One Office Complex

BP 1 Ütem Ingatlanfejlesztő Zrt. is the indirect subsidiary of the Issuer and owner of land plot registered under top. lot nr. Budapest 2824/14, serving as construction site of 1st Phase of Budapest One Office Complex. On August 14, 2018 BP 1 Ütem Ingatlanfejlesztő Zrt. entered into a general construction agreement with Pedrano Construction Hungary Kft. on the subject matter of the construction and turnkey delivery of the 1st Phase of Budapest One Office Complex. Lump sum net construction fee payable to Pedrano Construction Hungary Kft. pursuant to the agreement is 4,333,435 EUR + 31,696,069 EUR. Fees may increase as a result of additional works relating to fit out of tenant's premises per tenants' future requests. Pedrano Construction Hungary Kft. undertook a one-year guarantee (*jótállás*) and the statutory warranty (*szavatosság*) for the works. Timely performance is secured by a performance bond equal to 8% of the construction fee and guarantee obligations are secured by deposit equal to 4% of construction fee. Fees are payable on a monthly basis where performance of Pedrano Construction Hungary Kft. is controlled by construction technical controller mandated by BP 1 Ütem Ingatlanfejlesztő Zrt. Fees are payable through construction depositary agent, Commerzbank Zrt. until delivery of occupancy permit.

ii. 2nd Phase of Budapest One Office Complex

Futureal Prime Properties Three Real Property Development Subfund (a compartment Futureal Prime Properties Real Property Development Private Umbrella Funds) is a collective investment fund, units of which are 100% held by Futureal Real Estate Holding Limited, direct subsidiary of the Guarantor and owner of land plot registered under top. lot nr. Budapest 11th district, 2824/13, serving as construction site of 2nd

Phase of Budapest One Office Complex. On December 22, 2020, Futureal Prime Properties Three Real Property Development Subfund entered into a general construction agreement with Pedrano Construction Hungary Kft. on the subject matter of the construction and turnkey delivery of the 2nd Phase of Budapest One Office Complex. Lump sum net construction fee payable to Pedrano Construction Hungary Kft. pursuant to the agreement is 34.307.695 EUR. Fees may increase as a result of additional works relating to fit out of tenant's premises per tenants' future requests. Pedrano Construction Hungary Kft. undertook a one-year guarantee (*jótállás*) and the statutory warranty (*szavatosság*) for the works performed under the general construction agreement and also for the works (of a value of 7.548.046 HUF) performed Pedrano Construction Hungary Kft. formerly, pursuant to the substructure, superstructure and fit-out construction agreement dated June 18, 2019 (as amended on May 29, 2020 and July 16, 2020). Timely performance is secured by a performance bond equal to 8% of the construction fee and guarantee obligations are secured by deposit equal to 4% of construction fee. Fees are payable on a monthly basis where performance of Pedrano Construction Hungary Kft. is controlled by construction technical controller mandated by Futureal Prime Properties Three Real Property Development Subfund. Fees are payable through construction depositary agent, Commerzbank Zrt. until delivery of occupancy permit.

iii. 3rd Phase of Budapest One Office Complex

Futureal Prime Properties Two Real Property Development Subfund (a compartment Futureal Prime Properties Real Property Development Private Umbrella Funds) is a collective investment fund, units of which are 100% held by Futureal Real Estate Holding Limited, direct subsidiary of the Guarantor and owner of land plot registered under top. lot nr. Budapest 11th district, 2824/12, serving as construction site of 2nd Phase of Budapest One Office Complex. On December 22, 2020, Futureal Prime Properties Two Real Property Development Subfund entered into a general construction agreement with Pedrano Construction Hungary Kft. on the subject matter of the construction and turnkey delivery of the 3rd Phase of Budapest One Office Complex. Lump sum net construction fee payable to Pedrano Construction Hungary Kft. pursuant to the agreement is 29.778.010 EUR. Fees may increase as a result of additional works relating to fit out of tenant's premises per tenants' future requests. Pedrano Construction Hungary Kft. undertook a one-year guarantee (*jótállás*) and the statutory warranty (*szavatosság*) for the works performed under the general construction agreement and also for the works (of a value of 7.959.954 HUF) performed Pedrano Construction Hungary Kft. formerly, pursuant to the substructure, superstructure and fit-out construction agreement dated June 18, 2019 (as amended on May 29, 2020 and July 16, 2020). Timely performance is secured by a performance bond equal to 8% of the construction fee and guarantee obligations are secured by deposit equal to 4% of construction fee. Fees are payable on a monthly basis where performance of Pedrano Construction Hungary Kft. is controlled by construction technical controller mandated by Futureal Prime Properties Three Real Property Development Subfund. Fees are payable through construction depositary agent, Commerzbank Zrt. until

delivery of occupancy permit.

b. Financing agreements

On March 7, 2019 an EUR 50,000,000 and HUF 250,000,000 Credit Facility Agreement was entered into by and among BP 1 Ütem Ingatlanfejlesztő Zrt., as borrower, and two leading International commercial bank groups, as lenders for the financing of the development of 1st Phase of Budapest One Office Complex. The loan was secured by mortgage and call option over the property, pledge and deposit over bank accounts, pledge over rights, receivables and movables, deposit over the shares of BP 1 Ütem Ingatlanfejlesztő Zrt. BP 1 Ütem Ingatlanfejlesztő Zrt. and its sole shareholders, Finext Vagyonkezelő Nyrt. also made usual representations and undertakings and gave such warranties as usually are required in project financing transactions by the lenders, such as but not limited to, the undertaking not to transfer any shares of BP 1 Ütem Ingatlanfejlesztő Zrt. until the full repayment of the financing, not to vote to change the deed of foundation of BP 1 Ütem Ingatlanfejlesztő Zrt., not to vote or accept distributions from the BP 1 Ütem Ingatlanfejlesztő Zrt. without the consent of the lenders, to fund further equity in case of cost overruns. A payment guarantee for quarterly repayment shortfall (in an aggregate of 29,000,000 EUR over the full tenor of the loan, which in any circumstances cannot be utilized in whole, just in line with the repayment schedule of the loan. The amount is decreasing with the paid amounts by the borrower. The guarantee does not include the balloon payment, and terminates when the FDSCR reaches 1.15 (which is threshold is reached already) and the DSRA is filled up) cost overrun guarantee (capped at 20% of the construction fees increased with additional fees of tenants' fit out, terminates at the time of the financial settlement with the general contractor), DSRA deposit shortfall (capped at EUR 5,000,000, terminates when FDSCR reaches 1.15), hedging guarantee (terminates at the time of the project completion) and customary subordination undertakings was also granted by the Issuer for the obligations of BP 1 Ütem Ingatlanfejlesztő Zrt. against the banks.

(ii) Agreements entered into in connection with development Etele City Center Retail Complex

a. Construction agreements

Futureal Prime Properties One Real Property Development Subfund (a compartment Futureal Prime Properties Real Property Development Private Umbrella Funds) is a collective investment fund, units of which are 100% held by Futureal Real Estate Holding Limited, direct subsidiary of the Guarantor and owner of land plot registered under top. lot nr. Budapest 11th district, 2863/27, serving as construction site of Etele City Center Retail Complex. On November 20, 2018 Futureal Prime Properties One Real Property Development Subfund entered into an amended and restated general construction agreement with Pedrano Construction Hungary Kft. on the subject matter of the construction and turnkey delivery of the Etele City Center Retail Complex (which was then amended on May 7, 2019). Lump sum net construction fee payable to Pedrano Construction Hungary Kft. pursuant to the agreement is 119,197,359 EUR. Fees may increase as a result of additional works relating to fit out of tenant's premises per tenants' future requests. Pedrano Construction Hungary Kft. undertook a one-year guarantee (*jótállás*) and the statutory warranty (*szavatosság*) for the works performed under the general construction agreement and also for the works (of a value of 867.861.860 HUF) performed Pedrano Construction Hungary Kft. formerly, pursuant to a substructure construction agreement dated July 20, 2016. Timely performance is secured by a performance bond equal

to 8% of the construction fee and guarantee obligations are secured by deposit equal to 4% of construction fee plus the substructure construction fee. Fees are payable on a monthly basis where performance of Pedrano Construction Hungary Kft. is controlled by construction technical controller mandated by Futureal Prime Properties One Real Property Development Subfund. Fees and payable through construction depository agent, Commerzbank Zrt.

b. Financing agreements

On June 19, 2018 an EUR 150,000,000 and HUF 600,000,000 Credit Facility Agreement was entered into by and among Futureal Prime Properties One Real Property Development Subfund, as borrower, two leading International commercial bank groups, as lenders for the financing of the development of 1st Phase of Budapest One Office Complex. The loan was secured by mortgage and call option over the property, pledge and deposit over bank accounts, pledge over rights, receivables and movables. Futureal Prime Properties One Real Property Development Subfund and its fund manager also made usual representations and undertakings and gave such warranties as usually are required in project financing transactions by the lenders, such as but not limited to, the undertaking not to let to redeem or transfer any units or stake in Futureal Prime Properties One Real Property Development Subfund until the full repayment of the financing, not to vote to change the prospectus of Futureal Prime Properties One Real Property Development Subfund, not to make distributions from Futureal Prime Properties One Real Property Development Subfund without the consent of the lenders and to fund further equity in case of cost overruns. A payment guarantee for quarterly repayment shortfall (in an aggregate of 79,000,000 EUR over the full tenor of the loan, which in any circumstances cannot be utilized in whole, just in line with the repayment schedule of the loan. The guarantee amount is decreasing with the paid amounts by the borrower. The guarantee does not include the balloon payment, and terminates when the FDSCR reaches 1.20, the DSCR reaches 1.10 and the DSRA is filled up) cost overrun guarantee (capped at 26,218,000 EUR and terminates at the project completion date), redesign deposit guarantee (capped at 3,000,000 EUR and terminates at the time of the financial settlement with the general contractor), hedging guarantee (terminates at project completion) and customary subordination undertakings was also granted by the Issuer for the obligations of Futureal Prime Properties One Real Property Development Subfund against the banks.

(iii) Agreements entered into in connection with refinancing of certain retail and storage assets

On October 27, 2020 an EUR 35,000,000 Credit Facility Agreement was entered into by and among Futureal 1 Real Property Investment Fund, as borrower and a leading Hungarian commercial bank, as lender for the refinancing of certain real properties of retail and storage functions held by Futureal 1 Real Property Investment Fund. The loan was secured by mortgage over the property, pledge and deposit over bank accounts, pledge over rights, receivables and movables. Futureal 1 Real Property Investment Fund and its fund manager also made usual representations and undertakings and gave such warranties as usually are required in project financing transactions by the lender, such as but not limited to, the undertaking not to let to redeem or transfer any units or stake in Futureal 1 Real Property Investment Fund until the full repayment of the financing, not to vote to change the prospectus of Futureal 1 Real Property Investment Fund, not to make distributions from Futureal 1 Real Property Investment Fund without the consent of the lender, to fund further equity in case of cost overruns. A payment

guarantee for quarterly repayment shortfall (which in any circumstances cannot be utilized in whole, just in line with the repayment schedule of the loan). The guarantee amount is decreasing with the paid amounts by the borrower, DSRA and CAPEX reserve shortfall (all guarantees limited to cases, when the borrower is unable to fulfill its payment obligation because of vis maior) and customary subordination undertakings was also granted by the Issuer for the obligations of Futureal 1 Real Property Investment Fund against the bank.

(iv) Agreements entered into in connection with acquisition of Spectrum Tower Office Building in Glasgow

i. Financing agreements

On October 22, 2019 Spectrum Glasgow Limited entered into a GBP 9,404,800 term loan agreement with a UK based financial institution to partly refinance the acquisition costs of the 6,800 sqm of office and retail accommodation, Spectrum Building which is Futureal Group's first office complex in the United Kingdom, situated in the heart of Glasgow's central business district. The tenor of the loan is 4 years. The repayment of the loan is secured, among others, mortgage over the shares of the borrower, security assignment of contracts and rent receivable, floating charge, security over the property and security over the assets of the borrower. Spectrum Glasgow Limited also made usual representations and undertakings and gave such warranties as usually are required in property financing transactions by the lender, such as but not limited to the undertaking not to change control over the borrower until the full repayment of the financing, not to vote to change its constitutional documents, not to vote or accept to pay any dividend or other distributions without the consent of the lender. The Issuer also agreed that repayment all of the liabilities of Spectrum Glasgow Limited is subordinated to the repayment of the bank loan.

ii. Asset Management Agreement

On September 5, 2019 FR UK HoldCo 1 Limited and its 100% subsidiary, Spectrum Glasgow Limited, as clients entered into an asset management agreement with a third-party London based asset management company on the subject matter of providing asset management services in connection with the Spectrum Building (asset management services do not include property management and related tasks). Based on the agreement the clients shall pay (i) an asset management fee on a quarterly basis, determined as certain percentage of the Gross Asset value of the office building, and (ii) upon exit (or deemed exit) to a third party, a promote which is determined as certain percentage of the surplus IRR achieved by Spectrum Glasgow Limited above an agreed minimum rate. The agreement may not be terminated by the clients in the first two years within the acquisition of the property. If the agreement is terminated before the third anniversary the clients may be subject to a certain extra fee. Termination (save in case of termination for cause) may be exercised by the clients upon 6 months notice.

(v) Agreements entered into in connection with joint development of Marina City with Cordia Group

The Issuer's residential developer sister company Cordia International Zrt. has recently (Q1 2020) agreed to acquire and partially acquired a ~11 hectares land complex in Budapest, district 13 to revitalize from former industrial use. The project offers in the opinion of the company, a unique opportunity to realize a high-quality mixed-use, brownfield urban renewal project of approx. 300,000 sqm gross above ground development area, including residential,

office and retail functions, accompanied with public and social developments, simultaneously creating the heart of the project: a public space with direct connection to the Danube river and also next to two metro stations. The Issuer entered into an agreement on an arms-length basis with Cordia Group holding company, Cordia International Zrt. on the subject matter of (i) the purchase by selected special purpose Futureal Group entities, phase-by-phase, of the future land parcels designated by the parties for the purpose of predominantly office development (expected to be approximately 100,000 sqm gross leasable area), and (ii) the joint development and financing (i.e. on a pro rata basis) of the development of the public spaces and related infrastructure of the development area and (iii) joint efforts to conclude a new master plan and public area development agreement (Településrendezési Szerződés) with the municipalities.

11 CONTEMPLATED USE OF PROCEEDS

The net proceeds of the issue of the Bonds will be applied by the Issuer for the financing or refinancing of investments into real estate development and investment projects, acquisitions (acquisition of real estate directly or indirectly through the acquisition of legal entities, acquisition of companies, including asset, investment, development or other management companies, and of immaterial goods, etc.), working capital, refinancing of outstanding loans (including senior loans, shareholder loans, etc.). Bond proceeds shall be used in line with the Issuer's Green Financing Framework (accessible via: <https://www.futurealgroup.com/en/futureal-holding#bonds/green-finance-framework>) being in accordance with the Green Bond Principles issued by the International Capital Markets Association. The independent second party opinion (as defined in the Green Bond Principles as of June 2018 issued by the International Capital Market Association) was issued by Sustainalytics (registered seat: MoselStraBe 4, 60329 Frankfurt am Main, Germany) on 4 February 2021 in relation to the Issuer's Green Financing Framework.

12 COVERAGE FOR THE PERFORMANCE OF THE LIABILITIES BASED ON BONDS

The contemplated financial coverage for the performance of the Issuer's payment obligation under the Bonds will be available from the free cash-flow generated by the Issuer and from the funds distributed by other members of the Futureal Group to the Issuer as well as – to the extent necessary – the assets of Issuer.

Majority of the Issuer's income is deriving from Futureal Group members in different ways depending on the legal form of the relevant Futureal Group members, including dividend payments, dividends / distributions on investment units and interest accrued on intercompany loans provided by the Issuer as well as capital / principal repayments. Source of the cash-flow is expected to be generated from – inter alia – Futureal Group's ongoing projects and from new investments that may be realised from the net proceeds of the Bonds (as contemplated under Section 11 (*Contemplated Use of Proceeds*)).

For guaranteeing the financial coverage for the performance of the Issuer's payment obligation under the Bonds, the Guarantor issued the Guarantee as attached in Annex 7 (*Parent Company Guarantee*).

13 AUCTION AND ALLOCATION

13.1. Introduction

The Bonds will be issued by way of a public offering (nyilvános forgalomba hozatal) in Hungary under Hungarian law to "qualified investors" (the "Investors") within the meaning of Article 2(e) of the Prospectus

Regulation.

The Bonds will be offered and distributed only in Hungary, and will not be offered or distributed outside of Hungary. The Bonds will not be registered under the U.S. Securities Act of 1933, or any state securities law of the United States of America, and the Bonds may not be offered or sold within the United States of America or to, or for the account or benefit of, any U.S. person.

The Bonds will be offered in Budapest, Hungary, within the framework of a closed book auction process (nem nyilvános ajánlati könyves aukciós értékesítés) to be held on 19 March 2031 through the MMTS1 Trading System operated by BSE, in accordance with the terms described herein and the MMTS1 Trading System Rules (as defined below).

Given that only stock exchange member entities can have access to the MMTS1 Trading System, the Issuer appointed Raiffeisen Bank Zrt. to initiate the Auction (the "**Auctioneer**"). Pursuant to the MMTS1 Trading System Rules, the Auctioneer elected multiple-price trade-matching algorithm for the purposes of matching orders in the course of the auction of the Bonds. The Auctioneer will also be the entity eligible to tender Buying Offers (i.e. the purchase offers of Investors), provided that:

- (1) the Auctioneer may, within its sole discretion, appoint **MTB Magyar Takarékszövetkezeti Bank Zártkörűen Működő Részvénytársaság** (registered seat: 1122 Budapest, Pethényi köz 10.; registration no.: Cg.01-10-041206), as an entity (the "**Proxy**") with direct access to the MMTS1 Trading System, to tender some of the Buying Offers (which are originally received by the Auctioneer from the Investors, but in relation to which the Auctioneer elected, in its sole discretion, to use the Proxy as MMTS1 user) in the MMTS1 Trading System; and
- (2) the NBH will, as an investor with direct access to the MMTS1 Trading System, tender its own Buying Offer directly through the MMTS1 Trading System.

For the avoidance of doubt, Investors (with the exception of the NBH and the Auctioneer) are not allowed to tender their own Buying Offers directly through the MMTS1 Trading System.

13.2. Auction related definitions

| | |
|----------------------------|--|
| Allocation | means the procedure following the closing of the auction whereby Buying Offers are matched by the Issuer and the Auctioneer based on the multiple-price trade-matching algorithm, and the Issuer and the Auctioneer decides on the rate of allocation and the acceptance of the Buying Offers. |
| Auctioneer | means Raiffeisen Bank Zrt. making the Selling Offer for and on behalf of the Issuer, due to the fact that the MMTS1 Trading System may be accessed only by stock exchange member entities. |
| Buying Offer | means the auction counteroffer being a bid order to buy the Bonds. |
| Bidder | means (i) the Auctioneer (or its Proxy); and (ii) the NBH (who is an investor with direct access to the MMTS1 Trading System and may tender its own Buying Offer directly through the MMTS1 Trading System). |
| Minimum Price Level | means the lowest price at which a transaction can be concluded, as specified by the Auctioneer within its discretion following the receipt of |

| | |
|-----------------------------------|---|
| | the Buying Offers. |
| MMTS1 Trading System Rules | means the trading rules applicable for the MMTS1 Trading System, as approved at the date of this Information Memorandum by Resolution No. 398/2020 of the Executive Officer of the Budapest Stock Exchange Ltd. effective as of 4 January 2021 (available in Hungarian and English languages on the website of the BSE from the following links: https://www.bet.hu/Befektetok/Szabalyozas/Tozsdei-szabalyzatok and https://www.bse.hu/Products-and-Services/Rules-and-Regulations/BSE-Rules). |
| Selling Offer | means the auction offer made for the selling of the Bonds. |
| Offering Size | means aggregate face value of the Bonds offered for sale in the Selling Offer, being up to HUF 50,000,000,000 plus up to a HUF amount with which the complete amount of the issuance (i.e., 50,000,000,000 plus overallotment; the overallotment shall not, in any case, exceed HUF 5,000,000,000) does not exceed the equivalent HUF amount of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction (subject to overallotment). |

13.3. Auction process

The auction of the Bonds shall take place during a period commencing at 10:00 a.m. (Budapest time) on 19 March 2021 and ending at 12:30 (Budapest time) on 19 March 2021 (the "**Auction Period**").

13.3.1. Investors (excluding the NBH and the Auctioneer)

Investors shall make their Buying Offers to the Auctioneer via Bloomberg chat in the following manner.

The respective Investor shall send to the Auctioneer a message in the Bloomberg chat during a period commencing at 10:00] (Budapest time) on 19 March 2021 and ending at 10:45 (Budapest time) on 19 March 2021. The message in the Bloomberg chat shall contain that Investor's Buying Offers (which shall include for each Buying Offer the respective number of Bonds and the corresponding purchase price (rounded up to four decimals) offered).

If the respective investors sends a second message in the Bloomberg chat within the timeframe specified in the paragraph above and that second message sent by the Investor amends that Investor's first message, then the contents of the second message shall prevail over the contents of the first message (i.e. the second message shall constitute that Investor's final and binding Buying Offer), provided that the time of receipt by the Auctioneer of the second message shall be conclusive with respect to the time of making the Buying Offers of the Investor which were amended by the second message.

The Auctioneer is entitled but not obliged to treat any messages in the Bloomberg chat which are received following the applicable period as null and void.

13.3.2. The NBH and the Auctioneer as Investors

Notwithstanding anything to the contrary in this Section 13.3 (*The auction process*), the NBH, the Auctioneer and its Proxy are entitled to submit Buying Offers during the entire Auction Period directly through the MMTS1 Trading System in accordance with the MMTS1 Trading System Rules and section 50(3) of the Capital Markets

Act.

13.3.3. Binding nature of the Bloomberg Chat messages

The submission by the respective Investor of the duly completed message in the Bloomberg chat within the applicable deadline (or, as applicable, each of the NBH or the Auctioneer have duly submitted their Buying Offers directly through the MMTS1 Trading System during the Auction Period), constitutes that Investor's irrevocable and legally binding Buying Offer notwithstanding anything to the contrary in the MMTS1 Trading System Rules.

13.3.4. Payment of the purchase price

Each Investor who qualifies as a Hungarian institutional investor within the meaning of section 5(1)(60) of the Capital Markets Act is required to make available the full amount of the purchase price of the Bonds for OTC (DVP) settlement by KELER on that Investor's respective bank used for the purposes of OTC (DVP) settlement the latest until 8:00 (Budapest time) on the Issue Date.

The NBH will, as investor, make available the full amount of the purchase price of the Bonds for OTC settlement by KELER on the NBH's respective bank account used for the purposes of OTC (DVP) settlement at the latest until 8:00 (Budapest time) on the Issue Date.

Investors (other than the NBH, the Auctioneer or any other Investor who qualifies as a Hungarian institutional investor within the meaning of section 5(1)(60) of the Capital Markets Act) (i) are required to open and maintain a bank account and a securities account with the Auctioneer; and (ii) are only entitled to participate in the Auction following the successful completion of any know your customer and MiFID related tests as may be required by the Auctioneer acting in its sole discretion. The Auctioneer may reject the Buying Offer of any such Investor who fails to comply with any of the above requirements.

In each case it is for the Auctioneer (acting on behalf of the Issuer) to decide within its own discretion as to whether any Bloomberg chat message received by it has been duly completed and as to whether the purchase price of the Bonds intended to be purchased by an Investor has been credited in full. Any decision of the Auctioneer in relation to the above shall be conclusive and binding on all parties.

13.4. Access to auction trading system

Investors shall be aware that Buying Offers and the Selling Offers may solely be made by stock exchange member entities with access to the MMTS1 Trading System. Consequently, the Selling Offer will be made by the Auctioneer acting on behalf of the Issuer.

In order to be able to participate in the auction, Investors (other than the NBH) shall solely mandate the Auctioneer having access to the MMTS1 Trading System) to act on their behalf. The Auctioneer may elect within its own discretion whether or not to use the Proxy when accessing the MMTS1 Trading System. The NBH as potential Investor will make Buying Offers on the MMTS1 Trading System directly without the involvement of any third parties.

13.5. Submission of Selling and Offers, Method of Payment

- (a) Aggregate face value of the Selling Offer (Offering Size): HUF 50,000,000,000.
- (b) Subject to this Section 13, Investors (other than the NBH and the Auctioneer) shall make a Buying Offer through the Auctioneer having access to the MMTS1 Trading System. The Auctioneer may elect within its own discretion whether or not to use the Proxy when accessing the MMTS1 Trading System.

- (c) The Selling Offer is an offer to sell (*eladási ajánlat*) the Bonds.
- (d) Trade-matching algorithm: multiple-price trade-matching algorithm (*Többáras ügyletkötési algoritmus*).
- (e) Allocation: BGS pro rata allocation method (*NKP Arányos allokáció*) as set out in the MMTS1 Trading System Rules.

13.6. Further details of the auction offer

13.6.1. Minimum aggregate amount

If the aggregate amount of the Bonds determined in the Buying Offers does not reach the Offering Size or for any other reason, the Auctioneer is, acting on the basis of the decision or instruction of the Issuer, entitled to cancel the Auction (or accept the Buying Offers in an amount which does not reach the Offering Size). For the avoidance of doubt, the Auctioneer (acting on the basis of the decision or instruction of the Issuer) is also entitled – in accordance with section 9.3 of the MMTS1 Trading System Rules – to cancel the auction or accept the Buying Offers in an amount which does not reach the Offering Size, even if the aggregate amount of the Bonds specified in the Buying Offers reaches or exceeds the Offering Size.

13.6.2. Maximum market share

The maximum market share is strictly 50 % (of the Face Value). This ratio shall not be exceeded, even if the quantity of the Selling Offer cannot be fully matched due to such 50% limit (calculated on the basis of the Face Value).

13.6.3. Overallotment

In case of excessive demand (overallotment) on the auction, the Issuer reserves the right to increase the Offering Size by no more than maximum 10 per cent. (10 %) of the Offering Size with the specific restriction pursuant to which the complete amount of the issuance (i.e., 50,000,000,000 plus overallotment; the overallotment shall not, in any case, exceed HUF 5,000,000,000) does not exceed the equivalent HUF amount of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction, meaning that the increased aggregate Offering Size shall not exceed the HUF equivalent of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction. Such right of the Issuer may be exercised at a time and in a manner applicable for the publication of the result of the auction.

13.6.4. Lot size (kötésegység)

Lot size is 1 Bond (1 booking).

13.6.5. Tick size (árlépésköz)

Tick size for the Bonds is 0.0001 per cent. of the Bond's price, as set out in section 9.7 of the MMTS1 Trading System Rules.

13.6.6. Pricing

Auction limit price is 93.0000% of the Face Value which is specified by the Issuer in advance in accordance with section 10 (d) of the BGS Handout. The Minimum Price Level will be set out by the Auctioneer based on the Buying Offers.

13.6.7. Date and place of auction

The place of the auction: Budapest.

The date of the auction: 19 March 2021.

13.6.8. Date and time of the Allocation

Allocation is conducted on 19 March 2021 during 12:30 – 14:00 (Budapest time).

13.6.9. Order book

The order book is non-public. Content of the order book and the information on the Buying Offers is available to the Issuer only via the MMTS1 trading workstation operated by the BSE. Each Bidder may have access to its own Buying Offers. The Auctioneer may have access to all Buying Offers which were received by it. The Proxy may have access to all Buying Offers which were received by it from the Auctioneer.

13.6.10. Settlement date

Settlement and clearing of the transactions are carried out by KELER based on DVP (delivery versus payment) settlement method within two Business Days following the date of the Auction. The respective Bonds will be transferred to the Investors' securities accounts either by KELER (acting within the framework of the OTC (DVP) settlement) or by the Auctioneer, as applicable.

13.6.11. Invited investors

The Bonds will be issued by way of a public offering in Hungary under Hungarian law to "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation. The list of the invited Investors is set out in Annex 6 (*List of Invited Investors*).

The Issuer does not have a majority influence (in Hungarian: "többségi befolyás") in any of the Investors. The above referred eligible investors, as persons interested in the auction (in Hungarian: "az aukcióban érdekelt személyek"), will be notified in connection with the auction via e-mail.

One Investor may only acquire Bonds in the amount not exceeding 50 per cent. of the aggregate amount of the Bonds offered calculated on the basis of the Face Value.

13.6.12. Additional selling restrictions

No additional selling restrictions are applicable.

13.7. Disclosure of the Auction result

On the day of Auction, the Issuer collects the submitted valid Buying Offers and decides on their acceptance. No later than 16:00 on the day of auction, the Auctioneer notifies the Investors of the acceptance or rejection of the Buying Offers (and, in case of partial acceptance, the accepted amount) via Bloomberg chat, and the Issuer discloses the result of the auction on the website of the Issuer (<https://www.futurealgroup.com/en/>), on the website of BSE (www.bet.hu) and on the website (www.kozzetetelek.hu) operated by NBH. Should any Buying Offers prove to be null and void, a supplemental disclosure will be made by the Issuer on the actual aggregate number of the Bonds issued. Any relevant regulated information (if any) is disclosed by the Issuer in accordance with the Capital Markets Act and Decree 24/2008. (VIII. 15.) of the Ministry of Finance on the Detailed Rules of Disclosure Obligations related to Publicly Traded Securities.

13.8. Allocation

Duly made Buying Offers are matched until 14:00 (Budapest time) on 19 March 2021 in full in descending order of price and ascending order of yield. Buying Offers are matched pursuant to Annex 4 (BGS Allocation

Algorithm) of the MMTS1 Trading System Rules.

When pairing transactions at the Minimum Price Level, all Buying Offers at Minimum Price Level made by the persons with access to the MMTS1 Trading System are matched in accordance with the MMTS1 Trading System Rules and algorithm as amended and applicable from time to time.

14 DOCUMENTS INCORPORATED BY REFERENCE OR ON DISPLAY

The articles of association (in Hungarian: "társasági szerződés") of the Issuer dated 10 February 2021 is published in electronic form on the website of the Issuer, <https://www.futurealgroup.com/en>.

The following documents shall be incorporated by reference in, and form part of, this Information Memorandum, as attached in Annex 4:

- (a) the Issuer Separate Financial Statements and the respective audit reports;
- (b) the Issuer Consolidated Financial Statements and the respective audit report;
- (c) the Issuer Unaudited Financial Information and the respective review report;
- (d) the Guarantor Unaudited Consolidated Financial Information; and
- (e) the Guarantor Unaudited Consolidated Interim Financial Information and the respective review report.

