

FUTUREAL
HOLDING

2021 Results & Annual Report

Futureal Holding B.V.
2021

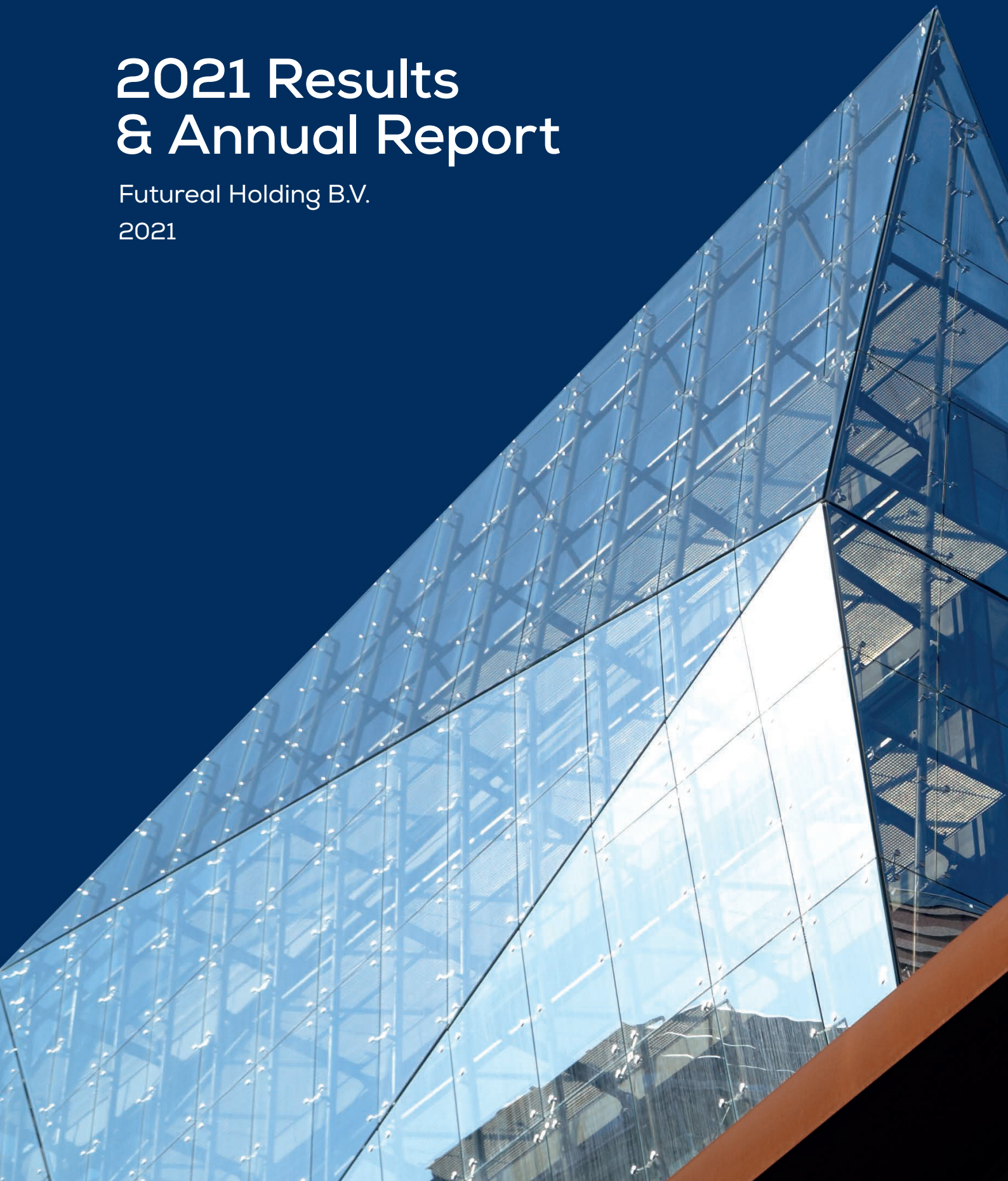


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Gábor Futó

Co-Founder,
Futureal Group

2021 was a transformational year for Futureal Holding. We have matured into a diversified real estate development and investment group, with both newly launched business lines achieving exceptional growth, while our core development business delivered record output.

We have successfully tapped the capital markets, issuing over 300m euros worth of long-term, senior unsecured bonds, including our inaugural 10-year green bond and have become a public company. I would like to thank our exceptional team for their commitment and relentless efforts, against the backdrop of the covid pandemic.

I would like to thank our investors for putting their trust into us. We will strive to be great stewards of your capital and exceed your expectations!

Message from the Board of Directors



Zsolt Balázsik
Member of the Board /
Director, Futureal Holding B.V.



Astrid van Groeningen
Member of the Board /
Director, Futureal Holding B.V.



Steven Melkman
Member of the Board /
Director, Futureal Holding B.V.

The year 2021 brought us great achievements while we have managed the fallouts of the covid pandemic.

“Our investments into diversifying our activities yielded immediate success. HelloParks has assembled not only a pipeline of close to 1 million m² GLA of industrial and logistics developments at strategic locations around Budapest, but also probably the best logistics development team in the country. Futureal Investment Partners has proven it’s ability to identify exceptional investment opportunities and act fast. It has acquired it’s first three repositioning projects in Poland, two shopping centers and a city center office building. In the meantime, Futureal Development was under construction on close to 70.000 GLA of core+ office buildings, including the headquarters of IBM, Vodafone and BT, our highest activity level, ever. The highlight of the year was the successfully opening of Buda’s largest shopping center, Etele Plaza on 55.000 GLA and 140.000 GBA.

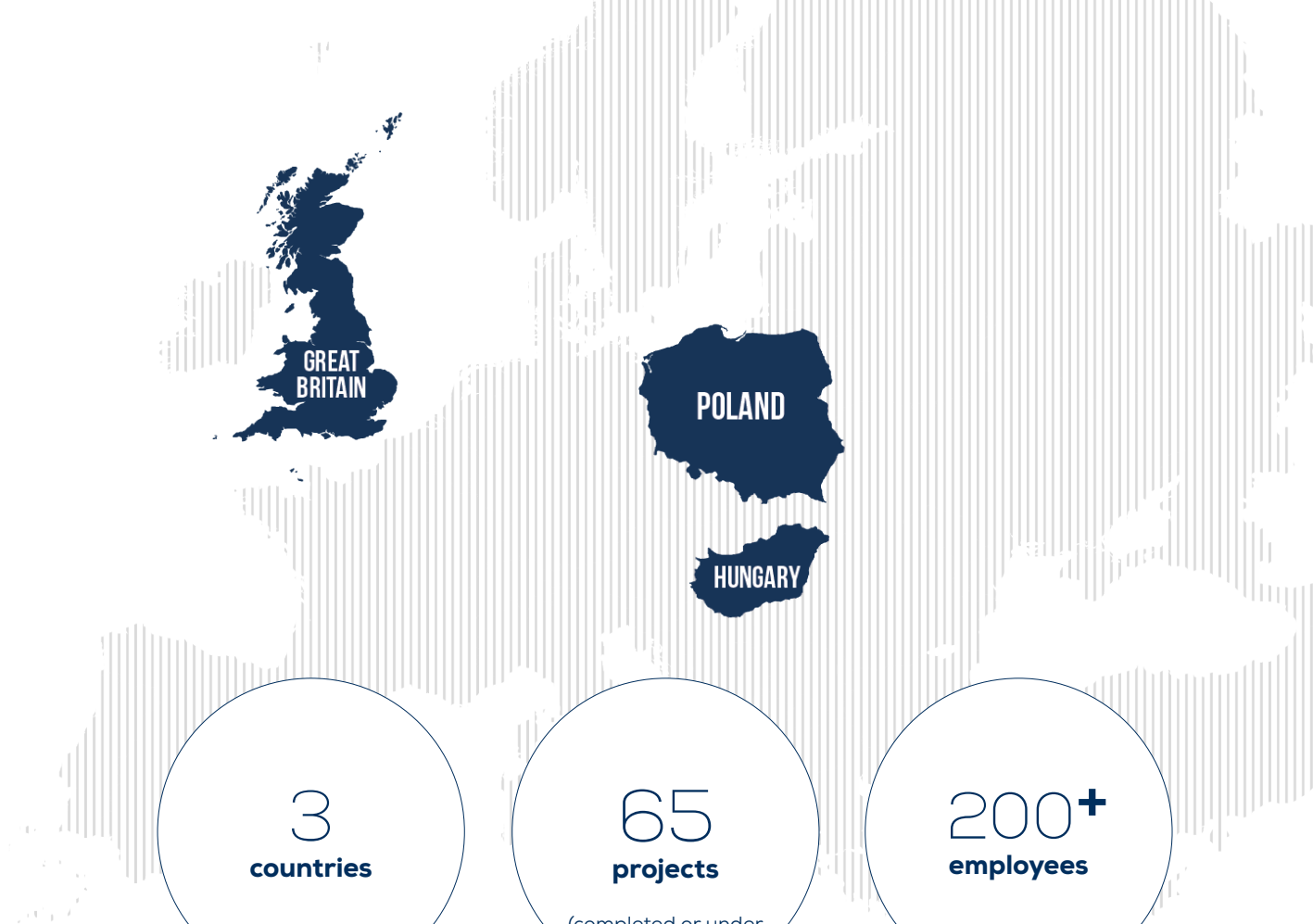
On the liability side, our greatest achievement was the issuance of approximately 120 bn forints of long-term, senior unsecured bonds paying highly attractive yields, providing us a liquidity war-chest at a fixed interest rate. Futureal Holding became a public company and has achieved BB rating. We have continued to draw on our development finance facilities which by now cover all our on-going development projects and have hedged our interest rate risk by using long term swap contracts.

We are looking forward to further growth on several fronts, including the preparation - together with Cordia, member of Futureal Group - of The Marina City project with over 1.2 km of Danube waterfront and the preparation of several new logistics developments on our newly acquired land bank.”

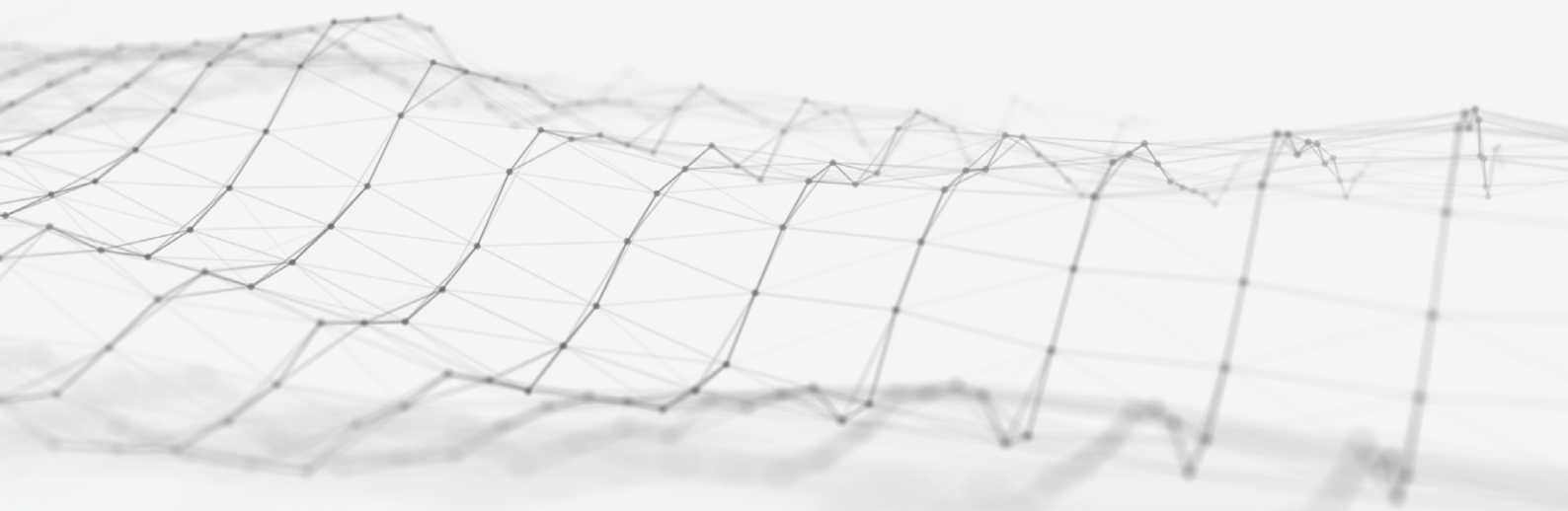


2 Futureal Holding

Futureal Holding B.V. has grown to become one of the leading diversified commercial real estate developers and investors in Central Europe. We have nearly two decades of experience in outstanding large-scale office, retail and mixed-use projects, as well as logistics and industrial developments and investments, satisfying the real estate needs of several Fortune 500 companies. We specialize in creating new urban spaces and transforming entire neighbourhoods.



Futureal Holding B.V. holds a unique portfolio of irreplaceable core assets on its balance sheet, delivering solid and growing cash flows. Most of our standing assets are located in unique, mixed-use urban hubs that are created by us and feature excellent locations, outstanding service environments and transportation connections.



3 Futureal Holding Financials

In 2021, Futureal Holding B.V. developed and delivered several extraordinary, high-quality properties across different real estate segments, issued over 300 million Euros of senior unsecured bonds, became a public reporting company, entered into new fields and overall demonstrated the resilience and stability of its business.

Futureal Holding Financials

How we performed

“Despite the continued Covid-19 pandemic challenges and sharp increase of construction material and energy prices 2021 has brought excellent achievements for the Futureal Holding. In 2021 Futureal Holding reached several milestones, be it opening of Etele Plaza, extension of our value-add & opportunistic investment focus through the establishment of Futureal Investment Partners, or the delivery of the Futureal Holding’s first big-box logistic asset by Hello Parks. Futureal Holding’s 2021 performance has laid the foundations for a promising 2022 when we will continue to execute on our strategies and plan to deliver excellent results to both our clients and investors.”



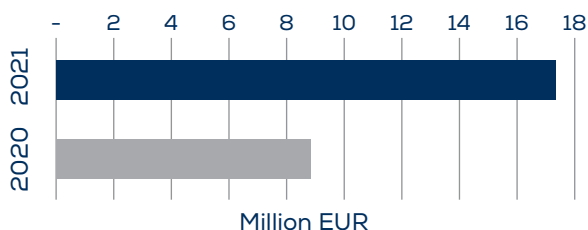
David Hendrych
CFO and COO

Futureal Holding B.V.

General Data (thousands of EUR)	2021	2020
Investment and Development Property	702,977	494,474
Cash and cash equivalents	290,262	56,963
Total Assets	1,107,807	636,835
Total Equity	393,906	378,179
Equity attributable to shareholders	352,428	334,941
Bank Borrowings (drawn down)	307,294	192,660
Debentures (bond related liabilities)	305,338	0
Net Consolidated Debt	266,680	104,098
Net Loan to Value	35.2%	19.1%
Operating Profit	15,503	27,247

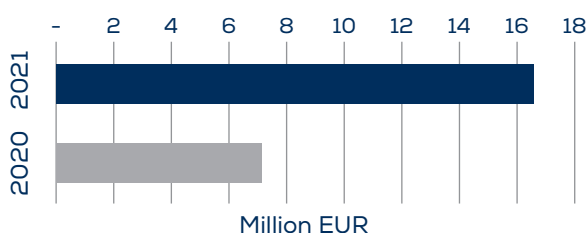
Holding Level Financials

Rental Revenue



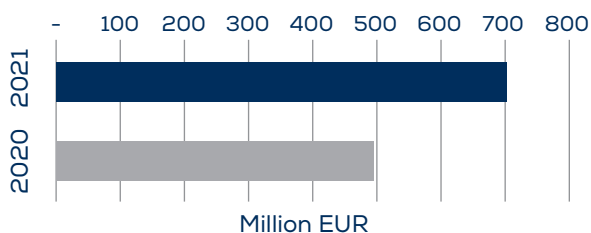
Rental revenue up-to EUR 17.5 million in 2021 from EUR 8.8 million in 2020

Gross Profit



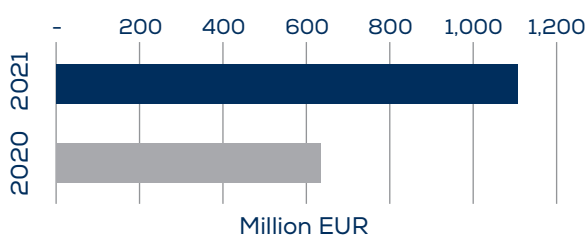
Gross profit up-to EUR 16.4 million in 2021 versus EUR 7.2 million in 2020

Total Investment and Development Value



The value of investment and development property up-to EUR 703 million at year end 2021 compared to EUR 494 million in 2020

Total Assets



Total assets up-to EUR 1,107 million at year end 2021 compared to EUR 636,8 million at the end of 2020

- ✓ EUR 458m bank financing secured (EUR 307 million drawn down)
- ✓ **Net Loan to Value ratio at 35%**, bank covenants met¹
- ✓ **3 successful rounds of bond issuances of over EUR 300m done.**
- ✓ **Bond debt to equity undertaking ratio: 0.04** at 2021 year-end, well below the bond covenant.
- ✓ **Bank financing secured for all on-going development projects**

¹Net LTV is defined as (net consolidated debt)/ (total consolidated assets net of cash & customer advances).



4 Futureal Holding's Structure



Futureal Development
- development and management platform for core office and retail properties



HelloParks - logistic and industrial development and management platform



Futureal Investment Partners - value add and opportunistic real estate investment platform



5 Futureal Development

Our vast experience, expertise, innovation and creativity have made Futureal Development a market leader in high quality project development.

We have become one of Central Europe's dominant retail and office real estate developers and investment managers with completed projects, including those exited, covering 500,000 sqm of GLA with a total value in excess of EUR 1,6 billion and operating assets under management close to EUR 0,5 billion.

Management Overview

Retail Development

“Futureal Holding’s most significant milestone in the retail asset class during 2021 was the successful completion of the 55,246 square meters GLA Etele Plaza shopping mall despite the numerous challenges of the fact that development took place during the height of the Covid-19 pandemic, as well as secular challenges to brick-and-mortar fashion retail from online growth. The grand opening of Etele Plaza took place in mid-September to very positive reviews and media coverage. The lease-up ratio of 92% of GLA was ahead of management expectations given the challenging circumstances, and both in our and our tenants’ view was a great success.

Despite supply chain issues both globally and locally leading to rising construction costs, Etele Plaza was delivered within budget and was opened at optimal timing in the context of the pandemic. Futureal Holding’s management considers the opening of Etele Plaza a significant achievement in terms of tenant mix, occupancy, footfall, and retail turnover, with the team now focused on improving all of those parameters during the stabilization period.”



Tibor Tatár

CEO, Futureal Development

Office Development

“After an extremely favorable year in 2020 when both Vodafone and British Telecom were contracted for almost 50% of Budapest One’s Phase 2&3 developments (19,680 square meters and 18,937 square meters GLA projects in total respectively) Budapest One had slower leasing activity in 2021. This was largely expected given the pandemic induced tenant uncertainty and prevalence of work from home versus work from the office. The last quarter of the year showed an awakening in tenant interest, as a result of which 2022 commenced with a more positive leasing outlook.

Due to an overall cost increase in the construction sector during 2021, the budgets of both phases needed to be revised higher to reflect higher raw material and labor costs. However, increased construction costs were to a large extent balanced by a market proven increase in Estimated Rental Values (ERVs) due to sharply indexed office rents in Budapest. Long term bank financing was secured with highly favorable terms and conditions for both phases during 2021 despite a challenging

borrowing environment in the banking sector. Both phases are scheduled for completion and hand over in H2 2022.

Despite the slow tenant market, Corvin Innovation Campus (CIC), a 31,500 square meters two-phase office project in our flagship Corvin Promenade, secured a 10,000 square meters pre-lease by signing a 7-year lease with IBM, the US technology giant. This brought occupancy in the 17,500 square meters Phase 1 close to 60%. CIC also benefited from increased tenant interest by the end of the year, and management is confident of reaching pre-lease targets during the course of 2022 and beginning 2023. Bank financing for the project from Unicredit Bank was secured at the beginning of 2022.

As a result of Futureal Holding’s strong procurement process, neither Budapest One nor CIC were negatively impacted by construction material shortages, unlike some developments in the Budapest market. Both projects are on schedule to open in a timely manner.”

Futureal Development Key Projects

Etele Plaza

We are extremely proud to have opened Etele Plaza in 2021, a unique shopping centre with 180 units on three floors at 97% occupancy. Etele Plaza features more wellknown brands than any other shopping centre in the capital. As well as fashion stores, the centre also features a large supermarket, multiplex cinema and a range of entertainment facilities. The area is an ideal point for transit traffic due to Budapest's largest multi-modal public transportation junctions, featuring Kelenföld Metro 4 end-terminal, the regional train station, 3 tram lines and local bus terminal - which welcome 165 000 visitors a day. Some 236 000 people live in the immediate catchment area.



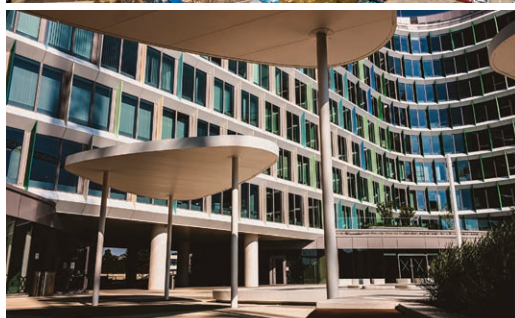
Project highlights:

- 180 units on 3 floors
- 4000 m² green area
- 55 000 m² leasible area
- 137 000 m² total area
- 1250 on-site parking units
- Smart solutions (application, Ariadne system, LED screen, Pepper robot, and other digital solutions)



Futureal Development

Key Projects



Budapest ONE

A 66 453 m² office park with a unique facade and structural design located at Őrmező, Budapest's "western gate". The area is easily accessible and contains Hungary's largest multimodal transport intersection. The city centre can be reached via direct links in under ten minutes.

The outstanding service environment of the offices are further enhanced by the ongoing development of the Kelenföld district. Etele Plaza, our flagship retail project, is just a few minutes walk from Budapest ONE and caters for all the needs of the workers in the area.

Located in the New Transport Hub of Budapest

Project highlights:

- Total GLA: 66,453 m²
- High quality working environment
- Sustainable solutions
- Complete Retail, Dining and Sports offering
- Unprecedented Visibility
- Multinational tenants from the telecommunications, computing and pharmaceutical sectors



Futureal Development

Key Projects

Corvin Innovation Campus

Corvin Innovation Campus is the next chapter of Corvin Promenade's success story. The office complex with a groundbreaking design will basically extend the well-known promenade. The first phase of the nine-storey complex will provide 17,500 sq m of GLA, while the second has 14,300 sq m of GLA.

The almost completely contactless office building surrounded by renovated and green public space will transform the look of Szigony street and its neighborhood. The project's horizontal ledge system divides the facades, while its dynamic lamella system is giving the complex a playful presence.

The category 'A' Corvin Innovation Campus has been designed according to BREEAM Excellent and WELL Platinum certification system to ensure it has a positive impact on the well-being and health of the people that work there.



MAIN TANENT OF CORVIN
INNOVATION CAMPUS

The office complex has been designed to meet the expectations of the digital age, while a huge emphasis will be put on creating a green environment. From the main lobby there is a direct access to a 3000 m² inner garden functioning as a social space for employees. An increased number of bicycle storage spaces as well as separated showers and lockers will also be available.

Project highlights:

- Located in the neighbourhood of the iconic Corvin Promenade
- Total GLA: 31,800 m²
- High quality working environment
- Top quality air and water
- Sustainable solutions
- contactless usage of common spaces
- Complete Retail, Dining and Sports offering
- First pet-friendly office building of Futureal

Futureal Development

Future Projects



Marina Tower

Marina Tower brings the essence of waterfront lifestyle together with state-of-the-art design, digital and green technologies at Marina City, Futureal's next large-scale, mixed-use urban development project along the Danube River. The 17-storey, new generation office building's spectacular shape was inspired by hull of a ship to resonate with the legacy of the area.

The complex is a landmark project of Marina City featuring 1,2 kilometres of waterfront, smart solutions and green private social spaces open for public use. Marina Tower has easy access to Budapest downtown and the capital's North agglomeration due to Marina City's ideal location and transport links including metro, train network and regional bus services. To provide an alternative for public transport and car use, it will also include a high number of bike storage spaces.

Marina Tower provides 360° panoramic view to Danube and Buda hills as well as exceptional sustainability and people-centred solutions. The complex with 25,000 sqm of GLA has been designed to meet the highest standards of BREEAM Outstanding and Well Platinum certification systems. During the planning there was a strong focus on creating an energy efficient, healthy and liveable green office environment including a roof garden with full accessibility and high security. In the immediate vicinity of the pet friendly Marina Tower plenty of outstanding services, shops, entertainment and sport opportunities are available.

Project highlights:

- Located along the Danube River, in one of the most stunning parts of district 13 Budapest
- 360° panoramic view
- Easy access to downtown and Budapest's North agglomeration
- Energy efficiency, flexibility, liveable environment
- State-of-the-art digital and renewable technologies
- Decarbonisation focused design
- Covid-19 proof – Futureal Stay Safe initiative
- Full accessibility, high security
- Pet friendly office building
- Roof garden
- Outstanding services and entertainment opportunities – access to Duna Plaza
- Shops and restaurants nearby the office
- Smart Parking System



6

HelloParks

We launched HelloParks with a view of becoming a dominant industrial and logistics developer, initially in Hungary.

During our first 1.5 years of operation, we have attracted a market leading team of 65 professionals and developed a huge pipeline of 1 million sqm GLA. We have attracted leading tenants to our first two 45,000 sqm big box buildings that were delivered in a record six months.

HelloParks

Management Overview

"2021 was a year of confirming our execution capabilities to both our clients and investors. We delivered our first mega-box logistics asset in a faster time frame than projected and of the highest quality in the market. Maglod 1, a 45,000 sqm warehouse building was completed at our Budapest Airport site, the first of many phases that we plan to develop at this strategic location. At the time of writing occupancy stands at above 80%. It is the first BREAAAM Excellent (new construction) warehouse built in Hungary.

Development of our second location in Budapest North has progressed well with a similar lease up rate and occupancy profile. Both projects were delivered ahead of time, within budget and have over performed our initial rental expectations due to the high quality of our assets together with excellent execution by the team. Hello Parks intend to launch it's third park in Budapest West during summer 2022.

The demand environment has been buoyant, with strong tenant interest and leasing, however the year was not without its challenges. Supply chain constraints and the increase in raw material costs has led to a sharp increase in construction expenses which will have a knock-on-effect for both tenants and developers. We are extremely proud to have built a best-in-class team at HelloParks, that now numbers 65 professionals.

We are extremely motivated to provide both existing and prospective tenants with the highest quality product and service available on the market. Flexibility and client satisfaction are core to our values, which enables us to compete effectively and attract clients from incumbents.

I look forward to welcoming you to our HelloParks assets, as we continue on our mission for market leadership."



Rudolf Nemes

CEO, HelloParks

Key Projects

HelloParks Maglód (Budapest Airport)

The HelloParks Budapest Airport is located next to the main international airport of Budapest and provides a perfect opportunity for Tenants to establish their business in a park with great accessibility to the M0 ringroad and with endless extension option. Competitive closed-book service charges and buildings with the highest BREAAAM New Construction rating in Hungary provide a solid ground to run a business in the most sustainable logistic building in Hungary, where the utility consumptions are prompt visible and can be adjusted and set in real-time mode via the HelloApp.

Total park size

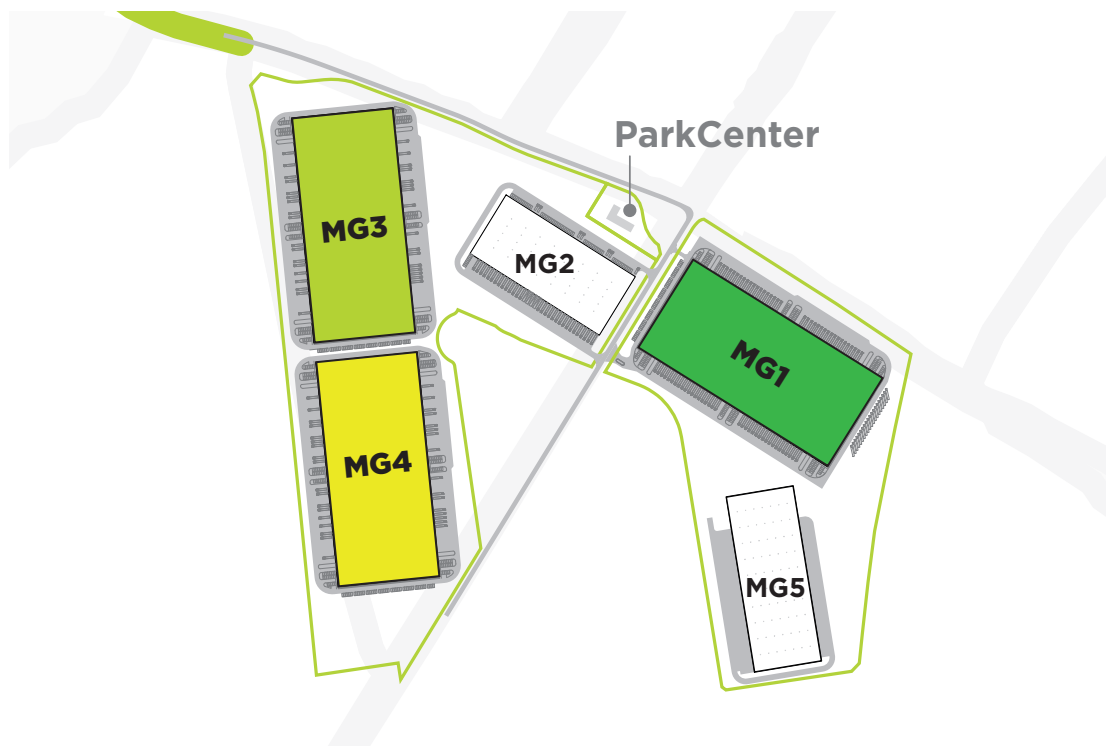
46 ha

Total building potential

193 000 m²

Max building height

18m (up to 40m)



completed



under construction



under preparation

Key Projects

HelloParks Fót (Budapest North)

The HelloParks Budapest North site is located in Fót, right next to the junction of highways M0/M3, providing space for Tenants active in the region or any location easily reachable in North-East Hungary. Since the location is just at the border of Budapest, it offers great opportunity for businesses active in city logistics. FT6 building with its minimum lettable space of 1,000 sqm is an attractive option for those not meeting the minimum lease size of around 3,000 sqm required for classic Big Box logistic assets.

Total park size

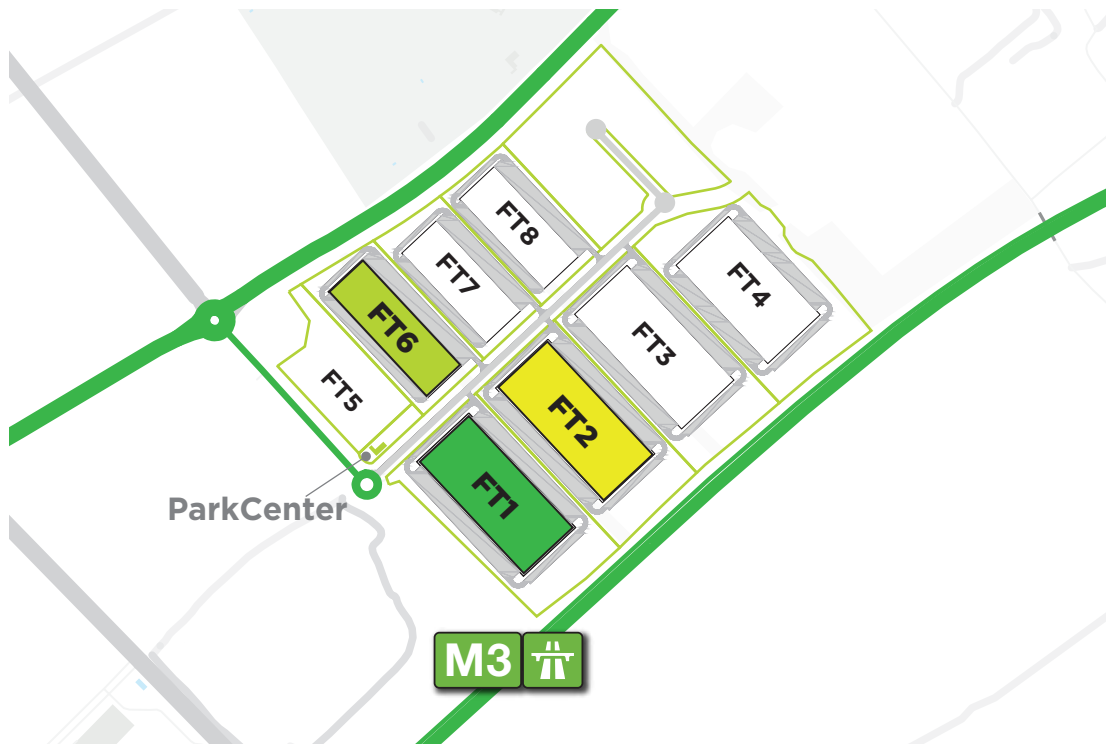
76 ha

Total building potential

330 000 m²

Max building height

15m



 completed

 under construction

 under preparation

Key Projects

HelloParks Páty (Budapest West)

The HelloParks Budapest West site is Hello Park's latest acquisition. With 108 Ha of land and almost 400.000 sqm development potential it is the biggest site within the portfolio. The location has direct highway access to the busiest highway of Hungary connecting Budapest with Vienna and Bratislava. The first warehouse construction is planned to start in July 2022. The PT1 building with its 58,000 sqm GLA will be delivered according to the latest standards and with the aim to overperform market expectations with the greenest warehouse in Hungary.



Total park size

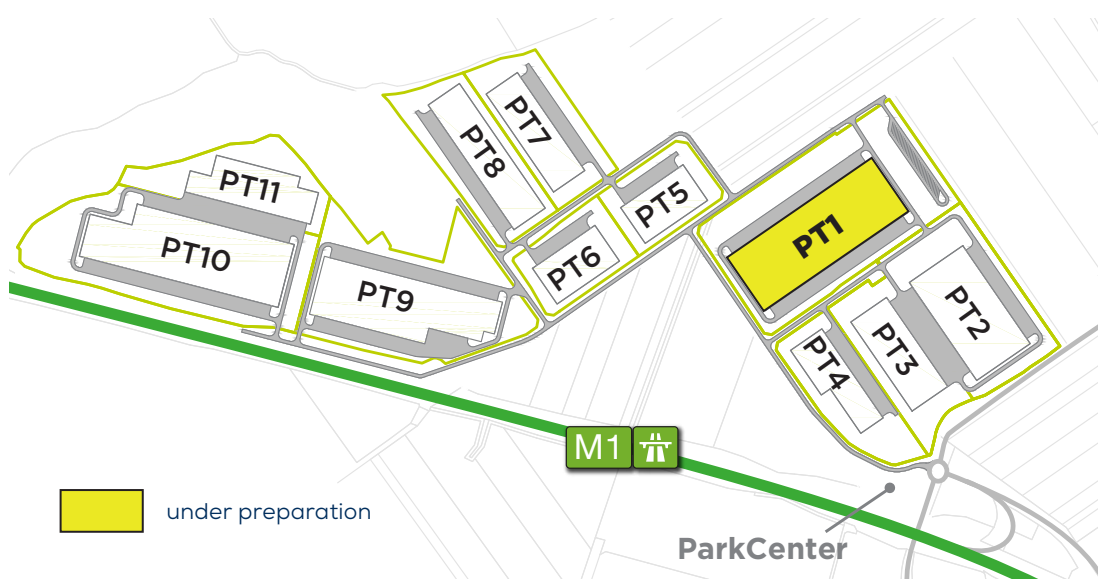
97 ha

Total building potential

354 000 m²

Max building height

20m



STATUS ¹	COMPLETED		UNDER CONSTRUCTION		IN PIPELINE		
	Maglód MG1	Fót FT1	Maglód MG3	Fót FT6	Maglód MG4	Fót FT2	Páty PT1
Warehouse size (m ²)	46.000	45.000	45.000	28.000	45.000	45.000	58.000
Smallest unit to rent (m ²)	3.300	3.400	3.400	1.000	3.400	3.400	3.400
Storage height (m)	10	11,7	11,7	8	11,7	11,7	11,7
Available	NOW	NOW	2022 Q3	2022 Q4	2023	2023 Q1	2023 Q2
Total	90.000 m²		73.000 m²		150.000 m²		

¹At the date of writing the report



7 Futureal Investment Partners

Futureal Investment Partners, member of Futureal Group, is a real estate investment and asset management business focusing on value-add and opportunistic investments across Europe. Our aim is to be the local partner of choice for institutional investors and to deliver outstanding risk-adjusted returns and significant improvements in the sustainability of our buildings.

Futureal Investment Partners

Management Overview

“In March 2021 Futureal Holding increased its value-add & opportunistic investment focus through the establishment of Futureal Investment Partners, a value-add and opportunistic real estate investment platform investing into office, retail, PRS, hotels and logistics. Our initial geographic focus is on Poland and Czechia with longerterm ambitions to expand to countries with value-add opportunities, such as the UK and Netherlands. Futureal Investment Partners is highly focused on identifying and investing in value-add opportunities with a goal of maximizing profit for its investors.

We had a very strong start in 2021 acquiring two shopping centers (Bemowo in Warsaw and Manhattan in Gdansk), one office building (Wratislavia in Wroclaw) and securing two logistics plots in south of Poland for land development with potentially up-to 70,000 sqm GLA in total. We already see a strong opportunity set to reposition, lease-up and improve the tenant mix in these assets, as evidenced by the fair value revaluations in 2021. The company’s target over the next couple of years is to extend the portfolio via further acquisitions in 2022 and the coming years.

Futureal Investment Partners currently consists of eight highly experienced professionals focused on execution of investment strategies, from acquisition through to asset management and eventually exit. Since our foundation, we have been leveraging on the extensive development experience and market knowledge of the broader Futureal Group. In addition to internal capital, we have initiated the process of exploring opportunities for coinvestment and partnership with leading real estate investors in the region. In all locations we are willing to team-up with local partners or execute on direct transactions.

At the end of 2021 Futureal Investment Partners manages 68,000 sqm GLA in the above projects which is expected to deliver over 6.5million EUR of annualized rental income (0.6m EUR in 2021 due to acquisitions closing before the year end).”



Karol Pilniewicz

CEO, Futureal Investment Partners

Futureal Investment Partners

Key Investments



Wratislavia Tower

11-storey, glass-clad mix-use building located in the centre of Wroclaw, one of the largest cities in Poland, with 12,000 sqm of office and service space, including a cinema and fitness centre. The building is planned to be refurbished and leased by end of 2023.

Galeria Bemowo Shopping Centre

30,345 sqm shopping centre in Warsaw with 120 shops and 944 parking spaces, anchored by a Carrefour hypermarket, Rossmann and RTV Euro AGD. The asset is well located, with the main tenant being the aforementioned international hypermarket brand with a long-term extended lease.



Manhattan Shopping Centre

25,570 sqm shopping centre located in the Wrzeszcz area of Gdansk with 120 shops and a 360-space car park, anchored by the Eurospar supermarket, Sinsay, Rossmann and Pepco.

Futureal Investment Partners

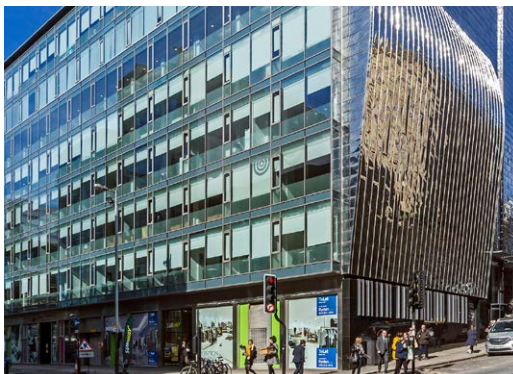
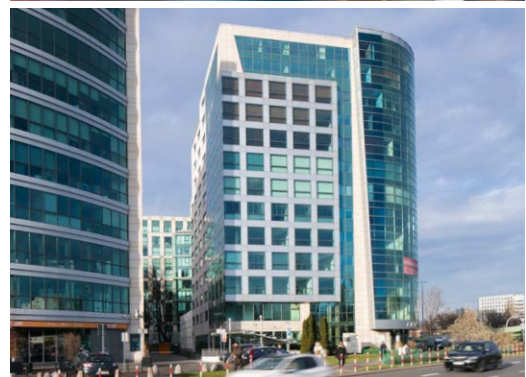
Key Investments

Antares

13-storey office building offering 9,400 m² of total rentable space, together with 229 underground parking spaces.

The complex is located in Warsaw at Marynarska Street, providing an excellent location with easy access by public transport, found at the intersection of several bus and tram lines and the M1 metro line. Antares is close to the city centre and only a 10-minute drive from the airport.

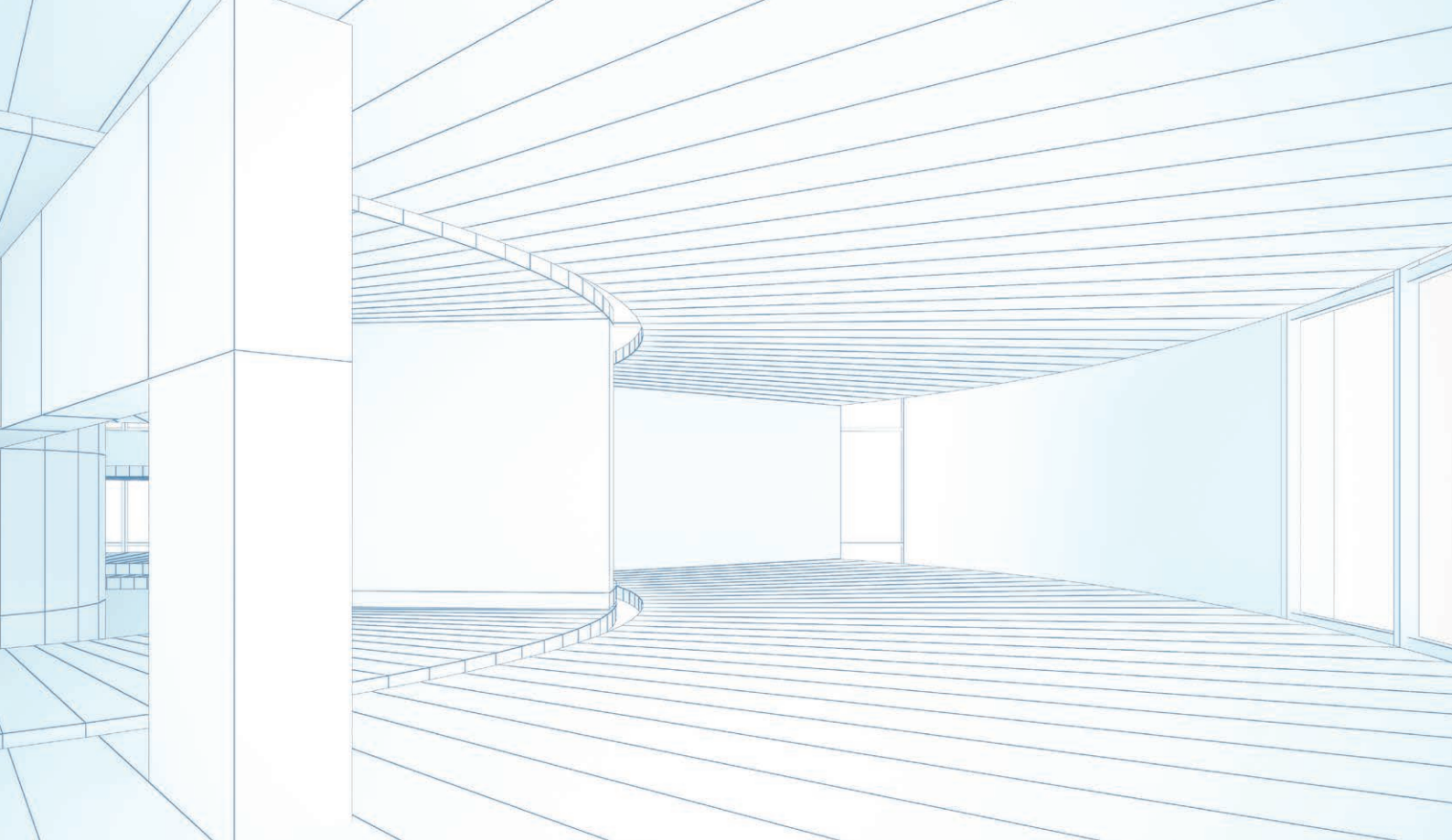
The office building is situated opposite the elegant retail shopping centre Galeria Mokotów, which provides a range of amazing services to employees, including a barber, a beauty parlour, cafés, a cinema, a fitness club, restaurants and a wide variety of shops.



Spectrum Building

The stainless-steel clad Spectrum Building is located in the United Kingdom. Situated in the heart of Glasgow's central business district on the corner of Blythswood Street and Waterloo Street, the iconic building offers over 6,800 m² of office and retail accommodation.