Copies of the documents incorporated by reference in this Information Memorandum can be obtained in electronic form from the website of the Issuer, <https://www.futurealgroup.com/en>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Memorandum shall not form part of this Information Memorandum.

Without any limitation, the contents of any websites, rules, policies of any authority, entity (including the Issuer) or person referred to in this Information Memorandum are for information purposes only and do not form part of this Information Memorandum.

15 INFORMATION FROM THIRD PARTY, EXPERT REPORTS

This Information Document does not contain any statement or report attributed to a person as an expert engaged by the Issuer or Futureal Group.

Information incorporated into this Information Memorandum has been produced by the Issuer and third parties explicitly indicated in this Information Memorandum.

The Issuer does not take any liability or responsibility for any statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Issuer's and Futureal Group's business and market contained in this Information Memorandum.

16 BOND GROWTH SCHEME RELATED DECLARATION

Futureal Development Holding
Ingatlanforgalmazó Korlátolt Felelősségű Társaság (seat: 1082 Budapest, Futó utca 47-53. VII. em.; company registration number: Cg. 01-09-903759 (the „**Issuer**”), for the purpose of the issue of the Bonds in the framework of the Bond Growth Scheme (*Növekedési Kötvényprogram*), hereby makes the following declaration and undertaking towards the National Bank of Hungary.

The Issuer declares and undertakes

- (a) to issue the Bonds through the auction trading system operated by the Budapest Stock Exchange (MMTS1 Trading System);
- (b) to ensure that maximum fifty % (50%) of the Bonds is obtained by one person through the auction;
- (c) to register the Bonds on the XBond trading facility operated by the Budapest Stock Exchange within 90 days following the completion of the issuance and to ensure that the Bonds will be traded on such trading facility until their maturity;
- (d) to ensure that at least one market maker will enter into a market making agreement with the Budapest Stock Exchange with the following terms to maintain binding price quotation on the trading facility for the Bonds and maintains it during the term of the Bonds:
 - (i) the market maker posts two-way quotes on each trading day on its own account (bid quotes and offer quotes in the same time), and maintains the quotes for at least 15 minutes;
 - (ii) the nominal value of the quotes is equal to or exceeds the HUF

Futureal Development Holding
Ingatlanforgalmazó Korlátolt Felelősségű Társaság (székhely: 1082 Budapest, Futó utca 47-53. VII. em.; cégjegyzékszám: Cg. 01-09-903759 (a „**Kibocsátó**”), a Kötvényeknek a Növekedési Kötvényprogram keretében történő kibocsátás céljára, az alábbi nyilatkozatot és kötelezettségvállalásokat teszi a Magyar Nemzeti Bank részére.

A Kibocsátó nyilatkozik és vállalja

- (a) hogy a Kötvények kibocsátását a Budapesti Értéktőzsde által üzemeltetett aukciós kereskedési rendszeren (MMTS1 kereskedési rendszer) keresztül bonyolítja le;
- (b) annak biztosítását, hogy az aukciót követően forgalomba hozatalra kerülő Kötvények legfeljebb 50%-a kerülhet egy szereplő birtokába;
- (c) hogy a Kötvényeket a forgalomba hozatal lezárását követő 90 napon belül bevezeti a Budapesti Értéktőzsde által működtetett XBond kereskedési helyszínre és ott azokat lejáratukig forgalomban tartja;
- (d) annak biztosítására, hogy legalább egy árjegyző a Kötvények teljes futamidejére árjegyzési szerződést köt a Budapesti Értéktőzsdével a kereskedési helyszínen kötelező érvényű árjegyzés fenntartásáról, melynek keretében:
 - (i) az árjegyző minden kereskedési napon saját számlás kétoldali ajánlatokat tesz (egyidejű vételi és eladási ajánlat), amelyeket legalább 15 percen keresztül fenntart,
 - (ii) az ajánlat névértéke a vételi és az eladási oldalon is egyaránt eléri a

- equivalent of EUR 100,000 on both buy-side and sell-side or concerns at least one Bond; and
- (iii) the difference between the bid yield and the ask yield calculated for a trading day falling two trading days after the quotation day shall not exceed 200 basis points.
- (e) to refrain from any transaction, combination of transactions or other solutions which, in itself or in terms of its combined effects, is or may be capable to facilitate fund-raising from a member of the group of which the Issuer is member, from the owner(s) of such member of the group or the close relative of such owners, through the issue of the Bonds within the framework of the Bond Growth Scheme;
- (f) to use the proceeds from the issuance in accordance with and for the purposes set forth in the business plan duly accepted and provided to, and the document(s) formally disclosed to the Rating Agency for the rating necessary for the issuance, for which the Issuers assumes liability;
- (g) to disclose publicly, and send simultaneously and directly to the bondholders whom contact information is known by the Issuer (in case of the NBH: nkp@mnb.hu), semi-annual and annual reports in accordance with the rules of the Capital Markets Act and the ministerial decree on the detailed rules on the disclosure requirements in relation to publicly issued securities, from the registration of the Bonds on the multilateral trading facility operated by the BSE;
- (h) to provide, upon request of National Bank of Hungary, ad hoc information for the purpose of monitoring the compliance with
- legalább 100.000 eurónak megfelelő forintösszeget, vagy legalább 1 darab Kötvényre vonatkozik,
- (iii) a vételi és eladási árfolyamhoz tartozó, az árjegyzés napját követő második kereskedési napra számított hozamok közötti különbség nem haladja meg a 200 bázispontot.
- (e) tartózkodik minden olyan ügylettől vagy ügylet együttestől, konstrukciótól, ami önmagában vagy együttes hatásait tekintve alkalmas lehet arra, hogy azon vállalatcsoport tagjától, vagy a vállalatcsoportba tartozó vállalat tulajdonosától, illetve tulajdonosának közeli hozzátartozójától a Növekedési Kötvényprogramban kibocsátott kötvény révén történő forrásbevonást valósítson meg, amelynek a Kibocsátó a csoporttagja;
- (f) hogy a kibocsátás révén bevont forrást a kibocsátáshoz szükséges, a Hitelminősítő rendelkezésére bocsátott, szabályszerűen elfogadott üzleti tervnek megfelelően, az abban meghatározott célokra használja fel, a hitelminősítéshez kapcsolódó formális, közzétett dokumentum(ok)ban foglaltak szerint, amelyért felelősséggel tartozik;
- (g) a Kötvényeknek BÉT által működtetett kereskedési helyszínre bevezetésétől kezdve éves és féléves jelentést tesz közzé a Tpt., illetve a nyilvánosan forgalomba hozott értékpapírokkal kapcsolatos tájékoztatási kötelezettség részletes szabályairól szóló miniszteri rendelet szerint; egyidejűleg közvetlenül is megküldi a jelentéseket azon kötvénytulajdonosok részére, amelyek elérhetőségét ismeri (az MNB esetében: nkp@mnb.hu);
- (h) a Magyar Nemzeti Bank felhívására a fenti (e) pontban foglalt kötelezettség teljesülésének ellenőrzése céljára eseti adatszolgáltatást

the obligation set out under point (e) above;

(i) to provide all the necessary documents and information required for credit rating to the Credit Rating Agency in due time, and to duly cooperate with Credit Rating Agency in the rating process. The Issuer agrees and approves that the National Bank of Hungary and the Credit Rating Agency may publish the rating of the Issuer and the Bonds on their websites together with the annual reviews and rating reports;

(j) have the credit rating of the Bonds revised annually, until the Maturity Date; to comprehensively notify the Bondholders through the appropriate disclosing mediums, and further to the aforementioned notification, to directly and comprehensively notify the Bondholders whom contact details (in case of the NBH: nkp@mn.b.hu) are known by the Issuer as to the annual revision of the credit rating and its results, without any delay.

(k) promptly provide, upon request of the NBH, all information, including the information concern to the ultimate beneficiary or beneficiaries of the Issuer, that have significance in respect of evaluation whether, in the event of purchase of the Bonds by the NBH, the compliance with the requirements of monetary financing prohibition and the Bond Growth Scheme set out in the handout would be assured. The Issuer also undertakes to share these information with all investors to whom it communicated a public offer regarding the Bonds;

(l) that, in case of partial repurchase or redemption of the Bonds before their

teljesít;

(i) hogy a hitelminősítéshez szükséges minden dokumentumot és információt a megfelelő időben a Hitelminősítő rendelkezésére bocsájt és a minősítés során vele mindenben együttműködik, továbbá hozzájárul ahhoz, hogy a Magyar Nemzeti Bank és a Hitelminősítő a Kibocsátó, valamint a Kötvények minősítését és annak évenkénti felülvizsgálatát, a kapcsolódó rating riportokkal együtt a honlapján közzétehesse;

(j) hogy a Kötvények lejáratáig a hitelminősítést évenként felülvizsgálta; a felülvizsgálatról és annak eredményéről haladéktalanul és teljeskörűen tájékoztatja a Kötvénytulajdonosokat a megfelelő közzétételi helyeken, és az előbbi tájékoztatás mellett, azon kötvénytulajdonost, amelynek a kapcsolattartási adatait (MNB esetében: nkp@mn.b.hu) a Kibocsátó ismeri, a Kibocsátó közvetlenül is értesíti az éves felülvizsgálatról és annak eredményéről haladéktalanul és teljeskörűen.

(k) hogy az MNB kérésére haladéktalanul rendelkezésre bocsájt minden olyan információt, ideértve a Kibocsátó végső kedvezményezettjére vagy kedvezményezettjeire vonatkozó információkat is, ami annak megítélése szempontjából jelentőséggel bír, hogy a Kibocsátó adott értékpapírjának MNB általi vásárlása esetén biztosított lenne-e a monetáris finanszírozás tilalmára vonatkozó követelményrendszernek és a Terméktájékoztató szerinti követelményeknek való megfelelés. A Kibocsátó vállalja továbbá, hogy ugyanezeket az információkat mindazon befektetőkkel közli, akikkel az adott értékpapírra vonatkozó nyilvános ajánlattételt közöl;

(l) a Kötvény sorozat egy részének a futamidő lejáratá előtti visszavásárlása vagy

maturity, the Issuer repurchases the Bonds from National Bank of Hungary in proportion to the rate of the Bonds owned by it from the series at the time of repurchase or redemption. The price for the repurchase can be determined following a prior discussion with the Bondholders and with the consent thereof;

- (m) that following the submission of the auction offers, the aggregate amount of Bonds accepted to be sold by the Issuer will not exceed the maximum aggregate amount specified in the auction offer together with the maximum amount of up to a HUF amount with which the complete amount of the issuance (i.e., 50,000,000,000 plus overallotment) does not exceed the equivalent HUF amount of EUR 150,000,000 calculated based on the EUR/HUF rate published by the National Bank of Hungary on the day preceding the day of the auction. The overallotment shall not in any case exceed HUF 5,000,000,000 (10%);
- (n) to determine for the auction process the lower limit of the price offers;
- (o) to initiate at KELER an owners' identification (*tulajdonosi megfeleltetés*) with respect to the Bonds immediately following the creation of the Bonds and to notify the NBH on the results of such request;
- (p) to ensure that the issue, the Issuer and the Bonds will comply with the requirements of the Bond Growth Scheme set out in the handout (*Tájékoztató a Növekedési Kötvényprogram feltételeiről*);
- (q) that the Issuer has, in due time and manner, informed and informs the invited investors as listed in Annex 6 (List of

visszaváltása esetén legalább olyan arányban vásárol vissza abból a Magyar Nemzeti Banktól, mint amilyen arányban a Magyar Nemzeti Bank a Kötvény-sorozatból értékpapírral rendelkezik a visszavásárlás, illetve visszaváltás időpontjában. A visszavásárlási ár meghatározása a Kötvénytulajdonosokkal folytatott előzetes egyeztetést követően és hozzájárulásukkal határozható meg;

- (m) hogy az ajánlatok benyújtását követően a Kibocsátó által elfogadásra kerülő Kötvények össznévértéke nem haladja meg az aukciós ajánlatban meghirdetett összeget együttesen azzal a maximum akkora HUF összeggel, amellyel a kibocsátás teljes összege (vagyis az 50.000.000.000 plusz a túljegyzés; a túljegyzés semmilyen esetben sem haladhatja meg a HUF 5.000.000.000 összeget (10%)) nem haladja meg az EUR 150.000.000 összegnek megfelelő HUF összeget, amely a Magyar Nemzeti Bank által az aukció napját megelőző napon közzétett EUR/HUF árfolyam alapján számítandó);
- (n) hogy az aukciós eljárásra vonatkozóan meghatározza a benyújtható árajánlatok alsó korlátját;
- (o) hogy a Kötvények megkeletkeztetését követően haladéktalanul tulajdonosi megfeleltetést kezdeményez a KELER-nél a Kötvények vonatkozásában, amelynek eredményéről az MNB-t értesíti;
- (p) hogy a kibocsátás, a Kibocsátó és a Kötvények megfelelnek a Növekedési Kötvényprogramra előírt, a „*Tájékoztató a Növekedési Kötvényprogram feltételeiről*,-ben meghatározott követelményekkel;
- (q) hogy a Kibocsátó, megfelelő időben és módon, tájékoztatta, valamint tájékoztatja a 6. Mellékletben (Meghívott Befektetők Listája)

Invited Investors) in order to ensure that such invited investors can make their investment decisions regarding the Bonds; and

(r) that the Issuer is not a public undertaking as defined in COUNCIL REGULATION (EC) No 3603/93 of 13 December 1993 specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b (1) of the Treaty and the Issuer assumes liability for this.

Capitalized terms and expressions in this declaration shall, unless otherwise defined, have the meanings attributed to such terms and expressions in the Information Memorandum (including by reference to any other document).

This declaration has been prepared in English and Hungarian language. In the case of any discrepancy between the English and the Hungarian version, the Hungarian version shall prevail.

This declaration has been issued under and shall be construed in accordance with Hungarian law.

Budapest, 11 March 2021 / 2021. március 11.

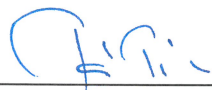
listázott meghívott befektetőket annak érdekében, hogy az ilyen befektetők a Kötvényekre vonatkozó befektetési döntésüket meg tudják hozni; és

(r) hogy a Kibocsátó nem közvállalkozás, ahogyan az a Szerződés 104. cikkében és a 104b. cikke (1) bekezdésében említett tilalmak alkalmazásához szükséges fogalmak meghatározásáról szóló a Tanács 3603/93/EK rendeletében (1993. december 13.) meghatározásra került és ezért a Kibocsátó felelősséget vállal.

Jelen nyilatkozatban nagy kezdőbetűvel használt szavak és kifejezések jelentése, eltérő definiálás hiányában, az Információs Memorandumban (beleértve az abban hivatkozott egyéb dokumentumot is) meghatározott jelentéssel bír.

Jelen nyilatkozat angolul és magyarul készült. Az angol és a magyar változat közötti eltérés esetén a magyar nyelvű változat az irányadó.

Jelen nyilatkozat magyar jog alatt került kibocsátásra és azzal összhangban értelmezendő.



Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság

Tibor Tatár

Managing director / ügyvezető

17 DEFINITIONS

In this Information Memorandum, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, words denoting on gender include others, expressions denoting natural persons include juristic persons and associations of persons, and the words in the first column have the meaning stated opposite them in the second column as follows:

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| Allocation | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| Amortized Face Value | has the meaning given to such term in Condition 5 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Amortisation Amount | has the meaning given to such term in Condition 7 (a)(i) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Auction Period | has the meaning given to such term in Section 13.3 (<i>The Auction process</i>) of this Information Memorandum. |
| Auctioneer | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| Auditor | means the respective auditor of the Issuer, being currently PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (registered seat: 1055 Budapest, Bajcsy-Zsilinszky út 78.) and Márton Kalavszky (registration number with Chamber of Hungarian Auditors: 007413) |
| BGS | means the Bond Funding for Growth Scheme of the National Bank of Hungary (in Hungarian: "Növekedési Kötvényprogram"). |
| Bidder | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| Bond Debt to Equity Undertaking | has the meaning given to such term in Condition 11 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Bondholder(s) | has the meaning given to such term in Condition 1(d) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Bonds | has the meaning given to such term on Page 3 under Clause "Important Notices" of this Information Memorandum. |
| Bondholders' Meeting | means the meeting of the Bondholders stipulated under Condition 21 of Section 4 (<i>Terms and Conditions of the Bonds</i>) and Annex 2 (<i>Provisions on Meeting of Bondholders</i>) of this Information Memorandum. |
| BGS Handout | has the meaning given to such term on Page 2 of this Information |

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| | Memorandum. |
| BSE | means Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság (registered seat: 1054 Budapest, Szabadság tér 7. Platina torony. I. ép. IV. em.; company registration number: Cg.01-10-044764; tax number: 12853812-2-41). |
| Business Day | has the meaning given to such term in Condition 6(c) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Buying Offer | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| By-Laws | has the meaning given to such term in Condition 21 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Cash and Cash Equivalents | has the meaning given to such term in Conditions 11 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Capital Markets Act | has the meaning given to such term on Page 1 of this Information Memorandum. |
| CEE | means Central and Eastern Europe. |
| Civil Code | has the meaning given to such term in Condition 1(a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Competence Center | has the meaning given to such term in Section 5.6.8 (<i>Operational background</i>) of this Information Memorandum. |
| Condition(s) | means the terms and conditions pertaining to the Bond as set out in Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Consolidated Equity | has the meaning given to such term in Condition 11 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Controlling Shareholder | has the meaning given to such term in Condition 11 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Coupon Payment Date | has the meaning given to such term in Condition 5 (b) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Cordia | has the meaning given to such term in Section 3.2 (<i>Risks related to the operation of Futureal Group</i>) of this Information Memorandum. |

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| Cordia Group | has the meaning given to such term in Section 3.4 (<i>Risks related to the company structure</i>) of this Information Memorandum. |
| CRA Regulation | has the meaning given to such term on Page 1 of this Information Memorandum. |
| Credit Rating Agency | means the respective credit rating agency appointed with respect to the Bonds in accordance with the BGS Handout, being currently Scope Ratings GmbH (registered seat: Lennéstraße 5., 10785 Berlin, Germany). |
| Dealer | has the meaning given to such term on Page 3 under Clause "Important Notices" of this Information Memorandum. |
| Document | has the meaning given to such term in Condition 1 (b) in Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Early Redemption Amount | has the meaning given to such term in Condition 10 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Equity Plan | has the meaning given to such term in Condition 11 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| ESMA | has the meaning given to such term on Page 1 of this Information Memorandum. |
| EU | means the European Union. |
| Event(s) of Default | has the meaning given to such term in Condition 10 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Face Value | has the meaning given to such term in Condition 2 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Final Redemption Amount | has the meaning given to such term in Condition 7 (a)(ii) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Finext Befektetési Alapkezelő Zrt. | has the meaning given to such term in Section 5.9.3 (<i>Finext Investment Fund Management Co. Ltd.</i>) of this Information Memorandum. |
| Fund Manager | has the meaning given to such term in Section 5.9.3 (<i>Finext Investment Fund Management Co. Ltd.</i>) of this Information Memorandum. |
| Futureal Group, Group or Futureal | has the meaning given to such term in Condition 11 (a) in Section 4 (<i>Terms and Conditions</i>) of this Information Memorandum. |

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| FutMan | has the meaning given to such term in Section 3.4 (<i>Risks related to the company structure</i>) of this Information Memorandum. |
| FMPCV | has the meaning given to such term in Section 3.4 (<i>Risks related to the company structure</i>) of this Information Memorandum. |
| GC Contract | has the meaning given to such term in Section 5.10.2 (<i>General construction contracts</i>) of this Information Memorandum. |
| Guarantee | has the meaning of the parent company guarantee provided by the Guarantor as set forth in Annex 7 of this Information Memorandum. |
| Guarantor | Futureal Holding B.V. (registered seat: Prins Hendriklaan 26, 1075BD Amsterdam., Netherlands; registration number: 75024012) |
| Guarantor Financial Information | has the meaning given to such term on Page 6 under Clause " <i>Presentation of Financial Information</i> " of this Information Memorandum. |
| Holding Companies | has the meaning given to such term in Section 5.4 (<i>Corporate structure</i>) of this Information Memorandum. |
| IFRS | means the International Financial Reporting Standards. |
| Information Memorandum | means the present Information Memorandum. |
| Investor(s) | has the meaning given to such term on Page 1 and Section 13.1 (<i>Introduction</i>) of this Information Memorandum. |
| Issue | has the meaning given to such term on Page 3 under Clause " <i>Important Notices</i> " of this Information Memorandum. |
| Issue Date | has the meaning given to such term in Condition 2 (b) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Issuer | has the meaning given to such term on Page 1 of this Information Memorandum. |
| Issuing Entities | has the meaning given to such term in Condition 11 (a) (ii) (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Issuer Separate Financial Statements | has the meaning given to such term on Page 7 under Clause " <i>Presentation of Financial Information</i> " of this Information Memorandum. |
| KELER | has the meaning given to such term in Condition 1 (b) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Key Individuals | has the meaning given to such term in Section 5.9 (<i>Strategic partners and cooperation</i>) of this Information Memorandum. |
| Late Payment | has the meaning given to such term in Condition 5 (c) of Section 4 |

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| Interest | (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Lease Agreement | has the meaning given to such term in Section 5.10.3 (<i>Material Contracts in the ordinary course of business</i>) of this Information Memorandum. |
| List of Bondholders | has the meaning given to such term in Clause 1 (d) of Annex 2 (<i>Provisions on Meeting of Bondholders</i>) of this Information Memorandum. |
| Market Maker | has the meaning given to such term in Condition 17 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Market Making Agreement | has the meaning given to such term in Condition 17 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Maturity Date | has the meaning given to such term in Condition 2 (c) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Minimum Price Level | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| MMTS1 Trading System | means the auction trading system operated by BSE. |
| MMTS1 Trading System Rules | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| NBH | has the meaning given to such term on Page 2 of this Information Memorandum. |
| New Document | has the meaning given to such term in Condition 1 (b) of Section 4 (<i>Terms and Conditions of Bonds</i>) of this Information Memorandum. |
| Offering Size | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| Ownership Certificate | has the meaning given to such term in Condition 18 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Paying Agent | has the meaning given to such term in Condition 16 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Paying Agent Agreement | has the meaning given to such term in Condition 16 of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |

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| Payment Day | has the meaning given to such term in Condition 6 (b) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Pedrano Group or Pedrano | has the meaning given to such term in Section 3.3 (<i>Risks related to the company structure</i>) of this Information Memorandum. |
| Principal Amount | has the meaning given to such term in Condition 7 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Project Entities | has the meaning given to such term in Section 5.4 (<i>Corporate structure</i>) of this Information Memorandum. |
| Prospectus Regulation | has the meaning given to such term on Page 1 of this Information Memorandum. |
| Quorum | has the meaning given to such term in Clause 5 (a) of Annex 2 (<i>Provisions on Meeting of Bondholders</i>) of this Information Memorandum. |
| Rating Undertaking | has the meaning given to such term in Condition 11 (a) (Issuer Undertakings) of Section 4 (Terms and Conditions of the Bonds) of this Information Memorandum. |
| Reference Date | has the meaning given to such term in Condition 6 (a) of Section 4 (<i>Terms and Conditions of Bonds</i>) of this Information Memorandum. |
| Related Party | has the meaning given to such term in Condition 11 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Remedy Period | has the meaning given in Condition 12 (b) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| SEC | has the meaning given to such term on Page 3 <i>under Clause "Important Notices"</i> of this Information Memorandum. |
| Securities Account Manager(s) | has the meaning given in Condition 1 (e) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Selling Offer | has the meaning given to such term in Section 13.2 (<i>Auction related definitions</i>) of this Information Memorandum. |
| Service Companies | has the meaning given to such term in Section 5.4 (<i>Corporate structure</i>) of this Information Memorandum. |
| Shareholder Distribution | has the meaning given to such term in Condition 11 (a) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| SPV | has the meaning given to such term in Section 3.2 (<i>Risks related to the operation of Futureal Group</i>) of this Information Memorandum. |

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| Subsidiary or Subsidiaries | has the meaning given to such term in Condition 11 (a) (Issuer Undertakings) of Section 4 (<i>Terms and Conditions of the Bonds</i>) of this Information Memorandum. |
| Total Issuer Bonds and Other Borrowings | has the meaning given to such term in Condition 11 (a) (Issuer Undertakings) of Section 4 (Terms and Conditions of the Bonds) of this Information Memorandum. |
| VAT | means the applicable value added tax in the respective countries where Futureal Group carries out its activities. |
| XBond | means the multilateral trading facility organized and operated by BSE which serves as a trading platform for debt securities. |
| XBond Business Rules | means the business rules of XBond entered into force as of 2 December 2019 pursuant to decision no 1/2019 of the BSE (which is available through the following link: https://www.bet.hu/Befektetok/Szabalyozas/Tozsdei-szabalyzatok) |

ANNEX 1
PROPOSAL FOR THE TEXT OF THE BOND

This document has been prepared by the Issuer and shall be considered as proposal for the text of the Bonds (in Hungarian: "kötvény szövegének javaslata").

OKIRAT
DEMATERIALIZÁLT KÖTVÉNYRŐL

1. A kibocsátókra vonatkozó adatok:

- teljes név: Futureal Development Holding
Ingatlanforgalmazó Korlátolt Felelősségű
Társaság
- székhely: 1082 Budapest, Futó utca 47-53. VII. em.
- cégjegyzékszám: Cg. 01-09-903759
- adószám: 14434459-2-42
- az Okiratot aláíró(k) adatai:
- az első aláíró neve: Tibor Tatár
képviselési jogának alapja (beosztás): ügyvezető (önálló aláíró)
- A második aláíró neve: Nem alkalmazandó.
képviselési jogának alapja (beosztás): Nem alkalmazandó.

2. Sorozatrészletre vonatkozó adatok:

- eddigi kibocsátások összesen névérték darabszáma: Nem alkalmazandó.
- a kibocsátói döntés jellege: 1/2021 (III. 01.) számú Ügyvezetői
Határozat
- a kibocsátói döntés időpontja: 2021. március 1.
- sorozatrészlet száma: Első sorozatrészlet. További rábocsátás
lehetséges.
- a kötvényprogram megnevezése: Nem alkalmazandó.
- névérték darabszám: 50.000.000 HUF, [VÉGSŐ DARABSZÁM] db

- össznévérték: [VÉGSŐ ÖSSZEG] HUF
- Értéknap (értékpapír számlán történő jóváírásának napja): 2021. Március 23.

3. A teljes kötvénysorozatra vonatkozó adatok:

- elnevezés: FUTUREAL 2031/I HUF Kötvény
- ISIN-azonosító: HU0000360268
- névérték és devizanem: 50.000.000 HUF
- névérték darabszám: [VÉGSŐ DARABSZÁM]
- össznévérték: [VÉGSŐ ÖSSZEG] HUF
- a forgalomba hozatal módja: Nyilvános
- az első kibocsátás időpontja: 2021. Március 23.
- az első kibocsátás értéknapja (keletkeztetés napja): 2021. Március 23.
- futamidő: az első kibocsátás időpontjától számított tíz (10) év
- lejárat napja/teljesítésre megjelölt időpont: 2031. Március 23.
- kamatfizetési időpontok: A kamatfizetési időpontokra vonatkozó részlet szabályok a jelen Okirat részét képező Kötvényfeltételek 5. pontjában (*Kamat*), különösen 5.(d) pontjában (*Munkanap szabály*), kerültek meghatározásra.
- beváltási (törlesztési) időpontok és az azokhoz kapcsolódó aktuális tőkeérték névértéke: A törlesztések kifizetésére vonatkozó részletszabályok a jelen Okirat részét képező Kötvényfeltételek 6. pontjában (*Kifizetések*) kerültek meghatározásra.
- kamatfizetési és beváltási (törlesztési) feltételek: A kamatfizetési feltételek a jelen Okirat részét képező Kötvényfeltételek 5. pontjában (*Kamat*) kerültek meghatározásra.

A beváltási (törlesztési) feltételek a jelen Okirat részét képező Kötvényfeltételek 7. pontjában (*Amortizáció, Visszaváltás*,

Visszavásárlás) kerültek meghatározásra.

- a kamatozás módja (fix/változó/indexált): Fix.
- fix kamatozás esetén kamatláb mértéke: Évi 4 %
- változó és indexált kamatozás esetén Nem alkalmazandó.
- az induló kamatláb mértéke: Nem alkalmazandó.
- a kamatláb változásának elvei: Nem alkalmazandó.
- a kamat számításának módja: A kamatfizetési feltételek a jelen Okirat részét képező Kötvényfeltételek 5. pontjában (*Kamat*) kerültek meghatározásra.
- átruházás korlátozása: A Kötvények átruházásra vonatkozó rendelkezéseket a jelen Okirat részét képező Kötvényfeltételek 4. pontja (*Átruházhatóság*) tartalmazza, a Kibocsátó nem határoz meg speciális átruházási korlátokat.
- a kötvény összegének visszafizetését és a kamat megfizetését biztosító kötelezettségvállalások: A Kötvények a Kibocsátó nem biztosított kötelezettségeit testesítik meg.
Továbbá a jelen Okirat részét képező Kötvényfeltételek 11. pontjában (*Kibocsátó Kötelezettségvállalásai*) meghatározott kötelezettségvállalások.
- a kötvény kibocsátásának célja: A jelen Okirat részét képező Kötvényfeltételek 15. pontjában (*A Kötvények Kibocsátásának Célja*) meghatározottak szerint ingatlanprojektekbe és ingatlanfejlesztésekbe történő beruházások, különféle akvizíciók (ideértve – többek között – földterületek, földportfóliók, közvetlen és cégvásárlásokon keresztül közvetett módon, vállalati részesedések és management társaságok megvásárlása immateriális javak), forgótőke finanszírozása, valamint kölcsönök (ideértve,

de nem kizárólagosan szenior hitelek és a tulajdonosi kölcsönöket) esetleges refinanszírozása. A Kötvények kibocsátásából származó bevétel felhasználása a Kibocsátó Zöld Kötvény Keretrendszerének (elérhető a(z) <https://www.futurealgroup.com/en/futureal-holding#bonds/green-finance-framework> weboldalon) megfelelően történik a Nemzetközi Tőkepiaci Szövetség által közzétett Zöld Kötvény Irányelvekkel összhangban. A Kibocsátó Zöld Kötvény Keretrendszerére vonatkozó független másodfél véleményt (ahogyan az a Nemzetközi Tőkepiaci Szövetség által közzétett Zöld Kötvény Irányelvekben meghatározásra került) a Sustainalytics (székhely: MoselStraBe 4, 60329 Frankfurt am Main, Germany) 2021. február 4. napján bocsátotta ki.

- a kötvények egyéb feltételei:

A kötvényekre alkalmazandó egyéb feltételek a jelen Okirathoz csatolt, annak elválaszthatatlan részét képező Kötvényfeltételek között került meghatározásra.

- a Kötvényekkel kapcsolatos kötelezettségek teljesítésének biztosítéka:

A Kötvények a Garancia által garantált kötelezettségek. Az eredeti Garancia a jelen Dokumentum Mellékletében kerül csatolásra és a jelen Dokumentum részét képezi.

Jelen Okirat nem minősül értékpapírnak.

Az Okirat kiállításának helye és napja: Budapest, 2021. _____.

Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság

Tatár Tibor
ügyvezető

KÖTVÉNYFELTÉTELEK

Az alábbiak a forintban denominált, fix kamatozású, névre szóló, nem biztosított, dematerializált formában előállított, 2031. március 23-i lejáratú kötvények (név: FUTUREAL 2031/I Forint Kötvény; rövidített név: FUTURE2031; ISIN-kód: HU0000360268; **“Kötvény”** vagy **“Kötvények”**), amelyet a Futureal Holding B.V. (székhely: Prins Hendriklaan 26, 1075BD Amsterdam., Hollandia; nyilvántartási szám: 75024012) által kibocsátott anyavállalati garancia garantál, 2021. március 11. napján kelt., a Kötvényekre vonatkozó információs memorandumban (**„Információs Memorandum”**) eredetileg angol, mint irányadó, nyelven meghatározott feltételek (**“Kötvényfeltételek”** vagy **“Kötvényfeltétel”**) magyar nyelvű, kizárólag tájékoztató jellegű, fordítása. Amennyiben a jelen magyar nyelvű Kötvényfeltételek és az Információs Memorandumban meghatározott angol nyelvű Kötvényfeltételek között bárminemű eltérés lenne, az angol nyelvű Kötvényfeltételeket kell irányadónak tekinteni. A Kötvények a Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság (székhely: 1082 Budapest, Futó utca 47-53. VII. em.; adószám: 14434459-2-42; a **“Kibocsátó”**) által kerültek kibocsátásra nyilvános forgalomba hozatal útján a Prospektus Rendelet 2. Cikkének (e) pontja szerinti minősített befektetők részére (a **„Kibocsátás”**).

1 Típus, Forma, Fajta, Jogosultság, Nyilvántartás és Felhatalmazás

(a) *Típus*

A Kötvények a Tőkepiacról szóló 2001. évi CXX. törvény (**“Tpt.”**) 12/B.§-a, a Kötvényről szóló 285/2001. (XII. 26.) Korm. rendelet, valamint a Polgári Törvénykönyvről szóló 2013. évi V. törvény (**“Ptk.”**) rendelkezéseivel összhangban, hitelviszonyt megtestesítő, névre szóló értékpapír formájában.

(b) *Előállítás módja*

A Kötvények dematerializált formában, névre szólóan kerültek kibocsátásra. A Kötvényeket nem lehet bemutatóra szóló formában előállítani.

A Kibocsátó a Tpt. 7.§-a (2) bekezdésével és 9.§-a (1) bekezdésével összhangban, a Kötvény feltételeit és adatait tartalmazó, értékpapírnak nem minősülő okiratot (**“Okirat”**) állított ki és helyezte letétbe a KELER Központi Értéktár Zártkörűen Működő Részvénytársaságnál (angol elnevezése: KELER Ltd.; székhely: 1074 Budapest, Rákóczi út 70-72.; cégjegyzékszám: Cg.01-10-042346; adószám: 10873151-2-44; **“KELER”**). Az Okirat mindaddig a KELER-nél vagy (amennyiben alkalmazandó) annak jogutódjánál marad, ameddig a Kötvénytulajdonosok a Kötvény alapján fennálló valamennyi követelése kielégítésre nem kerül.

Amennyiben a Kibocsátó a jelen Kötvényfeltételek szerint bármely Kötvényt a Lejárat Napját megelőzően érvénytelenít vagy rábocsátás keretében további Kötvény bocsát ki, úgy az Okirat törülésre kerül, és a még fennálló Kötvények adatait tartalmazó új okirat (**“Új Okirat”**) kerül előállításra és a KELER-nél letétbe helyezésre annak érdekében, hogy az érvénytelenítés illetve a rábocsátás okán a fennálló Kötvények számának változása nyomon követhető legyen. Jelen Kötvényfeltételek a Kötvények és következőképpen az Okirat vagy az Új Okirat (az esetnek

megfelelően) részét képezik. Jelen pont szerinti eljárás megfelelően alkalmazandó a Kötvényfeltételeknek a 21. Kötvényfeltétel (*Kötvényesi Gyűlés és a kötvényfeltételek Módosítása*) szerinti módosítása esetén is.

(c) *Kamatozás*

Minden egyes Kötvény fix kamatozású kötvény.

(d) *Tulajdonjog*

A Ptk. 6:566.§-a (6) bekezdésének és a Tpt. 138.§-a (2) bekezdésének megfelelően, a „Kötvénytulajdonos”-ra vagy „Kötvénytulajdonosok”-ra történő hivatkozáson bármely Kötvény vonatkozásában – az ellenkező bizonyításáig – azt a személyt vagy személyeket kell érteni, aki(k)nek az értékpapírszámláján a Kötvényeket nyilvántartják (a „**Kötvénytulajdonos**”).

Kivéve, ha jogszabály eltérően nem rendelkezik, a Kötvények bármely tulajdonosát, aki a fenti bekezdéssel összhangban szerezte meg a Kötvényeket a Kötvények teljeskörű tulajdonosának kell tekinteni és akként kell kezelni minden tekintetben (függetlenül attól, hogy a Kötvények alapján teljesítendő fizetések esedékesek vagy sem) és a Kötvény tulajdonosának ily módon történő kezeléséért senki sem vonható felelősségre.

A Tpt. 6.§ (5) bekezdése értelmében a Kötvénytulajdonosok nem kérhetik a Kötvények nyomdai úton előállított kötvényekké történő átalakítását.

(e) *KELER nyilvántartása*

A KELER által vezetett nyilvántartás hiteles nyilvántartásként szolgál azon értékpapírszámla-vezetők (az „**Értékpapír-számlavezető**”) azonosítása tekintetében, akiknek a KELER által vezetett értékpapírszámláján Kötvények kerültek jóváírásra, valamint az egyes Értékpapír-számlavezetők által vezetett értékpapírszámlákon jóváírt Kötvények mennyisége vonatkozásában.

(f) *Felhatalmazás*

A Kötvények kibocsátására a Kibocsátó ügyvezetőinek 2021. március 1. napján kelt 1/2021 (III. 01.) számú határozatában foglalt felhatalmazás alapján került sor.

2 Névérték, Kibocsátás, Lejárat és Minősítés

(a) *A Kötvények darabszáma és névértéke*

A Kibocsátás során 1000 darab Kötvény kerül kibocsátásra (és további 100 db, de maximum annyi számú Kötvény kibocsátása lehetséges túljegyzés keretében, amellyel együtt a kibocsátás teljes összege (vagyis az 1000 db Kötvény és túljegyzés; a túljegyzés semmilyen esetben sem haladhatja meg a 100 db Kötvényt) nem haladja meg az EUR 150.000.000 összegnek megfelelő HUF összegű össznévértéket, amely a Magyar Nemzeti Bank által az aukció napját megelőző napon közzétett EUR/HUF árfolyam alapján számítandó).

Minden egyes Kötvény magyar forintban 50.000.000 HUF névértékkel (azaz ötvenmillió forint)

(**“Névérték”**) került kibocsátásra.

A Kötvények össznévértéke 50.000.000.000 HUF (azaz ötvemilliárd forint) (és további akkora HUF összeg, amellyel a kibocsátás teljes összege (vagyis az 50.000.000.000 plusz a túljegyzés; a túljegyzés semmilyen esetben sem haladhatja meg a HUF 5.000.000.000 összeget) nem haladja meg az EUR 150.000.000 összegnek megfelelő HUF összeget, amely a Magyar Nemzeti Bank által az aukció napját megelőző napon közzétett EUR/HUF árfolyam alapján számítandó).

A Kibocsátó az eredetileg felajánlott mennyiség 10%-ig jogosult túljegyzést elfogadni azzal a különleges korlátozással, hogy a kibocsátás teljes összege (vagyis az 50.000.000.000 plusz a túljegyzés; a túljegyzés semmilyen esetben sem haladhatja meg a HUF 5.000.000.000 összeget) nem haladja meg az EUR 150.000.000 összegnek megfelelő HUF összeget, amely a Magyar Nemzeti Bank által az aukció napját megelőző napon közzétett EUR/HUF árfolyam alapján számítandó.

(b) *A Kötvények forgalomba hozatalának, kiállításának és keletkeztetésének helye és ideje*

A Kötvények forgalomba hozatalának, kiállításának és keletkeztetésének helye minden esetben: Budapest, Magyarország.

A Kötvények kibocsátására nyilvános forgalomba hozatal útján, aukciós eljárás keretében került sor.

A Kötvények kibocsátására 2021. március 23. napján került sor (a **“Kibocsátás Napja”**).

(c) *A Kötvények futamideje*

A Kötvények 10 éves futamidővel rendelkeznek, amely a Kibocsátás Napján kezdődik és amely 2031. március 23. napján ér véget (a **“Lejárat Napja”**).

(d) *Minősítés*

A Kötvényeket a Scope Ratings GmbH (székhely: Lennéstraße 5., 10785 Berlin, Németország) BB minősítéssel látta el, amely minősítés 2021. február 16. napján került közzétételre.

3 A Kötvények Státusza és Sorrendisége

A Kötvények a Kibocsátó közvetlen, nem biztosított, feltétel nélküli és nem alárendelt kötelezettségeit testesítik meg, amelyeket a Futureal Holding B.V. (székhely: Prins Hendriklaan 26, 1075BD Amsterdam., Hollandia; nyilvántartási szám: 75024012) által kibocsátott anyavállalati garancia garantálja.

A Kötvények egymással *pari passu* rangsorolódnak bármilyen előnyben részesítés nélkül és azok kielégítésének sorrendje tekintetében, illetve legalább *pari passu* rangsorolódnak a Kibocsátó mindenkori egyéb jelenlegi vagy jövőbeli közvetlen, eszközzel nem biztosított, feltétel nélküli és nem alárendelt kölcsön, kötvény vagy bármely más kölcsönfelvételből származó kötelezettségeivel, kivéve azokat a kötelezettségeket, amelyek jogosultjai a fizetéseképtelenségi eljárás során a kötelezően alkalmazandó jogszabályok alapján elsőbbséget élveznek.

4 Átruházhatóság

A Kötvények a KELER mindenkori szabályzataival és előírásaival összhangban az eladó értékpapír-számlájának megterhelésével és a vevő értékpapír-számláján történő jóváírásával ruházhatók át.

A jelen Kötvényfeltételben meghatározottakon túl a Kibocsátó nem korlátozza a Kötvények átruházását.

A KELER mindenkori szabályzatai és előírásai a Kötvényeknek az Értékpapír-számlavezetők érintett értékpapír-számlái közötti átutalásra vonatkozóan meghatározhatnak korlátozásokat és olyan időszakokat, amelyek a Kötvénytulajdonosokra alkalmazandók és kötelezőek.

A Kötvények tekintetében kicserélésre, átváltoztatásra vonatkozó- vagy elővásárlási jog nem gyakorolható.

5 Kamat

(a) Kamat

Minden egyes Kötvény kamata évi 4% (azaz négy százalék), az Amortizált Névérték alapján számított éves kamatfizetésekkel, amelyek a Kamatfizetési Napokon kerülnek kifizetésre aktuális/aktuális típusú kamatszámítás alkalmazása mellett. Az **Amortizált Névérték** jelenti a Névértéknek a Kibocsátó által az érintett Kamatfizetési Napot megelőzően kifizetett Amortizációs Összegek együttes összegével csökkentett összegét.

A Kibocsátó jogosult egyoldalúan (véglegesen, ideiglenesen és/vagy feltételesen) megemelni a fenti kamat mértékét a Kötvénytulajdonosok hozzájárulása nélkül, minden esetben az alkalmazandó jogszabályokkal és előírásokkal összhangban és azok rendelkezéseitől függően.

(b) Kamatfizetési Nap

Az első kamatfizetési nap a Kibocsátás Nap első évfordulójának megfelelő nap, amely 2022. március 23. és minden további kamatfizetési nap a Kötvények futamideje alatt az előző Kamatfizetési Nap első évfordulójának megfelelő napja, az utolsó kamatfizetési nap kivételével, amely megegyezik a Lejárat Napjával (2031. március 23.) (a "**Kamatfizetési Nap**").

A Kamatfizetési Napok az adott év vonatkozásában március 23.

Kamatfizetési Napok:

Kamatfizetési Nap:**Kamat (Kötvényenként):**

| | |
|-------------------|---------------|
| 2022. március 23. | HUF 2.000.000 |
| 2023. március 23. | HUF 2.000.000 |
| 2024. március 23. | HUF 2.000.000 |
| 2025. március 23. | HUF 2.000.000 |
| 2026. március 23. | HUF 2.000.000 |
| 2027. március 23. | HUF 2.000.000 |
| 2028. március 23. | HUF 2.000.000 |
| 2029. március 23. | HUF 1.800.000 |
| 2030. március 23. | HUF 1.600.000 |
| 2031. március 23. | HUF 1.400.000 |

Ha a kamatot ki kell számolni egy olyan periódus tekintetében, amely egyenlő vagy rövidebb a kamafizetési időszaknál, a kamat az alábbiak szerint számítandó:

A fizetendő kamat összege

- (i) az első kamatfizetési időszakban az alábbiak szerint számítandó: az első Kamatfizetés Napja (ezt a napot nem beleértve) és a Kibocsátás Napja (ezt a napot is beleértve) között eltelt napok száma megszorozva a kamat mértékével (4%) és az adott kamatfizetési időszakban alkalmazandó Amortizált Névértékkel, osztva 365-tel.
- (ii) minden soron következő kamatfizetési időszakban az alábbiak szerint számítandó: az adott Kamatfizetési Nap (ezt a napot nem beleértve) és a megelőző Kamatfizetési Nap (ezt a napot is beleértve) között eltelt napok száma megszorozva a kamat mértékével (4%) és az adott kamatfizetési időszakban alkalmazandó Amortizált Névértékkel, osztva 365-tel vagy – amennyiben az érintett kamatfizetési időszak szökőévre esik és tartalmazza február 29. napját – 366-tal.

Amennyiben és amilyen mértékig a fenti Kötvényenkénti Kamat számítása tört számot eredményezne az ilyen tört számot úgy kell felfelé kerekíteni, hogy 0.5 HUF összeget felfelé kell kerekíteni.

(c) *Fizetési késedelem*

Amennyiben a Kibocsátó az esedékesség napján nem fizet meg bármely Kötvény alapján fizetendő összeget, ezen esedékes, meg nem fizetett összegre az esedékesség napjától a tényleges fizetés napjáig kamat halmozódik fel és fizetendő, amelynek mértéke az 5.(a) Kötvényfeltételben (*Kamat*) meghatározott kamat hat százalékkal (6%) megnövelt értéke (a "**Késedelmi Kamat**").

A Kötvénytulajdonosok nem jogosultak Késedelmi Kamatra, kamatra vagy egyéb kifizetésre a Kibocsátó általi késedelmes fizetés esetén, amennyiben a Kötvénytulajdonos elmulasztja megfelelő időben a Kibocsátó rendelkezésére bocsátani a vonatkozó Tulajdonosi Igazolást (amennyiben alkalmazandó).

(d) *Munkanap szabály*

Bármely kamat megfizetésére a 6. Kötvényfeltétel (*Kifizetések*) rendelkezései alkalmazandók, beleértve különösen, de nem kizárólagosan a 6.(b) Kötvényfeltételt (*Kifizetés Időpontja*).

6 Kifizetések

(a) *Fizetés módja*

A Kötvény tekintetében tőke- és kamatkifizetésre banki átutalással a Fizető Ügynökön keresztül kerül sor a KELER mindenkor hatályos szabályzataival és előírásaival összhangban, valamint a vonatkozó adózási jogszabályok figyelembevételével, azon Értékpapír-számlavezetők részére, amelyeknek a KELER-nél vezetett értékpapír-számláján az adott esedékességre vonatkozó – a KELER mindenkor hatályos szabályzatában meghatározott – Fordulónapon (ahogy az alább meghatározásra került) az üzletzárás időpontjában Kötvények jóváírásra kerültek. A KELER jelenleg hatályos szabályzatai és előírásai értelmében, a Fordulónap az érintett Kifizetési Napot közvetlenül két (2) Munkanappal megelőző nap (a "**Fordulónap**"). Kifizetést azon személy részére kell teljesíteni, aki a Fordulónapon Kötvénytulajdonosnak minősül.

(b) *Kifizetési Nap*

Amennyiben a Kötvény vonatkozásában teljesítendő bármely kifizetés napja nem Kifizetési Nap (ahogy az alább meghatározásra került), a Kötvénytulajdonos a következő Kifizetési Napig nem jogosult az érintett kifizetésre, valamint ezen késedelem tekintetében további kamatra vagy egyéb fizetésre.

Jelen pont céljára, **Kifizetési Nap** az a nap,

(i) amely Munkanap; és

(ii) amelyen a KELER pénz- és értékpapír-átutalásokat hajt végre.

(c) *Kifizetésekre vonatkozó általános rendelkezések*

Kizárólag a Kötvénytulajdonosok jogosultak a Kötvény alapján kifizetésre. Minden egyes, a KELER nyilvántartásában szereplő, a Kötvények bizonyos Névértékének tényleges tulajdonosaként feltüntetett személyek kizárólag a KELER-hez fordulhatnak a Kibocsátó vagy a Kötvénytulajdonosok elhatározása alapján teljesített minden egyes kifizetés őt megillető részére vonatkozóan.

Jelen Kötvényfeltételek alkalmazásában **Munkanap** alatt minden olyan napot kell érteni, amelyen a kereskedelmi bankok (ideértve a Fizető Ügynököt is) az általános üzletmenet szerint nyitva tartanak Budapesten.

7 Amortizáció, Visszaváltás, Visszavásárlás

(a) *Ütemezett amortizáció a Kötvények futamideje alatt és lejáratkori visszaváltás*

Hacsak előzőleg nem került visszaváltásra vagy visszavásárlásra és érvénytelenítésre, minden egyes Kötvény az alábbiak szerint amortizálódik:

- (i) 5,000,000 HUF/Kötvény, mint amortizációs összeg ("**Amortizációs Összeg**") esedékes és fizetendő évente a 7., 8., és 9. Kamatfizetési Napokon, azaz 2028. március 23., 2029. március 23., és 2030. március 23. napján; és
- (ii) 35,000,000 HUF/Kötvény, mint végső amortizációs összeg ("**Végső Visszaváltási Összeg**") esedékes és fizetendő 2031. március 23. napján, mely az utolsó Kamatfizetési Nap, amely egyben a Lejárat Napja is. A félreértések elkerülése érdekében, a fenti (i) bekezdés szerinti összeg kerekítés eredménye, amely kerekítés a Végleges Visszaváltási Összegben helyesbítésre került. Valamennyi kamat, Amortizációs Összeg és a Végső Visszaváltási Összeg megfizetésével a Kötvények visszaváltásra és érvénytelenítésre kerülnek a Kibocsátó által.

Tőkeösszeg jelenti, minden egyes Kötvény tekintetében, valamennyi Amortizációs Összeget és a Végső Visszaváltási Összeget; azaz a teljes Tőkeösszeg összege megegyezik a Kötvény Névértékével.

A fentieket nem érintve, bármely Amortizációs Összeg és a Végső Visszaváltási Összeg megfizetésére a 6. Kötvényfeltétel (*Kifizetések*) rendelkezései alkalmazandók, különösen de nem kizárólagosan a 6.(b) Kötvényfeltétel (*Kifizetés Időpontja*).

(b) *Egyéb visszaváltás*

A Kötvények visszaváltására kizárólag a 7.(a) Kötvényfeltételben (*Tervezett amortizáció a kötvények futamideje alatt és visszaváltás a lejáratkor*) és a 10. Kötvényfeltételben (*Felmondási Események*) meghatározottak szerint kerülhet sor.

(c) *Visszavásárlás*

A Kibocsátó bármikor, bármilyen áron vásárolhat Kötvényeket a nyílt piacon vagy egyéb más módon. A Kibocsátó által megvásárolt Kötvények a Kibocsátó választása szerint megtarthatók, ismét eladhatók vagy érvényteleníthetők.

(d) *Érvénytelenítés*

Valamennyi, a Kibocsátó által visszaváltásra kerülő Kötvény érvénytelenítésre kerül a KELER mindenkor hatályos szabályzatainak és eljárásainak megfelelően. Az ily módon érvénytelenített Kötvények nem bocsáthatók ki, illetve nem adhatók el újra.

(e) *Rábocsátás*

A Kibocsátó jogosult rábocsátás keretében további kötvények kibocsátására a Kötvények sorozatán

belül. Az ilyen rábocsátás szükségszerűen a Kötvények jelen Kötvényfeltételek szerint meghatározott technikai paramétereinek (pl.: kibocsátásra vonatkozó hozzájárulás, a sorozaton belül kibocsátott kötvények száma, össznévérték, teljes kibocsátási összeg) módosulásával jár. A Kötvényfeltételek ilyen módosulásához nem szükséges a Kötvényesek Gyűlésének jóváhagyása vagy beleegyezése.

8 Adózás

A Kötvényekkel kapcsolatos valamennyi tőke- és kamatkifizetésre a Kibocsátó részéről vagy képviselőjében az alkalmazandó pénzügyi vagy adó jogszabályokkal összhangban kerül sor. Amennyiben a tőke- vagy kamatkifizetések tekintetében bármely teher vagy adó levonása alkalmazandó, a Kibocsátó teljesíti a visszatartási kötelezettségét, így a Kötvénytulajdonosok a tőke- és kamatkifizetések nettó összegét kapják meg. Sem a Kibocsátó, sem a Forgalmazó sem pedig a Fizető Ügynök nem terheli semmilyen többlet fizetési kötelezettség a Kötvénytulajdonosok ezen teher vagy levonás miatti kompenzálására céljára számára. Az alkalmazandó jogszabályokkal összhangban sem a Kibocsátó, sem a Forgalmazó sem pedig a Fizető Ügynök nem tartozik felelőséggel a Kötvénytulajdonosokkal szemben semmilyen, a tőke- és kamatkifizetésekkel kapcsolatos díjért, költségért, veszteségért vagy kiadásért.

9 Elévülés

A Kötvényről szóló 285/2001. (XII. 26.) Korm. rendelet értelmében, a Kötvényeken alapuló követelések a Kibocsátóval szemben nem évülnek el, hacsak a magyar jogszabályok eltérően rendelkeznek.

10 Felmondási Esemény

(a) *Értesítés lehetséges mulasztásról, kötelezettségvállalás megsértéséről*

A Kibocsátó köteles, azonnal de legkésőbb a tudomásszerzést követő három (3) Munkanapon belül, a 18. Kötvényfeltétel (*Értesítések*) rendelkezéseivel összhangban értesíteni a Kötvénytulajdonosokat bármilyen olyan körülményről, amely a Kötvényfeltételek Kibocsátó általi teljesítését akadályozhatja vagy veszélyeztetheti (megjelölve az érintett körülmények alapjául szolgáló tényeket, eseményeket; azok enyhítésére, orvoslására tett lépéseket és az enyhítés, orvoslás várható idejét).

(b) *Felmondási Események*

Amennyiben a következő események valamelyike bekövetkezik és folyamatosan fennáll:

- (i) a Kötvények vagy azok bármelyike tekintetében esedékes bármely Tőkeösszeg vagy kamat kifizetésének elmulasztása és az alkalmazandó Orvoslási Időszak lejárt a 12. Kötvényfeltétel (*Orvoslás*) szerinti megfelelő orvoslás nélkül; vagy
- (ii) a Kibocsátó a 3. Kötvényfeltételben (*A Kötvények Státusza és Sorrendisége*) vagy a 11.(a) Kötvényfeltételben foglalt kötelezettségvállalások bármelyikét nem teljesíti és az alkalmazandó Orvoslási Időszak lejárt a 12. Kötvényfeltétel (*Orvoslás*) szerinti megfelelő orvoslás nélkül,

(a „**Felmondási Események**”, és azok bármelyike a „**Felmondási Esemény**”),

valamennyi Kötvény haladéktalanul esedékes és fizetendő a Lejárat Előtti Visszaváltási Összegen, bármilyen büntető kamat nélkül, a Felmondási Esemény bekövetkezését követő kilencvenedik (90.) napon.

Jelen Kötvényfeltétel vonatkozásában:

Lejárat Előtti Visszaváltási Összeg jelenti egy Kötvény vonatkozásában annak Névértékét csökkentve az adott Kötvény tekintetében megfizetett valamennyi Tőkeösszeggel, és növelve valamennyi kintlévő kamat és Késedelmi Kamat összegével és az utolsó Kamatfizetési Nap óta felhalmozódott időarányos (azaz az utolsó Kamatfizetési Nap és a Lejárat Előtti Visszaváltási Összeg megfizetésének napjáig terjedő időszakban) kamatokkal, osztva az adott év tényleges napjainak számával.

11 Kibocsátó Kötelezettségvállalásai

(a) *A Kibocsátó kötelezettségvállalásai*

(i) **A Kibocsátó nem teljesíthet Részvényesi Kifizetést**, ha a Kötvények Hitelminősítő általi minősítése B+ vagy azzal egyenértékű minősítésnél alacsonyabb és ez nem került orvoslásra (vagyis, ameddig a Kibocsátó nem kap legalább B+ vagy azzal egyenértékű vagy magasabb minősítést a Hitelminősítőtől) (**„Minősítés Kötelezettségvállalás”**).

(ii) **A Kibocsátó nem teljesíthet Részvényesi Kifizetést**, ha a legutóbbi pénzügyi beszámolóik alapján nem teljesül az alábbi feltétel:

Teljes Nettó Kötvények és Egyéb Eladósodottság / Konszolidált Saját Tőke \leq 1
(**„Kötvényadósság/Saját Tőke Kötelezettségvállalás”**), ahol

Definíciók

Teljes Nettó Kötvények és Egyéb Eladósodottság: Teljes Kibocsátói Kötvények és Egyéb Eladósodottság, csökkentve a Készpénz és Pénzeszközök összegével,

Teljes Kibocsátói Kötvények és Egyéb Eladósodottság: (a) bármely Kibocsátó Entitás által kibocsátott kötvények, (a Futureal Csoport tagjának nem minősülő) harmadik felek felé kintlévő, a Kötvényeknek nem alárendelt teljes összege, és (b) a Kibocsátó Entitások (a Futureal Csoport tagjának nem minősülő) harmadik felek felé kintlévő, a Kötvényeknek nem alárendelt kölcsönei és hitelei.

Kibocsátó Entitások: (i) a Kibocsátó, (ii) a Garantőr és (iii) bármely más a Futureal Csoportba tartozó jogi személy amely a Garantőr vagy a Kibocsátó által (garanciával, kezességgel, vagy más felelősségvállalási megállapodással) garantált kötvényeket bocsát ki (az ilyen garancia hatályosságának időtartama alatt),

Konszolidált Saját Tőke: a teljes saját tőke összege ahogyan az a Garantőr konszolidált mérlegében kimutatásra kerül, és

Készpénz és Pénzeszközök: a Készpénz és Pénzeszközök ahogyan az a Garantőr konszolidált mérlegében kimutatásra kerül (az egyértelműség érdekében, a korlátozott felhasználású készpénzt leszámítva).

- (iii) **A Kibocsátó nem teljesíthet Részvényesi Kifizetést**, ha a legutóbbi pénzügyi beszámoló napját követően teljesített összes Részvényesi Kifizetés kumulált összege **meghaladná azt a maximum összeget, amely oly módon kerülhetne kifizetésre** a legutóbbi pénzügyi beszámoló napján, hogy a **Kötvényadósság/Saját Tőke Kötelezettségvállalás** jelen bekezdés fenti (ii) pontja szerinti **határérték ne kerüljön átlépésre** a legutóbbi pénzügyi beszámolóban foglaltakat és a tervezett kifizetés mértékét alapul véve.

Jelen korlátozás a legutóbbi pénzügyi beszámoló közzétételének napjától a következő pénzügyi beszámoló közzétételének napjáig (amely napon a jelen korlátozás szerinti mérték ismételen kiszámolandó) alkalmazandó.

A Kötvényadósság/Saját Tőke Kötelezettségvállalást a Garantőr legutolsó konszolidált auditált pénzügyi beszámolója alapján kell számítani.

A fenti kötelezettségvállalás kiszámítása és közzététele a Garantőr és a Kibocsátó pénzügyi beszámolóinak integráns része.

Jelen 11.(a) Kötvényfeltétel céljára az alábbi további definíciók alkalmazandók:

Futureal Csoport jelenti együttesen a Kibocsátót, a Garantőrt, és a Leányvállalatokat.

Befolyásoló Tag jelenti azt személyt aki a Garantőr jegyzett tőkéjének több, mint 25%-át megtestesítő üzletrész(eke)t tulajdonolja, vagy képes és/vagy jogosult a Garantőr ügyeinek, eszközeinek, menedzsmentjének és/vagy szabályzatainak a befolyásolására, és/vagy a Garantőr vezető tisztségviselőinek meghatározására, akár szavazati jogokat megtestesítő üzletrészen, szavazati jog birtoklása révén, szerződés alapján, összehangolt magatartást megvalósító gyakorlat, akár más egyéb módon. Befolyásoló Tag jelenleg Futó Gábor és Futó Péter.

Kapcsolt Fél jelent bármely társaságot, amelyben a Befolyásoló Tag közvetlenül vagy közvetve 50%-ot meghaladó mértékű részesedéssel vagy szavazati jogokkal rendelkezik.

Leányvállalatok jelenti a Garantőr (közvetlen vagy közvetett) irányítása alatt álló, vagy az IFRS alapján a Garantőr konszolidált beszámolójában a konszolidálásba bevonandó társaságokat és az FMPCV-t.