The Spectrum Building's location provides easy access to a wide selection of amenities including restaurants, bars, coffee shops and hotels. The property is well served by Glasgow's main transport hubs, with major rail and metro links within a short walk, while multiple bus services operate nearby.



8

Market Update

2021 was a year of transformation in the real estate market. Due to the prolonged Covid pandemic and its implications retail and office asset classes faced challenges while the logistic sector performed strongly. In the coming years developers need to adapt to the post-Covid world greatly utilizing innovative, sustainable technologies and approaches in both development and property management.

Evaluation of 2021

Logistic sector enjoyed very strong year in 2021 with total stock, take-up and rents increasing all over Central European region.



In greater Budapest where the Group is mostly active the total modern stock stood at 2,7 million square meters showing 15% increase year-on-year. The vacancy rate stood at 3,17% as at 2021 yearend. Prime rents showed slight increase to 4,75 EUR/square meter/month.

For the office market, 2021 was a challenging year in the locations where Futureal Holding is active with office projects (Budapest, Warsaw, Wroclaw) due to high levels of uncertainty in tenant demand.

It appears that corporate tenants are still debating their future office needs in light of the ongoing effects of the hybrid work model. Modern office space will need to be redesigned in the post-Covid world due to changes in work culture, employee expectations of their employers, as well as corporate considerations such as employee retention and cost control. Since the size,

lay-out and fit-out level of the post-Covid modern office space is yet to be determined, tenants tended to postpone relocation plans during the course of 2021, preferring instead to wait for more clarity in the future.

In retail sector overall shopping centre performance started to improve towards the end of 2021 showing that customers are not giving up on shopping in brick-and-mortar shops. The retailers are searching for benefits from synergy of e-commerce and brick-and-mortar shops and are looking to implement innovative formats and compete for customers' attention with technology and environmentally friendly products.



The construction industry was negatively affected by salary, energy and construction material prices increases. This, combined with supply chain disturbances, resulted in steadily increasing construction costs and challenges to delivery deadlines that led to project postponements and deferrals.

Outlook for 2022

The end of 2021 and Q1 2022 finally brought an awakening in tenant interest in office sector.

The main driving factors behind increased tenant interest has been a desire to consolidate multiple locations including sites that have become obsolete, as well as to upgrade to modern office quality. ESG is increasingly becoming a new driver of office selection for companies. Projects that lack the required environmental, social and governance qualifications suffer from lower tenant demand and as a result lower rental income, while best-in-class advanced projects that rank high in terms of sustainability and lowering carbon emission can command higher headline rents.



The retail industry and consumers keep making changes and continue to adapt the way how customers shop for both the essential items they need, but also for the other less essential, but more enjoyable things they buy. The positive signs from end of 2021 are believed to continue also in 2022.

Uncertainties in the construction industry related to costs and deadlines continue to apply in 2022. The pipeline of constructions especially state financed public projects and to certain extent in retail and office sectors is expected to decline towards 2022 yearend due to project postponements, which should hopefully lead to an easing cost pressure. On our core markets no projects were officially canceled, however less established developers may find it difficult to execute on time and within the budget, e.g. due to difficulties to get financing for their new developments or acquisitions. We believe that with the up-coming market recovery this may create a supply shortage in future for both office and retail sectors.

The beginning of 2022 shows the continuing strong trends for industrial real estate. We see further growth of primer rents (5-5.25 EUR/square meter/month in Q1 2022 vs. 4.75-5 EUR/square meter/month at 2021 year-end). New developers are entering on the market strengthening competition among players. Also supply on the industrial land melted down in the most attractive submarkets. Strong position and remarkable land bank that Hello Parks built over the past years is positioning us well to face those challenges.

The impact of the Russia-Ukraine war, continued energy supply and pricing constraints with the tightening conditions for bank financing are yet to be assessed for all the sectors and bring level of uncertainty into the 2022 outlook.



9 Sustainability

Sustainability plays a defining role in our activities, with a focus on reducing greenhouse gas emissions, improving energy savings and targeting carbon neutrality. In addition to protecting the environment, we are also committed to the preservation of mental and physical health and social responsibility.

Green Financing

At Futureal Holding, we believe in setting a good example by supporting sustainable development.



Rezső Ezer
Director of Transactions
and Investor Relations

Futureal Holding's Green Finance Framework ("Framework") has been developed in alignment with the ICMA Green Bond Principles 2021 ("GBP") and the LMA Green Loan Principles 2021 ("GLP") and has been first published in February 2021 with Sustainalytics' Second Party Opinion issued on February 4, 2021, while an amendment of the Green Finance Framework has been re-audited by Sustainalytics on May 12, 2022 and will be published on Futureal Holding's website in due course. For Futureal Holding's Green Finance Framework and the related Second Party Opinion issued by Sustainalytics please see: <https://www.futurealgroup.com/en/futureal-holding#bonds/green-finance-framework>

The Framework is applicable for issuance of Green Financing instruments including

Green Bonds and Green Loans where net proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing Eligible Assets with clear environmental benefits.

The first Green Bonds (FUTURE2031) were issued by Futureal Development Holding Kft as issuer guaranteed by the parent company Futureal Holding B.V. on March 23, 2021 within the Bond for Growth Program of the National Bank of Hungary by issuing HUF 55bn face value cutting back the total bid value of HUF 57.75bn. The Green Bonds are senior unsecured, amortizing corporate bonds of 10-years maturity with fixed coupon of 4.0% p.a. This issue in March 2021 was followed by a tap issue of the very same bonds on January 31, 2022 by issuing a total face value of an additional HUF 8.05bn.

On November 16, 2021 Futureal Development Holding Kft. had successfully issued 15-years maturity, amortizing, unsecured, corporate bonds (FUTURE2036) with a coupon of 3.5% p.a., guaranteed by Futureal Holding B.V. Even when this issuance is not done under the Framework the received funding is used following the similar principles. The total volume of this issue reached HUF 33.7bn which had been followed by a successful tap issue of a total volume of HUF 24.25bn face value on December 13, 2021.

Sustainability

Progress for a more liveable planet

As one of the leading real estate development groups in Hungary and the CEE region, we have a duty to take action to help achieve these crucial goals. In line with the commitments made by the UN, we are placing particular emphasis on the following in each of our development projects:



Creating healthy and human-centered environment



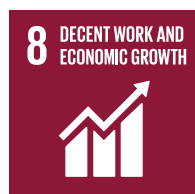
Cultivating diversity and equality



Providing clean water



Supplying clean energy through innovative solutions



Promoting sustainable growth and employment



Focusing on sustainability from planning



Supporting communities with energy efficient solutions



Achieving sustainable development



Creating partnerships for sustainable development

Sustainability



Buildings designed with sustainability in mind

Sustainability is a key element of all Futureal Group activities, including all of our urban rehabilitation projects, residential real estate and retail, industrial and office developments. Our work encompasses both environmental protection and the mental and physical health of individuals.

Thinking WELL – For human-centred developments

In the office sector in Hungary, Futureal has helped popularise the WELL ratings system among industry professionals with the aim of constructing office buildings that, in addition to protecting the environment, are also beneficial for the health, wellbeing and comfort of the people that work there.

The pinnacle of BREEAM in practice – Focus on environmental protection

During the implementation and operation of our projects, we minimise waste generation, energy consumption and harmful emissions, while helping to preserve the richness of the natural world.

Stay Safe – A new level of healthy working environments

In response to the global health emergency, Futureal has launched the Stay Safe initiative, which includes the development of comprehensive health measures and protocols and the creation of a safe environment for visitors.

Green certifications



Budapest ONE, Phase 1.

BREEAM Very Good,
Construction stage
April 2021



Corvin Innovation Campus

Well Platinum,
Precertification
April 2021



Corvin Innovation Campus

BREEAM Excellent,
Design Stage
June 2021



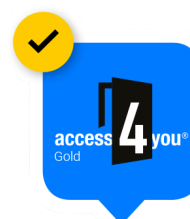
Corvin Technology Park

WELL Building Institute,
Platina
2021



HelloParks Maglód

BREEAM Excellent,
New Construction Design Stage
November 2021



Etele Plaza

Acces4You
Gold
2021

10 Risk management



Dan Harverd
CRO

Futureal's decision to participate in the Hungarian National Bank's Funding for Growth Bond Program marked an important milestone for the company, not only by supporting efforts to develop a corporate bond market but also in terms of enabling investors to benefit from the expansion and long-term growth of the company.

Risk management has been an integral part of decision-making, execution, financial control and corporate culture at Futureal since inception. Indeed, appraisal of risk is embedded in processes throughout the company whether that is assessing the economic feasibility of new developments or new investments, the design and environmental sustainability of our projects, or throughout the construction, lease-up and operational phases.

Nevertheless, in conjunction with bond debt issuance and the resultant addition of new investors as stakeholders in the company, we decided to formalize risk management by the establishment of the new corporate risk officer role and regular risk meetings. The objective of our risk management framework is to enable the company to meet its strategic business goals of growth, value creation and fulfilling our customers' demands, while preserving long-term liquidity, solvency and our best-in-class reputation. This is achieved through an ongoing process of identifying and analysing both external and internal risks, as well as proposing measures to mitigate risk and ensure internal control.

The key external risks that have been identified and assessed for their potential impact on the business during 2021 and since include: slowing economic growth, the geo-political outlook in light of regional instability, the effects of inflation on development costs and rising energy prices on operations, the impact of interest rates on financing costs and availability, the risk of business interruption whether through pandemic, cyber attack or climate events, and secular changes in the leasing and real estate pricing outlook for office, retail, logistics and residential real estate.

Internal risks assessed on an ongoing basis have focused on four main areas:

Development strategy – monitoring of key development project milestones whose achievement lowers risk levels such as zoning approval, receipt of building permits, drawn down on construction finance, tenant lease up, development cost actuals versus budget, receipt of occupancy permits and operational execution.

Investment strategy – analysis of risk factors has been integrated into the investment decision making process to ensure that a thorough risk assessment is implemented prior to commitment of capital into new development projects. In addition, there is ongoing risk assessment of segment and geographic diversification as well as concentration of equity allocated to land versus development and standing assets.

Capital strategy – Futureal closely monitors its corporate level leverage to optimize the mix between debt and equity within a target range. Risks associated with managing external capital are also closely monitored including reporting, regulatory requirements and conflict of issue avoidance.

Financial strategy – Risk management in this area has focused on development of a liquidity strategy with the establishment of an internal reserve policy, as well as monitoring and assessment of currency exposures and interest rate risk.



11 Giving Back

We ensure that our projects create lasting value, enhance local identity and improve quality of life. As part of our operations we take broader social responsibility for the well-being of those in need.



Futureal Group – CSR and charity activities

Over the last two decades Futureal Group has been involved in numerous charity activities to support communities in need. We also put strong focus on encouraging our employees to actively contribute to our good causes and be part of the solution. Every year, our staff also take an active role in numerous social initiatives, be it painting schools, charity runs or tombolas.

In response to the crisis caused by the coronavirus epidemic, Futureal Group has responded to meet the needs of the community and its employees. In light of the circumstances, we the Group reacted immediately and decisively ensuring continuity of operations with vast majority of staff working remotely during the pandemic peaks. The construction sites are closely monitored, and the Group implemented strict measures to avoid any disruption in the normal operation. In addition, the Futureal Group provided more than HUF 300 million in support of the fight against the pandemic in Hungary, Romania and Spain. The first part of the amount was donated to the action



group created by the Hungarian government to support volunteers and charity work Segítünk Egymásnak (We Help Each Other). We also pledged HUF 50 million to support the measures of the city of Budapest.

Our group has made several commitments to help refugees from Ukraine. Futureal-Cordia-HelloParks Group has donated HUF 300 million in addition to the amount raised by its employees to support humanitarian projects in three countries including Hungary, Poland and Romania. The group has identified its own properties, that are suitable location for humanitarian activities. In line with this, buildings in Gdańsk, Wrocław, and Warsaw, all in Poland, have been transformed into shelters and a temporary kindergarten for refugees. We are working with several humanitarian aid and medical organizations that help rescue people from Ukraine.





Futureal Holding BV

Annual Report 31 December 2021

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Management board's report

Background and business of the Company

Futureal Holding B.V. ("the Company" or together with its subsidiaries "the Futureal Holding"), a private limited company registered in the Netherlands was incorporated on 4 June 2019. The registered office is located at Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, Netherlands. It was founded as part of a group reorganization, for the details of which please refer to the note 3 of the below consolidated financial statements. The Company has been preparing financial statements since 2020.

Futureal Holding is one of the largest commercial property developers and investors in Central Europe active in office, retail, logistics and value add developments. Futureal's core market is in Hungary, with a key focus on the Budapest metropolitan area, in addition to which it has a growing presence in Poland and the UK.

The Company, together with sister company Cordia, has developed a specialisation as a market leader in the development of large-scale mixed-use projects, that transform and revitalise whole city neighbourhoods with an emphasis on sustainability, modern infrastructure, lifestyle, and superior quality. Futureal has best-in-class in-house expertise in all aspects of the commercial real estate development process including inter alia land acquisition, project planning and design, procurement, construction management, leasing, financing, sales and marketing, and property management, implemented by its stable, highly experienced and qualified management team.

Overview of operating activities in 2021

Capital Markets

Futureal Holding has entered capital markets by successful issuance of two bond series in a total volume of HUF 111 billion (EUR 303 million) with the maturity in 2031 and 2036 respectively. With the issuance Futureal Holding participated on National Bank of Hungary (MNB) corporate bond program (NKP) launched in July 2019 under which it is buying bonds issued by Hungarian corporations with a rating of at least B+ for up-to HUN 300 billion. Scope Rating agency assigned rating of BB (with stable outlook) to Futureal Development Holding Kft (member of Futureal Holding and issuer of the bonds).

Retail and Office asset classes

Retail

Futureal Holding's most significant milestone in the retail asset class during 2021 was successful completion of the 55,246 square meters GLA Etele Plaza shopping mall despite the numerous challenges and the fact that development took place during the height of the Covid-19 pandemic, as well as secular challenges to brick-and-mortar fashion retail from online growth. The grand opening of Etele Plaza took place in mid-September to very positive reviews and media coverage. The lease-up ratio of 92% of GLA was ahead of management expectations given the challenging circumstances, and both in our and our tenants' view was a great success.

Despite supply chain issues both globally and locally leading to rising construction costs, Etele Plaza was delivered within budget and was opened at optimal timing in the context of the pandemic. Futureal Holding's management considers the opening of Etele Plaza a significant achievement in terms of tenant mix, occupancy, footfall, and retail turnover, with the team now focused on improving all of those parameters during the stabilization period.

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Office

After an extremely favorable year in 2020 when both Vodafone and British Telecom were contracted for almost 50% of Budapest One's Phase 2&3 developments (19,680 square meters and 18,937 square meters GLA projects in total respectively) Budapest One had slower leasing activity in 2021. This was largely expected given the pandemic induced tenant uncertainty and prevalence of work from home versus work from the office. The last quarter of the year showed an awakening in tenant interest, as a result of which 2022 commenced with a more positive leasing outlook.

Due to an overall cost increase in the construction sector during 2021, the budgets of both phases needed to be revised to reflect higher raw material and labor costs. However, increase in construction costs were to a large extent balanced by a market proven increase in Estimated Rental Values (ERVs) due to sharply indexed office rents in Budapest. Long term bank financing was secured with highly favorable terms and conditions for both phases during 2021 despite a challenging borrowing environment in the banking sector. Both phases are scheduled for completion and handover during summer 2022.

Despite the slow tenant market, Corvin Innovation Campus (CIC), a 31,500 square meters two-phase office project in our flagship Corvin Promenade, secured a 10,000 square meters pre-lease by signing a 7-year lease with IBM, the US technology giant. This brought occupancy in the 17,500 square meters Phase 1 close to 60%. CIC also benefited from increased tenant interest by the end of the year, and management is confident of reaching pre-lease targets during the course of 2022 and beginning 2023. Bank financing for the project from Unicredit Bank was secured at the beginning of 2022.

As a result of Futureal Holding's strong procurement process, neither Budapest One nor CIC were negatively impacted by construction material shortages, unlike some developments in the Budapest market. Both projects are on schedule to open in a timely manner.

Logistics – investment and development asset class

The Company set-up a new logistics development and investment business line called Hello Parks in August 2020 as a new strategy within Futureal Holding.

For Hello Parks 2021 was a year confirming execution capabilities to both clients and investors. Hello Parks delivered towards the year end its first mega-box logistics asset in a faster time frame than projected and of the highest quality in the market. Maglod 1, a 45,000 square meters warehouse building was completed at Budapest Airport site and received occupancy permit in February 2022. It is the first BREAAAM Excellent (new construction) warehouse built in Hungary.

Development of Hello Parks's second location in Budapest North has progressed well with a strong lease up rate and occupancy profile. It is progressing ahead of time, within budget and has over performed initial rental expectations due to the high quality of the assets together with excellent execution by the team. Hello Parks intend to launch its third park in Budapest West during summer 2022.

The demand environment has been buoyant, with strong tenant interest and leasing, however 2021 was not without its challenges. Supply chain constraints and the increase in raw material costs have led to a sharp increase in construction expenses which will have a knock-on effect for both tenants and developers.

Value Add & Opportunistic Investment

In March 2021 the Company increased its value-add & opportunistic investment focus through the establishment of Futureal Investment Partners, a value-add and opportunistic real estate investment platform investing into office, retail, PRS, hotels and logistics. Initial geographic focus is on Poland and Czechia with longer-term ambitions to expand to countries with value-add opportunities, such as the UK and Netherlands. Futureal Investment Partners is highly focused on identifying and investing in value-add opportunities with a goal of maximizing profit for its investors.

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Futureal Investment Partners had a very strong start in 2021 acquiring two shopping centers (Bemowo in Warsaw and Manhattan in Gdansk), one office building (Wratislavia in Wroclaw) and securing two logistics plots in south of Poland for land development with potentially up-to 70,000 square meters GLA in total. We already see a strong opportunity set to reposition, lease-up and improve the tenant mix in these assets, as evidenced by the fair value revaluations in 2021. The company's target over the next couple of years is to create a portfolio of about ten assets with approximately EUR 250 million of Assets under Management. This will be achieved via further acquisitions in 2022 and the coming years.

Futureal Investment Partners currently consists of eight highly experienced professionals focused on execution of investment strategies, from acquisition through asset management and eventually exit. Since its foundation, Futureal Investment Partners have been leveraging on the extensive development experience and market knowledge of the broader Futureal Holding. In addition to internal capital, the company has initiated the process of exploring opportunities for co-investment and partnership with leading real estate investors in the region. In all locations Futureal Investment Partners are willing to team-up with local partners or execute on direct transactions.

At the end of 2021 Futureal Investment Partners manages 68.000 sqm in the above projects which deliver over 6,5million EUR of annualized rental income (0,6m EUR in 2021 due to acquisitions closing before the year-end).

Market Up-Date

Evaluation of 2021

2021 was a challenging year for the office market in the locations where Futureal Holding is active with office projects (Budapest, Warsaw, Wroclaw) due to high levels of uncertainty in tenant demand. It appears that corporate tenants are still debating their future office needs in light of the ongoing effects of the hybrid work model. Modern office space will need to be redesigned in the post-Covid world due to changes in work culture, employee expectations of their employers, as well as corporate considerations such as employee retention and cost control. Since the size, lay-out and fit-out level of the post-Covid modern office space is yet to be determined, tenants tended to postpone relocation plans during the course of 2021, preferring instead to wait for more clarity in the future.

In retail sector overall shopping centre performance started to improve towards the end of 2021 showing that customers are not giving up on shopping in brick-and-mortar shops. Retailers are searching for benefits from synergy of e-commerce and brick-and-mortar shops and are looking to implement innovative formats and compete for customers' attention with technology and environmentally friendly products.

Logistic sector enjoyed very strong year in 2021 with total stock, take-up and rents increasing over Central European region. In greater Budapest where Futureal Holding is mostly active the total modern stock stood at 2,7 million square meters showing 15% increase year-on-year. The vacancy rate stood at 3,17% as at 2021 yearend. Prime rents showed slight increase to 4,75 EUR/square meter/month.

The construction industry was negatively affected by salary, energy and construction material prices increases. This, combined with supply chain disturbances, resulted in steadily increasing construction costs and challenges to delivery deadlines that led to project postponements and deferrals.

Outlook for 2022

The end of 2021 and beginning of 2022 finally brought a sharp increase in tenant interest in office sector. The main driving factors behind increased tenant interest has been a desire to consolidate multiple locations including sites that have become obsolete, as well as to upgrade to modern office quality. ESG is increasingly becoming a new driver of office selection for companies. Projects that lack the required environmental, social and governance qualifications suffer from lower tenant demand and as a result lower rental income, while best-in-class advanced projects that rank high in terms of sustainability and lowering carbon emissions are able to command higher headline rents.

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The retail industry and consumers keep making changes and continue to adapt the way how customers shop for both the essential items they need, but also for the other less essential, but more enjoyable things they buy. The positive signs from end of 2021 are believed to continue also in 2022.

Uncertainties in the construction industry related to costs and deadlines continue to apply in 2022. The pipeline of constructions especially state financed public projects and to certain extent in retail and office sectors is expected to decline towards 2022 yearend due to project postponements, which should hopefully lead to an easing cost pressure. On our core markets no projects were officially cancelled, however less established developers may find it difficult to execute on time and within the budget, e.g. due to difficulties to get financing for their new developments or acquisitions. We believe that with the up-coming market recovery this may create a supply shortage in future for both office and retail sectors.

The beginning of 2022 shows the continuing strong trends for industrial real estate. We see further growth of primer rents (4,75 EUR/square meter/month in Q1/2022 vs. 5,0 EUR/square meter/month at 2021 yearend). New developers are entering on the market strengthening competition among players. Also supply of the industrial land melted down in the most attractive submarkets. Strong position and remarkable land bank that Hello Parks built over the past years is positioning us well to face those challenges.

The impact of the Russia-Ukraine war, continued energy supply and pricing constrains with the tightening conditions for bank financing are continuously assessed for all the sectors and bring level of uncertainty into the 2022 outlook.