Tagi Kifizetés jelent

- (i) bármilyen a Garantőr tagja(i) részére, illetve javára teljesített osztalék vagy osztalékelőleg fizetését, részvény visszavásárlást, tőke leszállítást vagy hasonló tranzakciót; és/vagy
- (ii) kölcsön nyújtása vagy kölcsönök visszafizetése (beleértve a tőkét és a kamatot is) a Garantőr tagja(i), vagy a Befolyásoló Tagok vagy azok olyan Kapcsolt Felei részére, amelyek nem részei a Futureal Csoportnak,

azzal, hogy minden esetben kivételt képeznek a Részesezési Terv szerinti kifizetések.

A **Részesezési Terv** jelenti a rendes üzletmenet keretében a Futureal Csoport vagy a Kapcsolt Felek munkavállalói, munkatársai, és hosszú távon együttműködő tanácsadói (vagy ezek kapcsolt felei) részére vagy javára (közvetlenül vagy közvetett módon más entitásokon keresztül) nyújtott juttatásokat, osztalékot, nyereségrészesezésést, opciókat és részesezési programokat feltéve, hogy munkavállalók, munkatársak, vagy a hosszútávon együttműködő tanácsdók nem Befolyásoló Tagok vagy azoknak a Polgári Törvénykönyv 8:1.§ (1) bek. 1. pontja szerinti közeli hozzátartozói.

12 Orvoslás

(a) *Orvoslás módja*

A Kibocsátó jogosult orvosolni

- (i) bármely fizetési késedelmet a lejárt összeg Kötvénytulajdonosok részére történő megfizetésével; és
- (ii) a 11. Kötvényfeltétel (a) pontjában foglaltak megsértését Tagi Kifizetések esetén a Kibocsátó részére olyan mértékben, amilyen összegben a Tagi Kifizetés nem felelt meg a 11. Kötvényfeltétel (*Kibocsátó kötelezettségvállalásai*) (a) pontjának.

(b) *Orvoslási időszak*

A Kibocsátó jogosult orvosolni

- (A) bármely fizetési késedelmet a késedelembeesés napján kezdődő és az azt követő harmincadik (30.) napon végződő időszakon belül, és
- (B) bármely a 3. Kötvényfeltételben (*A Kötvények Státusza és Sorrendisége*) vagy a 11. Kötvényfeltétel (a) pontjában foglalt vállalás megszegését azon időszakon belül, amely a Kötvényesi Gyűlésnek az Ügyrend 7. Pontja (b)(ii) alpontja értelmében hozott határozatának napján kezdődik és ezen határozatot hozó Kötvényesi Gyűlés napjától számított kilencvenedik (90.) napon végződik,

(az "**Orvoslási Időszak**").

13 Tőzsdei bevezetés

A Kötvények a Budapesti Értéktőzsde által üzemeltetett Xbond multilaterális kereskedési helyszínrre kerülnek bevezetésre a Kibocsátás Napját követő 90 (kilencven) napon belül. A Kibocsátó saját kizárólagos belátási szerint határozhat a Kötvények bármely más szabályozott piacra vagy multilaterális kereskedési rendszerre történő bevezetéséről, feltéve, hogy a Kötvények kereskedése azok lejártáig az XBond multilaterális kereskedési helyszínen fennmarad.

14 Garancia

A Futureal Holding B.V. (székhely: Prins Hendriklaan 26, 1075BD Amsterdam., Hollandia; nyilvántartási szám: 75024012) által kibocsátott anyavállalati garancia, amelyet a jelen Információs

Memorandum 8. Melléklete tartalmaz. A Garancia első lehívásra, feltétel nélkül teljesítendő vállalati garancia, amelyet a Garantőr bocsátott ki Magyarország 2013. évi V. törvényének 6:431 §-val összhangban a jelen Információs Összeállításhoz csatolt 8. Melléklet szerinti Garancia feltételeivel. Amennyiben a Garantőr értesítési címe – ahogyan az a jelen Információs Összeállítás 8. Mellékletében (*Anyavállalati Garancia*) meghatározásra került – megváltozna, a Kibocsátó köteles a Kötvényeseket a Garantőr megváltozott értesítési címéről a változást követő tíz (10) napon belül értesíteni a lenti 4.18 (*Értesítések*) bekezdésben foglaltak szerint.

15 A Kötvények Kibocsátásának Célja

A Kötvények kibocsátásából származó nettó bevétel a Kibocsátó által ingatlanfejlesztésekbe és ingatlanprojektbe történő befektetések finanszírozására vagy refinanszírozására, akvizíciók (ingatlanok közvetlen vagy közvetett módon, egy társaság akvizícióján keresztül, történő megvásárlása, vállalatok felvásárlása, ideértve eszköz-, befektetés-, és fejlesztési- vagy egyéb - kezelő és menedzsment vállalatok felvásárlását, immateriális javak megvásárlását, stb.), forgótőke finanszírozásának vagy refinanszírozásának céljára valamint kintlévő kölcsönök (ideértve, de nem kizárólagosan senior hiteleket és a tulajdonosi kölcsönöket) esetleges refinanszírozására használja fel. A Kötvények kibocsátásából származó bevétel felhasználása a Kibocsátó Zöld Kötvény Keretrendszerének (elérhető a(z) <https://www.futurealgroup.com/en/futureal-holding#bonds/green-finance-framework> weboldalon) megfelelően történik a Nemzetközi Tőkepiaci Szövetség által közzétett Zöld Kötvény Irányelvekkel összhangban. A Kibocsátó Zöld Kötvény Keretrendszerére vonatkozó független másodfél véleményt (ahogyan az a Nemzetközi Tőkepiaci Szövetség által közzétett Zöld Kötvény Irányelvekben meghatározásra került) a Sustainalytics (székhely: MoselStraBe 4, 60329 Frankfurt am Main, Germany) 2021. február 4. napján bocsátotta ki.

16 Fizető Ügynök

A Kötvények tekintetében a Kibocsátó és a Fizető Ügynök (a "**Fizető Ügynök**"), jelenleg a Raiffeisen Bank Zártkörűen Működő Részvénytársaság (székhely: 1133 Budapest Váci út 116-118.; cégjegyzékszám: Cg.01-10-041042; adószám: 10198014-4-44) mint fizető ügynök között létrejött fizető banki szerződés (amely szerződés időről időre módosításra és/vagy kiegészítésre és/vagy felváltásra kerül; a "**Fizető Ügynöki Szerződés**") jött létre. A Fizető Ügynöki Szerződés alapján a Fizető Ügynök vállalja, hogy a Fizető Ügynöki Szerződésben foglalt tőke- és kamatfizetési szolgáltatásokat teljesíti.

A Fizető Ügynöki Szerződés a Kibocsátó székhelyén ingyenesen nyomtatott formában megtekinthető bármely munkanapon, a Kibocsátó normál üzleti óráiban bármely olyan Kötvénytulajdonos számára, aki tulajdonosi jogát a betekintés napjával megegyező fordulónappal kiállított Tulajdonosi Igazolással igazolja.

A Kibocsátó jogosult módosítani vagy megszüntetni a Fizető Ügynök megbízását és/vagy további vagy más Fizető Ügynököt megbízni feltéve, hogy a Kötvényekhez kapcsolódóan Magyarországon

egy fizető ügynök folyamatosan megbízásra kerül.

A Fizető Ügynöki Szerződés alapján eljárva, a Fizető Ügynök kizárólag a Kibocsátó megbízottjaként jár el és nem vállal semmiféle kötelezettséget, vagy ügynöki, illetve bizományosi szolgáltatást a Kötvénytulajdonosok felé, illetve javára.

17 Árjegyzés

A Kötvények vonatkozásában a Kibocsátó és az Árjegyző (az "**Árjegyző**"), jelenleg a Raiffeisen Bank Zártkörűen Működő Részvénytársaság (székhely: 1133 Budapest Váci út 116-118.; cégjegyzékszám: Cg.01-10-041042; adószám: 10198014-4-44) között árjegyzői szerződés (amely szerződés időről időre módosításra, és/vagy kiegészítésre és/vagy felváltásra kerül, az "**Árjegyzői Szerződés**") került megkötésre.

A Kibocsátónak joga van módosítani vagy megszüntetni az Árjegyző megbízását és/vagy további vagy más Árjegyzőt megbízni feltéve, hogy a Kötvényekhez kapcsolódóan Magyarországon folyamatosan lesz egy árjegyző.

Az Árjegyző jogosult az Árjegyzői Szerződést rendes vagy rendkívüli felmondással felmondani.

18 Értesítések

A Kötvényekkel kapcsolatos valamennyi értesítés akkor tekinthető hatályosan közöltnek és kézbesítettnek, ha azok közzétételre kerültek a Kibocsátó honlapján (<https://www.futurealholding.com>). Ez előzőket nem érintve, kizárólag a Kötvények XBond multilaterális kereskedési helyszínén történő regisztrálásának napjáig a Kibocsátó minden ésszerű intézkedést megtesz annak érdekében, hogy a mindenkori Kötvénytulajdonosokat e-mail útján is értesítse minden, a Kibocsátó honlapján közzétett a Kötvényekkel kapcsolatos fizetésre vagy annak elmulasztására vagy az ezekhez közvetlenül kapcsolódó körülményekre vonatkozó tájékoztatásról. A Kibocsátónak köteles biztosítani, hogy az értesítések az alkalmazandó jogszabályok szerint és az illetékes felügyeleti hatóság által előírt módon kerüljenek közzétételre. Ezen értesítések az első közzétételük napján közzétettnek tekintendők.

A Kötvénytulajdonosoktól származó értesítéseket vagy nyilatkozatokat cégszerűen aláírva, írásban, magyar és/vagy angol nyelven kell eszközölni és – eltérő rendelkezés hiányában – a Kibocsátó részére, ajánlott postai küldemény vagy személyes kézbesítés útján, a Kibocsátó a székhelyére – a Kibocsátónak jelen Kötvényfeltétellel összhangban adott eltérő értesítése hiányában – a 1082 Budapest, Futó utca 47-53. VII. em. címre küldendő, amely értesítéshez vagy nyilatkozathoz csatolásra került a KELER vagy a vonatkozó Értékpapír-számlavezető által kiállított tulajdonosi igazolás, amely igazolás legalább a Kötvénytulajdonos tulajdonosi jogcímét igazolja (a „**Tulajdonosi Igazolás**”).

Valamennyi szabályozott információ közzétételre kerül a Kibocsátó honlapján, a BÉT honlapján (<https://www.bet.hu/>) és az MNB honlapján (<https://kozzetetelek.mnb.hu/>). Valamennyi szabályozott információ (ha van ilyen) az alkalmazandó jogszabályok és a Budapesti Értéktőzsde által

meghatározott szabályok rendelkezései szerint kerülnek közzétételre a Kibocsátó által.

19 Irányadó Jog és Illetékesség

(a) *Irányadó jog*

A Kötvényekre és az azokkal kapcsolatos bármely kérdésre, valamint azok értelmezésére, a magyar jog az irányadó.

(b) *Illetékesség*

A Kibocsátóval szemben a Kötvényekből eredő bármely követelés esetén a hatáskörrel és illetékességgel rendelkező magyar rendes bíróság jár el.

20 Nyelv

A jelen Kötvényfeltételek eredeti és irányadó nyelve az angol. A Kötvényfeltételek magyar nyelvű fordítása a KELER-nél letétbe helyezésre került annak szabályzataival összhangban. A Kötvényfeltételek angol nyelvű verziója bír jogi kötőerővel, és az angol és a magyar nyelvi verziók közötti eltérés esetén, az angol nyelvi verzió az irányadó.

21 Kötvényesi Gyűlés és a Kötvényfeltételek Módosítása

A Kötvényesi Gyűlés a Kibocsátó által a Kötvények forgalomba hozatalával kapcsolatban 2020. július 16. napján kiadott Információs Memorandum 2. Számú Mellékletében (*Kötvényesi Gyűlésre vonatkozó rendelkezések*) foglalt rendelkezések szerint kerül összehívásra és megtartásra („**Ügyrend**”). A Kötvényesi Gyűlés – többek között – a következők céljából hívható össze:

(a) Kötvényfeltételek módosítása (ha és amennyiben azt az alkalmazandó jogszabályok lehetővé teszik); vagy

(b) egy Felmondási Eseménnyel kapcsolatban teendő intézkedések.

A Kötvényfeltételek módosítása a KELER-nél letétbe helyezett Okirat kicserélését eredményezheti, továbbá az alkalmazandó jog által előírt követelmények teljesítésétől függhet.

Jelen 21. Kötvényfeltétel az Ügyrenddel összhangban értelmezendő.

ANNEX 2
PROVISIONS ON MEETINGS OF BONDHOLDERS

The present terms and conditions shall be applicable for each Bondholders' Meetings convened in connection with the Bonds (the "**By-Laws**").

Capitalised terms and expressions not defined in this By-Laws shall have the meanings attributed to them in the Information Memorandum or in the Conditions.

1 Convening of the Bondholders' Meeting

- (a) The Issuer may at any time convene a Bondholders' Meeting. A Bondholders' Meeting shall be convened by the Issuer upon the request of Bondholder(s) holding at least the smaller of: Bonds with the aggregate Face Value of HUF 500,000,000 or 2 % of the number of Bonds outstanding (whichever is smaller and in any case other than any Bond being subject to redemption). Request to convene a Bondholders' Meeting to the Issuer shall be submitted in accordance with Condition 17 (*Notices*) along with a justification and a proposed agenda. The Issuer shall convene the Bondholders' Meeting for a day falling no later than 30 days from the receipt by the Issuer of the request fulfilling the aforementioned requirements. The Bondholders' Meeting is convened by way of an announcement published through the website of the Issuer (<https://www.futurealgroup.com/en>) at least 20 Business Days prior to the planned date of the meeting, and indicating the date, time, place and agenda of the Bondholders' Meeting. The announcement may also include other information necessary for the Bondholders to decide whether to participate in the Bondholders' Meeting.
- (b) The Bondholders' Meeting shall be held in Budapest. The precise venue for the Bondholders' Meeting shall be defined by the Issuer in the announcement on the convening of the Bondholders' Meeting. The Bondholders' Meeting shall not start earlier than 11:00 a.m. (Budapest time).
- (c) The right to participate in the Bondholders' Meeting (including any adjourned Bondholders' Meeting) shall vest with the Bondholder who, at the drawing up of the attendance list of the Bondholders' Meeting (as set out in Condition 4(c) below), has submitted an Ownership Certificate with a record date no earlier than two (2) Business Days prior to the date of the relevant Bondholders' Meeting.
- (d) The list of Bondholders that are entitled to participate in a given Bondholders' Meeting (the "**List of Bondholders**") shall be published by the Issuer at its website at least 3 Business Days prior the commencement of the Bondholders' Meeting. The List of Bondholders shall contain the Bondholder's name and registered office as well as the number of Bonds held by such Bondholder and the number of votes to which it is entitled.
- (e) A Bondholder may review the List of Bondholders and may request a copy of the List of the Bondholders or request that the List of Bondholders be sent free of charge by e-mail to such

Bondholder's e-mail address. Each Bondholder is entitled to request copies of documents regarding any matter on the agenda of that Bondholders' Meeting. Such copies should be provided to the Bondholder within 2 Business Days from the receipt by the Issuer of the Bondholder's request thereon.

- (f) A person representing a Bondholder at the Bondholders' Meeting shall evidence its right of representation by providing the underlying documents in form qualifying at least private deed with full probative force (in Hungarian: "*teljes bizonyító erejű magánokirat*") in original or certified copy.
- (g) A Bondholder can be represented at a Bondholders' Meeting by a proxy, subject to paragraph (f) above and based on an authorisation incorporated into a document with full probative force. Any Bondholder may act as proxy for another Bondholder. A member of the Issuer's corporate bodies, an employee of the Issuer shall not be entitled to act as a proxy for the Bondholder.
- (h) A Bondholder's right to participate in the Bondholders' Meeting include in particular the right to:
 - (i) participate in voting, and
 - (ii) take floor.
- (i) The Issuer shall bear reasonable, justified and documented costs and expenses associated with convening and holding the Bondholders' Meeting, except for the costs and expenses associated with the participation of a given Bondholder, or such Bondholder's representative, proxy or advisor at the Bondholders' Meeting.

2 Attendance

The following may attend and speak at a Bondholders' Meeting:

- (a) Bondholders or their representatives;
- (b) the chairman;
- (c) any member of the managing directors of the Issuer;
- (d) any representative and financial, legal and other professional advisor of the Issuer; and
- (e) any other person approved in writing by the Issuer in advance.

No one else may attend or speak at a Bondholders' Meeting.

3 Chairman

- (a) The chairman of a Bondholders' Meeting shall be such person as the Issuer may nominate in writing, either prior to or at the Bondholders' Meeting, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the

Bondholders' Meeting the simple majority of the Bondholders present shall choose one of the attendees to be chairman, failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting shall not be the same person as the chairman of the original meeting.

- (b) The duties of the chairman of the Bondholders' Meeting include the following:
 - (i) checking and signing the attendance list and verifying that the attendance list is drafted correctly as well as verifying that the quorum requirement is fulfilled;
 - (ii) ensuring the efficient and appropriate course of discussions;
 - (iii) giving the floor and ensuring that the discussions are to the point;
 - (iv) adjourning the discussions;
 - (v) managing voting and ensuring it proceeds correctly;
 - (vi) ensuring that all the items on the agenda are considered;
 - (vii) counting the votes cast (or supervising the counting of votes);
 - (viii) providing the Issuer with the original of the meeting minutes and all relating documents in accordance with Clause 8(g) below; and
 - (ix) issuing relevant orders and instructions for the purpose of performing the above indicated duties.

4 Holding a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be opened by a member of the managing directors of the Issuer or a duly authorized representative of the Issuer.
- (b) Once the Bondholders' Meeting is opened, the chairman of the Bondholders' Meeting shall be appointed in accordance with Clause 3(a) above.
- (c) An attendance list is drawn up immediately upon electing the chairman. The attendance list shall include: (i) identification details of the Bondholder, (ii) the information regarding the number of the Bonds held by the given Bondholder, (iii) the aggregate Face Value of the Bonds held by a Bondholder being present, (iv) the number of votes to which the given Bondholder is entitled and (v) type of representative (personal or by way of representative). If a Bondholder is represented by a proxy or other representative, the attendance list shall additionally include its role and identification data of such proxy or representative.
- (d) The attendance list shall be signed by the chairman and each Bondholder being present at the Bondholders' Meeting.
- (e) The attendance list shall be available for review during the Bondholders' Meeting.
- (f) Subject to Clause 5 (*Quorum and Adjournment*), once the agenda of the Bondholders' Meeting is presented, the chairman shall open the discussion by giving the floor to the participant in

the sequence in which they submitted their request. The participants may take floor only with regard to the matters included on the agenda which are the subject of the discussion at a given moment in time. Sequence of the agenda items may be amended by the chairman subject to the consent of the participants of the Bondholders' Meeting. The representatives of the Issuer may take the floor out of turn.

- (g) Each participant in a Bondholders' Meeting shall be entitled to submit questions regarding the matters included on the agenda.
- (h) A Bondholder shall have the right to request that certified copies of resolutions be released to such Bondholder by the Issuer at the Bondholder's expense.

5 Quorum and Adjournment

- (a) A Bondholders' Meeting is valid if attended by Bondholders representing at least 20 % of the number of Bonds outstanding (other than any Bond being subject to redemption) (**quorum**). A managing director of the Issuer is obliged to submit at the Bondholders' Meeting a written declaration regarding the number of Bonds outstanding (excluding any Bond being subject to redemption) which shall be read out at the Bondholders' Meeting by the chairman and then enclosed to the minutes of the Bondholders' Meeting.
- (b) No business (except choosing and appointing a chairman) shall be transacted at a Bondholders' Meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the Bondholders' Meeting, it shall, if convened on the requisition of Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 15 Business Days nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a Bondholders' Meeting so adjourned, the Bondholders' Meeting shall be dissolved. For the avoidance of doubt, following its dissolution, that Bondholders' Meeting cannot be adjourned or postponed further, and the respective parties would need to initiate the convention of a new Bondholders' Meeting.
- (c) The chairman may, with the consent of (and shall if directed by) a Bondholders' Meeting, adjourn the Bondholders' Meeting from time to time and from place to place. Only business which could have been transacted at the original Bondholders' Meeting may be transacted at a Bondholders' Meeting adjourned in accordance with this Clause 5.
- (d) At least 10 days' notice of a Bondholders' Meeting adjourned due to the quorum not being present shall be given in the same manner as for an original Bondholders' Meeting and that notice shall state the quorum required at the adjourned Bondholders' Meeting. Subject the foregoing, it shall not be necessary to give any other notice of an adjourned Bondholders' Meeting.

6 Voting

- (a) Each question submitted to a Bondholders' Meeting shall be decided by a show of hands, unless a ballot is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more Bondholders representing at least the smaller of: Bonds with the aggregate Face Value of HUF 500,000,000 or 2 % of the number of Bonds outstanding (whichever is smaller and in any case other than any Bond being subject to redemption).
- (b) Unless a ballot is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
- (c) If a ballot is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the ballot shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a ballot shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- (d) A ballot demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- (e) On a show of hands or a ballot, each Bond entitles a Bondholder to one vote at the Bondholders' Meeting including the adjourned Bondholders' Meeting. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- (f) In case of equality of votes the chairman shall both on a show of hands and on a ballot have a casting vote in addition to any other votes which it may have.

7 Adopting Resolutions

- (a) The Bondholders' Meeting adopts resolution only on matters included in the agenda.
- (b) A resolution of the Bondholders' Meeting
 - (i) (subject to and to the extent permitted under applicable law) on the amendment of the Conditions shall be adopted by the supporting votes of the Bondholders holding 85 % of the number of Bonds outstanding (other than any Bond being subject to redemption) and subject to the proposal and consent of the Issuer given in the form of a declaration which shall also be published on the Issuer's website. The declaration on the amendment of the Conditions (consent or rejection) shall be published within three (3) Business Days following the Bondholders' Meeting. In the case of failure to publish such declaration, the amendment of the Conditions shall be deemed to be rejected by the Issuer;
 - (ii) on giving notice to the Issuer to remedy, in accordance with Condition 12 (*Remedy*), any default under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a) may be passed with the supporting votes of the Bondholders holding 20 % of the number

of Bonds outstanding (other than any Bond being subject to redemption); and

- (iii) on any matter (other than those set out in paragraphs (i)-(ii) above) may be passed with the supporting vote of the simple majority of Bondholders being present at the Bondholders' Meeting.
- (c) For the purpose of passing a resolution under Clause 7(b)(ii), any request for convening a Bondholders' Meeting can be submitted by the Bondholders (holding Bonds at least in the amount set out in Clause 1.(a) above) to the Issuer only within forty-five (45) days calculated from
 - (i) the date of publication of the relevant financial statements of the Issuer, in the case of breach of undertaking under Condition 11(a); and
 - (ii) the date when the Bondholder becomes aware of the breach, in the case of breach of undertaking under Condition 3 (*Status and Ranking of the Bonds*).

At such Bondholders' Meeting the Issuer shall disclose and present to the Bondholders the documents necessary for the objective establishment of the occurrence of a breach or the absence thereof.

- (d) The Bondholders' Meeting may pass a resolution (other than any resolution on the amendment of the Conditions) in spite of not being formally convened if all Bondholder is present or is represented at the Bondholders' Meeting and if no objections have been raised by those present at the Bondholders' Meeting against the holding of the Bondholders' Meeting or any specific items proposed for the agenda.
- (e) A resolution passed by a correctly convened and held Bondholders' Meeting shall be binding upon all the Bondholders, including those who did not attend the Bondholders' Meeting or voted against such resolution.

8 Minutes

- (a) Minutes shall be made of all resolutions and proceedings at each Bondholders' Meeting.
- (b) Minutes of the Bondholders' Meeting are signed by the chairman and the person taking the minutes.
- (c) Until the contrary is proved every Bondholders' Meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
- (d) The minutes shall contain – at least – (i) a confirmation on the correctness of the convening the Bondholders' Meeting, (ii) confirmation on the capacity of the Bondholders' Meeting to adopt resolutions, (iii) an indication of the resolutions considered by the Bondholders' Meeting, including indication of their content; (iv) for each resolution the total number of valid votes, the percentage share of the Bonds from which valid votes were cast in the number of Bonds

outstanding (other than any Bond being subject to redemption), the number of votes “for”, “against” and “abstaining”, the decision of the Bondholders’ Meeting formulated as a result of the vote, and the objections that were raised. The attendance list which contains the signatures of the participants of the Bondholders’ Meeting is attached to the minutes of the Bondholders’ Meeting.

- (e) The minutes must be published on the website of the Issuer within fifteen (15) days after they have been signed.
- (f) The originals or excerpts of the minutes shall be stored in the minute book maintained by the Issuer. The confirmations of proper convening of the Bondholders’ Meeting and the proxies granted by Bondholders are added to the minute book. The chairman of the Bondholders’ Meeting shall, at the latest within one (1) Business Day following the date of the Bondholders’ Meeting, provide the Issuer with the original of each minutes together with each of its annexes, attachments and any other document that are required to be stored by the Issuer pursuant to this By-Laws.
- (g) The Issuer shall be entitled to record any Bondholders’ Meeting provided that the Bondholders present at such Bondholders’ Meeting is notified of the fact and method of recording. For the avoidance of doubt, recording shall not be subject to the approval of any Bondholder being present.

9. Holding the Bondholders’ Meeting through electronic means

- (a) The Issuer at its sole discretion may decide that or if so requested by the Bondholders in their request referred to in Section 1(a) (*Convening of the Bondholders’ Meeting*) of this By-Laws, the Bondholders’ Meeting can be convened to be held by the use of electronic communication device(s). In such case the Issuer shall indicate the details for the applicable electronic communication device(s) and channel in the announcement referred to in Section 1(a) (*Convening of the Bondholders’ Meeting*) of this By-Laws.
- (b) In case the Bondholders’ Meeting is held by the use of electronic communication device(s), provisions of this By-Laws shall apply respectively.
- (c) The Bondholders’ Meeting that held by the use of electronic communication device(s) shall be recorded by the Chairman and shall be stored on the Issuers servers for, at least, five years. The minutes of the Bondholders’ Meeting shall be drawn up in accordance with Section 8 (*Minutes*) of this By-Laws.

10. Bondholders’ Meeting’s decision making in writing without convening the Bondholders’ Meeting

- (a) The Bondholders’ Meeting can make decisions in writing by voting on proposed draft resolution(s) without convening the Bondholders’ Meeting in case the Issuer so proposes or if so requested by the Bondholders in their request referred to in Section 1(a) (*Convening of*

the Bondholders' Meeting) of this By-Laws. In such case the Issuer shall indicate the proposed draft resolution(s), the appointed Chairman (who will manage the Bondholders' Meeting's decision making in writing), as well as the deadline for submitting the votes in the announcement referred to in Section 1(a) (*Convening of the Bondholders' Meeting*) of this By-Laws.

- (b) In case the Bondholders' Meeting is proposed to make a decision without convening the Bondholders' Meeting, the provisions of this By-Laws shall apply in a manner and to the extent those can reasonably be applicable in accordance with the rules laid down in this Section and if not set forth otherwise herein.
- (c) The Bondholders shall submit their votes on the proposed draft resolution(s) within the deadline set by the Issuer, which deadline shall, at least, be eight (8) Business Days following the date of the Issuer's announcement referred to in Section 1(a) (*Convening of the Bondholders' Meeting*) of this By-Laws.
- (d) The decision (adoption or rejection) on the proposed draft resolution(s) shall be deemed to be made if the Chairman receives the number of votes which would have been required for the quorum of the Bondholder's Meeting.
- (e) A vote is valid in case it unequivocally specifies the name, address/registered seat, name of representative of the Bondholder, the proposed draft resolution(s) the Bondholders vote on, the number of the proposed draft resolution(s), and the vote on the proposed draft resolution(s).
- (f) The Bondholders may send their votes in writing via post or courier, or via e-mail and signed by the use of qualified electronic signature ("*minősített elektronikus aláírás*") or advanced electronic signature ("*minősített tanúsítványon alapuló fokozott biztonságú elektronikus aláírás*").
- (g) The Chairman declares and announces the results of the voting within three (3) days following the deadline of the voting.
- (h) In case the Bondholders adopt the proposed draft resolution(s), the Issuer will publish a related declaration on its website within three (3) Business Days following the date of the deadline of the voting.
- (i) The date of the Bondholders' resolution(s) will be the date of deadline of the voting or if it happens earlier, when the Chairman receives all votes from all Bondholders.

ANNEX 3
DETAILS OF THE SUBSIDIARIES

Project data presented below may change any time and Issuer may sell any or multiple projects or project vehicles during the course of day-to-day business.

| | |
|---|---|
| Name of the company: | Futureal Management Szolgáltató Korlátolt Felelősségű Társaság |
| Short name: | Futureal Management Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 27 May 2003 |
| Company registration number: | 01-09-714767 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | HUF 153,000,000 |
| The date of the deed of foundation: | 9 December 2020 |
| Main business activity: | 7022 '08 Business and other management consultancy activities |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Issuer, 100% |

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|-------------------------|--|
| Name of the company: | Futureal New Times Ingatlanfejlesztő Korlátolt Felelősségű Társaság |
| Short name: | Futureal New Times Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |

| | |
|---|--|
| Date of incorporation: | 21 May 2015 |
| Company registration number: | 01-09-206006 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 8,380 |
| The date of the deed of foundation: | 9 December 2019 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Project: | Budapest One Office Building Satellite Parking House |
| Members/shareholders/% holding: | Issuer, 100% |

| | |
|---|---|
| Name of the company: | Futureal Belváros Ingatlanfejlesztő Korlátolt Felelősségű Társaság |
| Short name: | Futureal Belváros Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 5 January 2015 |
| Company registration number: | 01-09-199470 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 8,660 |
| The date of the deed of foundation: | 9 December 2019 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |

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|--------------------------------------|-----------------|
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Issuer, 100% |

| | |
|---|--|
| Name of the company: | Finext Vagyonkezelő Nyilvánosan Működő Részvénytársaság |
| Short name: | Finext Nyrt. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 22 July 2009 |
| Company registration number: | 01-10-046425 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Public Limited Company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 25,200,000 |
| The date of the deed of foundation: | 26 November 2020 |
| Main business activity: | 6420 '08 Asset management (holding) |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Issuer: 73.9%, free float: 26.1% |

| | |
|---------------------------------------|--|
| Name of the company: | Corvin 5 Projekt Ingatlanfejlesztő Korlátolt Felelősségű Társaság |
| Short name: | Corvin 5 Projekt Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 15 September 2016 |
| Company registration number: | 01-09-286746 |
| Duration of operation of the company: | Indefinite |

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|---|--|
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 10,000 |
| The date of the deed of foundation: | 9 December 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---|---|
| Name of the company: | Futureal New Ages Ingatlanfejlesztő Korlátolt Felelősségű Társaság |
| Short name: | Futureal New Ages Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 7 May 2015 |
| Company registration number: | 01-09-206007 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 11,180 |
| The date of the deed of foundation: | 27 November 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

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|----------------------|--|
| Name of the company: | Portfolio Real Estate Hungary Ingatlanfejlesztési |
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|---|--|
| | Korlátolt Felelősségű Társaság |
| Short name: | Portfolio Real Estate Hungary Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 15 December 2015 |
| Company registration number: | 01-09-864380 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 11,000 |
| The date of the deed of foundation: | 27November 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---|--|
| Name of the company: | Futureal Béta Ingatlanforgalmazó Korlátolt Felelősségű Társaság |
| Short name: | Futureal Béta Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 17 April 2007 |
| Company registration number: | 01-09-881328 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 11,000 |

| | |
|--------------------------------------|--|
| The date of the deed of foundation: | 27 November 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---|---|
| Name of the company: | BP1 Első Ütem Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság |
| Short name: | BP1 Első Ütem Zrt. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 22 September 2016 |
| Company registration number: | 01 10 141034 |
| Duration of operation of the company: | Indefinite |
| Legal form: | private company limited by shares |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | 30 251 490 EUR |
| The date of the deed of foundation: | 3 December 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Project: | Budapest One Office Building 1 st phase |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|----------------------|---|
| Name of the company: | Corvin 7 Irodaház Projekt Ingatlanfejlesztő Korlátolt Felelősségű Társaság |
| Short name: | Corvin 7 Irodaház Projekt Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |

| | |
|---|--|
| Place of incorporation: | Hungary |
| Date of incorporation: | 24 May 2018 |
| Company registration number: | 01-09-325027 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 30,910 |
| The date of the deed of foundation: | 9 December 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---|--|
| Name of the company: | BP1 Második Ütem Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság |
| Short name: | BP1 Második Ütem Zrt. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. em. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 2 July 2020 |
| Company registration number: | 01-10-140884 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | Eur 18,000 |
| The date of the deed of foundation: | 10 June 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |

| | |
|--------------------------------------|--------------------------------|
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---|---|
| Name of the company: | BP1 Harmadik Ütem Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság |
| Short name: | BP1 Harmadik Ütem Zrt. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. em. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 2 July 2020 |
| Company registration number: | 01-10-140883 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | Eur 18,000 |
| The date of the deed of foundation: | 10 June 2020 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---------------------------------------|--|
| Name of the company: | Corvin Innovation Campus Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság |
| Short name: | Corvin Innovation Campus Zrt. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. em. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 8 July 2020 |
| Company registration number: | 01-10-140886 |
| Duration of operation of the company: | Indefinite |

| | |
|---|--|
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | Eur 18,000 |
| The date of the deed of foundation: | 5 January 2021 |
| Main business activity: | 6810 '08 Buying and selling of own real estate |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---|---|
| Name of the company: | Futureal Prime Construction Korlátolt Felelősségű Társaság |
| Short name: | Futureal Prime Construction Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 2 September 2016 |
| Company registration number: | 01-09-286426 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | EUR 10,000 |
| The date of the deed of foundation: | 9 December 2020 |
| Main business activity: | 4110'08 – Development of building projects |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|----------------------|--|
| Name of the company: | Futureal Development 7 Spółka z ograniczoną |
|----------------------|--|

| | |
|---|---|
| | odpowiedzialnością |
| Short name: | Futureal Development 7 Sp. z o.o. |
| Registered seat: | Koszykowa 61B,00-667 Warsaw |
| Place of incorporation: | Poland |
| Date of incorporation: | April 12, 2019 |
| Company registration number: | KRS 0000781803 REGON: 383100667, NIP: 7010919754 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company operates: | Polish |
| Registered capital: | 5,000 PLN |
| The date of the deed of foundation: | April 12, 2019 |
| Main business activity: | Sale and purchase of own property |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | MSiG - judicial and economic monitor |
| Project | Antares Office Building Warsaw |
| Members/shareholders/% holding: | Finext Vagyonkezelő Nyrt. 100% |

| | |
|---------------------------------------|--|
| Name of the company: | HelloParks Management Korlátolt Felelősségű Társaság |
| Short name: | HelloParks Management Kft. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 22 January 2021 |
| Company registration number: | 01-09-375286 |
| Duration of operation of the company: | Indefinite |
| Legal form: | Limited liability company |
| Legislation under which the company | Hungarian |

| | |
|--------------------------------------|---|
| operates: | |
| Registered capital: | HUF 3,000,000 |
| The date of the deed of foundation: | 5 October 2020 |
| Main business activity: | 7022 '08 Business and other management consultancy activities |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | HelloParks Hungary B.V 100% |

| | |
|---|---|
| Name of the company: | Futureal Real Estate Holding Limited |
| Short name: | n/a. |
| Registered seat: | Kyriakou Matsi 16, Eagle House, 10th floor, Agioi Omologites, P. C. 1082, Nicosia, Cyprus |
| Place of incorporation: | Cyprus |
| Date of incorporation: | 7 October, 2006 |
| Company registration number: | HE 185184 |
| Duration of operation of the company: | Indefinite |
| Legal form: | limited liability company |
| Legislation under which the company operates: | Cypriot |
| Registered capital: | 109,192 EUR |
| The date of the deed of foundation: | December 28, 2020 |
| Main business activity: | holding |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | n/a. |
| Members/shareholders/% holding: | Guarantor: 99.903%, Issuer: 0.002%, Futureal Investments Limited: 0,095% (dividend preference shares) |

| | |
|---|---|
| Name of the company: | FR UK HoldCo 1 Limited |
| Short name: | n/a. |
| Registered seat: | 24 Dover street 4 th floor, London, United Kingdom, W1S 4LZ |
| Place of incorporation: | England |
| Date of incorporation: | October 11, 2019 |
| Company registration number: | 12257847 |
| Duration of operation of the company: | indefinite |
| Legal form: | private company limited by shares |
| Legislation under which the company operates: | English |
| Registered capital: | 3,770,100 GBP |
| The date of the deed of foundation: | October 16, 2019 |
| Main business activity: | holding |
| Members/shareholders/% holding: | Futureal Real Estate Holding Limited: 100% |

| | |
|---|---|
| Name of the company: | Spectrum Glasgow SPV Limited |
| Short name: | n/a. |
| Registered seat: | 24 Dover street 4 th floor, London, United Kingdom, W1S 4LZ |
| Place of incorporation: | England |
| Date of incorporation: | August 8, 2019 |
| Company registration number: | 12146682 |
| Duration of operation of the company: | indefinite |
| Legal form: | private company limited by shares |
| Legislation under which the company operates: | English |
| Registered capital: | 3,750,100 GBP |
| The date of the deed of foundation: | August 8, 2019 |

| | |
|---------------------------------|----------------------------------|
| Main business activity: | real property management |
| Project: | Spectrum Glasgow Office Building |
| Members/shareholders/% holding: | FR UK HoldCo 1 Limited: 100% |

| | |
|---|--|
| Name of the company: | FRGP B.V |
| Short name: | n/a. |
| Registered seat: | Prof. W.H. Keesonlaam 12, 1183 DJ, Amstelveen, the Netherlands |
| Place of incorporation: | the Netherlands |
| Date of incorporation: | October 22, 2019 |
| Company registration number: | 76158705 |
| Duration of operation of the company: | indefinite |
| Legal form: | limited liability company |
| Legislation under which the company operates: | Dutch |
| Registered capital: | 10 EUR |
| The date of the deed of foundation: | January 24, 2020 |
| Main business activity: | development of building projects |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | n/a. |
| Members/shareholders/% holding: | Guarantor 100% |

| | |
|-------------------------|--|
| Name of the company: | FR Management Partnership C.V. |
| Short name: | n/a. |
| General Partner: | FRGP B.V. |
| Registered seat: | Prof. W.H. Keesonlaam 12, 1183 DJ, Amstelveen, the Netherlands |
| Place of incorporation: | the Netherlands |
| Date of incorporation: | November 29, 2019 |

| | |
|---|---|
| Company registration number: | 76602052 |
| Duration of operation of the company: | indefinite |
| Legal form: | limited partnership |
| Legislation under which the company operates: | Dutch |
| Partners' contribution: | 1,000,000 EUR |
| The date of the deed of foundation: | November 29, 2019 |
| Main business activity: | management and business consultancy |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | n/a. |
| Members/shareholders/% holding: | FRGP B.V: (general partner), Guarantor and other non-Futureal Group entities (limited partners) |

| | |
|---|--|
| Name of the company: | FR Management Partnership C.V. Magyarországi Fióktelepe |
| Short name: | n/a. |
| Registered seat: | 1082 Budapest, Futó utca 47-53. VII. |
| Place of incorporation: | Hungary |
| Date of incorporation: | 1 January 2020 |
| Company registration number: | 01-17-001291 |
| Duration of operation of the company: | Indefinite |
| Legal form: | branch office |
| Legislation under which the company operates: | Hungarian |
| Registered capital: | HUF 300,000,000 |
| The date of the deed of foundation: | 11 December 2019 |
| Main business activity: | 7022 '08 Business and other management consultancy activities |
| Financial year: | Shall correspond to the calendar year |

| | |
|--------------------------------------|-----------------|
| The place of publication of notices: | Company Gazette |
| Members/shareholders/% holding: | n/a |

| | |
|---|--|
| Name of the company: | HelloParks Group B.V. |
| Short name: | n/a. |
| Registered seat: | Prins Hendriklaan 26, 1075BD Amsterdam, the Netherlands |
| Place of incorporation: | the Netherlands |
| Date of incorporation: | August 2, 2020 |
| Company registration number: | 78728592 |
| Duration of operation of the company: | indefinite |
| Legal form: | limited liability company |
| Legislation under which the company operates: | Dutch |
| Registered capital: | 5,000,000 EUR |
| The date of the deed of foundation: | July 31, 2020 |
| Main business activity: | organisational planning |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | n/a. |
| Members/shareholders/% holding: | Guarantor: 70%, QED B.V: 25%, Finext Consultants Limited: 5% |

| | |
|------------------------------|---|
| Name of the company: | HelloParks Hungary B.V. |
| Short name: | n/a. |
| Registered seat: | Prins Hendriklaan 26, 1075BD Amsterdam, the Netherlands |
| Place of incorporation: | the Netherlands |
| Date of incorporation: | August 1, 2020 |
| Company registration number: | 80031129 |

| | |
|---|---------------------------------------|
| Duration of operation of the company: | indefinite |
| Legal form: | limited liability company |
| Legislation under which the company operates: | Dutch |
| Registered capital: | 5,000,000 EUR |
| The date of the deed of foundation: | August 11, 2020 |
| Main business activity: | organisational planning |
| Financial year: | Shall correspond to the calendar year |
| The place of publication of notices: | n/a. |
| Members/shareholders/% holding: | HelloParks Group B.V. 100% |

| | |
|--|--|
| Name of the fund: | Futureal 1 Ingatlanbefektetési Alap |
| Short name: | n/a. |
| Registered seat: | 1082 Budapest, Futó u. 43-45. VI. emelet |
| Place of incorporation: | Hungary |
| Date of incorporation: | 28 April 2004 |
| Hungarian National Bank registration number: | 1212-9 |
| Duration of operation of the fund: | indefinite |
| Legal form: | privately placed, open-end fund |
| Legislation under which the fund operates: | Hungarian |
| Main business activity: | 6810 '03 Buying and selling of own real estate 6820'02 Renting and operating for own or leased real estates |
| Financial year: | Shall correspond to the calendar year |
| Project: | Corvin Promenade street retail, Váci utca street retail, retail shops in Budapest and the country side, Gödöllő warehouses |
| Unitholders/% holding: | Futureal Real Estate Holding Limited |

| | |
|--|--|
| Name of the fund: | FUTUREAL PRIME PROPERTIES INGATLANFEJLESZTŐ ZÁRTKÖRŰ ESERNYŐALAP - Futureal Prime Properties One Ingatlanfejlesztő Részalap |
| Short name: | Futureal Prime Properties Two Ingatlanfejlesztő Részalap |
| Registered seat: | 1082 Budapest, Futó u. 43-45. VI. emelet |
| Place of incorporation: | Hungary |
| Date of incorporation: | 27 September 2016 |
| Hungarian National Bank registration number: | 1221-27-1 |
| Duration of operation of the fund: | indefinite |
| Legal form: | privately placed, open-end umbrella fund's sub-fund |
| Legislation under which the fund operates: | Hungarian |
| Main business activity: | 6810 '03 Buying and selling of own real estate 6820'02 Renting and operating for own or leased real estates |
| Financial year: | Shall correspond to the calendar year |
| Project: | Etele Plaza |
| Unitholders/% holding: | Futureal Real Estate Holding Limited |

| | |
|--|--|
| Name of the fund: | FUTUREAL PRIME PROPERTIES INGATLANFEJLESZTŐ ZÁRTKÖRŰ ESERNYŐALAP - Futureal Prime Properties Two Ingatlanfejlesztő Részalap |
| Short name: | Futureal Prime Properties Two Ingatlanfejlesztő Részalap |
| Registered seat: | 1082 Budapest, Futó u. 43-45. VI. emelet |
| Place of incorporation: | Hungary |
| Date of incorporation: | 27 September 2016 |
| Hungarian National Bank registration number: | 1221-27-2 |

| | |
|--|--|
| Duration of operation of the fund: | indefinite |
| Legal form: | privately placed, open-end umbrella fund's sub-fund |
| Legislation under which the fund operates: | Hungarian |
| Main business activity: | 6810 '03 Buying and selling of own real estate 6820'02 Renting and operating for own or leased real estates |
| Financial year: | Shall correspond to the calendar year |
| Project: | Budapest One Office Building 3rd phase |
| Unitholders/% holding: | Futureal Real Estate Holding Limited |

| | |
|--|--|
| Name of the fund: | FUTUREAL PRIME PROPERTIES INGATLANFEJLESZTŐ ZÁRTKÖRŰ ESERNYŐALAP - Futureal Prime Properties Three Ingatlanfejlesztő Részalap |
| Short name: | Futureal Prime Properties Three Ingatlanfejlesztő Részalap |
| Registered seat: | 1082 Budapest, Futó u. 43-45. VI. emelet |
| Place of incorporation: | Hungary |
| Date of incorporation: | 27 September 2016 |
| Hungarian National Bank registration number: | 1221-27-3 |
| Duration of operation of the fund: | indefinite |
| Legal form: | privately placed, open-end umbrella fund's sub-fund |
| Legislation under which the fund operates: | Hungarian |
| Main business activity: | 6810 '03 Buying and selling of own real estate 6820'02 Renting and operating for own or leased real estates |
| Financial year: | Shall correspond to the calendar year |
| Project: | Budapest One Office Building 2 nd phase |
| Unitholders/% holding: | Futureal Real Estate Holding Limited |

| | |
|--|---|
| Name of the fund: | FUTUREAL PRIME PROPERTIES INGATLANFEJLESZTŐ ZÁRTKÖRŰ ESERNYŐALAP - Futureal Prime Properties Four Ingatlanfejlesztő Részalap |
| Short name: | Futureal Prime Properties Four Ingatlanfejlesztő Részalap |
| Registered seat: | 1082 Budapest, Futó u. 43-45. VI. emelet |
| Place of incorporation: | Hungary |
| Date of incorporation: | 27 September 2016 |
| Hungarian National Bank registration number: | 1221-27-4 |
| Duration of operation of the fund: | indefinite |
| Legal form: | privately placed, open-end umbrella fund's sub-fund |
| Legislation under which the fund operates: | Hungarian |
| Main business activity: | 6810 '03 Buying and selling of own real estate 6820'02 Renting and operating for own or leased real estates |
| Financial year: | Shall correspond to the calendar year |
| Project: | Corvin Innovation Campus Office Building |
| Unitholders/% holding: | Futureal Real Estate Holding Limited |

| | |
|--|---|
| Name of the fund: | FUTUREAL PRIME PROPERTIES INGATLANFEJLESZTŐ ZÁRTKÖRŰ ESERNYŐALAP - Futureal Prime Properties Five Ingatlanfejlesztő Részalap |
| Short name: | Futureal Prime Properties Five Ingatlanfejlesztő Részalap |
| Registered seat: | 1082 Budapest, Futó u. 43-45. VI. emelet |
| Place of incorporation: | Hungary |
| Date of incorporation: | 5 November 2020 |
| Hungarian National Bank registration number: | 1221-27-5 |

| | |
|--|--|
| Duration of operation of the fund: | indefinite |
| Legal form: | privately placed, open-end umbrella fund's sub-fund |
| Legislation under which the fund operates: | Hungarian |
| Main business activity: | 6810 '03 Buying and selling of own real estate 6820'02 Renting and operating for own or leased real estates |
| Financial year: | Shall correspond to the calendar year |
| Unitholders/% holding: | Futureal Real Estate Holding Limited |

| | |
|--|--|
| Name of the fund: | FINEXT GLOBAL INGATLANFORGALMAZÓ ZÁRTKÖRŰ ESERNYŐALAP - Finext Global 2 Pedco Ingatlanforgalmazó Részalap |
| Short name: | Finext Global 2 Pedco Ingatlanforgalmazó Részalap |
| Registered seat: | 1082 Budapest, Futó u. 43-45. VI. emelet |
| Place of incorporation: | Hungary |
| Date of incorporation: | 2 July 2018 |
| Hungarian National Bank registration number: | 1221-39-2 |
| Duration of operation of the fund: | indefinite |
| Legal form: | privately placed, open-end umbrella fund's sub-fund |
| Legislation under which the fund operates: | Hungarian |
| Main business activity: | 6810 '03 Buying and selling of own real estate 6820'02 Renting and operating for own or leased real estates |
| Financial year: | Shall correspond to the calendar year |
| Unitholders/% holding: | HelloParks Hungary B.V. |

ANNEX 4
FINANCIAL STATEMENTS
GUARANTOR UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
[copy inserted on the next page]

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Preliminary special purpose consolidated statement of comprehensive income

For the year ended 31 December

| <i>In EUR</i> | <i>Note</i> | 2019 |
|--|-------------|--------------------|
| Sales revenue | | 55 284 806 |
| Rental revenue | | 5 728 559 |
| Service revenue | | 6 819 062 |
| Revenue | 7 | 67 832 427 |
| Cost of goods sold | | 55 259 259 |
| Direct costs of rental and operation | | 1 482 189 |
| Other property related costs | | 1 227 214 |
| Cost of sales | 8 | 57 968 662 |
| Gross profit | | 9 863 765 |
| Selling and marketing expenses | 9 | 1 489 240 |
| Administrative expenses | 10 | 10 803 127 |
| Net gain/loss from fair valuation of investment and development properties | 16(b) | 72 451 195 |
| Other income | 12 | 36 304 803 |
| Other expenses | 13 | 2 090 121 |
| Operating profit | | 104 237 275 |
| Interest income | 14 | 1 075 307 |
| Other financial income | 14 | 13 440 649 |
| Interest expense | 14 | 1 582 260 |
| Other financial expense | 14 | 14 512 226 |
| Net finance income/(expense) | | - 1 578 530 |
| Share of profit in joint ventures and associates | 17(m) | 14 446 802 |
| Profit before taxation | | 117 105 547 |
| Income tax expense | 15 | 711 510 |
| Profit for the year | | 116 394 037 |
| <i>Items that may be reclassified to profit or loss</i> | | |
| Exchange differences on translating foreign operations | | -6 708 021 |
| Other comprehensive income/(loss) net of tax | | - 6 708 021 |
| Total comprehensive income for the year | | 109 686 016 |
| Total profit/(loss) for the year attributable to: | | |
| owners of the parent | | 100 771 776 |
| non-controlling interests | | 15 622 261 |
| Total profit/(loss) for the year | | 116 394 037 |
| Total comprehensive income attributable to: | | |
| owners of the parent | | 95 251 495 |
| non-controlling interests | | 14 434 521 |
| Total comprehensive income for the year | | 109 686 016 |

The notes on pages 8 to 66 are an integral part of this preliminary special purpose consolidated financial information.

Preliminary special purpose consolidated statement of financial position

| <i>In EUR</i> | <i>Note</i> | 31.12.2019 | 01.01.2019 |
|---|-------------|--------------------|--------------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | 16(a) | 332 819 | 217 966 |
| Investment and development property | 16(b) | 356 959 506 | 104 802 989 |
| Property, plant and equipment | 16(c) | 7 837 986 | 6 370 165 |
| Long-term receivables from related parties | 17(a) | 0 | 13 796 918 |
| Long-term receivables from third parties | 17(b) | 13 010 | 108 173 |
| Investments accounted for using equity method | 17(m) | 34 471 271 | 32 040 088 |
| Deferred tax assets | 16(f) | 47 383 | 122 670 |
| Restricted cash | 17(f) | 940 000 | 0 |
| Other long-term assets | 16(e) | 49 327 | 145 213 |
| Other long-term financial assets | 17(d) | 527 224 | 525 264 |
| Total non-current assets | | 401 178 526 | 158 129 446 |
| Current assets | | | |
| Inventory | 16(d) | 49 440 489 | 9 600 704 |
| Trade and other receivables | 17(c) | 12 482 278 | 4 937 281 |
| Short-term receivables from related parties | 17(a) | 27 060 708 | 54 712 483 |
| Short-term receivables from third parties | 17(b) | 34 873 191 | 35 773 761 |
| Income tax receivable | | 149 903 | 158 758 |
| Cash and cash equivalents | 17(e) | 49 718 663 | 24 339 595 |
| Other short-term assets | 16(e) | 517 601 | 261 520 |
| Other short-term financial assets | 17(d) | 0 | 24 412 109 |
| Short-term VAT receivables | 16(g) | 6 967 938 | 1 027 715 |
| Restricted cash | 17(d) | 17 075 982 | 4 155 020 |
| Total current assets | | 198 286 753 | 159 378 946 |
| Total | | 599 465 279 | 317 508 392 |

The notes on pages 8 to 66 are an integral part of this preliminary special purpose consolidated financial information.

Preliminary special purpose consolidated statement of financial position (cont'd)

| <i>In EUR)</i> | <i>Note</i> | 31.12.2019 | 01.01.2019 |
|--|--------------|--------------------|--------------------|
| Equity | | | |
| Shareholders' equity | | | |
| Share capital | <i>18(a)</i> | 324 000 000 | 432 202 |
| Share premium | <i>18(b)</i> | 0 | 68 718 172 |
| Currency translation reserve | | - 4 714 721 | 0 |
| Other reserves | | 0 | 0 |
| Retained loss | <i>18(c)</i> | - 11 294 371 | - 39 736 590 |
| Equity attributable to equity holders of the parent | | 307 990 908 | 29 413 784 |
| Non-controlling interests | <i>18(d)</i> | 52 687 311 | 16 665 072 |
| Total equity | | 360 678 219 | 46 078 856 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Long-term liabilities to related parties | <i>17(h)</i> | 2 371 | 13 987 402 |
| Loans and borrowings | <i>17(g)</i> | 122 414 270 | 20 913 351 |
| Tenant deposits | <i>17(j)</i> | 1 513 042 | 636 260 |
| Amounts withheld for guarantees | <i>17(k)</i> | 3 006 732 | 186 444 |
| Lease liabilities | <i>16(h)</i> | 5 914 172 | 0 |
| Total non-current liabilities | | 132 850 587 | 35 723 457 |
| Current liabilities | | | |
| Short-term liabilities to related parties | <i>17(h)</i> | 41 117 259 | 212 837 234 |
| Loans and borrowings | <i>17(g)</i> | 22 860 056 | 1 204 146 |
| Trade and other payables | <i>17(i)</i> | 23 840 532 | 15 036 292 |
| Customer advances | <i>16(i)</i> | 12 475 233 | 4 556 457 |
| Provisions | <i>16(j)</i> | 363 965 | 36 525 |
| Income tax liabilities | | 350 163 | 434 791 |
| Other tax liabilities | | 532 928 | 1 347 414 |
| Lease liabilities | <i>16(h)</i> | 977 581 | 0 |
| Derivative financial liabilities | <i>17(l)</i> | 3 418 756 | 253 220 |
| Total current liabilities | | 105 936 473 | 235 706 079 |
| Total liabilities | | 238 787 060 | 271 429 536 |
| Total | | 599 465 279 | 317 508 392 |

The notes on pages 8 to 66 are an integral part of this preliminary special purpose consolidated financial information.

Futureal Holding BV
Preliminary special purpose consolidated financial information for the year ended 31 December 2019

Preliminary special purpose consolidated statement of changes in equity

For the years ended 31 December 2019

| In EUR | Attributable to the equity holders of the parent | | | | | | Non-controlling interests | Total equity |
|------------------------------------|--|---------------|------------------------------|---------------|--------------|--------------|---------------------------|--------------|
| | Share capital | Share premium | Currency translation reserve | Retained loss | Total | | | |
| Balance at 1 January 2019 | 432 202 | 68 718 172 | 0 | - 39 736 590 | 29 413 784 | 16 665 072 | 46 078 856 | |
| Profit/(loss) for the year | 0 | 0 | 0 | 100 771 776 | 100 771 776 | 15 622 261 | 116 394 037 | |
| Other comprehensive income/(loss) | 0 | 0 | -5 520 281 | 0 | -5 520 281 | - 1 187 740 | -6 708 021 | |
| Sale of subsidiaries | 0 | 0 | 805 560 | 0 | 805 560 | -14 644 384 | -13 838 824 | |
| Transactions with owners: | | | | | | | | |
| Dividend paid | 0 | 0 | 0 | - 57 317 139 | - 57 317 139 | - 10 067 113 | -67 384 252 | |
| Acquisition of subsidiary | 0 | 0 | 0 | 0 | 0 | 31 123 977 | 31 123 977 | |
| Issue to non-controlling interests | 0 | 0 | 0 | 0 | 0 | 15 175 238 | 15 175 238 | |
| Capital increase | 324 000 000 | 0 | 0 | 0 | 324 000 000 | 0 | 324 000 000 | |
| Effect of capital reorganisation | -432 202 | - 68 718 172 | 0 | - 15 012 418 | -84 162 792 | 0 | -84 162 792 | |
| | 323 567 798 | - 68 718 172 | 0 | - 72 329 557 | 182 520 069 | 36 232 102 | 218 752 171 | |
| Balance at 31 December 2019 | 324 000 000 | 0 | -4 714 721 | -11 294 371 | 307 990 908 | 52 687 311 | 360 678 219 | |

The significant movements in the equity items presented above are explained in detail in Note 18.

The notes on pages 8 to 66 are an integral part of this preliminary special purpose consolidated financial information.

Preliminary special purpose consolidated statement of cash flows

| For the year ended 31 December | | |
|--|---------------------|---------------------|
| In EUR | Note | 2019 |
| Cash flows from/(used in) operating activities | | |
| Profit before taxation for the period | | 117 105 547 |
| Adjustments to reconcile profit before for taxation to net cash used in operating activities: | | |
| Depreciation | 16(a),16(c) | 314 145 |
| Other non-cash movements ¹ | | 4 607 965 |
| Profit on disposal of subsidiaries, associates and joint ventures | 12 | -29 141 553 |
| Loss on sale of associate and JV | | 1 203 |
| (Profit)/loss on sale of tangible and intangible assets | | -211 411 |
| Net (gain)/loss from valuation of investment and development property | | -72 451 195 |
| Net finance (income)/expense | 14 | -5 482 267 |
| Decrease/(increase) in inventory | 16(d) | 34 111 924 |
| Share of profit in joint ventures | 17(m) | -14 446 802 |
| Decrease/(increase) in short-term receivables | | 17 712 482 |
| Decrease/(increase) in trade and other receivables | 17(c) | -10 640 470 |
| Decrease/(increase) in restricted cash and other assets | 17(d), 17(f) | 38 331 863 |
| (Decrease)/increase in short-term liabilities | 16(i), 17(h), 17(l) | -119 658 844 |
| (Decrease)/increase in trade and other payables | 17(i) | 5 070 543 |
| Interest paid | 14 | -2 221 461 |
| Income tax paid | 15 | -849 325 |
| Net cash from/(used in) operating activities | | -37 847 656 |
| Cash flows from/(used in) investing activities | | |
| Proceeds from sale of investment and development property | | 511 596 |
| Acquisitions of investment and development property | 16(b) | -97 515 682 |
| Consideration received for disposed subsidiaries net of cash disposed | 12 | 111 817 821 |
| Consideration paid for the acquisition of subsidiaries net of cash acquired | 5 | -85 160 626 |
| Acquisitions of tangible and intangible assets | 16(a),16(c) | - 464 888 |
| Investing in long-term financial assets | | - 37 256 228 |
| Increase in long-term loan receivables | 17(a) | - 2 432 962 |
| Repayment of long-term loan receivables | 17(a), 17(b) | 13 892 081 |
| Interest received | 14 | 1 075 307 |
| Purchase of investments accounted for using equity method | 17(m) | -8 320 444 |
| Sale of investments accounted for using equity method | | 1 610 |
| Dividend received | 17(m) | 1 073 515 |
| Net cash from/(used in) investing activities | | -102 778 900 |
| Cash flows from/(used in) financing activities | | |
| Proceeds from loans and borrowings | 17(g),17(h) | 114 474 605 |
| Repayment of loans and borrowings | 17(g),17(h) | -37 990 646 |
| Capital increase | 18(a) | 154 303 000 |
| Dividend paid | 18(c),18(d) | -67 384 252 |
| Repayment of lease liabilities | 16(h) | -289 600 |
| (Decrease)/Increase in other liabilities | 17(j), 17(k) | 2 892 517 |
| Net cash from financing activities | | 166 005 624 |
| Net change in cash and cash equivalents | | |
| | | 25 379 068 |
| Cash and cash equivalents at beginning of the year | | 24 339 595 |
| Cash and cash equivalents at end of the year | 17(e) | 49 718 663 |

The notes on pages 8 to 66 are an integral part of this preliminary special purpose consolidated financial information

¹ The line includes other non-cash movement balances, including unrealised exchange differences.