Financial Performance in 2021

Overview of Consolidated Statement of Profit or Loss and Other Comprehensive Income

Sales revenue from sale of real estate	Sales revenue from sale of real estate was EUR 0,3m in 2021 versus EUR 48,9m in 2020. Futureal Holding sold an office building in 2020 while in 2021 there was no disposal of a big investment property.
Rental revenue	Rental revenue increased 98.2% to EUR 17,5 million in 2021 from EUR 8,8 million in 2020. The strong increase was related to initial rental income from Etele Plaza following its opening in H2 2021, as well as the first full year of rental revenue recognition at Budapest One phase 1.
Service revenue	Service revenue increased 111% to EUR 9,3 million in 2021 from EUR 4,4 million in 2020 due to mainly to higher income from intermediary services and higher management fee.
Cost of sales	Cost of sales was EUR 10,7 million in 2021 versus EUR 54,9 million in 2020 due to lower sales revenue from sale of real estate. This was partially offset by an increase in intermediary services charged on customer related to the increase in rental operations.
Gross profit	Gross profit increased 127% to EUR 16,4 million in 2021 versus EUR 7,2 million in 2020 reflecting the increased scope of rental operations following the opening of Etele Plaza and recognition of a full year of operation at BPOne phase 1.
Operating profit	Operating profit reached EUR 16,7 million in 2021 versus 27,2 million in 2020. The decline in operating profit was due to Futureal Holding recording EUR 11,3 million gain from fair valuation of investment properties in 2021 versus EUR 27,6 million in 2020. The result was impacted by deferral of the

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recognition of a fair value gain on the Maglod 1 logistics warehouse into H1 2022.

Total profit for the period attributable to owners of the parent Total profit for the period attributable to owners of the parent increased to EUR 11,0 million in 2021 versus 7,4 million in 2020.

Total comprehensive income for the period attributable to owners of the parent Total comprehensive income for the period attributable to owners of the parent increased to EUR 17,5 million in 2021 versus a loss of EUR 0,1 million in 2020.

Overview of Consolidated Statement of Financial Position

Investment and Development Property The value of investment and development property increased to EUR 703 million at year end 2021 compared to EUR 494 million in 2020. The strong increase was attributable to development and investment activity , including Budapest office and retail (EUR 112,3 million) logistics (EUR 20,7 million) and value-add investments (EUR 75,5 million).

Cash and cash equivalents Cash and cash equivalents increased to EUR 290,3 million at year end of 2021 following the successful completion of bond offerings.

Total assets Total assets increased by 73.9% to EUR 1,107 million at year end 2021 compared to EUR 636,8 million at the end of 2020 reflecting the significant increase in the scope of Futureal Holding activities during the course of the year and the successful completion of bond offerings.

Loans and Borrowings As of 2021 year end, despite the challenges in the banking markets, Futureal Holding had managed to conclude facility agreements in total amount of EUR 458 million out of which EUR 307 million was drawn. The main partner banks of Futureal Holding are Unicredit Bank (total facilities of EUR 217 million), Erste Bank (total facilities of EUR 143 million) and MKB Bank (total facilities of EUR 85 million).

Bonds During 2021 Futureal Holding carried out successful issuance of two bond series in a total volume of HUF 111 billion (EUR 303 million) with the maturity in 2031 and 2036 respectively. Scope Rating agency assigned rating of BB (with stable outlook) to Futureal Development Holding Kft (member of Futureal Holding and issuer of the bonds).

Net assets attributable to non-controlling investment unit holders Net assets attributable to non-controlling investment unit holders of EUR 42,1 million as of year end 2021 represents investment of non-controlling unit holders in an investment fund. The first investment was made during 2021. For details, please refer to note 18 (e).

Equity attributable to equity holders of the parent Equity attributable to equity holders of the parent increased to EUR 353,1 million at year end 2021 from EUR 334,9 million at year end 2020 due to an increase in retained earnings from profits and a positive change in the fair value of hedging instruments recognized in other comprehensive income.

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Financial Ratios

Bond debt to equity undertaking ratio	Bond Debt to Equity Undertaking Ratio defined as Total Net Issuer Bonds and Other Borrowings / Consolidated Equity was 0,04 as of year-end 2021, fulfilling this bond related Issuer undertaking that the ratio is ≤ 1 .
Loan to value ratio	The net LTV ratio was 35.2% at the end of 2021, where net LTV is defined as (net consolidated debt)/ (total consolidated assets net of cash & tenant deposits).

Significant risks

Futureal Holding is prepared to take risks in a responsible and sustainable way that is in line with the interest of its stakeholders.

The principal risks of Futureal Holding are the general state of the economies in the countries where Futureal Holding is active, credit cycle, space demand for commercial real estate, construction material and energy prices and market values of commercial investment property.

Futureal Holding reacted immediately and decisively to the threat related to COVID-19 pandemic, ensuring continuity of operations with vast majority of staff working remotely during the pandemic peaks. The construction sites are closely monitored, and Futureal Holding implemented strict measures to avoid any disruption in the normal operation.

Futureal Holding is a market leader in Hungary and Poland with a well-experienced management team which has successfully managed in many previous downturns in all the markets (especially in 2008-2009). This strong background and the robust processes for the whole breath of Futureal Holding's operations are good grounds for the Futureal Holding's management to believe that the challenges related to supply chain breakage and construction material and energy prices increase will be managed successfully without impact on the Futureal Holding's commitments.

Financial risks are risks arising from financial instruments to which Futureal Holding 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 risks), credit risk and liquidity risk.

The primary objectives of the financial risk management program implemented by Futureal Holding is to minimize the potential negative effect of the unexpected changes on financial markets on Futureal Holding's 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 Futureal Holding's operating units and Futureal Holding's Head of Risk Management.

Exposure to FX risk, credit risk, liquidity risk and cash flow risk

Foreign exchange risk

Futureal Holding operates in foreign countries with different functional currencies and therefore is exposed to foreign exchange risk, primarily with respect to Euro (for companies in Futureal Holding that do not have Euro as functional currency), GBP, Hungarian Forint 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 Futureal Holding entity.

Management has set up a policy to require Futureal Holding companies to manage their foreign exchange risk against their functional currency.

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Futureal Holding 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, Futureal Holding manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as rental revenues) are denominated. This is generally achieved by obtaining loan financing in the relevant currency.

The bond related liability (see previous sections) is denominated in Hungarian Forint. It is (partly) hedged by the cash balance held in the same currency. The Hungarian Forint position of Futureal Holding is closely monitored.

Cash flow and interest rate risks

Futureal Holding's cash-flow and fair value interest rate risk is predominantly controlled by a central treasury department (Group Treasury) under policies approved by the board of directors. Group Treasury identifies, evaluates, and mitigate financial risks in close co-operation with Futureal Holding's operating units and Futureal Holding's Head of Risk Management.

Futureal Holding's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose Futureal Holding to cash flow interest rate risk, which is generally covered by interest rate swaps.

The external borrowings of Futureal Holding are mainly of a long-term nature on fixed interest rate basis, respectively the interest rate risk is hedged via interest rate swaps.

The management is continuously monitoring Futureal Holding's cash-flow forecasts and assesses the Futureal Holding's cash position with respect to its liabilities. Stress tests of cash flow position are being done.

Taking into consideration the current market environment the management expects no interest rate decrease. The stress tests however confirm that the expected impact on Futureal Holding's projects and their economics is manageable.

Please refer to Note 17(g) for the overview and main conditions of the Futureal Holding's loans and borrowings.

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 risk is not material in case of cash, since it is held at major international banks. Trade receivables of the Futureal Holding 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 Futureal Holding.

As part of its investment management activities Futureal Holding is exposed to large number of tenant relations. Credit risk relating to rent (and other) payments from tenants is mitigated by extensive screening and credit matrix evaluation which is part of leasing process of Futureal Holding. Tenant deposits and/or bank/corporate guarantees are also in place.

Liquidity risk

The consolidated equity cash flow forecast is prepared and updated on continuous basis by the operating unit of Futureal Holding. The forecast provides comprehensive insight into Futureal Holding's liquidity position. The finance department and Futureal Holding leadership monitor the rolling over forecast and liquidity position in order to provide necessary cash balance for the daily operations. Futureal Holding maintains several levels of liquidity reserves to secure liquidity for un-expected operational matters and with respect to its bond related liabilities.

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Future outlook and expected business development

Futureal Holding expects further growth and profitable operation in its activity in the upcoming years. For Futureal Development the main focus will be finalizing Budapest One Phase II and III and Corvin Innovation Campus Phase I and II projects. Futureal Development further explores new opportunities the major of which being the cooperation with Futureal Holding's sister company, Cordia International Zrt. on development project called Marina City Budapest. Futureal Holding's logistic platform, Hello Parks, will keep expanding the Budapest Airport and Budapest North locations where current lease-up data confirm strong interest of tenants in Hello Parks product. Hello Parks also intends to launch its third park in Budapest West during summer 2022. Futureal Investment Partners will continue progressing acquisitions of value-add/opportunistic assets with target to double its current size within short to mid-term horizon.

Given the current uncertainty on the markets caused still by the COVID-19 pandemic situation, Russia-Ukraine war and construction material and energy price increases Futureal Holding will continue carefully reviewing its growth plans and will dynamically adjust its decisions to the most up-to date market situation.

Futureal Holding does not expect any material change in the number of employees.

Research and development activities

Futureal Holding does not have research and development activities.

Subsequent events

The Futureal Development Holding Kft on 31st January 2022 successfully issued a second tranche of Futureal 2031/I HUF Bond (ISIN: HU0000360268) in an amount of HUF 8,05 billion (EUR 22 m) within the framework of the Bond Funding for Growth Program ("Növekedési Kötvény-program") launched by the National Bank of Hungary.

On 10th January 2022 Futureal Holding acquired occupancy permit for the HelloParks Maglód1 logistics building which further added approximately EUR 8 million to the net gain from fair valuation of investment properties to be shown in H1/2022 consolidated financial statements.

In March 2022 Futureal Holding and Unicredit Bank have signed a loan agreements worth EUR 79,5 million plus HUF 500 million (EUR 1,4 m) to finance the development project of Corvin 7 and Corvin 8 office buildings.

In March and April 2022 Futureal Holding and OTP Bank Nyrt. have signed two loan agreements worth in total EUR 36 million to finance its Polish development projects of Manhattan Shopping Centre in Gdansk and Galeria Bemowo Shopping Centre in Warsaw.

The shareholders of Finext Vagyonkezelő Nyrt approved a dividend amount of EUR 3,06 million in April 2022, 26,1% of which was paid to non-controlling interest.

The impact of the Ukrainian-Russian conflict

The impact of the Ukrainian-Russian conflict which started at the end of February 2022 has been considered by Futureal Holding's management and it was concluded that it has no direct impact on the assets presented in the books at the reporting date. Futureal Holding has no direct exposure or business relationships in Ukraine and Russia and the war is not impacting going concern of Futureal Holding

In the opinion of the management, the war conflict may have only an indirect impact in the fiscal year 2022 through the general economic situation.

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For 2022, the management expects Futureal Holding's financial position to be stable, based on the cash flow projections. Liquidity issues have not been identified for the next 12 months. The management is going to continue to analyze the situation and will take corresponding actions if and where necessary.

Amsterdam, 11 July 2022

Directors:



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Zsolt Balázsik



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Astrid van Groeningen



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Steven Melkman

Futureal Holding BV
Consolidated Financial Statements

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December			
<i>In EUR</i>	<i>Note</i>	2021	2020
Sales revenue from sale of real estate		311 579	48 941 774
Rental revenue		17 462 191	8 809 003
Service revenue		9 302 846	4 404 982
Revenue	7	27 076 616	62 155 759
Cost of goods sold and services rendered		-248 602	-48 644 138
Direct costs of rental and operation		-8 850 984	-4 738 542
Other property related costs		-1 589 626	-1 565 610
Cost of sales	8	-10 689 212	-54 948 290
Gross profit		16 387 404	7 207 469
Selling and marketing expenses	9	-190 801	-462 535
Administrative expenses	10	-9 272 626	-6 026 774
Net gain from fair valuation of investment and development properties	16(b)	11 326 533	27 639 995
Net gain/loss on sale of investment properties	16(b)	676 802	0
Other income	12	496 995	423 891
Other expenses	13	-2 733 987	-1 534 842
Operating profit		16 690 320	27 247 204
Interest income	14	21 776	15 210
Other financial income	14	10 797 528	10 511 309
Interest expense	14	-4 772 357	-2 320 789
Other financial expense	14	-6 156 424	-17 641 096
Net finance profit/(loss)		-109 477	- 9 435 366
Share of profit/(loss) in joint ventures and associates	17(o)	0	-895
Profit before taxation		16 580 843	17 810 943
Income tax expense	15	-1 968 554	-321 820
Profit for the period		14 612 289	17 489 123
<i>Items that may be reclassified to profit or loss</i>			
Profit/(loss) on cash flow hedges	17(m,n)	7 551 700	-5 684 987
Exchange differences on translating foreign operations		-738 435	-3 412 331
Other comprehensive income/(loss) net of tax		6 813 265	-9 097 318
Total comprehensive income for the period		21 425 554	8 391 805
Total profit/(loss) for the period attributable to:			
owners of the parent		11 058 213	7 438 850
non-controlling interests	18(d)	3 398 336	10 050 273
non-controlling investment unit holders	18(e)	155 740	0
Total profit/(loss) for the period		14 612 289	17 489 123
Total comprehensive income attributable to:			
owners of the parent		17 487 115	-97 068
non-controlling interests	18(d)	3 782 699	8 488 873
non-controlling investment unit holders	18(e)	155 740	0
Total comprehensive income for the period		21 425 554	21 425 554

The notes on pages 18 to 94 are an integral part of these IFRS consolidated financial statements.

Futureal Holding BV
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Consolidated Statement of Financial Position

<i>In EUR</i>	<i>Note</i>	31.12.2021	31.12.2020
Assets			
Non-current assets			
Intangible assets	<i>16(a)</i>	552 404	325 326
Investment and development property	<i>16(b)</i>	702 977 079	494 474 339
Property, plant and equipment	<i>16(c)</i>	5 644 660	5 959 860
Investments in subsidiary		10 000	0
Investments in Joint Ventures and Associates	<i>17(o)</i>	400	400
Other long-term assets		0	10
Other long-term financial assets	<i>16(e),17(d)</i>	239 642	232 284
Long-term derivative financial assets	<i>17(d,m)</i>	1 986 849	3 949
Total non-current assets		711 411 034	500 996 168
Current assets			
Inventory	<i>16(d)</i>	242 968	909
Trade and other receivables	<i>17(c)</i>	11 535 769	7 179 442
Short-term receivables from related parties	<i>17(a)</i>	8 539 063	20 636 286
Short-term receivables from third parties	<i>17(b)</i>	19 627 933	3 693 693
Income tax receivable		190 714	68 371
Other short-term assets	<i>16(e)</i>	1 362 283	768 614
Short-term VAT receivables	<i>16(g)</i>	8 940 379	14 929 614
Restricted cash	<i>17(f)</i>	55 690 071	31 598 777
Cash and cash equivalents	<i>17(e)</i>	290 262 369	56 963 336
Short-term derivative financial assets	<i>17(d),17(m)</i>	4 118	0
Total current assets		396 395 667	135 839 042
Total assets		1 107 806 701	636 835 210

The notes on pages 18 to 94 are an integral part of these IFRS consolidated financial statements.

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Consolidated Statement of Financial Position (cont'd)

<i>In EUR</i>	<i>Note</i>	31.12.2021	31.12.2020
Equity			
Shareholders' equity			
Share capital	18(a)	342 000 000	342 000 000
Share premium		0	0
Currency translation reserve		-7 604 794	-6 881 534
Other reserves	18(b)	1 783 057	-5 369 105
Retained earnings	18(c)	16 249 799	5 191 586
Equity attributable to equity holders of the parent		352 428 062	334 940 947
Non-controlling interests	18(d)	41 477 565	43 238 234
Total equity		393 905 627	378 179 181
Net assets attributable to non-controlling investment unit holders			
	18(e)	42 154 812	0
Long-term liabilities to related parties	17(i)	113 952	15 371
Loans and borrowings	17(g)	298 786 252	187 921 593
Bonds	17(h)	299 166 270	0
Tenant deposits	17(k)	4 029 528	2 175 990
Provisions	16(j)	2 560 302	35 835
Deferred tax liability	16(f)	344 519	0
Other long-term liabilities	16(l)	2 500 000	0
Amounts withheld for guarantees	17(l)	4 945 126	1 977 834
Lease liabilities	16(h)	4 786 804	4 781 576
Derivative financial liabilities	17(n)	239 626	6 278 462
Total non-current liabilities (excluding net assets attributable to non-controlling investment unit holders)		617 472 379	203 186 661
Short-term liabilities to related parties	17(i)	4 367 069	8 824 436
Loans and borrowings	17(g)	8 508 106	4 738 036
Bonds short-term	17(h)	6 172 118	0
Tenant deposits	16(i),17(k)	43 085	46 446
Trade and other payables	17(j)	29 229 864	38 232 071
Customer advances	16(i)	1 117 072	0
Provisions	16(j)	238 442	557 205
Income tax liabilities	15	153 248	142 706
Other tax liabilities	16(k)	1 538 526	593 173
Lease liabilities	16(h)	980 360	897 672
Derivative financial liabilities	17(n)	1 925 993	1 437 623
Total current liabilities		54 273 883	55 469 368
Total liabilities (excluding net assets attributable to non-controlling investment unit holders)		671 746 262	258 656 029
Total equity and liabilities		1 107 806 701	636 835 210

*The notes on pages 18 to 94 are an integral part of these IFRS consolidated financial statements
Equity is excluded net assets attributable to non-controlling investment unit holders*

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Consolidated Statement of Changes in Equity

<i>In EUR</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Currency translation reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at 1 January 2021	342 000 000	0	-6 881 534	-5 369 105	5 191 586	334 940 947	43 238 234	378 179 181
Profit/(loss) for the period	0	0	0	0	11 058 213	11 058 213	3 398 336	14 456 549
Other comprehensive income/(loss)	0	0	-723 260	7 152 162	0	6 428 902	384 363	6 813 265
Dividend paid	0	0	0	0	0	0	-5 543 640	-5 543 640
Acquisition	0	0	0	0	0	0	272	272
Transactions with owners:	0	0	0	0	0	0	-5 543 368	-5 543 368
Balance at 31 December 2021	342 000 000	0	-7 604 794	1 783 057	16 249 799	352 428 062	41 477 565	393 905 627

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<i>In EUR</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Currency translation reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total Non-controlling interests</u>	<u>Total equity</u>
Balance at 1 January 2020	324 000 000	0	-4 714 721	0	-11 294 371	52 687 311	360 678 219
Profit/(loss) for the period	0	0	0	0	7 438 850	10 050 273	17 489 123
Other comprehensive income/(loss)	0	0	-2 166 813	-5 369 105	0	-1 561 400	-9 097 318
Sale of subsidiaries	0	0	0	0	0	-9 384	-9 384
Proceeds from shares issued	18 000 000	0	0	0	0	0	18 000 000
Dividend paid	0	0	0	0	0	-22 663 051	-22 663 051
Transactions with non-controlling interest	0	0	0	0	9 047 107	-11 265 615	-2 218 508
Issue to non-controlling interest	0	0	0	0	0	16 000 100	16 000 100
Transactions with owners:	18 000 000	0	0	0	9 047 107	-17 937 950	9 109 158
Balance at 31 December 2020	342 000 000	0	-6 881 534	-5 369 105	5 191 586	43 238 234	378 179 181

The significant movements in the equity items presented above are explained in detail in Note 18.

The notes on pages 18 to 94 are an integral part of these IFRS consolidated financial statements.

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Consolidated Statement of Cash Flows

For the years ended 31 December 2021 and 31 December 2020

<i>In EUR</i>	<i>Note</i>	2021.01.01- 2021.12.31	2020.01.01- 2020.12.31
Cash flows from/(used in) operating activities			
Profit/(loss) before taxation for the period		16 580 843	17 810 943
Adjustments to reconcile profit before for taxation to net cash used in operating activities:			
Depreciation	16(a),16(c)	1 459 529	649 298
Provisions	16(j)	2 205 704	229 075
Other non-cash movements	-	2 007 397	- 4 422 406
Capital increase by non-controlling interest	18(d)	-	12 500 000
(Profit)/loss on disposal of subsidiaries, associates and joint ventures	12, 13, 17(m)	5 964	12 658
(Profit)/loss on sale of tangible and intangible assets	12, 13	- 676 802	- 728 548
Net (gain)/loss from valuation of investment and development property	16(b)	- 11 326 533	- 27 639 995
Net finance (income)/expense	14	109 477	9 436 703
(Increase)/decrease in inventory	16(d)	- 242 059	48 853 220
Share of loss/(profit) in joint venture		-	895
Decrease/(increase) in short-term receivables	17(a),17(b)	- 3 837 017	37 603 920
Decrease/(increase) in trade and other receivables	17(c)	- 4 356 327	5 803 544
Decrease/(increase) in restricted cash and other assets	17(e), 17(f)	- 20 682 746	- 22 853 517
(Decrease)/increase in short-term liabilities	17(i), 17(k), 17(n)	6 739 731	- 51 911 521
Increase/(decrease) in trade and other payables	17(j)	- 8 005 673	14 606 766
Interest paid	14	- 4 772 357	- 7 892 580
Income tax paid	15	-2 080 355	- 400 812
Net cash from/(used in) operating activities		- 30 886 018	31 657 643
Cash flows from/(used in) investing activities			
Proceeds from sale of investment and development property	16(b)	1 454 623	728 548
Acquisitions of investment and development property	16(b)	- 187 676 364	- 98 731 256
Consideration received for disposed subsidiaries net of cash disposed	12,13	-	1 063 116
Consideration paid for the acquisition of subsidiaries net of cash acquired	12, 13	-	63 176
Acquisitions of tangible and intangible assets	16(a),16(c)	- 1 223 625	- 340 371
Investing in long-term financial assets	17, 17(d)	- 17 348	262 916
Repayment of long-term loan receivables	17(a), 17(b)	-	13 010
Interest received	14	21 776	15 210
Sale of investments accounted for using equity method	17(o)	-	34 398 470
Borrowing cost capitalized	-	8 786 543	- 5 571 791
Proceeds from sale of investment in subsidiary	18(d)	272	-
Net cash from/(used in) investing activities		- 196 227 209	- 68 225 324
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	17(g)	125 446 109	89 699 035
Repayment of loans and borrowings	17(g)	- 10 654 935	- 41 403 575
Proceeds from bond issue net of issuance costs	17(h)	305 338 388	-
Capital increase	18(a)	-	18 000 000
Capital increase by non-controlling interest	18(d)	-	3 500 100
Purchase of non-controlling shares and investment notes	18(d)	-	- 2 461 307
Proceeds from non-controlling investment unit holders	18(e)	41 999 072	-
Dividend paid	18(c)	- 5 543 640	- 22 663 051
Repayment of lease liabilities	16(h)	- 993 564	- 492 898
(Decrease)/Increase in other liabilities	17(i), 17(j)	4 820 830	- 365 950
Net cash from financing activities		460 412 260	43 812 354
Net change in cash and cash equivalents		233 299 033	7 244 673
Cash and cash equivalents at the beginning of the period		56 963 336	49 718 663
Cash and cash equivalents at the end of the period	17(e)	290 262 369	56 963 336

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Notes to the IFRS Consolidated Financial Statements

1. Background and business of the Company

(a) Company name: Futureal Holding B.V.