Notes to the preliminary special purpose consolidated financial information

1. Background and business of the Company

- (a) **Company name: Futureal Holding B.V.**
Headquarter: Prins Hendriklaan 26, 1075BD Amsterdam, Netherlands
Company registration number (RSIN number): 860112676
CCI number: 75024012
Tax registration number: 860112676

Futureal Holding B.V. ('the Company'), a private limited company registered in the Netherlands was incorporated on 4 June 2019. The registered office is located at Prins Hendriklaan 26, 1075BD Amsterdam, Netherlands.

The Company (together with its subsidiaries operating in Hungary, Poland, Malta, United Kingdom and Germany 'the Group'), is active in the development, management and restoration of properties. These activities include acquisition of office buildings, commercial buildings, land for development purposes, development and sale of the properties. Since the main goal is the optimal utilization of properties, the Group may lease the properties after completion of the development and sell them already filled with tenants.

Futureal Holding BV (the 'Parent') was established as of 4 June 2019 by Futureal Group B.V.

As of 31 December 2019, the Company has the following owners:

- Futureal Group B.V - 100% (place of business: Amsterdam, Netherlands)

The ultimate parent company, FR Group B.V prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) for the financial year ended on 31 December 2019, into which the Company is consolidated.

The ultimate controlling parties are Futó Gábor (majority) and Futó Péter (minority). A list of the companies from which the financial data are included in this preliminary special purpose consolidated financial information and the extent of ownership and control is presented in Appendix 1.

2. Basis of preparation

Prior to 1 January 2019 the Group did not prepare consolidated financial statements neither under International Financial Reporting Standards (“IFRS”) as adopted by the EU nor other reporting framework.

The first full set of IFRS consolidated financial statements of the Group including the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows together with the comparative data for the prior periods shall be prepared for the year ending 31 December 2020. These preliminary special purpose financial information have been prepared as part of the Group’s ongoing conversion to International Financial Reporting Standards (“IFRS”) as adopted by the EU and will be used as information on the comparative period respectively.

These preliminary special purpose consolidated financial information as of 31 December 2019 have been prepared in accordance with the basis of consolidation as explained in note 3, the accounting principles disclosed in the significant accounting policies in note 4 and the section on the use of estimates and critical judgments in note 5. These sections were prepared in analogy of the requirements in IFRS 1 “First-time Adoption of International Financial Reporting Standards (“IFRS 1”), assuming the transition date as at 1 January 2019.

Although these preliminary special purpose consolidated financial information are based on management’s best knowledge of expected standards and interpretations, and current facts and circumstances, this may change. For example, amended or additional standards or interpretations may be issued by IASB. Therefore, until the Group prepares its first full IFRS consolidated financial statements and establishes its transition date as defined by IFRS 1, the possibility cannot be excluded that the accompanying preliminary special purpose consolidated financial information may have to be adjusted.

In preparing this preliminary special purpose consolidated financial information of the Group, management has used its best knowledge of the standards and interpretations, facts and circumstances, and accounting policies that will be applied when the Group prepares its first full IFRS consolidated financial statements as of 31 December 2020. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preliminary special purpose consolidated financial information are disclosed in Note 5.

The preliminary special purpose consolidated financial information have been prepared on a going concern basis, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. The preliminary special purpose consolidated financial information was authorized by the Boards of Directors of Futureal Holding BV on November 06, 2020.

The parent company prepares its separate financial statement according to IFRS, the subsidiaries operating in Hungary prepare their separate financial statements mainly according to the Hungarian Accounting Standards 2000. C. (the HAS), the subsidiaries operating in Poland prepare their separate financial statements in accordance with accounting policies specified in the Polish Accounting Act dated 29 September 1994 with subsequent amendments and the regulations issued based on that Act (all together: ‘Polish Accounting Standards’). Some of the regulations in the Hungarian or Polish accounting standards are different from IFRS. This preliminary special purpose consolidated financial information include a number of adjustments not included in the books of account of the Group entities, which were made in order to bring the financial statements of those entities to conformity with IFRSs as adopted by EU.

3. Basis of consolidation

Capital reorganization

Futureal Holding BV was founded on 4 June 2019 as part of a group reorganisation and the company is preparing financial statements for the first time.

The purpose of the reorganization was:

1. to establish one common group for the already existing Futureal entities dealing with commercial property development and investment, separately from the previously separated residential development activities;
2. to be headquartered in a jurisdiction that is best suited (from a legal system, HR and service environment perspective) to grow the group internationally and diversify out of Hungary with the main focus on Poland, UK, Germany and The Netherlands.
3. to prepare the group structure (from a legal, financial, stock and bond market and investor protection perspective) to be able to efficiently access the European debt and equity capital markets and other sources of institutional capital to become a regular issuer of bonds and structured financial products.

Before the reorganisation there have been no single controlling entity over these companies, but three sub-groups existed. All three sub-groups consisted of operating projects, financing and holding companies engaged in developing and renting out commercial properties and office buildings, selling completed office buildings. The former three sub-groups are as follows:

- FR Irodák Holding Kft. (founded on 4 April 2007) and its subsidiaries

This sub-group consisted of several companies including property construction project companies, real estate funds and holding companies. This sub-group also included the overall group management company (Futureal Management Kft.) and an advertising agency. The group management company provided management and engineering services for the companies in all the three sub-groups. The group management company also had the key management personnel who is responsible for strategic and operational management decisions for all the three sub-groups.

- FutInvest Hungary Kft. (founded on 2 May 2017) and its subsidiary

This sub-group consisted of two companies – the parent company (holding) and a subsidiary dealing only with financing of related parties. The companies in this sub-group had no employees, management services were provided by group management company (i.e. being part of FR Irodák Holding Kft. sub-group).

- Futureal Real Estate Holding Ltd (“FREH Ltd” – founded on 7 October 2006) and its subsidiaries

This sub-group consisted of several operating companies - including property construction project companies, real estate funds and holding company, but it did not have any employees. Construction project companies operated with external service providers. Management services were provided by group management company (i.e. being part of FR Irodák Holding Kft. sub-group as explained above).

The group structure has been reorganized by establishing a new holding company (Futureal Holding BV) and by contributing or selling the shares of the parent entities of the three sub-groups. Futureal Holding BV has been registered in the Netherlands on 4th of June 2019, which became the new intermediate parent company of the three sub-groups - as a result of a capital contribution and share purchase transactions finalized by October 2019 (i.e. 7 October 2019 is the date for completing the reorganization). All the transactions were at fair market values.

After the reorganization, Péter Futó and Gábor Futó remained the ultimate controlling parties of the companies, there have been no changes in the ultimate ownership structure. Therefore, the combination is a transaction between entities under common control.

As ‘FR Irodák Holding Kft.’, ‘FutInvest Hungary Kft.’ and ‘FREH Ltd’ had a single set of management, management considers these groups as a single reporting entity and as a business as there are several companies in the groups that have employees, other economic resources and operational processes producing outputs (e.g. management services, advertising services). Futureal Holding BV is a new company set up to affect the combination of entities under common control and as a newly established intermediate holding company it did not meet the definition of a business.

Management believes that the combination of the new company and the single reporting entity does not meet the definition of a business combination under IFRS 3. Since the transaction is not a business combination, IFRS 3 was not applied. The transaction is accounted for as a capital reorganisation in this preliminary special purpose consolidated financial information.

Based on this, the following accounting treatment was applied:

- Futureal Holding BV’s preliminary special purpose consolidated financial information include ‘FR Irodák Holding Kft.’, ‘FutInvest Hungary Kft.’ and ‘FREH Ltd’ groups’ full consolidated results over 2019, even

though the reorganisation occurred only in 2019. This reflects the period over which the same ultimate controlling parties had control.

- The consolidated assets and liabilities of the three sub-groups are incorporated at their pre-combination carrying amounts without fair value uplift as there has been no substantive economic change.
- The first full set of IFRS consolidated financial statements of Futoreal Holding BV will have three balance sheets (1 January 2019, 31 December 2019, 31 December 2020) with the related two income statements (2019 and 2020).
- New goodwill was not recorded on the transaction. Any difference between the carrying value of the investments at Futoreal Holding BV and the share capital and share premium of 'FR Irodák Holding Kft.', 'FutInvest Hungary Kft.' and 'FREH Ltd' was recorded in equity, in retained loss. As a result of the accounting treatment described above, cumulated retained loss of the Group has not been eliminated.

The effect of capital reorganisation on retained loss as of 7 October 2019 (see Note 18(c)).

In EUR

Investment at Futoreal Holding BV

| | |
|---|---------------------|
| FR Irodák Holding Kft. | - 1 264 000 |
| FutInvest Hungary Kft. | - 46 098 792 |
| FREH | - 36 800 000 |
| | - 84 162 792 |
| Share capital | |
| FR Irodák Holding Kft. | 12 731 |
| FutInvest Hungary Kft. | 310 721 |
| FREH | 108 750 |
| | 432 202 |
| Share premium | |
| FR Irodák Holding Kft. | 4 183 748 |
| FutInvest Hungary Kft. | 46 641 434 |
| FREH | 17 892 990 |
| | 68 718 172 |
| Difference recorded in retained loss | -15 012 418 |

Consolidation

This preliminary special purpose consolidated financial information comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the preliminary special purpose consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Some of the Group companies have 30 September as their year-end and prepared, for consolidation purposes, additional financial information as of 31 December to enable the parent to consolidate the financial information of the subsidiaries. Preliminary special purpose consolidated financial information are prepared using uniform accounting policies for similar transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are fully eliminated, except where there are indications for impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Such transactions or events do not give rise to goodwill. As these transactions meet the exception definition as of IAS 12.15.b deferred tax related to the acquisition is not recognized at the transaction date. In case the business combination is between parties under common control the difference between the fair value of the assets and liabilities acquired and the consideration paid is accounted for in the other capital if it arose from a transaction with owners in their capacity as owners based on the analysis of the substance.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Changes in group structure

The details of the entities whose financial statements have been included in this preliminary special purpose consolidated financial information, the percentage of economic ownership held by the owners of the parent Company and the classification of investments as at 31 December 2019 and 1 January 2019, are presented in Appendix 1.

In case of all subsidiaries the Group has more than 50% of the voting rights. Please refer to Note 18(d) for more details about entities with significant non-controlling interest balances.

Futureal Holding BV Group established the following entities in 2019:

| Newly established entities | Location | Business |
|-----------------------------------|-----------------|--|
| FR UK Holdco 1 Limited | United Kingdom | Letting and operating of own or leased real estate |
| Spektrum Glasgow Spv Limited | United Kingdom | Letting and operating of own or leased real estate |

Futureal Holding BV Group acquired the following entities in 2019:

In line with the accounting policy of the Group, all the acquisitions in 2019 were considered to be asset acquisitions, because the acquired entities did not meet the definition of business under IFRS 3. No goodwill was recognized as a result of the transactions. Please refer to Note 5(b) *Acquisitions of subsidiaries under common control* for detailed description of the related accounting policy.

| Newly acquired entities | Date of acquisition |
|---|----------------------------|
| Finext Group | |
| Finext Nyrt. | 2019.05.20 |
| AFM Ingatlanfejlesztő Projekt Kft. | 2019.05.20 |
| Corvin 5 Projekt Ingatlanfejlesztő Kft. | 2019.05.20 |
| CORVIN ÉSZAK Kft. | 2019.05.20 |

| | |
|--|------------|
| Corvin Telek 125 Ingatlanforgalmazó Kft. | 2019.05.20 |
| Corvin Towers Kft. | 2019.05.20 |
| Futureal Béta Ingatlanforgalmazó Kft. | 2019.05.20 |
| Futureal New Ages Ingatlanfejlesztő Kft. | 2019.05.20 |
| Portfolio Real Estate Hungary Ingatlanfejlesztési Kft. | 2019.05.20 |
| Futureal Prime Properties Construction Kft. (Corvin 7 Irodaház Projekt Ingatlanfejlesztő Kft.) | 2019.05.20 |
| Futureal Development 7 Sp. z o.o. | 2019.09.10 |
| Futureal Prime Construction Kft. | 2019.09.26 |

As of 20 May 2019, Gloreman Zrt. (fully consolidated subsidiary of the Group) purchased 73.869% of Finext Nyrt. shares and obtained control over Finext Nyrt. and its subsidiaries from this date.

Futureal Holding BV Group disposed the following entities in 2019:

| Disposed entities | Date of disposal |
|---|-------------------------|
| AFM Ingatlanfejlesztő Projekt Kft. | 2019.06.29 |
| CORVIN ÉSZAK Kft. | 2019.06.29 |
| Corvin Towers Kft. | 2019.06.29 |
| Cordia Homes Group | |
| Cordia Homes Holding Limited | 2019.12.19 |
| Futureal Prime Properties Részalap 2 | 2019.12.19 |
| Futureal Prime Properties Részalap 4 | 2019.12.19 |
| Futureal Office Development 1 Alap (<i>Joint venture</i>) | 2019.12.19 |
| Laming Thomson Kft | 2019.12.19 |
| Cordia Magyarország Group | |
| Cordia Magyarország Zrt. | 2019.12.06 |
| Cordia Agent Kft | 2019.12.06 |
| Cordia Terrace Madárhegy Kft. | 2019.12.06 |
| Cordia Terrace Residence Kft. | 2019.12.06 |
| Corvin 4 Irodaház Kft. | 2019.12.06 |
| IOLO OWEN Kft. | 2019.12.06 |
| Kockázati Portfolio Kft | 2019.12.06 |
| Lynx 2003. Kft. | 2019.12.06 |
| Piac Invest Kft | 2019.12.06 |
| Rubicon 45 Kft. | 2019.12.06 |
| Budapesti Nagybani Piac Zrt. (<i>Associate</i>) | 2019.12.06 |
| CPRD Gamma Kft. (<i>Associate</i>) | 2019.12.06 |
| Finext Global 1 Részalap | 2019.12.18 |
| Finext Optimum 1 Részalap | 2019.05.28 |
| Futureal Prime Properties Zrt. | 2019.09.19 |
| Futureal Spain Kft. | 2019.03.21 |
| PATRoffice Real Estate GmbH (Grünes Wohnen Immobilien GmbH) | 2019.01.01 |

All the disposed entities in 2019 were real estate project companies or holding entities with no embedded process and no staff employed. Management company of Futureal remained within the Group for the whole period covered this preliminary special purpose consolidated financial information. Based on this, Management believes that none of them meets the definition of discontinued operations under IFRS 5. Please refer to Note 21 for more details about related party transactions.

4. Significant accounting policies

(a) First-time adoption of IFRS

The current preliminary special purpose consolidated financial information are preliminary special purpose financial statements. The first annual financial statements in which the Group adopts International Financial Reporting Standards

(IFRSs) in unreserved compliance with IFRSs will be the period ending 31 December 2020. The current preliminary special purpose consolidated financial information present financial information for the date of transition (1 January 2019) and for the period ended 31 December 2019.

The Group has not issued consolidated financial statements under the previous GAAP in prior reporting periods, therefore direct reconciliation between the previous GAAP and IFRS is not feasible. A reconciliation between the parent company's separate financial statements prepared under previous GAAP and the Group's IFRS preliminary special purpose consolidated financial information does not carry any added value, as the parent company represents insignificant part in the Group's operation. The former three sub-groups before the capital reorganization (detailed in Note 3) have not prepared consolidated financial statements in prior reporting periods either. Furthermore, as former parent entities issue their separate financial statements under different GAAP (Hungarian Accounting Standards and IFRS), preparation of consolidated financial statements of the sub-groups under one previous GAAP would not be feasible and a reconciliation between the financial statements prepared under previous GAAP and the IFRS consolidated financial statements would not result in additional relevant information. Based on this consideration the Group does not present any reconciliation between the previous GAAP and the IFRS preliminary special purpose consolidated financial information.

The general requirement of IFRS 1 is full retrospective application of all accounting standards effective at the end of an entity's first IFRS reporting period (31 December 2020). IFRS 1 has two categories of exceptions to full retrospective application – mandatory exceptions and optional exemptions

Mandatory exceptions from full retrospective application in accordance with IFRS 1:

- a) Derecognition of financial assets and liabilities. First-time adopters prospectively apply the derecognition criteria for non-derivative financial assets and liabilities under IFRS 9, from the date of transition to IFRS standards onwards. Non-derivative financial assets and liabilities that were derecognised under previous GAAP, before the date of transition to IFRS standards, will remain derecognised; therefore, those transactions would not have to be reconstructed. The Group did not elect to retrospectively apply the derecognition requirements in IFRS 9.
- b) Hedge accounting. The Group does not apply hedge accounting.
- c) Estimates. Estimates made should be consistent with those made under previous GAAP, unless the bases adopted are not compliant with IFRS standards. Hindsight cannot be used for estimates, either at the date of transition (1 January 2019) or at any point during the comparative period, including the end of the comparative year (31 December 2019).
- d) Non-controlling interests. The Group must apply the following requirements of IFRS 10 prospectively from the date of transition to IFRS standards: the requirement that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance; the requirements for accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control; and the requirements for accounting for a loss of control over a subsidiary, and the related requirements.
- e) Classification and measurement of financial assets. The classification and measurement guidance in IFRS 9 must be applied, based on facts and circumstances existing at the transition date.
- f) Embedded derivatives. The Group does not have embedded derivatives.
- g) Government loans. The Group does not have any government loans.
- h) Impairment of financial assets. The Group applies the impairment requirements of IFRS 9 retrospectively. The Group uses reasonable and supportable information to determine the credit risk at the date when the financial instruments were initially recognised, and to compare that to the credit risk at the date of transition to IFRS standards.

The Group elected to apply the following optional exemptions from full retrospective application in accordance with IFRS 1:

- a) Cumulative translation differences. The Group set cumulative translation differences (CTDs) on all foreign operations to zero on transition. Subsequently, CTDs are recorded in accordance with IAS 21 and then transferred to the income statement as part of any gain or loss on disposal.

(b) Basis of measurement

The preliminary special purpose consolidated financial information have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of those financial assets that have been measured at fair value through profit or loss, and investment properties which were measured using the fair value model under IAS 40 *Investment property*.

The methods used to measure fair values for the purpose to prepare the preliminary special purpose consolidated financial information are discussed further in Note 19.

(c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The preliminary special purpose consolidated financial information are presented in Euros, which is the parent company's functional currency and the Group's presentation currency.

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss for the year. Foreign exchange gains and losses are presented within finance costs and finance income respectively.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences from translating the separate financial statements of foreign operations to the Group's presentation currency are included in equity, in Currency translation reserves.

(d) Investment and development properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment and development property. Investment and development property also includes property that is being constructed or developed for future use as investment property.

Investment and development property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment and development property is carried at fair value. Investment and development property that is being redeveloped for continuing use as investment and development property, or for which the market has become less active, continues to be measured at fair value. Investment and development property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment and development properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

It may sometimes be difficult to determine reliably the fair value of the investment and development property under construction. In order to evaluate whether the fair value of an investment and development property under construction can be determined reliably, management considers the following factors, among others:

- the provisions of the construction contract;
- the stage of completion;
- whether the project/property is standard (typical for the market) or non-standard;
- the level of reliability of cash inflows after completion;
- the development risk specific to the property;

17.(h) Liabilities to related parties

The table below presents the breakdown of liabilities to the related parties:

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|----------------------------------|-------------------|--------------------|
| Loan | 36 639 063 | 220 586 641 |
| Trade payables | 102 888 | 84 717 |
| Deferred income | 16 642 | 581 862 |
| Accrued expenses | 1 730 032 | 1 568 170 |
| Other liabilities | 2 631 005 | 4 003 246 |
| Total closing balance | 41 119 630 | 226 824 636 |
| Closing balance includes: | | |
| Current liabilities | 41 117 259 | 212 837 234 |
| Non-current liabilities | 2 371 | 13 987 402 |
| Total closing balance | 41 119 630 | 226 824 636 |

The table below presents the movement in loans and borrowings:

| <i>In EUR</i> | 2019 |
|------------------------------|--------------------|
| Opening balance | 220 586 641 |
| Loans granted | 42 878 814 |
| Loans repaid | -226 826 392 |
| Total closing balance | 36 639 063 |

The tables below present the most important conditions of the significant related party loans of the Group:

| 31.12.2019 | | | | | |
|---|-----------------------------|-----------------|------------------------|-------------------------------|-----------------|
| Counterparty | Balance (in EUR) | Maturity | Interest rate | Relationship | Currency |
| Futó Gábor András | 25 497 000 | within one year | 0% | Ultimate controlling party | EUR |
| Futureal Investment Ltd | 2 725 473 | within one year | BUBOR + 1,3% margin | Sister company | HUF |
| Elete Kft | 2 405 936 | within one year | 0% | Sister company | EUR |
| FutInvest International Kft. CORDIA Park Residence Második Ütem Ingatlanfejlesztő Kft. | 2 333 822 | within one year | 0% | Sister company | EUR |
| RK Projekt Kft. | 1 854 955 | within one year | 0% | Sister company | HUF |
| Corvin Ingatlanfejlesztési Zrt. | 810 374 | within one year | 0% | Sister company | EUR |
| Dr. Futó Péter | 470 184 | within one year | 0% | Sister company | HUF |
| Futureal Management Limited | 289 349 | within one year | 0% | Ultimate controlling party | EUR |
| Other misc. rel. party loans | 192 165 | within one year | 0% | Sister company | HUF |
| Total | 36 639 063 | | | | |

| 01.01.2019 | | | | |
|--|---------------------|-----------------|-------------------------------|----------|
| Counterparty | Balance (in EUR) | Maturity | Relationship | Currency |
| QED Investments Limited | 123 071 998 | within one year | Sister company | EUR |
| Dr. Futó Péter | 27 665 749 | within one year | Ultimate controlling party | HUF |
| FutInvest International Kft. | 24 126 986 | within one year | Sister company | HUF |
| Futó Gábor András | 21 000 000 | within one year | Ultimate controlling party | EUR |
| Cordia International Ingatlanfejlesztő Zrt. | 10 130 476 | within one year | Sister company | PLN |
| CORDIA Park Residence Második Ütem Ingatlanfejlesztő Kft. | 3 415 445 | within one year | Sister company | HUF |
| Cordia Polska sp. z.o.o. | 3 287 670 | within one year | Sister company | PLN |
| Futoreal Investment Ltd | 2 866 654 | within one year | Sister company | HUF |
| Elete Kft | 2 392 283 | within one year | Sister company | HUF |
| Cordia Marina Garden Kft. | 948 649 | within one year | Sister company | HUF |
| RK Projekt Kft. | 761 937 | within one year | Sister company | HUF |
| Corvin Ingatlanfejlesztési Zrt. | 516 018 | within one year | Sister company | HUF |
| Other related parties | 402 776 | within one year | Sister company | EUR/HUF |
| Total | 220 586 641 | | | |

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|------------------------------|-------------------|--------------------|
| HUF | 22 229 804 | 51 369 614 |
| EUR | 18 882 891 | 161 468 742 |
| PLN | 6 935 | 0 |
| USD | 0 | 13 986 280 |
| Total closing balance | 41 119 630 | 226 824 636 |

17.(i) Trade and other payables

The table below presents the breakdown of trade and other payables:

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|------------------------|-------------------|-------------------|
| Trade payables | 14 374 173 | 12 995 793 |
| Deferred income | 556 539 | 232 267 |
| Accrued expenses | 6 726 932 | 1 422 645 |
| Other payables | 2 182 888 | 385 587 |
| Closing balance | 23 840 532 | 15 036 292 |

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|---------------|------------|------------|
| HUF | 19 182 587 | 3 273 692 |
| EUR | 4 274 039 | 10 104 732 |
| PLN | 10 499 | 1 195 230 |
| USD | 0 | 299 777 |
| CHF | 0 | 5 022 |
| CZK | 0 | 4 324 |

| | | |
|------------------------------|-------------------|-------------------|
| HKD | 0 | 25 032 |
| RON | 0 | 3 015 |
| GBP | 373 407 | 125 468 |
| Total closing balance | 23 840 532 | 15 036 292 |

17.(j) Tenant deposits

Deposits received from tenants are denominated in the following currencies:

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|------------------------------|-------------------|-------------------|
| EUR | 1 055 213 | 110 864 |
| HUF | 456 656 | 525 396 |
| PLN | 1 173 | 0 |
| Total closing balance | 1 513 042 | 636 260 |

Closing balance includes:

| | | |
|------------------------------|------------------|----------------|
| Current liabilities | 0 | 0 |
| Non-current liabilities | 1 513 042 | 636 260 |
| Total closing balance | 1 513 042 | 636 260 |

17.(k) Amounts withheld for guarantees

Amounts withheld for guarantees is the contractual amount that the Group withholds from the vendor's final invoice at the time of delivery. The remaining amount serves as a security for the Group's warranty rights. At the end of the warranty period, the remaining amount is paid to the contractor, provided that it has not been used up previously to cover the warranty claims of the developer due to non-contractual delivery. Amounts, where the expected payment date is after the balance sheet date by more 1 year are presented among non-current liabilities. The Group believes, that the impact of discounting would be wholly immaterial, therefore presents these balances using the contractual amounts.

17.(l) Derivative financial liabilities

| <i>in EUR</i> | 31.12.2019 | 01.01.2019 |
|----------------------------------|-------------------|-------------------|
| Closing balance includes: | | |
| Interest rate swap | 3 418 756 | 253 220 |
| Total closing balance | 3 418 756 | 253 220 |

On 1 January 2019, derivative financial liabilities include the year-end fair value of one interest rate swap transaction entered into by Futureal 1 Ingatlanbefektetési Alap with UniCredit Bank.

On 31 December 2019, derivative financial liabilities include the year-end fair value of interest rate swap transactions entered into by BP1 Első Ütem Kft. (EUR 415 833), Corvin 5 Projekt Ingatlanfejlesztő Kft. (EUR 798,714), Futureal Prime Properties Részalap 1 (EUR 1,611,272) and Futureal 1 Ingatlanbefektetési Alap (EUR 592,937). Loss recognised in the Other finance cost related to the swap transactions is EUR 1,914,137.

All fair value measurements for derivative financial liabilities are in Level 2 based on IFRS 13, because there are only market verifiable inputs incorporated into the valuation.

17.(m) Interests in joint-ventures and associates

Set out below is the joint ventures and associates of the group as at 31 December 2019 and 1 January 2019. All joint ventures and associates are measured applying the equity method.

| Entity name | Nature of relationship at | |
|---|---------------------------|---------------|
| | 31.12.2019 | 01.01.2019 |
| Finext Funds Luxemburg SICAF-SIF - Family Office | n/a | Joint venture |
| Fut Financing Pool Poland GP Spzoo Bochenka Ska | Joint venture | Joint venture |
| Futureal Office Development 1 Alap | n/a | Joint venture |
| K4 Towers Holding Kft and subsidiary <i>K4 Észak Kft</i> | Joint venture | Joint venture |
| Argo Properties N.V. | Associate | Associate |
| Budapesti Nagybani Piac Zrt. | n/a | Associate |
| CPRD Gamma Kft. and subsidiary <i>CPRD Belváros Kft.</i> | n/a | Associate |

The carrying amounts of the most significant investments are as follows:

in EUR

| Entity name | Carrying amount at | |
|------------------------------------|--------------------|------------|
| | 31.12.2019 | 01.01.2019 |
| Futureal Office Development 1 Alap | 0 | 10 080 072 |
| Argo Properties N.V. | 34 395 801 | 17 221 873 |
| Budapesti Nagybani Piac Zrt. | 0 | 4 618 179 |

Futureal Office Development 1 Alap is specialised real estate investment funds registered in Hungary.

Argo Properties N.V. is a Dutch-based real estate company and is engaged via investees in the acquisition and management of investment and development properties in Germany, mainly in the area of income-generating commercial and income-generating residential real estate.

All other associates and joint ventures operate in the real estate industry, their activities include real estate development, leasing and managing properties. In case of the all joint ventures the parent company and the other investor has 50-50% voting rights through the rights attached to the shared owned.

Reconciliation of the carrying amounts:

In EUR

| | 2019 |
|------------------------------------|-------------------|
| Opening balance | 32 040 088 |
| Share of profit/ for the year | 14 446 802 |
| Currency translation adjustment | - 435 |
| Dividend received | - 1 073 515 |
| Capital (decrease)/increase | 8 320 444 |
| Sale of associate or joint venture | - 19 262 113 |
| Closing balance | 34 471 271 |

See further details about the changes in the group structure in Note 3 and about the gain/loss recognised on the sale of interest in associates and joint ventures in Note 12. Please see also Note 21(c) about related party transactions.

The tables below provide summarised financial information for those joint ventures and associates that are material to the group.

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Joint venture

In the below table only financial information of Futureal Office Development 1 Alap for 1 January 2019 is presented, since as of 31 December 2019 this entity was not part of the Group.

| <i>in EUR</i> | Futureal Office Development 1 Alap |
|--|---|
| Summarised balance sheet | 01.01.2019 |
| Current assets | |
| Cash and cash equivalents | 14 308 |
| Other current assets | 4 882 529 |
| Total current assets | 4 896 837 |
| Non-current assets | 38 678 829 |
| Current liabilities | |
| Financial liabilities (excluding trade payables) | 4 373 852 |
| Other current liabilities | 1 837 567 |
| Total current liabilities | 6 211 419 |
| Non-current liability | |
| Financial liabilities (excluding trade payables) | 21 856 444 |
| Other non-current liabilities | - |
| Total non-current liabilities | 21 856 444 |
| Non-controlling interest | - |
| Net assets attributable to equity holders of the parent | 15 507 803 |
| Reconciliation to carrying amounts: | |
| Opening net assets 1 January | n/a |
| Profit for the period | n/a |
| Currency translation adjustment | n/a |
| Capital decrease/increase | n/a |
| Dividends paid | n/a |
| Closing net assets | 15 507 803 |
| Group's share in % | 65% |
| Group's share in EUR | 10 080 072 |
| Carrying amount | 10 080 072 |

Significant associates

| <i>in EUR</i> | Argo Properties N.V. | | Budapesti Nagybani Piac Zrt. | |
|--|-----------------------------|-------------------|-------------------------------------|-------------------|
| Summarised balance sheet | 31.12.2019 | 01.01.2019 | 31.12.2019 | 01.01.2019 |
| Current assets | 26 884 000 | 17 598 000 | n/a | 4 094 707 |
| Non-current assets | 198 552 000 | 95 442 000 | n/a | 10 125 142 |
| Current liabilities | 7 245 000 | 2 609 000 | n/a | 2 320 392 |
| Non-current liabilities | 51 706 000 | 39 325 000 | n/a | - |
| Net assets attributable to equity holders of the parent | 166 485 000 | 71 106 000 | n/a | 11 899 457 |
| Reconciliation to carrying amounts: | | | | |
| Opening net assets 1 January | 71 106 000 | n/a | n/a | n/a |
| Profit for the period | 19 675 000 | n/a | n/a | n/a |
| Capital decrease/increase | 75 704 000 | n/a | n/a | n/a |
| Closing net assets | 166 485 000 | 71 106 000 | n/a | 11 899 457 |
| Group's share in % | 20,66% | 24,22% | n/a | 38,81% |
| Group's share in EUR | 34 395 801 | 17 221 873 | n/a | 4 618 179 |
| Carrying amount | 34 395 801 | 17 221 873 | n/a | 4 618 179 |

| <i>in EUR</i> | Argo Properties N.V. |
|---|-----------------------------|
| Summarised statement of comprehensive income | 2019 |
| Revenue | 5 846 |
| Profit for the period | 19 675 000 |
| Other comprehensive income | - |
| Total comprehensive income | 19 675 000 |

18. Shareholders' equity

18.(a) Share capital

The parent company's share capital is EUR 324,000,000 consisting of ordinary shares with nominal value of EUR 80.000 in the number of 4,050. All shares were fully paid – EUR 154,303,000 in form of cash, EUR 45,697,000 in form of shares and EUR 124,000,000 in form of loan receivables contributed. Ordinary shares provide the rights to the holders on a pro-rata basis.

| Company | 31.12.2019 | |
|---------------------|--------------------------------|-------------------------|
| | Nominal value of shares EUR | Ownership percentage |
| Futureal Group B.V. | 324 000 000 | 100% |
| Total | 324 000 000 | |

In the comparative period, the total of the share capital of the three previously existing subgroups' parent companies is presented as share capital of the Group:

| Company | 01.01.2019 | |
|--|--------------------------------|-------------------------|
| | Nominal value of shares EUR | Ownership percentage |
| FR Irodák Holding Kft.* | | |
| Futó Gábor | 12 731 | 100% |
| FutInvest Hungary Kft.** | | |
| Finext Consultants Ltd | 2 799 | 0,9% |
| Dr. Futó Péter | 307 922 | 99,1% |
| Futureal Real Estate Holding Ltd*** | | |
| QED Investments | 77 502 | 71,27% |
| FutInvest International Kft | 29 506 | 27,13% |
| Futó Gábor | 1 740 | 1,6% |
| Dr. Futó Péter | 2 | 0,002% |
| Total | 432 202 | |

* FR Irodák Holding Kft's share capital is EUR 12,731.

** FutInvest Hungary Kft's share capital is EUR 310,721 (HUF 99,900,000).

*** Futureal Real Estate Holding Ltd's share capital is EUR 108,750 consisting of ordinary shares with nominal value of EUR 1 in the number of 107,010 and ordinary A shares with nominal value of EUR 1.74 in the number of 1,000. All shares are fully paid.

| In EUR | 2019 |
|----------------------------------|--------------------|
| Opening balance | 432 202 |
| Effect of capital reorganisation | 323 567 798 |
| Closing balance | 324 000 000 |

In 2019, share capital increased by EUR 323,567,798 as a result of the capital reorganisation. Futureal Holding BV became the new intermediate parent company of the three sub-groups - as a result of a capital contribution transaction on 7 October 2019. See further details in Note 3.

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18.(b) Share premium

| <i>In EUR</i> | 2019 |
|----------------------------------|-------------------|
| Opening balance | 68 718 172 |
| Effect of capital reorganisation | - 68 718 172 |
| Closing balance | 0 |

In 2019, share premium decreased by EUR 68,718,172 as a result of the capital reorganisation. Futureal Holding BV became the new intermediate parent company of the three sub-groups - as a result of a capital contribution transaction on 7 October 2019. See further details in Note 3.

18.(c) Retained loss

| <i>In EUR</i> | 2019 |
|----------------------------------|---------------------|
| Opening balance | - 39 736 590 |
| Profit of the year | 100 771 776 |
| Dividend paid | - 57 317 139 |
| Effect of capital reorganisation | - 15 012 418 |
| Closing balance | - 11 294 371 |

See further details about transactions with non-controlling interest in Note 18(d).

In 2019, retained loss decreased by EUR 15,012,418 as a result of the capital reorganisation. Futureal Holding BV became the new intermediate parent company of the three sub-groups - as a result of a capital contribution transaction on 7 October 2019. See further details in Note 3.

18.(d) Non-controlling interests

Based on IFRS 10 non-controlling interest' is defined as "the equity in a subsidiary not attributable, directly or indirectly, to a parent". Non-controlling interests in the acquiree are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation.

The following entities in the Group has non-controlling interest.

in EUR

| Entity name | Principal place of business | Shares owned by NCI (%) | |
|---|------------------------------------|--------------------------------|-------------------|
| | | 01.01.2019 | 31.12.2019 |
| Finext Nyrt and it's subsidiaries | Hungary | n/a | 26,13% |
| BRAND ART Arculat és Kommunikáció Tervező és Design Stúdió Kft. | Hungary | 46,67% | 46,67% |
| Futureal Property Group Kft. and it's subsidiaries | Hungary | 14,92% | 14,92% |
| Cordia Magyarország Zrt. and it's subsidiaries | Hungary | 0,30% | n/a |
| Futureal Development Holding Kft. and it's subsidiaries | Hungary | 0,001% | 0,00% |

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| Entity name | Profit / loss allocated to NCI | Accumulated NCI | |
|---|-----------------------------------|-------------------|-------------------|
| | 2019 | 01.01.2019 | 12.31.2019 |
| Finext Nyrt and it's subsidiaries | 1 635 826 | - | 32 494 826 |
| BRAND ART Arculat és Kommunikáció Tervező és Design Stúdió Kft. | 1 049 | 23 102 | 9 384 |
| Futureal Property Group Kft. and it's subsidiaries | 13 981 206 | 16 678 552 | 20 183 101 |
| Cordia Magyarország Zrt. and it's subsidiaries | 4 180 | -37 794 | - |
| Futureal Development Holding Kft. and it's subsidiaries | - | 1 212 | - |
| Total | 15 622 261 | 16 665 072 | 52 687 311 |

Please see below the summarized financial information of the entities with NCI below (calculated in EUR, based on the stand-alone financial statements of the entities):

| Entity name | Equity | Equity | Profit/(loss) |
|---|-------------|-------------|---------------|
| | 12.31.2019 | 01.01.2019 | 2019 |
| Finext Nyrt and it's subsidiaries | 124 358 310 | n/a | 6 260 336 |
| BRAND ART Arculat és Kommunikáció Tervező és Design Stúdió Kft. | 20 107 | 49 501 | 2 247 |
| Futureal Property Group Kft. and it's subsidiaries | 135 275 478 | 111 786 543 | 93 707 825 |
| Cordia Magyarország Zrt. and it's subsidiaries | n/a | -12 598 132 | 1 393 117 |
| Futureal Development Holding Kft. and it's subsidiaries | 132 772 406 | 121 166 163 | 81 876 723 |

Movements in non-controlling interests during the year ended 31 December 2019 are as follows:

| In EUR | | 2019 |
|--|---|-------------------|
| Opening balance | | 16 665 072 |
| Profit/(loss) for the year | a | 15 622 261 |
| Other comprehensive loss | b | -1 187 740 |
| Dividend paid | c | -10 067 113 |
| Acquisition of subsidiary and issue to non-controlling interests | d | 46 299 215 |
| Sale of subsidiary | e | -14 644 384 |
| Closing balance | | 52 687 311 |

a-b) The proportion of income, losses and items of other comprehensive income allocated to the non-controlling interests determined solely on the basis of present ownership interests.

c) This line shows the amount related to dividend payment to non-controlling interests.

d) This line shows the increase of non-controlling interest arising from acquisitions and capital increase. Substantially all the amounts are related to Finext Nyrt. and Finext Optimum 1 Részalap, a subsidiary of the Group.

e) Non-controlling interest balance derecognized as a result of sale of subsidiaries with NCI. Finext Optimum 1 Részalap has been disposed during the year and the non-controlling interest balance has been derecognized. Substantially all the amounts are related to Finext Optimum 1 Részalap.

19. Fair value estimation of financial assets and liabilities

Financial assets that are measured at fair value through profit or loss in the preliminary special purpose consolidated financial information are securities presented as Other assets (see Note 16(e)). The fair value of the securities is EUR 445 873 at 2019 year-end and was EUR 24,937,373 at 1 January 2019 respectively. Financial liabilities measured at fair value through profit or loss are derivative financial liabilities. See Note 17(1) for further details.

All other financial assets and liabilities are measured at amortized cost.

The fair value of the financial assets and liabilities measured at amortized cost approximates their carrying value, as they are loans and receivables either with variable interest rate (e.g. in case of borrowings) or short-term receivables and liabilities, where the time value of money is not material (e.g. in case of related party loans).

20. Commitments and contingencies

Commitments:

The amounts in the table below present uncharged investment commitments of the Group as of 12.31.2019 in respect of construction services to be rendered by the general contractors:

| <i>In EUR</i> | Project name | 31.12.2019 |
|--|---------------------|-------------------|
| Futureal Prime Properties Részalap 1 | Etele Pláza | 58 976 583 |
| Corvin 5 Projekt Ingatlanfejlesztő Kft. | Corvin 6 | 113 680 |
| Futureal New Ages Ingatlanfejlesztő Kft. | Corvin 7 | 3 466 986 |
| Corvin Telek 125 Ingatlanforgalmazó Kft. | BPOne1 | 6 650 528 |
| Portfolio Real Estate Hungary Kft. | BPOne2 | 3 424 310 |
| Portfolio Real Estate Hungary Kft. | BPOne3 | 2 996 318 |
| Total | | 75 628 405 |

Contingent liabilities:

The Group's Management is not aware of any other contingent liability.

21. Related parties

Parent company

There were no transactions with the parent company.

For a list of subsidiaries reference is made to Appendix 1.

The main related parties' transactions arise on:

The Group has entered into the following transactions with other related parties:

| <i>(a) Sales of products and services:</i> | 2019 |
|--|-------------|
| Services: | |
| Rental of real estates | 23 355 |
| Intermediary services | 306 337 |
| Marketing revenue | 171 608 |

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| | |
|--------------------|------------------|
| IT support revenue | 477 116 |
| Other | 180 456 |
| Total | 1 158 872 |

(b) Purchase of products and services: **2019**

| | |
|----------------------------|----------------|
| Services: | |
| Rental and operating costs | 12 618 |
| Marketing | 4 982 |
| Administrative costs | 408 853 |
| Fund management fee | 208 180 |
| Accounting cost | 11 219 |
| Other | 45 288 |
| Total | 691 140 |

The above transactions are with sister companies

(c) Sale of subsidiaries and joint ventures: **2019**

| | |
|-------------------------------|--------------------|
| Ultimate controlling parties: | |
| Consideration received | 7 263 853 |
| Sister companies: | |
| Consideration received | 100 007 288 |
| Total | 107 271 141 |

For further details about disposed subsidiaries and joint ventures see Note 3 and Note 12.

Transactions with key management personnel

There was no transaction with key management personnel.

Key Management Board personnel compensation

Board of directors of the Company is considered to be key management personnel from IAS 24 perspective.

Key management personnel compensation can be presented as follows:

As at 31 December

| | |
|--|----------------|
| <i>In EUR</i> | 2019 |
| Salary and other short time benefit | 88 365 |
| Incentive plan linked to financial results | 634 860 |
| Total | 723 225 |

Loans to directors

As at 31 December 2019 and 1 January 2019, there were no loans granted to directors.

22. Financial risk management, objectives and policies

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.

The primary objectives of the financial risk management program are to minimize the potential negative effect of the unexpected changes on financial markets on the Group financial activities.

Risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk

The Group operates in foreign currencies too and therefore is exposed to foreign exchange risk, primarily with respect to Euro and Polish Zloty. Foreign exchange risk arises in respect of those recognized monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency

The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as residential sales revenue) are denominated. This is generally achieved by obtaining loan finance in the relevant currency.

The functional currency of the Company is the Euro and its subsidiaries have different functional currencies depending on the place of activity. The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies.

At 31 December 2019 if the Hungarian forint weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 1,089,539 EUR lower/1,204,224 EUR higher.

At 31 December 2019 if the Polish Zloty weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 67,224 EUR higher/74,320 EUR lower.

At 31 December 2019 if the English GBP weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 884,322 EUR higher/ 975,166 EUR lower.

(ii) Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities. The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property sales price risk.

The current sales price levels are in line with the market environments of the properties.

(iii) Cash flow and fair value interest rate risks

The Group's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially covered by the variable rate cash and cash equivalents. The Group has borrowings at fixed rates and therefore has exposure to fair value interest rate risk.

Taking into consideration the current market environment the management expects no interest rate decrease, so only the effect of interest rate increase is shown in the following table:

Interest rate increase:

+ 10 basis point - 2019

Yearly effect on profit before tax (EUR)

- 158 537

Please also refer to Note 17(a), 17(b), 17(g) and 17(h) for the main conditions of the loan agreements.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held at banks, trade receivables and loan receivables. Credit is not material in case of cash, since it is held at major international banks. Trade receivables are not material. Loans are mostly granted for companies under common control and they are guaranteed by the parent company or the ultimate owner. Based on this, credit is considered to be minimal for the Group.

(c) Liquidity risk

The cash flow forecast is prepared by the operating units of the Group. The forecasts are summarized by the Group's finance department. The finance department monitors the rolling forecasts on the Group's required liquidity position in order to provide the necessary cash balance for the daily operation. The Group aims to maintain flexibility in funding by keeping committed credit lines available not to overdraw the credit lines and to meet the credit covenants. These forecasts take into consideration the Group's financial plans, the contracts' covenants, the key performance indicators and the legal environment.

| <i>In EUR</i> | As at 31 December 2019 | |
|---------------------------------|-------------------------------|------------------------------|
| | Less than 1 year | Between 1 and 5 years |
| Loans and borrowings | 22 860 056 | 122 414 270 |
| Trade and other payables | 23 840 532 | 0 |
| Liabilities to related parties | 41 117 259 | 2 371 |
| Amounts withheld for guarantees | 0 | 3 006 732 |
| Lease liabilities | 977 581 | 5 914 172 |
| Total | 88 795 428 | 131 337 545 |

| <i>In EUR</i> | As at 1 January 2019 | |
|---------------------------------|-----------------------------|------------------------------|
| | Less than 1 year | Between 1 and 5 years |
| Loans and borrowings | 1 204 146 | 20 913 351 |
| Trade and other payables | 15 036 292 | 0 |
| Liabilities to related parties | 212 837 234 | 13 987 402 |
| Tenant deposits | 0 | 636 260 |
| Amounts withheld for guarantees | 0 | 186 444 |
| Total | 229 077 672 | 35 723 457 |

23. Capital management

When managing capital, it is the Group's objective to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the profit appropriation, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio and leverage.

There were no changes in the Groups approach to capital management during the year.

24. Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| <i>in EUR</i> | 01.01.2019 | 31.12.2019 |
|--|-------------------|--------------------|
| Cash and cash equivalents | - 24 339 595 | - 49 718 663 |
| Lease liabilities | 0 | 6 891 753 |
| Long-term liabilities to related parties | 13 987 402 | 2 371 |
| Tenant deposits | 636 260 | 1 513 042 |
| Amounts withheld for guarantees | 186 444 | 3 006 732 |
| Loans and borrowings | 22 117 497 | 145 274 326 |
| Net debt | 12 588 008 | 106 969 561 |

| <i>in EUR</i> | Cash | Lease liabilities | Long-term liabilities to related parties | Tenant deposits | Amounts withheld for guarantees | Loans and borrowings | Total |
|--|---------------------|-------------------|--|------------------|---------------------------------|----------------------|--------------------|
| Net debt as at 1 January 2019 | - 24 339 595 | 0 | 13 987 402 | 636 260 | 186 444 | 22 117 497 | 12 588 008 |
| Cash flow | - 25 379 068 | - 289 600 | -13 985 031 | 72 229 | 2 820 288 | 90 468 990 | 53 707 808 |
| Acquisition | 0 | 0 | 0 | 804 553 | 0 | 40 096 593 | 40 901 146 |
| Disposal | 0 | 0 | 0 | 0 | 0 | -8 349 725 | -8 349 725 |
| New lease agreements | 0 | 7 147 599 | 0 | 0 | 0 | 0 | 7 147 599 |
| Interest | 0 | 38 926 | 0 | 0 | 0 | 0 | 38 926 |
| Foreign exchange adjustments | 0 | - 5 172 | 0 | 0 | 0 | 940 971 | 935 799 |
| Other non-cash movements | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net debt as at 31 December 2019 | - 49 718 663 | 6 891 753 | 2 371 | 1 513 042 | 3 006 732 | 145 274 326 | 106 969 561 |

25. Subsequent events

On 11 February 2020, Corvin 5 Projekt Ingatlanfejlesztő Kft sold the Corvin 6 project office building, the related bank loan has been repaid.

BP1 Első Ütem Kft started invoicing rental fees to tenants from February 2020.

In March 2020 Futureal Holding BV decided about a merger in which process FR-Irodák Holding Kft, FutInvest Hungary Kft, FGPP Group Finance Kft, Futureal Property Group Kft, Futureal Zéta Kft and Gloreman Zrt merged into Futureal Development Holding Kft. The Court of Registry registered the merger as at 17 June 2020.

Share disposal of Argo Properties N.V.

After the balance sheet date as of March 2020, the Group entered into a SPA (share sale and purchase agreement) with Cordia International Zrt. in regard of 2,492,910 shares representing 20.6% ownership of ARGO Properties N.V. ("ARGO"). The selling price of the stock package was EUR 34,400,000. Cordia International Zrt. is related party of Futureal Holding B.V.

Going concern and COVID-19 consideration

In determining the appropriate basis of preparation of the preliminary special purpose consolidated financial information, the board of directors are required to consider whether the group can continue in operational existence for the foreseeable future, which is the 12 months following 31 December 2019.

Group management assessed possible effects of the economic recession following the Covid-19 pandemic. The Covid-19 pandemic could result in a situation where tenants are not able to pay the rental income or request deferral to pay rental income.

The management successfully signed several large lease contracts after the start of Covid-19 pandemic. One of them is a lease contract with Vodafone Hungary which will move its headquarters to Budapest ONE office park, developed by Futureal, in the fall of 2022. Another significant lease contract was signed with British Telecom which enable the tenant to move its regional business services centre to Budapest ONE office park in 2022. These contracts provide a solid background for the Group to continue its development activities and provide the necessary financing for the projects.

Whilst uncertain and not reasonably possible to estimate the future impact, the directors believe that the impact of Covid-19 would not have a material adverse effect on the financial condition or liquidity of the Group.

Accordingly, the directors consider - based on the group liquidity position, capital management and performance - the going concern assumption is appropriate in the preparation of the preliminary special purpose consolidated financial information.

Appendix 1 - Group structure

Please note, that the percentages below show the economic ownership (i.e. used when calculating the non-controlling interest or the share of the net assets attributable to the parent company), while the classification (“Nature of relationship”) demonstrates the controlling rights exercisable by the Group. Please also refer to Note 4 about accounting policies applied for consolidation of investments.

In case of the all joint ventures the parent company and the other investor has 50-50% voting rights through the rights attached to the shares owned. Please also refer to Note 17(m) for details about joint ventures and associates.

| Entity name | Place of operation | Share of ownership & voting rights at | | Nature of relationship | |
|---|--------------------|---------------------------------------|------------|------------------------|---------------------------|
| | | 31.12.2019 | 01.01.2019 | 31.12.2019 | 01.01.2019 |
| Futureal Holding BV | Netherlands | n/a | - | Parent company | Not in the Group |
| FR Irodák Holding Kft. | Hungary | 100,00% | n/a | Subsidiary | Temporary parent company* |
| FutInvest Hungary Kft. | Hungary | 100,00% | n/a | Subsidiary | Temporary parent company* |
| Futureal Real Estate Holding Limited | Malta | 100,00% | n/a | Subsidiary | Temporary parent company* |
| Argo Properties N.V. | Netherlands | 20,66% | 24,22% | Associate | Associate |
| Bochenka GP Spzoo | Poland | 100,00% | 100,00% | Subsidiary | Subsidiary |
| BRAND ART Arculat és Kommunikáció Tervező és Design Stúdió Kft. | Hungary | 45,37% | 43,94% | Subsidiary | Subsidiary |
| Budapesti Nagybani Piac Zrt. | Hungary | - | 33,02% | Not in the Group | Associate |
| Cordia Agent Kft | Hungary | - | 84,82% | Not in the Group | Subsidiary |
| Cordia Homes Holding Limited | Malta | - | 82,40% | Not in the Group | Subsidiary |
| Cordia Magyarország Zrt. | Hungary | - | 84,82% | Not in the Group | Subsidiary |
| Cordia Marina Garden Management Kft. | Hungary | 85,08% | 85,08% | Subsidiary | Subsidiary |
| CORDIA Sales and Marketing Kft. | Hungary | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Cordia Terrace Madárhegy Kft. | Hungary | - | 84,82% | Not in the Group | Subsidiary |
| Cordia Terrace Residence Kft. | Hungary | - | 84,82% | Not in the Group | Subsidiary |
| Corvin 4 Irodaház Kft. | Hungary | - | 84,82% | Not in the Group | Subsidiary |
| Corvin 5 Projekt Ingatlanfejlesztő Kft. | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| Corvin Telek 125 Ingatlanforgalmazó Kft. (BP1 Első Ütem Kft.) | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| CPRD Gamma Kft. | Hungary | - | 25,58% | Not in the Group | Associate |
| EDEN Holding Kft | Hungary | 100,00% | 100,00% | Subsidiary | Subsidiary |
| FGPP Group Finance Kft. | Hungary | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Finext Funds Luxemburg SICAF-SIF - Family Office | Luxemburg | - | 0,00% | Not in the Group | Joint venture |
| Finext Global 1 Részalap | Hungary | - | 85,08% | Not in the Group | Subsidiary |
| Finext Global 2 Részalap | Hungary | 85,08% | 85,08% | Subsidiary | Subsidiary |
| Finext Nyrt. | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| Finext Optimum 1 Részalap | Hungary | - | 85,08% | Not in the Group | Subsidiary |

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| | | | | | |
|--|----------------|---------|---------|------------------|------------------|
| FR UK Holdco 1 Limited | United Kingdom | 100,00% | - | Subsidiary | Not in the Group |
| Fut Financing Pool Kft | Hungary | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Fut Financing Pool Poland GP Spzoo | Poland | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Fut Financing Pool Poland GP Spzoo Bochenka Ska | Poland | 50,00% | 50,00% | Joint venture | Joint venture |
| Futureal 1 Ingatlanbefektetési Alap | Hungary | 100,00% | 82,40% | Subsidiary | Subsidiary |
| Futureal Belváros Ingatlanfejlesztő Kft. | Hungary | 85,08% | 85,08% | Subsidiary | Subsidiary |
| Futureal Béta Ingatlanforgalmazó Kft. | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| Futureal Development 7 Sp. z o.o. | Poland | 62,85% | - | Subsidiary | Not in the Group |
| Futureal Development Holding Kft. | Hungary | 85,08% | 85,08% | Subsidiary | Subsidiary |
| Futureal Management Kft | Hungary | 85,08% | 82,40% | Subsidiary | Subsidiary |
| FUTUREAL Munkavállalói Rész tulajdonosi Program | Hungary | 85,08% | 85,08% | Subsidiary | Subsidiary |
| Futureal New Ages Ingatlanfejlesztő Kft. | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| Futureal New Times Ingatlanfejlesztő Kft. | Hungary | 85,08% | 85,08% | Subsidiary | Subsidiary |
| Futureal Office Development 1 Alap | Hungary | - | 53,56% | Not in the Group | Joint venture |
| Futureal Prime Construction Kft. | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| Futureal Prime Properties Construction Kft. (Corvin 7 Irodaház Projekt Ingatlanfejlesztő Kft.) | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| Futureal Prime Properties Részalap 1 | Hungary | 100,00% | 82,40% | Subsidiary | Subsidiary |
| Futureal Prime Properties Részalap 2 | Hungary | - | 82,40% | Not in the Group | Subsidiary |
| Futureal Prime Properties Részalap 4 | Hungary | - | 82,40% | Not in the Group | Subsidiary |
| Futureal Prime Properties Zrt. | Hungary | - | 85,08% | Not in the Group | Subsidiary |
| Futureal Property Group Kft | Hungary | 85,08% | 85,08% | Subsidiary | Subsidiary |
| Futureal Spain Kft. (Cordia Spain Kft., Cordia Property Management Kft.) | Hungary | - | 85,08% | Not in the Group | Subsidiary |
| Futureal Zéta Kft | Hungary | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Gloreman Zrt | Hungary | 85,08% | 82,40% | Subsidiary | Subsidiary |
| Gorzow Development Kft | Hungary | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Gorzow Retail Spzoo | Poland | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Grünes Wohnen Holding GmbH | Germany | 100,00% | 100,00% | Subsidiary | Subsidiary |
| IOLO OWEN Kft. | Hungary | - | 85,08% | Not in the Group | Subsidiary |
| K4 Dél Kft | Hungary | 100,00% | 100,00% | Subsidiary | Subsidiary |
| K4 Észak Kft | Hungary | - | 50,00% | Not in the Group | Joint venture |
| K4 Towers Holding Kft | Hungary | 50,00% | 50,00% | Joint venture | Joint venture |
| Kockázati Portfolió Kft | Hungary | - | 85,08% | Not in the Group | Subsidiary |

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| | | | | | |
|---|----------------|---------|---------|------------------|------------------|
| Laming Thomson Kft | Hungary | - | 82,40% | Not in the Group | Subsidiary |
| Lynx 2003. Kft. | Hungary | - | 85,08% | Not in the Group | Subsidiary |
| PATRoffice Real Estate GmbH (Grünes Wohnen Immobilien GmbH) | Germany | - | 100,00% | Not in the Group | Subsidiary |
| Piac Invest Kft | Hungary | - | 85,08% | Not in the Group | Subsidiary |
| Piccadilly Capital Investment Spzoo | Poland | 100,00% | 100,00% | Subsidiary | Subsidiary |
| Portfolio Real Estate Hungary Ingatlanfejlesztési Kft. | Hungary | 62,85% | - | Subsidiary | Not in the Group |
| Rubicon 45 Kft. | Hungary | - | 85,08% | Not in the Group | Subsidiary |
| Spektrum Glasgow Spv Limited | United Kingdom | 100,00% | - | Subsidiary | Not in the Group |

*FR Irodák Holding Kft., FutInvest Hungary Kft. and Futureal Real Estate Holding Limited are marked as „temporary parent companies” as of 1 January 2019, because they were the ultimate parent companies of the three sub-groups before the reorganization. Please also refer to Note 3 about the details of the reorganization and the related accounting policy.

Please also refer to Note 4 and Note 5 about critical judgments and significant accounting policies.



Zsolt Walkszik
Director

8. Cost of sales

| For the year ended 31 December | 2019 |
|---|-------------------|
| <i>In EUR</i> | |
| Costs of goods sold | 55 259 259 |
| Total cost of goods sold | 55 259 259 |
| For the year ended 31 December | 2019 |
| <i>In EUR</i> | |
| Utilities | 853 940 |
| Taxes | 199 827 |
| Other direct costs of rental and operation | 403 397 |
| External services | 25 025 |
| Total direct costs of rental and operation | 1 482 189 |

Rental fees invoiced by the Group include costs directly attributable to rental activities such as public utilities, taxes (e.g. land and buildings, property management fees and other operating expenses including maintenance, security expenses. As the Group can only recover costs allocated to the rented areas, the Group is considered to be the principal in the transaction therefore presents revenue and related costs separately in accordance with IFRS 15.

| For the year ended 31 December | 2019 |
|---|-------------------|
| <i>In EUR</i> | |
| Depreciation and amortisation | 242 850 |
| Intermediary services | 19 589 |
| Other property related costs | 964 775 |
| Total other property related costs | 1 227 214 |
| Total cost of sales | 57 968 662 |

Other property related costs mainly include depreciation of Property, plant and equipment, cost of intermediary services, and other expenses mainly including commissions.

9. Selling and marketing expenses

| For the year ended 31 December | 2019 |
|---|------------------|
| <i>In EUR</i> | |
| Advertising | 14 651 |
| Marketing | 917 562 |
| Sales cost | 557 027 |
| Total selling and marketing expenses | 1 489 240 |

10. Administrative expenses

| For the year ended 31 December | 2019 |
|--|-------------------|
| <i>In EUR</i> | |
| Depreciation and amortisation | 559 258 |
| Personnel expenses and external services | 6 565 174 |
| Accounting and audit fees | 491 248 |
| Professional services | 894 993 |
| External services | 924 586 |
| Bank fees and other charges | 36 685 |
| Other administrative expenses | 1 331 183 |
| Total administrative expenses | 10 803 127 |

Majority of personnel expenses are related to staff of the Hungarian management company, Futureal Management Kft.

11. Breakdown of expenses by nature

| For the year ended 31 December | | 2019 |
|---------------------------------------|--|-------------------|
| <i>In EUR</i> | | |
| Material type expenditures | | 63 120 261 |
| Employee benefits expenses | | 6 338 660 |
| Depreciation & amortisation | | 802 108 |
| Total | | 70 261 029 |

12. Other income

| For the year ended 31 December | | 2019 |
|--|--|-------------------|
| <i>In EUR</i> | | |
| Net gain (loss) on non-current assets sold | | 20 948 |
| Net gain (loss) on disposal of subsidiaries, joint ventures and associates | | 29 140 350 |
| Gain on disposal of other investments | | 7 062 000 |
| Reversal of impairment losses | | 16 594 |
| Other income | | 64 911 |
| Total other income | | 36 304 803 |

Gain/loss on the sale of the subsidiaries, joint ventures and associates

For the year ended 31 December 2019

| <i>in EUR</i> | Consideration received | Carrying amount of net assets sold | Non-controlling interest | Gain/(loss) on sale |
|---|-------------------------------|---|---------------------------------|----------------------------|
| Gain on sale of subsidiaries, joint ventures and associates | 54 331 765 | 38 898 240 | 15 197 029 | 31 358 495 |
| Loss on sale of subsidiaries, joint ventures and associates | 60 553 226 | 62 771 371 | 0 | - 2 218 145 |
| Total | 114 884 991 | 101 669 611 | 15 197 029 | 29 140 350 |

For further details about the disposal of subsidiaries see Note 3.