Headquarter: Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, 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 Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, Netherlands.

The Company (together with its subsidiaries operating in Hungary, Poland, Malta, and United Kingdom 'Futureal Holding'), is active in the development, re-development and management of commercial real estate. These activities include acquisition, divestment and development of office, retail and logistics real estate, including related land transactions. Since the main goal is the optimal utilization of properties, earn rental income and benefit from capital increases of the investment property, Futureal Holding leases out the properties under operating lease agreements during the development, as well as operating phases.

Futureal Holding BV (the 'Parent') was established as of 4 June 2019 by Futureal Group B.V.

As of 31 December 2021 and 31 December 2020, the Company had the following owner:

- Futureal Group B.V – 99,16% (place of business: Amsterdam, Netherlands)
- Finext Consultants Ltd. – 0,84% (place of business: Malta)

The ultimate controlling parties are Gábor András Futó and Dr. Péter György Futó.

A list of the companies of which the financial data are included in these IFRS consolidated financial statements and the extent of ownership and control are presented below as follows:

Futureal Holding 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 Futureal Holding. Please also refer to Note 4 about accounting policies applied for consolidation of investments.

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Entity name	Place of operation	Share of ownership & voting rights		Nature of relationship	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Futureal Holding BV	Netherlands	n/a	n/a	Parent company	Parent company
FRGP B.V.	Netherlands	100%	100%	Subsidiary	Subsidiary
HelloParks Group B.V.	Netherlands	70%	70%	Subsidiary	Subsidiary
Finext Optimum 3 Alapok Alapja	Hungary	68,60%	n/a	Subsidiary	Not in the group
Finext HelloParks Alapok Alapja Értékpapír Befektetési Alap	Hungary	68,60%	n/a	Subsidiary	Not in the group
Finext Global 2 Részalap	Hungary	68,60%	68,60%	Subsidiary	Subsidiary
HelloParks Hungary B.V.	Netherlands	68,60%	68,60%	Subsidiary	Subsidiary
HelloParks Management Kft.	Hungary	68,60%	68,60%	Subsidiary	Subsidiary
Hello Parks One Alpha Real Estate Fund Ingatlanfejlesztő	Hungary	68,60%	n/a	Subsidiary	Not in the group
Hello Parks Two Real Estate Fund Ingatlanbefektetési	Hungary	68,60%	n/a	Subsidiary	Not in the group
Hello Parks Three Real Estate Fund Ingatlanbefektetési	Hungary	68,60%	n/a	Subsidiary	Not in the group
Futureal Real Estate Holding Limited	Malta	99,90%	99,90%	Subsidiary	Subsidiary
FR UK Holdco 1 Limited	UK	99,90%	99,90%	Subsidiary	Subsidiary
Spektrum Glasgow Spv Limited	UK	99,90%	99,90%	Subsidiary	Subsidiary
Futureal 1 Ingatlanbefektetési Alap	Hungary	99,90%	99,90%	Subsidiary	Subsidiary
Futureal Prime Properties Részalap 1	Hungary	99,90%	99,90%	Subsidiary	Subsidiary
Futureal Prime Properties Részalap 2	Hungary	99,90%	99,90%	Subsidiary	Subsidiary
BP1 Harmadik Ütem Zrt.	Hungary	n/a	73,90%	Not in the group	Subsidiary
Futureal Prime Properties Részalap 3	Hungary	99,90%	99,90%	Subsidiary	Subsidiary
Futureal Prime Properties Részalap 4	Hungary	99,90%	99,90%	Subsidiary	Subsidiary
Futureal Prime Properties Részalap 5	Hungary	99,90%	100,00%	Subsidiary	Subsidiary
Finext Nyrt.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
Corvin 5 Projekt Ingatlanfejlesztő Kft.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
BP1 Első Ütem Zrt.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
Futureal Béta Ingatlanforgalmazó Kft.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
Futureal Development 7 Sp. z o.o.	Poland	73,90%	73,90%	Subsidiary	Subsidiary
Futureal New Ages Ingatlanfejlesztő Kft.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
Futureal Prime Construction Kft.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
Portfolio Real Estate Hungary Ingatlanfejlesztési Kft.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
Corvin Innovation Campus Zrt.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
FPP Kertész Projekt Kft.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary
Evern Invest Kft.	Hungary	73,90%	n/a	Subsidiary	Not in the group
FR Investments BV	Netherlands	100%	n/a	Subsidiary	Not in the group
Sirius Investments Sp. z o.o.	Poland	100%	n/a	Subsidiary	Not in the group
Cinema Tower Sp. z o.o.	Poland	100%	n/a	Subsidiary	Not in the group
FR Investments Logistic Poland Sp. z o.o.	Poland	100%	n/a	Subsidiary	Not in the group
FR Investments Poland Sp. z o.o.	Poland	100%	n/a	Subsidiary	Not in the group

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FR Investments Bemowo Sp. z o.o. FIP Retail Sp.k.	Poland	100%	n/a	Subsidiary	Not in the group
FR Investments Bemowo Sp. z o.o. FIP Retail II Sp.k.	Poland	100%	n/a	Subsidiary	Not in the group
FR Investments Bemowo Sp. z o.o.	Poland	100%	n/a	Subsidiary	Not in the group
FR Investments Finance Vagyonkezelő Kft.	Hungary	100%	n/a	Subsidiary	Not in the group
FR Investments Logistic Poland 1	Poland	100%	n/a	Subsidiary	Not in the group
FR Investments Zabrze	Poland	75%	n/a	Subsidiary	Not in the group
Futureal Development Holding Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal Belváros Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal Management Kft	Hungary	100%	100%	Subsidiary	Subsidiary
FUTUREAL Munkavállalói Rész tulajdonosi Program	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal New Times Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
BP1 Második Ütem Zrt.	Hungary	100%	74%	Subsidiary	Subsidiary
Etele Pláza Üzemeltető Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Finext PARTNERS ONE Alapok Alapja	Hungary	100%	n/a	Subsidiary	Not in the group
Finext PARTNERS TWO Alapok Alapja	Hungary	100%	n/a	Subsidiary	Not in the group
Finext PARTNERS THREE Alapok Alapja	Hungary	100%	n/a	Subsidiary	Not in the group
Futureal Management Ltd	Cyprus	40%	40%	Associate	Associate

Please also refer to Note 4 and Note 5 about critical judgments and significant accounting policies.

2. Basis of preparation and statement of compliance

The consolidated financial statements of Futureal Holding have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRIC) and with Part 9 of Book 2 of the Dutch Civil Code. The financial statements are for Futureal Holding consisting of Futureal Holding BV and its subsidiaries.

The consolidated financial statements were authorized by the Boards of Directors of Futureal Holding on 11st July 2022.

In these financial statements the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRIC) are together defined as 'IFRS'.

The parent company prepares its company financial statements 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'), UK entities prepare their separate financial statements according to UK GAAP, while Maltese entities prepare their financial statements according to IFRS. Some of the regulations in the Hungarian, Polish or UK accounting standards are different from IFRS. These IFRS consolidated financial statements include a number of adjustments not included in the books of account of the Futureal Holding entities, which were made in order to bring the financial information of those entities to conformity with IFRS.

The preparation of the IFRS consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Futureal Holding's accounting policies. Changes in assumptions may have a significant impact on the IFRS consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas

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involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the IFRS consolidated financial statements are disclosed in Note 5.

3. Basis of consolidation

Consolidation

These IFRS consolidated financial statements comprise the financial information of the Company and its subsidiaries as at 31 December 2021. Control is achieved when Futureal Holding 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, Futureal Holding controls an investee if, and only if, Futureal Holding 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 Futureal Holding 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 Futureal Holding obtains control over the subsidiary and ceases when Futureal Holding loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the IFRS consolidated financial statements from the date Futureal Holding gains control until the date Futureal Holding 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 Futureal Holding, to the non-controlling interests and to the non-controlling investment unit holders, even if this results in the non-controlling interests having a deficit balance.

IFRS consolidated financial statements 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 Futureal Holding. Inter-company transactions, balances and unrealized gains or losses on transactions between Futureal Holding companies are fully eliminated.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If Futureal Holding 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.

Futureal Holding 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 Futureal Holding 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

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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 Futureal Holding structure

The details of the entities whose financial statements have been included in these IFRS consolidated financial statements, the percentage of economic ownership held by the owners of the parent Company and the classification of investments as at 31 December 2021 and 31 December 2020 are presented in note 1. Background and business of the Company (in the 'Futureal Holding structure' section).

In case of all subsidiaries Futureal Holding has more than 50% of the voting rights. Please refer to Note 18(d) and 18(e) for more details about entities and related parties with significant non-controlling interest balances.

Futureal Holding established the following entities in 2021:

Newly established entities	Date of establishment
FR Investments BV	20.05.2021
HelloParks One Real Estate Fund	28.05.2021
HelloParks Two Real Estate Fund	28.05.2021
HelloParks Three Real Estate Fund	28.05.2021
Finext Optimum 3 Fund of Fund	08.11.2021
FR Investments Bemowo Sp. z o.o.	28.10.2021
FR Investments Zabrze	04.09.2021
FR Investments Logistic Poland 1 Sp. z o.o.	08.09.2021
Finext PARTNERS ONE Fund of Fund	22.11.2021
Finext PARTNERS TWO Fund of Fund	08.12.2021
Finext PARTNERS THREE Fund of Fund	07.12.2021

Futureal Holding established the following entities in 2020:

Newly established entities	Date of establishment
BP1 Második Ütem Zrt.	10.06.2020
BP1 Harmadik Ütem Zrt.	10.06.2020
Corvin Innovation Campus Zrt.	10.06.2020
HelloParks Group BV	11.08.2020
HelloParks Hungary BV	11.08.2020
HelloParks Management Kft.	05.10.2020

Futureal Holding acquired the following entities in 2021:

Newly acquired entities	Date of acquisition
Ever Invest Kft	16.04.2021
Finext HelloParks Fund of Securities Fund	14.06.2021
Sirius Investments Sp. z o.o.	30.11.2021
Cinema Tower Sp. z o.o.	30.09.2021
FR Investments Logistic Poland Sp. z o.o.	01.07.2021
FR Investments Poland Sp. z o.o.	30.08.2021
FR Investments Bemowo Sp. z o.o. FIP Retail Sp.k.	10.12.2021
FR Investments Bemowo Sp. z o.o. FIP Retail II Sp.k.	10.12.2021
FR Investments Finance Vagyonkezelő Kft.	17.11.2021

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Futureal Holding acquired the following entities in 2020:

Newly acquired entities	Date of acquisition
Futureal Prime Properties Részalap 2	10.03.2020
Futureal Prime Properties Részalap 3	10.03.2020
Futureal Prime Properties Részalap 4	10.03.2020
Futureal Prime Properties Részalap 5	05.11.2020
Etele Pláza Üzemeltető Kft.	27.11.2020

In line with the accounting policy of Futureal Holding, all the acquisitions in 2021 and 2020 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 3 and 4 for detailed description of the related accounting policy.

Futureal Holding disposed the following entities in 2021:

Disposed entities	Date of disposal
Futureal Holding disposed BP1 Harmadik Ütem Zrt.	07.12.2021

Futureal Holding disposed the following entities in 2020:

Disposed entities	Date of disposal
BRAND ART Arculat és Kommunikáció Tervező és Design Stúdió Kft.	16.06.2020
<u>EDEN Holding Kft</u>	29.05.2020
CORDIA Sales and Marketing Kft.	29.05.2020
<u>Fut Financing Pool Kft</u>	29.05.2020
Fut Financing Pool Poland GP Spzoo	29.05.2020
Bochenka GP Spzoo	29.05.2020
<u>Gorzow Development Kft</u>	29.05.2020
Gorzow Retail Spzoo	29.05.2020
Piccadilly Capital Investment Spzoo	29.05.2020
Grünes Wohnen Holding GmbH	26.06.2020
K4 Dél Kft	15.06.2020
Etele Cinema Kft.	28.12.2020

All the disposed entities in 2020 and 2021 were real estate project companies or holding entities with no embedded process and no staff employed. Management company of Futureal Holding remained within the group for the whole period covered by these consolidated financial statements. Based on this, Management believes that none of them meets the definition of a business, and they are not considered to be discontinued operations under IFRS 5. Please refer to Note 21 for more details about related party transactions.

4. Significant accounting policies

(a) Basis of measurement

The IFRS consolidated financial statements 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* and investments measured using the equity method.

The methods used to measure fair values for the purposes of these IFRS consolidated financial statements are discussed further in Note 19.

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Futureal Holding has a strong balance sheet, very high liquidity, widespread portfolio and an experienced management team which together are the key factors significantly mitigating the effects of the Covid-19 pandemic. During 2020 and 2021 Futureal Holding's development as well as property investment activities in all countries of Futureal Holding's operations were progressing normally, increase in prices of construction materials were well managed and no material discounts had to be granted to tenants. There have been no breaches of financial covenants till date and the directors, with the current knowledge, do not expect this to occur.

(b) Functional and presentation currency

Items included in the financial statements of each of Futureal Holding's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Euros, which is the parent company's functional currency and Futureal Holding'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 that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively. All other foreign exchange gains and losses are presented net also in the income statement 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 information of foreign operations to Futureal Holding's presentation currency are included in equity, in Currency translation reserves.

(c) 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 and development 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;

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- 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 Holding 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. These valuations form the basis for the carrying amounts in the IFRS consolidated financial statements.

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 the 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 Holding disposes of a property at fair value in an arm's length transaction, gains or losses arising from the disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of the disposal.

If an investment and development property become 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.

Where an investment and development property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

(d) Revenue

Revenue from sale of real estate

In case Futureal Holding sells properties classified as inventory and not investment and development property, income is recognized as revenue. In accordance with IFRS 15, revenue is recognized when control over the property is transferred to the customer. Control over the property is transferred when customer takes possession over the sold property. Futureal Holding has not made any contract including significant financing component and variable considerations during 2021 and the same method is expected in the future.

Rental income and service revenue

In addition to revenue from sale of real estate, Futureal Holding's revenue also includes rental income in 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.

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Agent vs. principal considerations

Determining whether Futureal Holding is the principal or an agent in an arrangement can require judgment. Based on IFRS 15, management assesses the following indicators when deciding on this question:

- Who is primarily responsible for fulfilling the promise to provide the specified good or service? This typically includes responsibility for acceptability of the specified good or service (for example, primary responsibility for the good or service meeting customer specifications). If Futureal Holding is primarily responsible for fulfilling the promise to provide the specified good or service, this may indicate that the other party involved in providing the specified good or service is acting on Futureal Holding's behalf.
- Futureal Holding has inventory risk before the specified good or service has been transferred to a customer, or after transfer of control to the customer (for example, if the customer has a right of return).
- Futureal Holding has discretion in establishing the prices for the specified goods or service. Establishing the price that the customer pays for the specified good or service may indicate that Futureal Holding has the ability to direct the use of that good or service and obtain substantially all of the remaining benefits. However, an agent can have discretion in establishing prices in some cases.

Futureal Holding is acting as a principal in all significant revenue streams.

(e) Financial instruments

Classification and measurement

Financial assets

All financial assets under IFRS 9 are to be initially recognised at fair value, plus or minus (in the case of a financial asset not at FVTPL) transaction costs that are directly attributable to the acquisition of the financial instrument.

IFRS 9 has two measurement categories: amortised cost and fair value. Movements in fair value are presented in either profit or loss or other comprehensive income (OCI), subject to certain criteria being met, as described below.

If the financial asset is a debt instrument (or does not meet the definition of an equity instrument in its entirety), management should consider the following assessments in determining its classification:

- The entity's business model for managing the financial asset.
- The contractual cash flows characteristics of the financial asset.
- A financial asset should be subsequently measured at amortised cost if both of the following conditions are met:
 - The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; 'principal' and 'interest'.
- A financial asset should be subsequently measured at FVOCI if both of the following conditions are met:
 - The financial asset is held within a business model whose objective is achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

If the financial asset does not pass the business model assessment and SPPI criteria, or the fair value option is applied it is measured at FVTPL. This is the residual measurement category.

Futureal Holding's business model refers to how an entity manages its financial assets in order to generate cash flows. IFRS 9 prescribes two business models: holding financial assets to collect contractual cash flows; and holding financial

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assets to collect contractual cash flows and selling. FVTPL is the residual category which is used for financial assets that are held for trading or if a financial asset does not fall into any of the two prescribed business models.

Investments in equity instruments are always measured at fair value. Equity instruments that are held for trading (including all equity derivative instruments, such as warrants and rights issues) are required to be classified at FVTPL, with dividend income recognised in profit or loss.

For all other equities within the scope of IFRS 9, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in OCI rather than profit or loss.

Futureal Holding's financial assets are debt instruments that are measured at amortized cost because those are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual term of the financial asset gives rise to cash flows that pass the SPPI test.

Financial liabilities

Futureal Holding recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. It is, therefore, necessary to measure those contractual rights and obligations on initial recognition.

All financial liabilities in IFRS 9 are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability.

There are two measurement categories for financial liabilities: fair value, and amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or an entity has opted to measure a liability at FVTPL.

Short-term trade payables are initially measured at their transaction price, where the effect of discounting would be immaterial, consistent with the requirements of paragraph 8 of IAS 8.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The amortised cost of a financial asset or financial liability is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Futureal Holding has interest rate swaps measured at fair value, see the details in Note 17(m,n).

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and presented in the statement of financial position as a net amount when Futureal Holding currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial assets

Futureal Holding applies IFRS 9 impairment model to:

- investments in debt instruments measured at amortised cost;
- investments in debt instruments measured at fair value through other comprehensive income (FVOCI);

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- all loan commitments not measured at fair value through profit or loss;
- financial guarantee contracts to which IFRS 9 is applied and that are not accounted for at fair value through profit or loss; and
- lease receivables that are within the scope of IFRS 16, ‘Leases’, trade receivables and contract assets within the scope of IFRS 15 that give rise to a conditional right to consideration.

The model does not apply to investments in equity instruments.

The entity follows the rules of IFRS 9 outlines a ‘three-stage’ model (‘general model’) for impairment based on changes in credit quality since initial recognition:

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. For these assets, 12-month expected credit losses (‘ECL’) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

Inter-company loans within the scope of IFRS 9 are considered to be low credit risk when they are repayable on demand and the lender expects to be able to recover the outstanding balance of the loan if demanded or when the issuer has a strong capacity to meet its contractual cash flow obligation in the near term.

Based upon historical performance and forward-looking information the loans granted are considered to be low risk and therefore the general model with a 12-month expected credit losses is calculated.

On an annual basis an assessment is performed in order to identify any subsequent credit deterioration of a counterparty which might lead to change the expected credit loss from a 12-month probability default to a lifetime probability default. This assessment consists mainly of assessing the financial performance of the counterparties and checking if the interest payments are current and in line with the relevant loan agreements.

For trade receivables, contract assets and lease receivables Futureal Holding applies simplifications to eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred.

For trade receivables or contract assets that do not contain a significant financing component, the loss allowance should be measured at initial recognition and throughout its life at an amount equal to lifetime ECL. As a simplified approach, a provision matrix is used to estimate ECL for these financial instruments. Provision matrix is not applicable for cases, where Futureal Holding has objective evidence about financial difficulties of the partner (e.g. customer enters into insolvency process). In these cases, impairment is recorded based on an individual assessment. These items are not material for Futureal Holding and they are evaluated on a case-by-case basis.

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(f) Derivatives and hedging activities

At the beginning of the financial year 2020 Futureal Holding decided to designate and document its existing interest rate swap contracts as hedging instruments. Hedge accounting is applied prospectively from the date that all hedge accounting criteria are met, which includes the documentation at inception of the hedge accounting relationship.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Futureal Holding designates certain interest rate swaps as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, Futureal Holding documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. Futureal Holding documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 17(m,n). Movements in the hedging reserve in shareholders' equity are shown in Note 18(b).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other finance income/(expense).

(g) Trade and other receivables

Financial assets recognized in in these IFRS consolidated financial statements as trade receivables are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. As rental fees are received in advance, trade receivables presented in the consolidated statement of financial position are not material and no expected credit loss is recognised.

(h) Receivables from related parties

Financial assets recognized in these IFRS consolidated financial statements as receivables from related parties consist of contract amount receivable in the normal business activity for goods and services, as well as loans granted to affiliates. Receivables from related parties are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. Receivables from related parties are classified as current assets if the payment term is less than 12 months, in any other cases they are classified as non-current assets.

(i) Receivables from third parties

Financial assets recognized in in these IFRS consolidated financial statements as receivables from third parties consist of loans granted to third parties. Receivables from third parties – similarly to receivables from related parties – are

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recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. Receivables from third parties are classified as current assets if the payment term is less than 12 months, in any other cases they are classified as non-current assets.

(j) Cash and cash equivalents

Cash and cash equivalents in these IFRS consolidated financial statements comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, except for collateralized deposits, treasury bills if those are considered highly liquid assets with no significant risk furthermore the advance payment received from customers for project financing purposes if withdraw process is considered perfunctory.

The overdrafts are shown in current liabilities in borrowings line.

Futureal Holding has restricted customer advance payments and non-liquid bank deposits which are presented as Restricted cash balances in the IFRS consolidated financial statements (see Note 17(f)).

(k) Trade and other payables

Trade payables are contract amount payable in the normal business activity for goods and services. Trade payables are classified as current liabilities if the payment term is less than 12 months, in any other cases they are classified as non-current liability.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(l) Liabilities to related parties

Liabilities to related parties are contract amount payable in the normal business activity for goods and services, as well as loans payable to affiliates. Liabilities to related parties are classified as current liabilities if the payment term is less than 12 months, in any other cases they are classified as non-current liability.

Liabilities to related parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(m) Loans and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down (and should be calculated with in the effective interest calculation and the amortized cost of the loan). In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

(n) Bonds

Bonds are initially recognised at fair value, net of transaction costs incurred then subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as financial income or finance costs.

Based on IAS23 general and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

(o) Provision

Provisions for legal claims are recognised when:

- The Futureal Holding has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

In case of similar liabilities, Futureal Holding estimates the expected resource-outflows probability taking into consideration the whole Futureal Holding liability. The provision is recognized even if on the level of the separate similar liabilities belonging to Futureal Holding the probability of resource-outflow is low.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

The Futureal Holding did not have to make a provision in the IFRS consolidated financial statements .