13. Other expenses

| For the year ended 31 December | | 2019 |
|---|--|------------------|
| <i>In EUR</i> | | |
| Taxes | | 147 374 |
| Impairment losses | | 87 145 |
| Fines, penalties | | 330 956 |
| Provisions | | 327 440 |
| Extra fit-out costs of sold office building | | 802 216 |
| Other expense | | 394 990 |
| Total other expense | | 2 090 121 |

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14. Finance income and expense

| For the year ended 31 December | 2019 |
|--|--------------------|
| <i>In EUR</i> | |
| Interest income | 1 075 307 |
| Realised foreign exchange difference | 11 956 251 |
| Other | 1 484 398 |
| Other finance income | 13 440 649 |
| Total finance income | 14 515 956 |
| Interest expense | 1 543 334 |
| Interest on lease liabilities | 38 926 |
| Interest expense | 1 582 260 |
| Bank charges | 1 147 906 |
| Realised foreign exchange difference | 7 148 470 |
| Unrealised foreign exchange difference | 3 239 691 |
| Other | 2 976 159 |
| Other finance expense | 14 512 226 |
| Finance expense | 16 094 486 |
| Net finance income / (expense) | - 1 578 530 |

Please refer to Note 17(a) about loans granted to related parties, which generates most of the interest income. Interest expense is recognized mainly for bank and related party loans. Please also refer to Note 17(g) about loans and Note 17(h) about liabilities to related parties.

Other financial expenses include the result of interest rate swaps related to loan agreements in the amount of EUR 1,914,137. See further details in Note 17(l).

Exchange differences are connected to transactions in foreign currency. Foreign exchange gains and losses resulting from the settlement of such transactions are presented as realised exchange differences, gains and losses resulting from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are presented as unrealized exchange differences.

15. Income tax

| For the year ended 31 December | 2019 |
|---|----------------|
| <i>In EUR</i> | |
| Corporate income tax | 444 082 |
| Local business tax | 231 219 |
| Innovation contribution | 33 699 |
| Total current tax expense / (benefit) | 709 000 |
| Deferred tax | 2 510 |
| Total deferred tax expense / (benefit) | 2 510 |
| Total income tax expense / (benefit) | 711 510 |

With the effect from 30 September 2018, Finext Nyrt. and its subsidiaries were registered as entities qualifying for the Real Estate Investment Trust ("REIT") status under the Hungarian regulations. From this date these entities are entitled for a reduced taxation scheme.

Reconciliation of effective tax rate

For the year ended 31 December

In EUR

2019

| | | |
|--|----|--------------------|
| Profit / (loss) for the year | | 116 394 037 |
| Total income tax expense / (benefit) | | 711 510 |
| Profit / (loss) before income tax | | 117 105 547 |
| | | 10 539 499 |
| <i>Expected income tax using the Hungarian tax rate (9%)</i> | | |
| <i>Tax effect of:</i> | | |
| Not recognized deferred tax asset for tax loss carried forward | a) | 3 832 438 |
| Difference in tax rates | b) | 14 920 977 |
| Difference due to investment funds and entities under Real Estate Investment Trust | c) | -7 261 166 |
| Non-taxable income | d) | -22 005 923 |
| Other income tax | e) | 251 098 |
| Other | f) | 434 587 |
| Tax expense for the period | | 711 510 |
| Effective tax rate | | 0,61% |

- a) This line includes the impact of tax losses with no deferred tax recognized. See further details in Note 16(f).
- b) This line includes the impact of different tax rates used at foreign entities.
- c) Hungarian investments funds are not subject to income tax. Finext Nyrt. and its subsidiaries are registered as entities qualifying for the Real Estate Investment Trust ("REIT") status under the Hungarian regulations and are entitled for a reduced taxation scheme.
- d) Capital gains derived from the sale of an investment registered by the tax authorities are not subject to income tax.
- e) This line mainly includes the impact of Hungarian local business tax, which is also classified as income tax based on IAS 12.
- f) Other differences contain non-deductible expenses and foreign exchange differences. None of these items are material separately.

16. Non-financial assets and liabilities

This note provides information about the group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liability:

- Intangible assets (note 16(a))
- Investment and development property (note 16(b))
- Property, plant and equipment (note 16(c))
- Inventories (note 16(d))
- Other assets (note 16(e))
- Deferred tax assets and liabilities (note 16(f))
- VAT receivables (note 16(g))
- Lease liabilities (note 16(h))
- Customer advances received (note 16(i))
- Provisions (note 16(j))

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16.(a) Intangible assets

For the year ended 31 December 2019

In EUR

| | Intellectual property and rights |
|--|---|
| Cost or deemed cost | |
| Balance at 1 January 2019 | 886 031 |
| Acquisition of subsidiaries | 5 301 |
| Additions | 219 477 |
| Closing balance at 31 December 2019 | 1 110 809 |
| Depreciation and impairment losses | |
| Balance at 1 January 2019 | 668 065 |
| Depreciation for the period | 109 925 |
| Closing balance at 31 December 2019 | 777 990 |
| Carrying amounts | |
| At 1 January 2019 | 217 966 |
| Closing balance at 31 December 2019 | 332 819 |

All intangible assets presented above are software licences which have finite useful lives and they are amortized using the straight-line method. Average useful life is 9 years.

16.(b) Investment and development property

For the year ended 31 December

In EUR

2019

| | |
|--|--------------------|
| Fair value at 1 January | 104 802 989 |
| Additions | 97 515 682 |
| Borrowing cost capitalized | 639 201 |
| Additions - Right-of-use asset IFRS 16 | 709 849 |
| Acquisition of subsidiaries | 86 313 288 |
| Net gain/loss from fair valuation | 72 451 195 |
| Disposals | - 300 185 |
| Sale of subsidiaries | - 3 871 611 |
| Currency translation adjustments | - 1 300 902 |
| Fair value at 31 December | 356 959 506 |

The fair value of investment properties located in Hungary is 326 455 077 EUR, remaining properties with a fair value of 30 504 429 EUR are located outside of Hungary.

Futureal group and its predecessors have long track record to develop, operate and - in case of a good offer - sell the properties they have developed and Futureal's intention is the same for the future. The timing of exit depends on the speed of stabilization of the property, current and expected market conditions, potential target to develop a group of properties to be sold together as a portfolio, neighborhood or platform, etc.

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Disclosures related to fair value measurement of the investment and development properties:

in EUR

| 31 December 2019 | Properties under construction for rental purposes | Lands | Individually not significant properties |
|---|---|---|---|
| Valuation method | Residual amount | Residual amount/ Residual amount+ Comparable price method | Residual amount |
| Balance sheet classification | Investment and development property | Investment and development property | Investment and development property |
| Fair value | 273 775 130 | 30 005 847 | 53 178 529 |
| Area (m²) | 97 694 | 73 869 | 31 985 |
| Sensitivity for yield | | | |
| 0.25% | -10 104 411 | -7 653 987 | - |
| -0.25% | 10 652 210 | 8 098 638 | - |
| Sensitivity for rental fees | | | |
| 5% | 17 648 118 | 11 180 423 | - |
| -5% | -17 676 407 | -11 180 481 | - |

in EUR

| 1 January 2019 | Properties under construction for rental purposes | Lands | Individually not significant properties |
|---|---|---|---|
| Valuation method | Residual amount | Residual amount/ Residual amount+ Comparable price method | Residual amount |
| Balance sheet classification | Investment and development property | Investment and development property | Investment and development property |
| Fair value | 67 899 092 | - | 36 903 897 |
| Area (m²) | 55 000 | - | 31 985 |
| Sensitivity for yield | | | |
| 0.25% | -8 423 425 | - | - |
| -0.25% | 9 175 516 | - | - |
| Sensitivity for rental fees | | | |
| 5% | 10 276 578 | - | - |
| -5% | -10 276 578 | - | - |

| | Intervals 31.12.2019 | Intervals 01.01.2019 |
|---|-------------------------|-------------------------|
| Yield | 5,75-7,75% | 6,00-6,25% |
| Office ERV | 11,5-18,0 | 15-16,3 |
| Office rental fee (€/m²) | 11,5-18,0 | 15-16,3 |
| Store space rental fee (€/m²) | 10,00-130,00 | 14,61-28 |
| Warehouse rental fee (€/m²) | 2,00-10,00 | 7,00 |

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Amounts recognized in the statement of profit and loss in relation with investment and development properties:

| <i>in EUR</i> | 2019 |
|---|-------------------|
| Rental income from operating lease | 5 728 559 |
| Direct operating expenses | - 1 482 189 |
| Fair value gain recognised | 72 451 195 |
| Profit from sale of investment and development property | 211 411 |
| Amounts recognised in PL for investment and development properties | 76 908 976 |

In accordance with the IFRS 13 standard, all resulting fair value estimates for investment and development properties are included in level 3 of the fair value hierarchy.

The investment and development property balance sheet line contains the following amounts relating to leases:

| For the year ended 31 December 2019 <i>In EUR</i> | Rights of perpetual usufruct of land |
|---|---|
| Balance at 1 January | 0 |
| Additions to right of use assets | 709 849 |
| Fair value change | 11 896 |
| Currency translation difference | 112 |
| Closing balance | 721 857 |

16.(c) Property, plant and equipment

| For the year ended 31 December 2019 <i>In EUR</i> | Buildings | Machinery and vehicles | Furniture, fittings and equipment | Total |
|---|------------------|-------------------------------|--|------------------|
| Cost or deemed cost | | | | |
| Balance at 1 January 2019 | 5 332 580 | 2 358 737 | 391 419 | 8 082 736 |
| Additions | 6 539 217 | 142 116 | 1 828 | 6 683 161 |
| Sale of subsidiaries | -5 015 417 | 0 | 0 | -5 015 417 |
| Currency translation difference | 4 297 | 0 | 0 | 4 297 |
| Closing balance at December 2019 | 6 860 677 | 2 500 853 | 393 247 | 9 754 777 |
| Depreciation and impairment losses | | | | |
| Balance at 1 January 2019 | 8 665 | 1 381 755 | 322 151 | 1 712 571 |
| Depreciation charge for the period | 13 664 | 177 414 | 13 142 | 204 220 |
| Closing balance at December 2019 | 22 329 | 1 559 169 | 335 293 | 1 916 791 |
| Carrying amounts | | | | |
| At 1 January 2019 | 5 323 915 | 976 982 | 69 268 | 6 370 165 |
| Closing balance at 31 December 2019 | 6 838 348 | 941 684 | 57 954 | 7 837 986 |

The property, plant and equipment balance sheet line contains the following amounts relating to leases:

| For the year ended 31 December 2019 | | |
|---|------------------|------------------|
| <i>In EUR</i> | Buildings | Total |
| Cost or deemed cost | | |
| Balance at 1 January | 0 | 0 |
| Additions to right of use assets | 6 437 750 | 6 437 750 |
| Termination of contracts | 0 | 0 |
| Currency translation difference | 4 297 | 4 297 |
| Closing balance | 6 442 047 | 6 442 047 |
| Depreciation and impairment losses | | |
| Balance at 1 January | 0 | 0 |
| Depreciation charge for right of use assets | -274 741 | -274 741 |
| Termination of contracts | 0 | 0 |
| Closing balance | -274 741 | -274 741 |
| Carrying amounts | | |
| At 1 January | 0 | 0 |
| Closing balance | 6 167 306 | 6 167 306 |

The Group leases office and parking space from third-parties.

16.(d) Inventory

| For the year ended 31 December 2019 | | |
|---|------------------------|------------------------|
| <i>In EUR</i> | Closing balance | Opening balance |
| | 31.12.2019 | 01.01.2019 |
| Total inventories at the lower of cost or net realizable value | 49 440 489 | 9 600 704 |

At the end of 2019, inventories include the Corvin 6 development project of Corvin 5 Projekt Kft in the amount of EUR 48,512,860. The project was sold after year end (in February 2020) based on a contract signed in November 2018. In the contract, the Group undertook an obligation not to engage in activities related to rights and obligations regarding the property.

Write-down revaluating the inventory

The company internally assessed the net realizable value of the inventory and decreased the value when the net realizable value was lower than the cost amount. During the year ended 31 December 2019 the Group performed an inventory review regarding to its valuation to net realizable value. As a result, during the years ended 31 December 2019, the Group did not make any write-down adjustment.

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

In case of 'Corvin 6' development project, sales price of the sales transaction in February 2020 had been known at the end of 2019, therefore net realizable value was determined based on actual sales price, and not on an estimated selling price. No write-down adjustment was necessary.

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16.(e) Other assets

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|---|----------------|----------------|
| Advances and prepayments made for investments | 133 524 | 2 022 |
| Advances and prepayments made for services | 22 219 | 82 575 |
| Advances and prepayments made for inventories | 260 896 | 0 |
| Prepaid expenses | 49 327 | 0 |
| Deposits | 100 962 | 173 263 |
| Other | 0 | 148 873 |
| Total closing balance | 566 928 | 406 733 |
| Closing balance includes: | | |
| Other long-term assets | 49 327 | 145 213 |
| Other short-term assets | 517 601 | 261 520 |
| Total closing balance | 566 928 | 406 733 |

16.(f) Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities as at the beginning and end of the financial periods are attributable to the following:

| <i>In EUR</i> | Opening balance 01.01.2019 | Recognized in the income statement | Currency translation adjustment | Disposal of subsidiary | Closing balance 31.12.2019 |
|----------------------------------|-------------------------------|---------------------------------------|---------------------------------------|---------------------------|----------------------------------|
| Deferred tax assets | | | | | |
| Tax loss carry forward | 57 516 | - 9 314 | - 819 | 0 | 47 383 |
| GAAP difference | 65 154 | 6 804 | - 768 | - 71 190 | 0 |
| Total deferred tax assets | 122 670 | - 2 510 | - 1 587 | - 71 190 | 47 383 |

| <i>In EUR</i> | 31.12.2019 |
|---|---------------|
| Deferred tax assets | |
| Deferred tax assets to be recovered after more than 12 months | 47 383 |
| Deferred tax assets to be recovered within 12 months | 0 |
| Total deferred tax assets | 47 383 |

Realization of deferred tax assets

In assessing the realisability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Tax losses in Poland and Hungary are required to be utilized within 5 years following the period in which they originated, subject to the limitation that a maximum of 50% of the loss carry-forward can be used in one year. Tax losses in Hungary from 2014 and from prior years are required to be utilized by 31.12.2025.

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Tax losses carried forward, where related deferred tax assets are not recognized, are presented in the table below:

| <i>In EUR</i> | Balance 01.01.2019 | Acquisitions/ (Disposals) | Additions/(Realizations) | Balance 31.12.2019 |
|---------------|-------------------------------|----------------------------------|---------------------------------|---------------------------|
| Tax losses | 27 850 148 | - 22 935 426 | 1 407 736 | 6 322 458 |

The tax losses carried forward, where related deferred tax assets are not recognized, can be used in the following years as follows:

| | |
|-------------------------|---------------|
| can be used until 2020: | 130 812 EUR |
| can be used until 2021: | 4 426 EUR |
| can be used until 2022: | 3 071 788 EUR |
| can be used until 2023: | 413 548 EUR |
| can be used until 2024: | 2 330 983 EUR |
| can be used until 2030: | 370 901 EUR |

16.(g) VAT receivables

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|------------------------------|-------------------|-------------------|
| Short-term VAT receivables | 6 967 938 | 1 027 715 |
| Total closing balance | 6 967 938 | 1 027 715 |

VAT receivables mainly contain VAT receivable relating to customer advance payments. Management's expectation is that these amounts may be realized within the normal operating cycle, therefore these balances are presented under current asset as at 31 December 2019.

Based on the Hungarian legislation, in case advances from customers, VAT shall be paid by the Company upon receiving the advance from the customer. This amount is shown as other asset and it is deductible from the VAT payable upon invoicing the final invoice to the customer (i.e. upon handing over the finished apartments).

16.(h) Lease liabilities

This note provides information for leases where the group is a lessee.

| <i>In EUR</i> | 2019 |
|------------------------------------|------------------|
| Opening balance | 0 |
| Recognition of new lease liability | 7 147 599 |
| Interest expense | 38 926 |
| Foreign exchange difference | - 9 540 |
| Currency translation adjustment | 4 368 |
| Repayment of lease liability | - 289 600 |
| Total closing balance | 6 891 753 |
| Closing balance includes: | |
| Long-term lease liabilities | 977 581 |
| Short-term lease liabilities | 5 914 172 |
| Total closing balance | 6 891 753 |

The statement of profit or loss shows the following amounts relating to leases except for depreciation charges and fair value changes of the right-of-use assets:

| <i>In EUR</i> | <i>Note</i> | 2019 |
|--|-------------|-------------|
| Interest expense | 14 | 38 926 |
| Expense relating to short-term leases | 10 | 0 |
| Expense relating to leases of low-value assets that are not shown above as short-term leases | 10 | 574 053 |
| Expense relating to variable lease payments not included in lease liabilities | 10 | 0 |

The total cash outflow for leases in 2019 was EUR 857,694.

16.(i) Customer advances received

The table below presents the project level breakdown of the liability originated from customer advances received:

| <i>in EUR</i> | | 31.12.2019 | 01.01.2019 |
|---|--------------------------|-------------------|-------------------|
| Entity | Project | | |
| Cordia Terrace Residence Kft. | Cordia Terrace Residence | 0 | 4 490 826 |
| Futureal 1 Ingatlanbefektetési Alap | Street retail project | 83 395 | 65 631 |
| Corvin 5 Projekt Ingatlanfejlesztő Kft. | Corvin 6 | 12 391 838 | 0 |
| Total customer advances received | | 12 475 233 | 4 556 457 |

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| <i>In EUR</i> | |
|--|-------------------|
| Opening balance of customer advances | 4 556 457 |
| Increase in contract liabilities from customer advances received for not completed performance obligations | 21 984 164 |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | -14 065 388 |
| Closing balance of customer advances | 12 475 233 |
| Non-current liability | 0 |
| Current liability | 12 475 233 |

16.(j) Provisions

For the year ended 31 December 2019

| <i>In EUR</i> | Rental guarantee | Other | Total |
|------------------------------|-------------------------|--------------|-----------------|
| Balance at 1 January | 0 | 36 525 | 36 525 |
| Additional provision charged | 358 965 | 0 | 358 965 |
| Amounts used during the year | 0 | - 31 525 | - 31 525 |
| Closing balance | 358 965 | 5 000 | 363 965 |

In the sales agreement related to the Corvin 5 project in 2018 the Group made a commitment to keep the utilization rate above a certain level or pay compensation. Based on the best estimate the Group made a provision which has a balance of EUR 358,965 at 31 December 2019 which is expected to cover the upcoming compensations.

17. Financial assets and financial liabilities

This note provides information about the group's financial instruments, including:

- an overview of all financial instruments held by the group
- specific information about each type of financial instrument.

The group holds the following financial instruments:

For the year ended 31 December 2019

| <i>In EUR</i> | Financial assets at FV through P/L | Financial assets at amortized cost | Total |
|---|---|---|--------------------|
| Non-current financial assets | 527 224 | 953 010 | 1 480 234 |
| Loans receivables from third parties | 0 | 13 010 | 13 010 |
| Other long-term financial assets | 527 224 | 0 | 527 224 |
| Restricted Cash | 0 | 940 000 | 940 000 |
| Current financial assets | 0 | 141 210 823 | 141 210 823 |
| Trade and other receivables | 0 | 12 482 279 | 12 482 279 |
| Short-term receivables from related parties | 0 | 27 060 708 | 27 060 708 |
| Short-term receivables from third parties | 0 | 34 873 191 | 34 873 191 |
| Cash and cash equivalents | 0 | 49 718 663 | 31 225 928 |
| Restricted Cash | 0 | 17 075 982 | 35 568 717 |
| Total financial assets | 527 224 | 142 163 833 | 142 691 057 |

For the year ended 31 December 2019

| <i>In EUR</i> | Financial liabilities at FV through P/L | Financial liabilities at amortized cost | Total |
|---|--|--|--------------------|
| Non-current financial liabilities | 0 | 126 936 415 | 126 936 415 |
| Long-term liabilities to related parties | 0 | 2 371 | 2 371 |
| Loans and borrowings | 0 | 122 414 270 | 122 414 270 |
| Tenant deposits | 0 | 1 513 042 | 1 513 042 |
| Amounts withheld for guarantees | 0 | 3 006 732 | 3 006 732 |
| Current financial liabilities | 3 418 756 | 87 817 847 | 91 236 603 |
| Short-term liabilities to related parties | 0 | 41 117 259 | 41 117 259 |
| Loans and borrowings | 0 | 22 860 056 | 22 860 056 |
| Trade and other payables | 0 | 23 840 532 | 23 840 532 |
| Derivative financial liabilities | 3 418 756 | 0 | 3 418 756 |
| Total financial liabilities | 3 418 756 | 214 754 262 | 218 173 018 |

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For the year ended 1 January 2019

| <i>In EUR</i> | Financial assets at FV through P/L | Financial assets at amortized cost | Total |
|---|---|---|--------------------|
| Non-current financial assets | 525 264 | 13 905 091 | 14 430 355 |
| Long-term receivables from related parties | 0 | 13 796 918 | 13 796 918 |
| Loans receivables from third parties | 0 | 108 173 | 108 173 |
| Other long-term financial assets | 525 264 | 0 | 525 264 |
| Restricted Cash | 0 | 0 | 0 |
| Current financial assets | 24 412 109 | 123 918 140 | 148 330 249 |
| Trade and other receivables | 0 | 4 937 281 | 4 937 281 |
| Short-term receivables from related parties | 0 | 54 712 483 | 54 712 483 |
| Short-term receivables from third parties | 0 | 35 773 761 | 35 773 761 |
| Cash and cash equivalents | 0 | 24 339 595 | 24 339 595 |
| Other short-term financial assets | 24 412 109 | 0 | 24 412 109 |
| Restricted Cash | 0 | 4 155 020 | 4 155 020 |
| Total financial assets | 24 937 373 | 137 823 231 | 162 760 604 |

For the year ended 1 January 2019

| <i>In EUR</i> | Financial liabilities at FV through P/L | Financial liabilities at amortized cost | Total |
|---|--|--|--------------------|
| Non-current financial liabilities | 0 | 35 723 457 | 35 723 457 |
| Long-term liabilities to related parties | 0 | 13 987 402 | 13 987 402 |
| Loans and borrowings | 0 | 20 913 351 | 20 913 351 |
| Tenant deposits | 0 | 636 260 | 636 260 |
| Amounts withheld for guarantees | 0 | 186 444 | 186 444 |
| Current financial liabilities | 253 220 | 229 077 672 | 229 330 892 |
| Short-term liabilities to related parties | 0 | 212 837 234 | 212 837 234 |
| Loans and borrowings | 0 | 1 204 146 | 1 204 146 |
| Trade and other payables | 0 | 15 036 292 | 15 036 292 |
| Derivative financial liabilities | 253 220 | 0 | 253 220 |
| Total financial liabilities | 253 220 | 264 801 129 | 265 054 349 |

17.(a) Receivables from related parties

The table below presents the breakdown of receivables from the related parties:

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|----------------------------------|-------------------|-------------------|
| Loans granted | 25 437 445 | 61 506 268 |
| Trade receivables | 416 831 | 4 051 212 |
| Accrued revenue | 577 444 | 936 971 |
| Accrued interest receivables | 0 | 137 533 |
| Other receivables | 628 988 | 1 877 417 |
| Total closing balance | 27 060 708 | 68 509 401 |
| Closing balance includes: | | |
| Current assets | 27 060 708 | 54 712 483 |
| Non-current assets | 0 | 13 796 918 |
| Total closing balance | 27 060 708 | 68 509 401 |

The table below presents the movement in loans granted to related parties:

| <i>In EUR</i> | 2019 |
|------------------------------|-------------------|
| Opening balance | 61 506 268 |
| Loans granted | 14 431 555 |
| Loans repaid | - 48 067 416 |
| Disposal of subsidiaries | - 2 432 962 |
| Total closing balance | 25 437 445 |

Movement in long-term loans granted to related parties is presented below:

| <i>In EUR</i> | 2019 |
|------------------------------|-------------------|
| Opening balance | 13 796 918 |
| Loans granted | 2 432 962 |
| Loans repaid | - 13 796 918 |
| Disposal of subsidiaries | - 2 432 962 |
| Total closing balance | 0 |

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|------------------------------|-------------------|-------------------|
| EUR | 5 651 269 | 36 378 409 |
| HUF | 21 409 439 | 18 332 803 |
| USD | 0 | 13 798 189 |
| Total closing balance | 27 060 708 | 68 509 401 |

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The table below presents the conditions of the most significant related party loan agreements:

As of 31 December 2019

In EUR

| Counterparty | Balance | Maturity | Interest rate | Currency |
|--|-------------------|-----------------|----------------------|-----------------|
| IBH Innovációs és Befektetési Holding ZRt. | 7 478 180 | within one year | 0% | HUF |
| Cordia Terrace Residence Ingatlanfejlesztő Kft | 4 400 428 | within one year | 0% | EUR |
| Futureal Holding Vagyonkezelő és Ingatlanhasznosító Zrt. | 3 552 182 | within one year | 0% | HUF |
| Omega 99 Kft. | 2 273 690 | within one year | 0% | HUF |
| FAM Lambda Vagyonkezelő Kft. | 1 504 619 | within one year | 0% | HUF |
| Cordia Homes Holding Limited | 1 478 574 | within one year | 0% | HUF |
| Startup Invest Vagyonkezelő Kft | 1 409 735 | within one year | 0% | HUF |
| FPGY Invest Kft. | 1 013 554 | within one year | 0% | HUF |
| Finext Capital Ltd. | 762 866 | within one year | 0% | EUR |
| Cordia Management Szolgáltató Kft. | 593 017 | within one year | 0% | HUF |
| ECC Real Estate Vagyonkezelő Kft | 579 291 | within one year | 0% | HUF |
| Sparks Limited | 500 775 | within one year | 0% | EUR |
| Other related parties | 1 513 797 | within one year | 0% | HUF |
| Total | 27 060 708 | | | |

The entities listed as counterparties in the above table are all sister companies of the Group with a credit quality rating of BB. Based on historical experiences there were no instances for non-payment in the past, and balances in the above table were repaid in the first half year of the next financial year, until 30.06.2020.

As of 1 January 2019

In EUR

| Counterparty | Balance | Maturity | Interest rate | Currency |
|--|-------------------|-----------------|----------------------|-----------------|
| Cordia USA, LLC | 10 625 581 | within one year | 0% | HUF |
| Cordia International Ingatlanfejlesztő Zrt. | 8 573 774 | within one year | 0% | HUF |
| IBH Innovációs és Befektetési Holding ZRt. | 7 452 812 | within one year | 0% | HUF |
| Futureal Holding Vagyonkezelő és Ingatlanhasznosító Zrt. | 5 966 031 | within one year | 0% | EUR |
| Projekt Warszawa 3 Cordia Partner 2 Spółka z o.o. Sp.k. | 3 664 686 | within one year | 0% | PLN |
| PROJEKT GDAŃSK 1 CORDIA PARTNER 6 SPÓŁKA Z OGRANICZONĄ ODPOW | 3 274 541 | within one year | 0% | PLN |
| Futureal Office Development 1 Ingatlanfejlesztő Zrt | 3 125 936 | within one year | 0% | HUF |
| Startup Invest Vagyonkezelő Kft | 3 102 378 | within one year | 0% | HUF |
| LOANINVEST Vagyonkezelő Kft. | 2 485 530 | within one year | 0% | EUR |
| Omega 99 Kft. | 2 325 278 | within one year | 0% | HUF |
| Projekt Kraków 1 Cordia Partner 3 Spółka z o.o. Sp.k. | 1 946 660 | within one year | 0% | PLN |
| Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k. | 1 142 703 | within one year | 0% | PLN |
| FAM Lambda Vagyonkezelő Kft. | 1 067 842 | within one year | 0% | HUF |
| FPGY Invest Kft. | 1 040 092 | within one year | 0% | HUF |
| Projekt Kraków 4 Cordia Partner 2 Sp. z o.o. Sp. k. | 1 005 236 | within one year | 0% | PLN |
| Cordia Management Poland Sp. Z.o.o. | 877 386 | within one year | 0% | PLN |
| Cordia Supernove Sp. Z.o.o. | 588 229 | within one year | 0% | PLN |
| Projekt Warszawa 1 Cordia Poland GP One spółka z ograniczoną | 532 779 | within one year | 0% | PLN |
| Other related parties | 2 708 794 | within one year | 0% | EUR/HUF |
| Total | 61 506 268 | | | |

17.(b) Receivables from third parties

The balance sheet line consists of loan receivables. The table below presents the movement in loans granted to third parties:

| <i>In EUR</i> | 2019 |
|------------------------------|-------------------|
| Opening balance | 35 881 934 |
| Loans granted | 45 592 678 |
| Loans repaid | -46 588 839 |
| Revaluation | 428 |
| Total closing balance | 34 886 201 |

The table below presents the movement in long-term loans granted to third parties:

| <i>In EUR</i> | 2019 |
|------------------------------|----------------|
| Opening balance | 108 173 |
| Loans granted | 0 |
| Loans repaid | - 95 163 |
| Revaluation | 0 |
| Total closing balance | 13 010 |

| | 31.12.2019 | 01.01.2019 |
|----------------------------------|-------------------|-------------------|
| Closing balance includes: | | |
| Current assets | 34 873 191 | 35 773 761 |
| Non-current assets | 13 010 | 108 173 |
| Total closing balance | 34 886 201 | 35 881 934 |

| <i>In EUR</i> | 31.12.2019 | 01.01.2019 |
|------------------------------|-------------------|-------------------|
| HUF | 34 886 201 | 35 873 789 |
| USD | 0 | 8 145 |
| Total closing balance | 34 886 201 | 35 881 934 |

The table below presents the conditions of the most significant third-party loan agreements:

As of 31 December 2019

| <i>In EUR</i> | | | | |
|----------------------------------|----------------|-----------------|----------------------|-----------------|
| Counterparty | Balance | Maturity | Interest rate | Currency |
| Pedrano Invest Vagyonkezelő Kft. | 34 530 096 | within one year | 0% | HUF |
| CFM Projekt Kft. | 231 453 | within one year | 0% | HUF |

As of 1 January 2019

| <i>In EUR</i> | | | | |
|----------------------------------|----------------|-----------------|----------------------|-----------------|
| Counterparty | Balance | Maturity | Interest rate | Currency |
| Pedrano Invest Vagyonkezelő Kft. | 34 448 107 | within one year | 0% | HUF |
| EURX T-köl Investment Kft. | 1 108 454 | within one year | 0% | HUF |