(p) Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of property, plant and equipment are required to be replaced in intervals, Futureal Holding recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

ii. Depreciation

Depreciation is calculated on the straight-line basis over the estimated useful life of each component of an item of property and equipment.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

- Buildings: 50 years;
- Equipment: 7 years;
- Fixtures and fittings: 7 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the reporting date, and adjusted prospectively since the beginning of the following year, if appropriate.

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(q) Leases

Futureal Holding as lessee

Futureal Holding leases various offices and parking place. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

As Futureal Holding applies the fair value model in IAS 40 Investment Property to its investment property, Futureal Holding also applies that fair value model to right-of-use assets that meet the definition of investment property in IAS 40 (note 16(b)).

Payments associated with short-term leases and leases of low-value assets are wholly immaterial.

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by Futureal Holding and not by the respective lessor.

Futureal Holding separates lease components and service components of a contract and applies the lease accounting requirements only to the lease components.

Futureal Holding as lessor

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.

Rental income from operating leases is recognized on a straight-line basis over the lease term. When Futureal Holding provides incentives to its tenants, the cost of incentives is recognized over the lease term, on a straight-line basis, as a reduction of rental income. Revenues from the early termination of operating leases recognized at the date of occurrence.

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Revenues from service charges are recognized in the accounting period in which the compensation becomes receivable. Futureal Holding acts as principal, therefore the gross income is recorded as revenue, because Futureal Holding takes on the risks and enjoys the economic benefits.

Futureal Holding pays commissions to sales agents after lease agreements. Commissions are capitalized in the cost of investment and development properties. Lease incentives are accounted for as a rental income decreasing item linearly during the lease term.

(r) Inventories

Inventories include real estate developed for sale. Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred relating to the construction of a project.

Project construction costs include:

- Land or leasehold rights for land;
- Construction costs paid to the general contractor building the residential project;
- Planning and design costs;
- Perpetual usufruct fees and real estate taxes incurred during the period of construction;
- Borrowing costs to the extent they are directly attributable to the development of the project;
- Professional fees attributable to the development of the project; and
- Construction overheads and other directly related costs.

(s) Impairment of non-financial assets

The carrying amounts of Futureal Holding's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's or a cash generating unit's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(t) Equity

i. Share capital

Share capital includes the proceeds received from the issue of ordinary shares on the nominal value in exchange for cash.

ii. Share premium

Share premium includes the excess of proceeds received from the issue of shares over the nominal value of shares. Shares issuance costs are deducted from the share premium.

iii. Currency translation reserve

Currency translation reserve includes exchange differences from translating the separate financial statements of foreign operations to Futureal Holding's presentation currency.

iv. Other reserve

Other reserve includes the impact of cash-flow hedge transactions.

(u) Dividend distribution

Dividend distribution to the parent company's shareholders is recognized as a liability in Futureal Holding's IFRS consolidated financial statements in the period in which the dividends are approved.

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(v) Borrowing costs

Borrowing costs directly attributable to the inventory of properties which necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets.

The interest capitalized is calculated using Futureal Holding's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized equals the gross interest incurred on those borrowings. Interest is capitalized as from the commencement of the development work until the date of completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

The borrowing costs capitalized on the investment properties are reported as an investing activity in the cash flow statement.

(w) Interest income and expense

Interest income and expense are recognized within 'finance income' and 'finance expense' in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. Futureal Holding has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not. Properties built in property development projects are considered to be qualifying assets for Futureal Holding.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, Futureal Holding estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(x) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in other comprehensive income or equity - in which case, the tax is also recognized in other comprehensive income or equity.

Futureal Holding based on the operation of the parent company considers the following taxes as taxes as income tax defined by IAS 12:

- Corporate income tax;
- Local trade tax; and
- Innovation duty.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the IFRS consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Futureal Holding established a tax-efficient legal structure, as the property development funds and sub-funds are not obliged to pay income taxes under the current laws and regulations, therefore Futureal Holding's effective tax rate is low (please see effective tax reconciliation in Note 15).

(y) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by Futureal Holding.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Futureal Holding uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in these IFRS consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in these IFRS consolidated financial statements on a recurring basis, Futureal Holding determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(z) Amounts withheld for guarantees

Amounts withheld for guarantees is the contractual amount that Futureal Holding withholds from the vendor's final invoice at the time of delivery. The remaining amount serves as security for Futureal Holding'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. Futureal Holding believes, that – since the payment date is generally within 2 years – the impact of discounting would be wholly immaterial, therefore presents these balances using the contractual amounts.

(aa) Investments in joint ventures and associates

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Futureal Holding has assessed the nature of its joint arrangements and determined them to be joint ventures.

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An associate is an investment over which the investor has significant influence. Significant influence is the power to participate in decision making but not control or joint control.

Joint ventures and associates are accounted for using the equity method.

The equity method presents the investment in the associate or joint venture in a single line in the balance sheet. The investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets ('share of results') and movements in other comprehensive income.

Unrealised gains on transactions between Futureal Holding and its joint ventures are eliminated to the extent of Futureal Holding's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by Futureal Holding.

Investments in associates and joint ventures are tested for impairment using the measurement guidance in IAS 36.

(ab) Intangible assets

An intangible asset is defined as "an identifiable non-monetary asset without physical substance". An item should be recognised in the IFRS consolidated financial statements as an intangible asset if it meets the definition of an intangible asset and it meets the recognition criteria.

The key characteristics of an intangible asset are that it:

- Is a resource controlled by the entity from which the entity expects to derive future economic benefits; and
- Lacks physical substance.

Intangible assets should be measured on initial recognition at cost. Futureal Holding adopted the cost model for intangibles.

An intangible asset should be de-recognised when:

- It is disposed of; or
- No future economic benefits are expected from its use or disposal.

The gain or loss on de-recognition (that is, on disposal or retirement from use) of an intangible asset is the difference between the net disposal proceeds and the carrying amount.

Indefinite-lived intangible assets are tested annually for impairment, irrespective of indicators.

(ac) Subsidiaries with less than 50% ownership held by Futureal Holding

As of 31 December 2021, Futureal Holding owns less than 50% of the investment units in an investment fund subsidiary, but it is capable of controlling the entities through the rights provided by its shares. This means that funds issued two classes of investment units, Class A is owned by Futureal Holding, Class P is purchased by the non-controlling investors. The ones owned by Futureal Holding allow it to control the entities as required by IFRS 10 (i.e. all the major decisions are to be decided by Futureal Holding).

At each period end, Futureal Holding calculates the profit distribution to be paid out on projects to non-controlling investment unit holders and presents the balance among net assets attributable to non-controlling investment unit holders.

Please also refer to Note 18 (e) for more details on net assets attributable to non-controlling investment unit holders.

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5. Use of estimates and critical judgments

Futureal Holding's estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

5.(a) Estimates

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Fair value of investment and development properties

As measurement of the fair value of investment and development properties is based on management judgements and assumptions, the actual fair value can significantly differ from the estimated value. Fair value is estimated by Futureal Holding, but an independent valuation expert with relevant industrial experience is involved as well.

Investment and development properties where development is completed and fair value can be reliably measured, the fair value is determined based on market prices. In case on investment and development properties where fair value cannot be reliably measured (the market is inactive when, for example, there are no recent transactions or available prices), the property is measured at cost less depreciation and impairment.

Measurement of fair value of investment and development properties under construction requires significant estimations. Futureal Holding and the independent valuation expert consider future development costs including the developer's markup (risk premium for the development) expected to incur before completion in the estimation.

If the future development costs including the developer's markup expected to incur before completion would increase/decrease by 10%, fair value of investment and development properties under construction would decrease/increase by 13 031 254 EUR as at 31 December 2021 (25 012 714 EUR as at 31 December 2020).

The fair value is determined using a discounted cash flow model based on future estimated cash flows. Cash flows related to the properties are discounted applying the market interest rate.

Management judgements and assumptions related to the measurement of the fair value of investment and development properties are detailed in Note 16(b).

5.(b) Critical judgments

Acquisitions of subsidiaries under common control

As listed in note 1. Background and business of the Company (in the 'Futureal Holding structure' section), Futureal Holding has acquired nine entities in 2021 (two Hungarian and seven Polish entities) and several ones in 2020 (with an insignificant value each).

Finext HelloParks Alapok Alapja Értékpapír Befektetési Alap has been acquired from entities under common control, the ultimate controlling party (Gábor Futó and Péter Futó) did not change as a result of the transaction.

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. Since the acquired entities are all real estate project entities or holding entities, their significant assets are the properties, the related receivables and cash. On the liability side, the significant items are bank loans and loans from other related parties. They do not have employees. Management and construction services are provided by external parties to the project entities. Please also refer to Note 21 about transactions with related parties.

Based on the above, Management believes that none of the acquisitions in 2021 and in 2020 meet the definition of business combinations are required by IFRS 3. Instead, they are recorded as asset acquisitions. The cost to acquire the

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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.

Management confirms that purchase prices of entities acquired in common control transactions reflect their fair market value. Any difference between the purchase and the fair of the net assets might arise because date of calculating the price and obtaining the control over the subsidiary might be slightly different. In 2021 and in 2020 there were no such case.

Net assets attributable to non-controlling investment unit holders

This line in the consolidate statement of financial position represents the investment of the non-controlling investment unit holders in the investment fund subsidiaries. The management believes that this investment has mainly equity characteristics. On the other hand, IAS 32 does not allow to include it in the equity line. In order to show it separately from equity and liabilities Futureal Holding created a line of net assets attributable to non-controlling unit holders and present the ownership of the unit holders in the investment funds there. Further clarification can be found in notes 18/e.

Functional currency

Futureal Holding determined functional currency of group companies considering the indicators in IAS 21.9-10. Based on the indicators in IAS 21 management believes that indicators are mixed, and the functional currency is not obvious, therefore management used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

On the Hungarian market office and retail real estate sales price of the properties and rental fees are determined in Euro. This is in line with the Hungarian real estate industry practice, where the accepted functional currency is Euro. Tenants are almost exclusively Hungarian subsidiaries of international companies, who do not consider Hungarian Forint as the relevant primary currency. Project companies are financed in Euro with certain exceptions. Management believes, based on the above, Euro represents most faithfully the economic effects of the underlying transactions, events and conditions in case of subsidiaries operating in the market of Hungarian office and retail real estate. In case of other subsidiaries, the functional currency is the currency of the country where they are registered.

Presentation currency of the IFRS consolidated financial statements is the Euro, as both users of the IFRS consolidated financial statements and market participants assess transactions in this currency, and this facilitates comparability with the IFRS consolidated financial statements of other companies in the industry.

6. Impact of standards issued but not yet applied by Futureal Holding

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by Futureal Holding. The adoption of these standards are not expected to have material impact on the financial statements.

- Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023);
- Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023);
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023);
- IFRS 17 Insurance contract (issued on May 2017, the EU has not yet endorsed the changes);
- IAS 16: ‘Property, Plant and Equipment (PP&E) – Proceeds before Intended Use’ issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;

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- IAS 37: ‘Onerous Contracts – Cost of Fulfilling a Contract’ issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;
- IFRS 3: ‘Reference to the Conceptual Framework’ issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;
- Annual Improvements to IFRS Standards 2018–2020 affecting IFRS 1, IFRS 9, IFRS 16 and IAS 41 issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023); and
- IFRS 4 – deferral of IFRS 9 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). IFRS 14, Regulatory deferral accounts (issued in January 2014, the European Commission has decided not to launch the endorsement process of this standard and to wait for the final standard). Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB. The EU endorsement is postponed as IASB effective date is deferred indefinitely.)

These standards and amendments did not have material impact on Futureal Holding in the current or future reporting periods and on foreseeable future transactions.

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7. Revenue

For the year ended 31 December:	2021	2020
<i>In EUR</i>		
Revenue from sale of real estate	311 579	48 941 774
Total Sales revenue	311 579	48 941 774

In 2021 few lands in Páty were sold to local government authority in amount of EUR 309 562.

In 2020, revenue from sale of real estate include the sale of an office building in the amount of EUR 48 918 558. The contract did not contain a significant financing element. Cost of sold real estate inventories include the cost of the office building in the amount of EUR 48 644 138.

For the year ended 31 December:	2021	2020
<i>In EUR</i>		
Rental income	12 365 606	5 605 073
Other rental income	5 096 585	3 203 930
Total Rental revenue	17 462 191	8 809 003

Lease payments received in relation to operating leases under IFRS 16 are presented as Rental income. The rental income is regularly modified in accordance with the index given in the rental contracts. Other rental income includes other revenue items related to rental activities, such as office related maintenance and repair, public utilities, and property management fees invoiced to the lessees. The increase of the total rental revenue in 2021 compared to 2020 is primarily driven by:

- Etele Plaza shopping mall which had a grand opening in September 2021 and rental fees started to be invoiced;
- Further successful lease up of Budapest ONE I. phase building;
- Acquisitions done by Futureal Holding in Poland (mainly Manhattan and Bemowo shopping centers and Wratislavia Tower office building).

For the year ended 31 December:	2021	2020
<i>In EUR</i>		
Management fee	1 274 301	40 741
Income from intermediary services	5 240 139	1 878 275
Advisory fee	1 096 703	1 630 539
Other revenue	1 691 703	846 437
Total Service revenue	9 302 846	4 404 982
Total revenue	27 076 616	62 155 759

In 2021 the management fee and the income from intermediary services increased again as Futureal Holding started to develop new projects.

For Futureal Holding as lessor, the future expected lease payments in relation to non-cancellable operating leases are as follows (amounts undiscounted):

<i>In EUR</i>	Within 1 year	2nd year	3rd year	4th year	5th year	After 5 years	Total
Total	20 793 427	23 223 275	27 701 205	27 065 417	25 374 263	89 827 237	213 984 824

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Timing of revenue recognition under IFRS 15 and IFRS 16:

For the year ended 31 December	2021	2020
<i>In EUR</i>		
Point in time	311 579	48 941 774
Over time	26 765 037	13 213 985
Total	27 076 616	62 155 759

Please refer also to Note 16(h) about contract liabilities.

8. Cost of sales

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Costs of goods sold	248 602	48 644 138
Total cost of goods sold and services provided	248 602	48 644 138

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Intermediary services charged on customer	5 645 113	1 951 689
Consultancy fees	1 020 574	427 560
Taxes	1 096 136	334 622
External services - rent related	560 105	1 335 623
Management fee	149 145	109 713
Utilities	176 136	256 996
External services other	136 751	297 917
Materials and energy	54 362	0
Insurances, duties, other authority charges	12 662	24 422
Total direct costs of rental and operation	8 850 984	4 738 542

Rental fees invoiced by Futureal Holding 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 Futureal Holding can only recover costs allocated to the rented areas, Futureal Holding is considered to be the principal in the transaction therefore presents revenue and related costs separately in accordance with IFRS 15.

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Other property related costs	1 091 723	1 557 758
Intermediary services	1 674	4 570
Depreciation and amortisation	496 229	3 282
Total other property related costs	1 589 626	1 565 610
Total cost of sales	10 689 212	54 948 290

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

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9. Selling and marketing expenses

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Advertising	17 697	60 791
Marketing	24 518	31 991
Sales cost	148 586	369 753
Total selling and marketing expenses	190 801	462 535

10. Administrative expenses

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Depreciation and amortisation	936 350	1 272 293
Personnel expenses and external services	3 264 378	2 057 830
Accounting and audit fees	779 444	215 850
Professional services	28 825	191 482
External services	3 059 733	2 129 316
Other administrative expenses	1 203 896	160 003
Total administrative expenses	9 272 626	6 026 774

The majority of personnel expenses are related to staff of two of the Hungarian management companies, Futureal Management Kft and HelloParks Management Kft.

11. Breakdown of expenses by nature

For the year period 31 December:	2021	2020
<i>In EUR</i>		
Material type expenditures	15 313 414	56 585 137
Employee benefits expenses	3 406 645	3 576 235
Depreciation & amortisation	1 432 580	1 276 227
Total	20 152 639	61 437 599

Material type expenditures include the cost of the office building that was sold in 2020. For details, please see note 7. In 2021 there were no such sale, costs are mainly related to the operating expenses of Futureal Holding properties.

12. Other income

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Net gain (loss) on non-current assets sold	0	13 011
Reversal of impairment losses	11 665	66 522
Gain on sale of subsidiary, joint ventures and associates	0	196 827
Other income	485 330	147 531
Total other income	496 995	423 891

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13. Other expenses

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Non-income taxes	137 504	85 098
Taxes	139 909	137 007
Impairment losses	135 170	20 745
Loss on subsidiary, joint ventures and associates	1 441 597	26 518
Provision	0	234 074
Penalties, fines	375 862	284 202
Donations	430 505	543 116
Other Expense	73 440	204 081
Total other expense	2 733 987	1 534 842

In 2021 Futureal Holding continued its strong charitable efforts. Similarly, as in 2020 the donations in 2021 were provided to hospitals, local municipalities and other non-profit organizations to support their work. In both 2020 and 2021 the charity activities of Futureal Holding were focused on supporting organizations fighting against the Covid-19 pandemic situation.

The Penalties and fines line includes rental guarantees paid to OTP Prime Ingatlanbefektetési Alap based on master lease agreement as a compensation for non-rented areas in 2021 (Corvin 5-6 buildings) divested to OTP in 2019 and 2020.

14. Finance income and expense

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Interest income	21 776	15 210
Realised exchange difference	6 104 911	6 617 220
Unrealised exchange difference	3 109 869	3 334 326
Premium amortization on bond	1 300 081	0
Other	282 667	559 763
Other finance income	10 797 528	10 511 309
Total finance income	10 819 304	10 526 519
Interest expense	3 270 959	2 206 540
Interest on lease liabilities	214 918	114 249
Bond related interest expense	1 286 480	-
Interest expense	4 772 357	2 320 789
Bank charges	388 671	925 785
Realised exchange difference	1 837 874	10 984 077
Unrealised exchange difference	3 327 304	5 710 279
Loss on derivatives	602 574	-
Other	0	20 955
Other finance expense	6 156 424	17 641 096
Finance expense	10 928 781	19 961 885
Net finance income / (expense)	-109 477	- 9 435 366

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. Please also refer to Note 17(g) about loans, 17(h) about bonds, and Note 17(i) about liabilities to related parties.

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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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are presented as unrealized exchange differences. Foreign exchange gains and losses resulting from intercompany loan payments and revaluations cannot be netted according to IFRS, therefore these amounts are shown separately in finance income and finance expense.

15. Income tax

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Corporate income tax	174 564	141 565
Local business tax	188 061	132 872
Innovation contribution	74 435	0
Total current tax expense / (benefit)	437 060	274 437
Deferred tax	1 531 494	47 383
Total deferred tax expense / (benefit)	1 531 494	47 383
Total income tax expense / (benefit)	1 968 554	321 820

Reconciliation of effective tax rate

For the period ended 31 December:	2021	2020
<i>In EUR</i>		
Profit / (loss) for the period	14 612 289	17 489 123
Total income tax expense / (benefit)	1 968 554	321 820
Profit / (loss) before income tax	16 580 843	17 810 943
<i>Expected income tax using the local tax rate</i>	<i>1 492 276</i>	<i>1 602 985</i>
<i>Tax effect of:</i>		
Not recognized deferred tax asset for tax loss carried forward a)	1 033 008	1 079 738
Difference in tax rates b)	1 487 983	0
Difference due to investment funds and entities under Real Estate Investment Trust c)	-87 427	-2 377 615
Not recognized tax loss carried forward in earlier period d)	-2 131 194	0
Non- taxable income e)	0	-52 754
Other income tax f)	368 998	115 797
Other g)	-195 090	-17 367
Tax expense for the period	1 968 554	321 820
Effective tax rate	11,87%	1,81%

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- a) This line includes the impact of tax losses with no deferred tax recognized.
- b) Since most of the companies are under Hungarian taxation, we applied the Hungarian statutory rate (9%) for calculating the expected tax income. This line includes the impact of different tax rates used at foreign entities (Poland, UK and Malta).
- 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) This lines shows the effect of the usage not recognized tax loss carried forward in earlier period.
- e) Other non taxable income.
- f) This line mainly includes the impact of Hungarian local business tax and innovation tax, which are also classified as income tax based on IAS 12.
- g) 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 Futureal Holding'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))
- Other tax liabilities (note 16(k))
- Other long-term liabilities (note 16(l))

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16.(a) Intangible assets

For the year ended 31 December 2021

In EUR

	Intellectual property and rights
Cost or deemed cost	
Balance at 1 January 2021	1 186 447
Additions	430 570
Closing balance at 31 December 2021	1 617 017
Depreciation and impairment losses	
Balance at 1 January 2021	861 120
Depreciation for the period	203 493
Closing balance at 31 December 2021	1 064 613
Carrying amounts	
At 1 January 2021	325 327
Closing balance at 31 December 2021	552 404

For the year ended 31 December 2020

In EUR

	Intellectual property and rights
Cost or deemed cost	
Balance at 1 January 2020	1 110 809
Additions	75 638
Closing balance at 31 December 2020	1 186 447
Depreciation and impairment losses	
Balance at 1 January 2020	777 990
Depreciation for the period	83 130
Closing balance at 31 December 2020	861 120
Carrying amounts	
At 1 January 2020	332 819
Closing balance at 31 December 2020	325 326

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16.(b) Investment and development property

For the period 1 January 2021- 31 December 2021:	2021
<i>In EUR</i>	
Fair value at 1 January	494 474 339
Acquisition	69 092 788
Additions	119 328 429
Disposal	-777 821
Borrowing cost capitalized	8 786 543
Increase - RoU assets - IFRS 16	746 268
Net gain/loss from fair valuation	11 326 533
Fair value at 31 December	702 977 079
For the period ended 31 December:	2020
<i>In EUR</i>	
Fair value at 1 January	356 959 506
Additions	104 303 047
Borrowing cost capitalized	5 571 791
Net gain/loss from fair valuation	27 639 995
Fair value at 31 December	494 474 339

In 2021 Futureal Holding acquired three properties in Poland and one in Hungary, in amount of EUR 69 092 788. During 2021 Futureal Holding disposed two properties classified among the investment and development properties. On this sale Futureal Holding accounted EUR 676 802 profit presented in separate line in the income statements. In 2020 there was no such kind of sale of investment property.

For further details about Acquisition of subsidiaries please see the note 3. Basis of consolidation (in the 'Changes in Futureal Holding structure' section).

The fair value of investment properties located in Hungary is EUR 595 261 565 as at 31 December 2021 (EUR 464 988 279 as at 31 December 2020), remaining properties with a fair value of EUR 107 715 512 (EUR 29 486 059 as at 31 December 2020) are located outside of Hungary (in Poland and UK). Please see in note 25.

Futureal Holding is acquiring new properties and developing its properties to be leased out under operating lease agreements and hold for a long period of time. This does not exclude Futureal Holding selling them in the future as part of Futureal Holding's ongoing business. Futureal Holding 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 form 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.dec.21	Valuation method	Fair value	Area (m2)	Sensitivity for yield		Sensitivity for rental fees	
				0.25%	-0.25%	0,05	-0,05
Properties under construction for rental purposes	Residual amount	138 879 296	80 108 m2	-10 930 765	11 902 025	12 995 526	-13 024 699
Offices	Discounted cashflow method	154 641 925	57 393 m2	-3 733 825	3 874 812	5 018 158	-5 018 158
Stores	Discounted cashflow method	314 470 000	133 444 m2	-7 586 016	8 065 790	9 691 598	-9 689 103
Lands	Residual amount/Residual amount+ Comparable price method	43 069 799	2 076 703 m2	-839 305	915 613	1 007 174	-1 007 166
Individually not significant properties	Residual amount	51 916 058	36 482 m2	-	-	-	-

in EUR

31.dec.20	Valuation method	Fair value	Area (m2)	Sensitivity for yield		Sensitivity for rental fees	
				0.25%	-0.25%	0,05	-0,05
Properties under construction for rental purposes	Residual amount	286 226 600	127 120 m2	-15 793 093	17 125 764	19 214 029	-19 163 793
Offices	Discounted cashflow method	129 686 059	44 726 m2	-3 201 625	3 270 957	6 674 264	-6 719 581
Stores	Discounted cashflow method	-	0 m2	-	-	-	-
Lands	Residual amount/Residual amount+ Comparable price method	26 110 000	1 235 053 m2	-646 982	703 243	808 729	-808 727
Individually not significant properties	Residual amount	52 451 679	32 009 m2	0	0	0	0

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	Intervals 31.12.2021	Intervals 31.12.2020
Yield	5,65-8,20%	5,65-8,00%
Office ERV	8,62-16,50	14,00-17,00
Office rental fee (€/m²)	8,62-16,50	14,00-17,00
Store space rental fee (€/m²)	5,00-80,00	10,00-100,00
Warehouse rental fee (€/m²)	4,50-9,00	5,00-8,25

Amounts recognized in the statement of profit and loss in relation with investment and development properties:

For the year ended 31 December:

<i>in EUR</i>	2021	2020
Rental income from operating lease	17 462 191	8 809 003
Direct operating expenses	-8 850 984	-5 366 847
Fair value gain recognised	11 326 533	27 639 995
Profit from sale of investment and development property	676 802	297 636
Amounts recognised in PL for investment and development properties	20 614 542	31 379 787

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 2021 <i>In EUR</i>	Rights of perpetual usufruct of land
Balance at 1 January	667 351
Additions to right of use assets	744 853
Fair value change	-460
Currency translation difference	1 415
Closing balance	1 413 159

For the year ended 31 December 2020 <i>In EUR</i>	Rights of perpetual usufruct of land
Balance at 1 January	721 857
Additions to right of use assets	0
Fair value change	- 54 506
Currency translation difference	- 1
Closing balance	667 351

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16.(c) Property, plant and equipment

<i>In EUR</i>	Buildings	Machinery and furniture and equipment	Assets under construction	Total
Cost or deemed cost				
Balance at 1 January 2021	6 310 218	2 245 088	229 671	8 784 977
Acquisition	0	0	0	0
Addition	0	0	855 797	855 797
Capitalizing assets under construction	29 112	912 625	-941 737	0
Sale	0	-153 298	0	-153 298
Scrapping	0	-1 905	-95 301	-97 206
Lease modification	275 287	0	0	275 287
Currency translation difference	-38 604	-1 204	-2 662	-42 469
Closing balance at 31 December 2021	6 576 013	3 001 306	45 768	9 623 087
Balance at 1 January 2020	6 860 677	2 894 100	202 470	9 957 247
Acquisition	0	0	0	0
Addition	0	52 090	399 979	452 069
Capitalizing assets under construction	0	372 778	-372 778	0
Sale	-173 428	-1 073 880	0	-1 247 308
Lease modification	-381 328	0	0	-381 328
Currency translation difference	4 297	0	0	4 297
Closing balance at 31 December 2020	6 310 218	2 245 088	229 671	8 784 977
Depreciation and impairment losses				
Balance at 1 January 2021	1 189 343	1 635 774	0	2 825 117
Depreciation	864 891	391 145	0	1 256 036
Impairment loss recognised in profit and loss	0	20 951	0	20 951
Sale	0	-90 556	0	-90 556
Scrapping	0	-1 701	0	-1 701
Currency translation reserve	-36 606	5 186	0	-31 420
Closing balance at 31 December 2021	2 017 628	1 960 799	0	3 978 427
Balance at 1 January 2020	22 329	1 894 462	0	1 916 791
Depreciation	1 172 470	205 606	0	1 378 076
Sale	-5 456	-391 660	0	-397 116
Currency translation reserve	0	-72 634	0	-72 634
Closing balance at 31 December 2020	1 189 343	1 635 774	0	2 825 117
Carrying amounts				
At 31 December 2020 / 1st January 2021	5 120 875	609 314	229 671	5 959 860
Closing balance at 31 December 2021	4 558 385	1 040 507	45 768	5 644 660

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The property, plant and equipment balance sheet line contains the following amounts relating to leases:

<i>In EUR</i>	Buildings	Total
Cost or deemed cost		
Balance at 1 January 2021	6 005 069	6 005 069
Lease modification	275 287	275 288
Additions to right of use assets	0	0
Termination of contracts	0	0
Currency translation difference	0	0
Closing balance at 31 December 2021	6 280 356	6 280 357
Balance at 1 January 2020	6 442 047	6 442 047
Lease modification	-381 328	-381 328
Additions to right of use assets	0	0
Termination of contracts	0	0
Currency translation difference	-55 650	-55 650
Closing balance at 31 December 2020	6 005 069	6 005 069
Depreciation and impairment losses		
Balance at 1 January 2021	-1 074 629	-1 074 629
Depreciation charge for right of use assets	-851 723	-851 723
Termination of contracts	0	0
Closing balance at 31 December 2021	-1 926 352	-1 926 352
Balance at 1 January 2020	-274 741	-274 741
Depreciation charge for right of use assets	-799 888	-799 888
Termination of contracts	0	0
Closing balance at 31 December 2020	-1 074 629	-1 074 629
Carrying amounts		
At 1 January 2021	4 930 440	4 930 440
Closing balance at 31 December 2021	4 354 004	4 354 005
At 1 January 2020	6 167 306	6 167 306
Closing balance at 31 December 2020	4 930 440	4 930 440

Futureal Holding leases office and parking space from third-parties.

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16.(d) Inventory

For the year ended 31 December 2021

<i>In EUR</i>	31.12.2021	31.12.2020
<i>Total inventories at the lower of cost or net realizable value</i>	242 968	909

For 31 December 2021 Futureal 1 Real Estate Property Fund recognized an investment property as inventory (242 000 EUR) to be sold in 2022 as well as BP1 Első Ütem Zrt held some low-cost assets classified also as inventory (912 EUR).

At the end of 2020, Hello Parks Management Kft held some low-cost assets classified as inventory in an amount of EUR 909.

Write-down revaluating the inventory

Futureal Holding 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 2021 and 31 December 2020 Futureal Holding performed an inventory review regarding to its valuation to net realizable value. As a result, at the end of both periods Futureal Holding 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.

16.(e) Other assets

<i>In EUR</i>	31.12.2021	31.12.2020
Advances and prepayments made for investments	970 921	51 629
Advances and prepayments made for services	42 544	2 123
Advances and prepayments made for inventories	78 244	541 255
Prepaid expenses	137 609	60 660
Deposits	132 423	104 808
Securities (other long term financial assets)	239 642	232 284
Other	542	8 150
Total closing balance	1 601 925	1 000 908
Closing balance includes:		
Other long-term assets	239 642	232 294
Other short-term assets	1 362 283	768 614
Total closing balance	1 601 925	1 000 908

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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 01.01.2021	Acquisition	Recognized in the income statement	Currency translation adjustment	Closing balance 31.12.2021
Book value and tax value difference and tax loss carried forward	0	1 186 975	-1 186 975	0	0
Total deferred tax assets	0	1 186 975	-1 186 975	0	0
Investment property	0	0	-605 938	0	-605 938
Other liabilities	0	0	261, 419	0	6 813
Total deferred tax liability	0	0	-344 519	0	-344 519
Total deferred tax asset/(liability)	0	1 186 975	-1 531 494	0	-344 519

<i>In EUR</i>	Opening balance 01.01.2020	Acquisition	Recognized in the income statement	Currency translation adjustment	Closing balance 31.12.2020
Deferred tax assets					
Tax loss carry forward	47 383	0	-47 383	0	0
GAAP difference	0	0		0	0
Total deferred tax assets	47 383	0	-47 383	0	0

<i>In EUR</i>	31.12.2021	31.12.2020
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	-344 519	0
Deferred tax liabilities to be recovered within 12 months	0	0
Total deferred tax liabilities:	-344 519	0

Realization of deferred tax assets

The net deferred tax liability of Futureal Holding as at 31 December 2021 includes a deferred tax asset deriving from the difference from book value and tax value of the 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 in Poland that a maximum of 50% of the loss carry-forward can be used in one year. In addition,

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in Poland up to 5 000 000 PLN (approximately 1 100 000 EUR) of a tax loss can be utilized in a given year. In Hungary the tax losses originated up to 31 December 2014 are required to be utilized by 31.12.2030.

In 2020 Futureal Holding sold those subsidiaries which had tax losses carried forward. In the fourth quarter of 2021 the Group acquired new Polish subsidiaries in one of the subsidiaries recognized 254 605 EUR as a deferred tax assets.

Tax losses carried forward, where related deferred tax assets are not recognized, are presented in the table below:

<i>In EUR</i>	Balance 01.01.2021	Recognized in the income statement	Balance 31.12.2021
Tax losses	0	254 605	254 605

<i>In EUR</i>	Balance 01.01.2020	Acquisitions/ (Disposals)	Balance 31.12.2020
Tax losses	6 322 458	-6 322 458	0

The tax losses carried forward, where related deferred tax assets are not recognized, can be used in the following years as follows:

As at 31 December 2021:	<i>In EUR</i>
can be used from 2022-2030:	254 605
Total:	254 605

As at 31 December 2020:	<i>In EUR</i>
can be used from 2021-2030:	0
Total:	0

16.(g) VAT receivables

<i>In EUR</i>	31.12.2021	31.12.2020
Short-term VAT receivables	8 940 379	14 929 614
Total closing balance	8 940 379	14 929 614

VAT receivables mainly contain VAT receivable relating to development properties. 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 2021 and 31 December 2020.

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16.(h) Lease liabilities

This note provides information for leases where Futureal Holding is a lessee.

For the period ended on 31 December:

<i>In EUR</i>	2021	2020
Opening balance	5 679 248	6 891 753
Acquisition	744 853	0
Recognition of new lease liability	0	50 453
Lease modification	169 266	-386 218
Interest expense	203 300	114 249
Foreign exchange difference	0	576 914
Currency translation adjustment	-35 939	-758 321
Repayment of lease liability	-993 564	-809 581
Total closing balance	5 767 164	5 679 248
Closing balance includes:		
Short-term lease liabilities	980 360	897 672
Long-term lease liabilities	4 786 804	4 781 576
Total closing balance	5 767 164	5 679 248

The total cash outflow for leases in 2021 was 993 564 EUR. The total cash outflow for leases in 2020 was 923 829 EUR.

16.(i) Customer advances received and tenant deposits

The table below presents the project level breakdown of the liability originated from customer advances received:

<i>in EUR</i>			
Entity	Project	31.12.2021	31.12.2020
Special Effects Land & Services Kereskedelmi és Szolgáltató	HelloParks North	1 117 072	0
Futureal 1 Ingatlanbefektetési Alap	Street retail project	0	46 446
Cinema Tower Sp. z o.o. (FR Investments Wrocław Sp. z o.o.)	Cinema Tower project	34 253	0
FR Investments Bemowo Sp. z o.o. FIP Retail II Sp.k.	Bemowo project	4 049	0
Sirius Investments Sp. z o.o. (FIP Gdańsk Retail Sp. z o.o.)	Manhattan project	4 783	0
Total customer advances received		1 160 157	46 446

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For the period ended on 31 December:

<i>In EUR</i>	2021	2020
Opening balance of customer advances received and tenant deposits	46 446	12 475 233
Increase in contract liabilities from customer advances received for not completed performance obligations	1 160 157	0
Decrease in contract liabilities from customer advances received for not completed performance obligations	-46 446	-36 949
Revenue recognised that was included in the contract liability balance at the beginning of the period	0	-12 391 838
Closing balance of customer advances received and tenant deposits	1 160 157	46 446
Non-current customer advances received	0	0
Current customer advances received	1 160 157	46 446

16.(j) Provisions

For the period ended 31 December 2021

<i>In EUR</i>	Rental guarantee	Other	Total
Balance at 1 January	593 040	0	593 040
Additional provision charged	2 423 782	0	2 423 782
Amounts used during the year	-218 078	0	-218 078
Closing balance	2 798 744	0	2 798 744

For the year ended 31 December 2020

<i>In EUR</i>	Rental guarantee	Other	Total
Balance at 1 January	358 965	5 000	363 965
Additional provision charged	234 075	0	234 075
Amounts used during the year	0	-5 000	-5 000
Closing balance	593 040	0	593 040

For the period ended:

<i>In EUR</i>	31.12.2021	31.12.2020
Non-current provision	2 560 302	35 835
Current provision	238 442	557 205
Total closing balance	2 798 744	593 040

In the sales agreement related to the Corvin 5 and Corvin 6 projects in 2018 Futureal Holding made a commitment to keep the utilization rate above a certain level or pay compensation. Based on the best estimate Futureal Holding made a provision which has a balance of 569 964 EUR (381 307 EUR long-term and 188 657 EUR short term) at 31 December 2021 and 593 040 EUR at 31 December 2020 which is expected to cover the upcoming compensations.

Other than the above 2 228 781 EUR provision relates to certain future outlays in new Polish project companies of Futureal Holding and it is due in 2044. Due to the maturity date, the amount of the liability was discounted.

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16.(k) Other tax liabilities

<i>In EUR</i>	31.12.2021	31.12.2020
VAT liability	852 268	179 529
Stam duty liability	336 138	0
Social Security liabilities	265 509	111 561
Innovation contribution liabilities	0	120 528
Personal income tax liabilities	50 372	54 330
Other misc. tax liabilities	34 239	127 224
Total closing balance	1 538 526	593 172

Closing balance includes:

Long-term tax liabilities	0	0
Short-term tax liabilities	1 538 526	593 173
Total closing balance	1 538 526	593 173

16.(l) Other long term liability

At the end of 2021 there is a long term liability in an amount of EUR 2 500 000 which is the purchase price payable in the coming years for an investment in subsidiary purchased during 2021. There was no such liability in 2020.

17. Financial assets and financial liabilities

This note provides information about Futureal Holding's financial instruments, including:

- An overview of all financial instruments held by Futureal Holding; and
- Specific information about each type of financial instrument.

Futureal Holding holds the following financial instruments:

As at 31 December 2021

<i>In EUR</i>	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets	2 226 491	0	2 226 491
Loans receivables from third parties	0	0	0
Other long-term financial assets	239 642	0	239 642
Restricted Cash	0	0	0
Long-term derivative financial assets	1 986 849	0	1 986 849
Current financial assets	4 118	385 655 205	385 659 323
Trade and other receivables	0	11 535 769	11 535 769
Short-term receivables from related parties	0	8 539 063	8 539 063
Short-term receivables from third parties	0	19 627 933	19 627 933
Cash and cash equivalents	0	290 262 369	290 262 369
Restricted Cash	0	55 690 071	55 690 071
Short-term derivative financial assets	4 118	0	4 118
Total financial assets	2 230 609	385 655 205	387 885 814

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As at 31 December 2021

<i>In EUR</i>	Financial liabilities at FV through P/L	Financial liabilities at amortized cost	Total
Non-current financial liabilities	299 405 896	307 874 858	607 280 754
Long-term liabilities to related parties	0	113 952	113 952
Loans and borrowings	0	298 786 252	298 786 252
Bonds	299 166 270	0	299 166 270
Tenant deposits	0	4 029 528	4 029 528
Amounts withheld for guarantees	0	4 945 126	4 945 126
Derivative financial liabilities	239 626	0	239 626
Current financial liabilities	8 098 111	42 265 196	51 363 307
Short-term liabilities to related parties	0	4 367 069	4 367 069
Loans and borrowings	0	8 508 106	8 508 106
Bonds short-term	6 172 118	0	6 172 118
Tenant deposits	0	43 085	43 085
Trade and other payables	0	29 229 864	29 229 864
Customer advances	0	1 117 072	1 117 072
Derivative financial liabilities	1 925 993	0	1 925 993
Total financial liabilities	307 504 007	350 140 054	658 644 061

As at 31 December 2020

<i>In EUR</i>	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets	236 233	0	236 233
Loans receivables from third parties	0	0	0
Other long-term financial assets	232 284	0	232 284
Restricted Cash	0	0	0
Long-term derivative financial assets	3 949	0	3 949
Current financial assets	0	120 071 534	120 071 534
Trade and other receivables	0	7 179 442	7 179 442
Short-term receivables from related parties	0	20 636 286	20 636 286
Short-term receivables from third parties	0	3 693 693	3 693 693
Cash and cash equivalents	0	56 963 336	56 963 336
Restricted Cash	0	31 598 777	31 598 777
Total financial assets	236 233	120 071 534	120 307 767

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As at 31 December 2020

<i>In EUR</i>	Financial liabilities at FV through P/L	Financial liabilities at amortized cost	Total
Non-current financial liabilities	6 278 462	192 090 788	198 369 250
Long-term liabilities to related parties	0	15 371	15 371
Loans and borrowings	0	187 921 593	187 921 593
Tenant deposits	0	2 175 990	2 175 990
Amounts withheld for guarantees	0	1 977 834	1 977 834
Derivative financial liabilities	6 278 462	0	6 278 462
Current financial liabilities	1 437 623	51 794 543	53 232 166
Short-term liabilities to related parties	0	8 824 436	8 824 436
Loans and borrowings	0	4 738 036	4 738 036
Trade and other payables	0	38 232 071	38 232 071
Derivative financial liabilities	1 437 623	0	1 437 623
Total financial liabilities	7 716 085	243 885 331	245 322 954

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17. (a) Receivables from related parties

The table below presents the breakdown of receivables from the related parties:

<i>In EUR</i>	31.12.2021	31.12.2020
Loans granted	0	0
Trade receivables	435 828	81 209
Accrued revenue	7 136 443	5 500 537
Accrued interest receivables	1	334
Other receivables	966 138	1 128 036
Unpaid share capital (Hello Parks Group B.V. from QED B.V.)	0	12 500 000
Accrued costs	653	1 426 169
Total closing balance	8 539 063	20 636 286

Closing balance includes:

Current assets	8 539 063	20 636 286
Non-current assets	0	0
Total closing balance	8 539 063	20 636 286

The table below presents the movement in loans granted to related parties during 2021 and 2020:

<i>In EUR</i>	2021	2020
Opening balance	0	25 437 445
Loans granted	0	128 164 045
Loans repaid	0	-152 912 890
Disposal of subsidiaries	0	-688 600
Total closing balance	0	0

Breakdown by currency of Receivables from related parties For the year ended 31 December:

<i>In EUR</i>	31.12.2021	31.12.2020
EUR	2 537 377	16 859 399
HUF	5 850 159	3 776 886
PLN	143 409	0
RON	8 118	0
Total closing balance	8 539 063	20 636 286

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The table below presents the conditions of the most significant related party loan agreements and receivable items:

As of 31 December 2021

In EUR

Counterparty	Balance	Maturity	Interest rate	Currency
FR Management Partnership C.V. Magyarországi Fióktelepe	5 625 516	within one year	0%	EUR
Cordia Management Szolgáltató Kft.	1 078 125	within one year	0%	EUR/HUF
RK Projekt Kft.	719 176	within one year	0%	HUF
ECC Real Estate Vagyonkezelő Kft	566 444	within one year	0%	HUF
CINEXT Kft.	273 967	within one year	0%	EUR/HUF
Cordia Homes Holding Limited	229 743	within one year	0%	HUF
Other related parties (individually not significant)	46 092	within one year	0%	EUR/HUF
Total	8 539 063			

As of 31 December 2020

In EUR

Counterparty	Balance	Maturity	Interest rate	Currency
QED B.V.	12 500 000	within one year	0%	EUR
FR Management Partnership C.V. Magyarországi Fióktelepe	6 127 314	within one year	0%	EUR/HUF
RK Projekt Kft	726 173	within one year	0%	HUF
ECC Real Estate Vagyonkezelő Kft	525 121	within one year	0%	HUF
Cordia Homes Holding Ltd	324 024	within one year	0%	HUF
Other related parties (individually not significant)	433 654	within one year	0%	EUR/HUF
Total	20 636 286			

The entities listed as counterparties in the above tables are all sister companies of Futureal Holding 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 are expected to be repaid until 31.12.2022. There was no impairment accounted for the receivables from related parties items, because the impact is fully immaterial.

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17.(b) Receivables from third parties

This balance sheet line consists of loan receivables. The table below presents the movement in loans granted to third parties:

For the year ended 31 December:

<i>In EUR</i>	2021	2020
Opening balance	3 693 693	34 886 201
Loans granted	15 934 240	0
Loans repaid	0	-31 192 508
Revaluation	0	0
Total closing balance	19 627 933	3 693 693

The table below presents the movement in long-term loans granted to third parties in 2021 and 2020:

<i>In EUR</i>	2021	2020
Opening balance	0	13 010
Loans granted	0	0
Loans repaid	0	-13 010
Revaluation	0	0
Total closing balance	0	0

	31.12.2021	31.12.2020
Closing balance includes:		
Current assets	19 627 933	3 693 693
Non-current assets	0	0
Total closing balance	19 627 933	3 693 693

<i>In EUR</i>	31.12.2021	31.12.2020
EUR	19 607 911	3693693
HUF	20 022	0
Total closing balance	19 627 933	3 693 693

The table below presents the conditions of the most significant third-party loan agreements:

As of 31 December 2021

In EUR

Counterparty	Balance	Maturity	Interest rate	Currency
Pedrano Commercial Épitőipari Kft.	19 607 911	within one year	0%	EUR
Other third parties	20 022	within one year	0%	HUF

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As of 31 December 2020

In EUR

Counterparty	Balance	Maturity	Interest rate	Currency
Pedrano Construction Hungary Kft	3 671 783	within one year	0%	HUF
Other third parties	21 910	within one year	0%	HUF

Pedrano Commercial Építőipari Kft and Pedrano Construction Hungary Kft are strategic partners for Futureal Holding with a credit quality rating of BB. The loans are provided to support the construction financing of the projects under development and are repaid when the projects are completed, or the liquidity is provided from other sources. The currency of the loan receivable from these two Pedrano companies has been changed for EUR (from HUF) since 1st January 2021.

17.(c) Trade and other receivables

The table below presents the breakdown of trade and other receivables:

<i>In EUR</i>	31.12.2021	31.12.2020
Gross trade receivables	5 476 923	2 573 561
Decreased by impairment	-12 958	-2 604
Net trade receivables	5 463 965	2 570 957
Accrued revenue	3 199 776	3 030 155
Prepaid expenses	1 067 523	1 224 097
Vendor overpayment	137 342	186 211
Given deposits	0	167 973
Purchased receivables	1 062 300	0
Other receivables	604 862	50
Total trade and other receivables	11 535 769	7 179 443

As rental fees from lessees are received in advance, there are no aged receivables. Impairment recognized is due to an individual case and not material. The trade receivables balance is not material.

17.(d) Other financial assets

<i>In EUR</i>	2021	2020
Securities	239 642	232 284
Long-term derivative financial assets	1 986 849	3 949
Short-term derivative financial assets	4 118	0
Total closing balance	2 230 609	236 233
Closing balance includes:		
Other long-term assets	2 226 491	236 233
Other short-term assets	4 118	0
Total closing balance	2 230 609	236 233

Balances presented as securities above are financial assets based on IFRS 9 measured at fair value through profit and loss. For further details about the long-term derivative financial assets please refer the note 17(m).

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17.(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. Cash at bank earns interest at floating rates based on daily bank deposit rates. This cash is not restricted. For restricted cash please see note nr. 17(f).

<i>In EUR</i>	31.12.2021	31.12.2020
Cash at bank and in hand	290 262 369	56 963 336
Total cash and cash equivalents	290 262 369	56 963 336

The total amount of cash and cash equivalents was denominated in the following currencies:

<i>In EUR</i>	31.12.2021	31.12.2020
HUF	235 636 542	6 598 806
EUR	51 531 720	50 288 082
USD	91 173	15 273
GBP	2 010 891	222
PLN	992 043	60 503
Total cash and cash equivalents	290 262 369	56 963 336

Futureal Holding minimizes its credit risks by holding its funds in financial institutions with high credit ratings as follows*:

<i>In EUR</i>	31.12.2021	31.12.2020
A	38 457 371	11 311 822
A-	160 560 106	9 326 623
BBB+	7 577 694	23 633 149
BBB	78 013 167	11 509 829
B+	5 649 589	1 154 322
Cash at hand	4 442	27 591
Total cash and cash equivalents	290 262 369	56 963 336

*The presented credit ratings are based on S&P's and Moody's long-term ratings where available.

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17.(f) Restricted cash

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 CAPEX expenditures, loan instalments, VAT payment obligations triggered by revenue invoices.

<i>In EUR</i>	31.12.2021	31.12.2020
Tenant deposits	4 072 613	2 504 052
Other deposits	8 013 162	2 974 003
Loans and borrowings related cash	27 467 900	16 135 022
Restricted renovation fund	7 312 849	4 458 006
Trustee accounts	5 876 507	0
Restricted derivative cash	2 349 631	5 440 000
Other restricted cash	597 409	87 694
Total restricted cash and cash equivalents	55 690 071	31 598 777

Closing balance includes:

Current assets	51 359 963	0
Non-current assets	4 330 108	31 598 777
Total closing balance	55 690 071	31 598 777

<i>In EUR</i>	31.12.2021	31.12.2020
HUF	2 887 526	985 967
EUR	52 793 696	28 904 208
GBP	0	1 708 602
PLN	8 849	0
Total restricted cash and cash equivalents	55 690 071	31 598 777

17.(g) Loans and borrowings

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

For the period ended:

<i>In EUR</i>	31.12.2021	31.12.2020
Opening balance	192 659 629	145 274 326
New bank loan drawdown	125 446 109	89 699 035
Loans repayments	-10 753 516	-41 416 575
Revaluation (fx)	-57 863	-897 157
Total closing balance	307 294 358	192 659 629

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<i>In EUR</i>	31.12.2021	31.12.2020
Closing balance includes:		
Current liabilities	8 508 106	4 738 036
Non-current liabilities	298 786 252	187 921 593
Total closing balance	307 294 358	192 659 629

<i>In EUR</i>	31.12.2021	31.12.2020
EUR	294 115 326	181 860 917
HUF	1 963 872	337 086
GBP	11 215 160	10 461 626
Total closing balance	307 294 358	192 659 629

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31 December 2021

Conditions of significant loans and borrowings:

Legal entity	Bank	Maturity	Currency	Loan facility EUR	Withdrawn loan amount in EUR	Not Withdrawn loan amount in EUR	Interest rate base	Real estate mortgage?	Covenant breached?	Loan type
BP1 Első Ütem Kft.	Unicredit és K&H 50-50%-ban	2028.06.30	EUR	66 000 000	61 940 000	1 750 000	3 month EURIBOR + margin	Yes	No	Development loan
	Unicredit				2 310 000					
Futureal Prime Properties One Ingatlanfejlesztő Részalap	Hungary, Erste Hungary, Erste Group Bank AG	2028.06.30	EUR	149 850 000	130 950 000	16 200 000	3 month EURIBOR + margin	Yes	No	Development loan
	Unicredit Hungary	2022.06.30	HUF	1 626 016	1 626 016	0	3 month BUBOR + margin	Yes	No	VAT loan
Futureal 1 Ingatlanbefektetési Alap	MKB Bank	2030.12.31	EUR	35 000 000	26 580 000	6 880 000	3 month EURIBOR + margin	Yes	No	Project loan
Spectrum Glasgow Ltd	Laxfield	2023.10.22	GBP	11 215 160	11 215 160	0	LIBOR + margin	Yes	No	Project loan
Futureal Prime Properties Three Ingatlanfejlesztő Részalap	Erste Hungary, Erste Group Bank AG	2032.12.31	EUR	60 000 000	24 262 797	35 737 203	3 month EURIBOR + margin	Yes	No	Development loan
	Erste Hungary	2023.12.31	HUF	542 005	235 894	306 112	3 months BUBOR + margin	Yes	No	VAT loan
Futureal Prime Properties Two Ingatlanfejlesztő Részalap	MKB Bank	2037.12.31	EUR	49 773 400	25 036 194	24 737 206	3 month EURIBOR + margin	Yes	No	Project loan
	Erste Bank	2024.06.30	HUF	677 507	96 147	581 360	3 months BUBOR + margin	Yes	No	VAT loan
HelloParks Two Alpha Ingatlanalap	Erste Bank	2031.12.31	EUR	82 000 000	18 802 100	63 197	3 month EURIBOR + margin	Yes	No	Development loan
	Erste Bank	2023.12.30	HUF	406 504	50	406	3 months BUBOR + margin	Yes	No	VAT loan
Total				457 768 100	307 294 358	150 473 741				

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31 December 2020
Conditions of significant loans and borrowings:
in EUR

Legal entity	Bank	Maturity	Currency	Loan facility EUR	Withdrawn loan amount in EUR	Not Withdrawn loan amount in EUR	Interest rate base	Real estate mortgage?	Covenant breached?	Loan type
BP1 Első Ütem K.ft.	Unicredit	2028.06.30	EUR	50 000 000	42 460 000	6 000 000	3 month EURIBOR + margin	Yes	No	Long term dev. loan
					1 540 000					Short term dev. loan
Futureal Prime Properties One Ingatlanfejlesztő Részalap	Unicredit és K&H 50- 50%-ban	2020.12.31	HUF	756 384	340 036	416 348	3 month BUBOR + margin	Yes	No	VAT loan
					106 879 967	41 770 033	3 month EURIBOR + margin	Yes	No	Long term dev. loan
Futureal 1 Ingatlanbefektetési Alap	Unicredit	2021.09.30	HUF	1 815 321	0	1 815 321	3 month BUBOR + margin	Yes	No	VAT loan
					28 120 000	5 372 000	3 month EURIBOR + margin	Yes	No	Long term proj. loan
Spectrum Glasgow Ltd	Laxfield	2025.03.31	EUR	35 000 000	1 508 000					Short term proj. loan
					10 461 626	0	LIBOR + margin	Yes	No	Project loan
Total				248 033 331	192 659 629	55 373 702				

17.(h) Bonds

<i>In EUR</i>	2021	2020
Cash received	302 988 533	0
Bond face value	308 236 399	0
Gain/(loss) on Bond issuance	- 5 247 866	0
Premium on Bond issuance	39 616 616	0
Capitalized costs of Bond issuance	529 864	0
Fair value of Bond related liabilities	262 842 053	0
Effective interest rate of Bonds for 2021	6 172 118	0
Amortized Bond liability at 2021	269 014 171	0
Premium amortization	1 300 081	0
Liability recorded for premium 2021	38 316 535	0
Other	12 508	0
FX gain/loss	- 2 004 826	0
Total closing balance	305 338 388	0

<i>In EUR</i>	12.31.2021	12.31.2020
Closing balance includes:		
Current liabilities	6 172 118	0
Non-current liabilities	299 166 270	0
Total closing balance	305 338 388	0

<i>In EUR</i>	2021	2020
HUF	305 338 388	0
Total closing balance	305 338 388	0

In 2021 Futureal Holding has carried out three successful bond issuances:

Issue No. 1 on 19 March 2021 with financial settlement date on March 23, 2021 and maturity on March 23, 2031. The offered volume was HUF 55 billion at face value which attracted HUF 57.75 billion in bids. The amount of funds raised was HUF 57.32 billion.

Issue No. 2 on November 12 2021 with financial settlement date on November 16, 2021 and maturity on November 16, 2036. The offered volume was HUF 33,7 billion at face value which attracted HUF 38,85 billion in bids. The amount of funds raised was HUF 32,15 billion.

Issue No. 3 on December 09 with financial settlement date on November 13, 2021 and maturity on November 16, 2036. The offered volume was HUF 24,25 billion at face value which attracted HUF 24,25 billion in bids. The amount of funds raised was HUF 21,55 billion.

Series number	Issuance date	Financial settlement date	Maturity	Issuance currency	Face value	Amount of funds raised
FUTURE2031	19.03.2021	23.03.2021	23.03.2031	HUF	HUF 55 bn	HUF 57,32 bn
FUTURE2036	12.11.2021	16.11.2021	16.11.2036	HUF	HUF 33,7 bn	HUF 32,15 bn
second tranche of FUTURE2036	19.12.2021	13.12.2021	16.11.2036	HUF	HUF 24,25 bn	HUF 21,55 bn

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The National Bank of Hungary (MNB) launched its corporate bond program (NKP) in July 2019, under which it is buying bonds issued by Hungarian corporations with a rating of at least B+ for up to HUF 300 billion. Scope Ratings assigned ratings to several participating companies including Futureal Development Holding Kft. (subsidiary of Futureal Holding and issuer of the bonds – “Issuer”) in December. Futureal Holding B.V. provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities. Scope Ratings assigned a first-time issuer rating of BB to the Issuer, with a Stable Outlook. Senior unsecured debt is rated BB, which is two notches higher than the minimum requirement set by the MNB. The fair value of bond liability was determined by reference to the average bid of commercial institutions which is considered as a level 1 information in the fair value hierarchy.

Bonds are initially recognised at fair value, net of transaction costs incurred then subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Based on IAS 23 the effective interest of EUR 6 172 118 was capitalized on qualifying assets.

Bond terms and conditions:

Series number: FUTURE2031

Coupon:

Each Bond bears a coupon of 4.00 % per annum, with annual coupon payments on the Amortized Face Value and payable on the Coupon Payment Date.

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

Coupon Payment Date:

The first coupon payment date shall be 23 March 2022, and then any subsequent coupon payment date shall be 23 March in each year during the term of the Bonds, except for the last coupon payment date which shall be the Maturity Date (the “Coupon Payment Date”).

Amortisation, Redemption and Purchases:

Each Bond shall be repaid by the Issuer at HUF 50 000 000 (per Bond) and payable annually on the last three (3) Coupon Payment Dates, being 23 March 2028, 23 March 2029, and on 23 March 2030 and HUF 35 000 000 as the Final Redemption Amount due and payable on 23 March 2031, being the last Coupon Payment Date, which is also the Maturity Date.

The Futureal 2031 bond qualifies as a green bond. The Futureal Holding has used the amount from the bond issue for the following projects:

Green Bond	Type of Assets	Nominal (HUF)	Certification
<i>The Eligible Green Assets Portfolio</i>			
<i>Budapest ONE Business Park Building "A"</i>	Operating building	400 million	BREEAM Very Good
<i>Budapest ONE Business Park British Telecom Building</i>	Under construction	6 500 million	BREEAM Excellent
<i>Budapest ONE Business Park Vodafone Building</i>	Under construction	8 500 million	BREEAM Excellent
<i>Corvin Innovation Campus phase 1</i>	Under construction	7 500 million	BREEAM Excellent
<i>Corvin Innovation Campus phase 2</i>	Under construction	4 500 million	BREEAM Excellent
<i>Etele Plaza Shopping Centre</i>	Operating building	27 600 million	BREEAM Very Good
TOTAL		55 000 million	

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Series number: FUTURE2036

Coupon:

Each Bond bears a coupon of 3.50 % per annum, with annual coupon payments on the Amortized Face Value and payable on the Coupon Payment Date.

The term of the Bonds is a fifteen-year period commencing on the Issue Date and ending on 16 November 2036 (the “Maturity Date”).

Coupon Payment Date:

The first coupon payment date shall be 16 November 2022, and then any subsequent coupon payment date shall be 16 November in each year during the term of the Bonds, except for the last coupon payment date which shall be the Maturity Date (the “Coupon Payment Date”).

Amortisation, Redemption and Purchases:

Each Bond shall be repaid by the Issuer at HUF 50 000 000 (per Bond) and payable annually on the last five (5) Coupon Payment Dates, being 16 November 2029, 16 November 2030, 16 November 2031, 16 November 2032, 16 November 2033, 16 November 2034 and on 16 November 2035 and HUF 37 677 500 000 as the Final Redemption Amount due and payable on 16 November 2036, being the last Coupon Payment Date, which is also the Maturity Date.

Issuer undertakings:

No Shareholder Distributions and no New Acquisition shall be made in case any of the following conditions are not met, calculated on the basis of the most recently published financial statements 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”)
- (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.

Review of the fulfilments of the covenants:

(i) Rating of the Bonds

Based on the latest valuation made by Scope Ratings GmbH on 3 December 2021 the rating of Futureal Development Holding is BB with a Stable Outlook.

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(ii) The Issuer Bond Debt to Equity Undertaking

Bond Debt to Equity Undertaking = (Total Net Issuer Bonds and Other Borrowings) / (Consolidated Equity), where

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 Holding) 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 Holding) that are not subordinated to the Bonds,

Issuing Entities: (i) the Issuer, (ii) the Guarantor and (iii) any other legal entity within the Futureal Holding 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 Futureal Holding B.V., the Guarantor (for the avoidance of doubt, not including restricted cash).

<i>In EUR</i>	12.31.2021
Share Capital	342 000 000
Share Premium	0
Currency translation reserve	-7 604 794
Other reserves	1 783 057
Retained earnings	16 249 799
Equity of non-controlling interest	41 477 565
Consolidated Equity	393 905 627
<i>In EUR</i>	12.31.2021
Bonds (non-current)	299 166 270
Bonds (current)	6 172 118
Issuer Bonds and Other Borrowings	305 338 388
Cash and cash equivalents	290 262 369
Total Net Issuer Bonds and Other Borrowings	15 076 019
Bond Debt to Equity Undertaking	0,04

During 2021 the Bond related Issuer Undertakings were fulfilled.

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17.(i) Liabilities to related parties

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

<i>In EUR</i>	31.12.2021	31.12.2020
Loan	243 000	680 475
Trade payables	590 955	5 981 047
Deferred income	181 015	3 974
Accrued expenses	3 257 781	2 174 311
Other liabilities	208 270	0
Total closing balance	4 481 021	8 839 807
Closing balance includes:		
Current liabilities	4 367 069	8 824 436
Non-current liabilities	113 952	15 371
Total closing balance	4 481 021	8 839 807

The table below presents the movement in loans and borrowings:

For the period ended:

<i>In EUR</i>	31.12.2021	31.12.2020
Opening balance	680 475	36 639 063
Loans granted	0	0
Loans repaid	-437 475	-35 958 588
Total closing balance	243 000	680 475

The tables below present the most important conditions of the significant related party loans of Futureal Holding:

31.12.2021

Counterparty	Balance (in EUR)	Maturity	Interest rate	Relationship	Currency
EDEN Holding Kft	200 000	within one year	0%	Sister company	EUR
Futó Group Finance Kft	43 000	within five year	0%	Sister company	EUR
Total	243 000				

31.12.2020

Counterparty	Balance (in EUR)	Maturity	Interest rate	Relationship	Currency
EDEN Holding Kft	660 000	within one year	0%	Sister company	EUR
Other misc. rel. party loans	20 475	within one year	0%	Sister company	HUF/EUR
Total	680 475				

<i>In EUR</i>	31.12.2021	31.12.2020
HUF	1 915 854	5 115 637
EUR	2 444 534	3 721 316
PLN	120 633	0
Total closing balance	4 481 021	8 839 807

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17.(j) Trade and other payables

The table below presents the breakdown of trade and other payables:

<i>In EUR</i>	31.12.2021	31.12.2020
Trade payables	16 504 912	33 143 134
Deferred income	4 932 257	1 758 982
Accrued expenses	7 064 645	3 238 462
Other payables	728 050	91 493
Closing balance	29 229 864	38 232 071

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>	31.12.2021	31.12.2020
HUF	1 472 573	1 791 633
EUR	20 617 576	35 542 727
GBP	5 441 507	608 031
PLN	953 411	101 232
USD	743 442	188 363
RON	1 356	86
Total closing balance	29 229 864	38 232 071

17.(k) Tenant deposits

Deposits received from tenants are denominated in the following currencies:

<i>In EUR</i>	31.12.2021	31.12.2020
EUR	2 954 082	1 669 683
HUF	542 278	543 933
PLN	576 253	8 820
Total closing balance	4 072 613	2 222 436

Closing balance includes:

Current liabilities	43 085	46 446
Non-current liabilities	4 029 528	2 175 990
Total closing balance	4 072 613	2 222 436

17.(l) Amounts withheld for guarantees

Amounts withheld for guarantees is the contractual amount that Futureal Holding withholds from the vendor's final invoice at the time of delivery. The remaining amount serves as a security for Futureal Holding'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

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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. Futureal Holding believes, that the impact of discounting would be wholly immaterial, therefore presents these balances using the contractual amounts.

The balance of the long-term guarantees withheld as at 31 December 2021 is EUR 4 945 126.

The balance of the long-term guarantees withheld as at 31 December 2020 is EUR 1 977 834.

17.(m) Derivative financial assets

<i>in EUR</i>	31.12.2021	31.12.2020
Closing balance includes:		
Long-term derivative assets	1 986 849	3 949
Short-term derivative assets	4 118	0
Total closing balance	1 990 967	3 949
Movements table		
	<i>2021</i>	<i>2020</i>
Opening balance as at 01 January	3 949	0
Parent share - Fair value change recorded in other comprehensive income	1 919 262	4 181
NCI share - Fair value change recorded in other comprehensive income	66 758	-232
Foreign exchange loss	998	0
Closing balance as at 31 December	1 990 967	3 949

On 31 December 2021, derivative financial assets include interest rate swap transactions entered into by Futureal 1 Ingatlanbefektetési Alap (EUR 682 112), Futureal Prime Properties Two (EUR 780 047), Spectrum Glasgow Spv Limited (EUR 40 249), BP1 Első Ütem Kft. (EUR 249 458), and Futureal Prime Properties Three (EUR 239 101).

On 31 December 2020, derivative financial assets include interest rate swap transactions entered into by Spectrum Glasgow Spv Limited (EUR 3 949).

All fair value measurements for derivative financial assets are included in level 2 of the fair value hierarchy, as the basis of fair value is a valuation received from the partner bank and they are using observable (level 1) inputs as the basis for calculating the fair value.

In 2020 Futureal Holding decided to designate and document its existing interest rate swap contracts as hedging instruments. Hedge accounting is applied prospectively from the date that all hedge accounting criteria are met, which includes the documentation at inception of the hedge accounting relationship. Futureal Holding's accounting policy for its cash flow hedges is set out in Note 4. Further information about the derivatives used by Futureal Holding is provided in Note 22(a)(iii). Futureal Holding's hedging reserves are disclosed in Note 18(b).

17.(n) Derivative financial liabilities

<i>in EUR</i>	31.12.2021	31.12.2020
Closing balance includes:		
Long-term derivative liabilities	239 626	6 278 462
Short-term derivative liabilities	1 925 993	1 437 623
Total closing balance	2 165 619	7 716 085

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Movements table	2021	2020
Opening balance as at 01 January	7 716 085	3 418 756
Parent share - Fair value change recorded in other comprehensive income	-5 232 900	5 684 987
Ineffective hedge portion booked in the P/L	16 054	-271 356
Settlement of not hedged derivatives	0	-798 714
NCI share - Fair value change recorded in other comprehensive income	-332 780	-315 882
Foreign exchange loss	-840	-1 706
Closing balance as at 31 December	2 165 619	7 716 085

On 31 December 2021, derivative financial liabilities include the fair value of interest rate swap transactions entered into by BP1 Első Ütem Kft. (EUR 369 336), Futureal Prime Properties Three (EUR 265 355), Futureal Prime Properties One (EUR 1 169 199), Futureal 1 Ingatlanbefektetési Alap (EUR 103 521), and Futureal Prime Properties Two (EUR 258 208).

On 31 December 2020, derivative financial liabilities include the year-end fair value of interest rate swap transactions entered into by BP1 Első Ütem Kft. (EUR 1 544 874), Futureal Prime Properties One (EUR 5 341 340) and Futureal 1 Ingatlanbefektetési Alap (EUR 644 488).

All fair value measurements for derivative financial liabilities are included in level 2 of the fair value hierarchy, as the basis of fair value is a valuation received from the partner bank and they are using observable (level 1) inputs as the basis for calculating the fair value.

In 2020 Futureal Holding decided to designate and document its existing interest rate swap contracts as hedging instruments. Hedge accounting is applied prospectively from the date that all hedge accounting criteria are met, which includes the documentation at inception of the hedge accounting relationship. Futureal Holding's accounting policy for its cash flow hedges is set out in Note 4. Further information about the derivatives used by Futureal Holding is provided in Note 22(a)(iii). Futureal Holding's hedging reserves are disclosed in Note 18(b).

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17.(o) Interests in joint-ventures and associates

Set out below is the joint ventures and associates of Futureal Holding as at 31 December 2021 and 31 December 2020. All joint ventures and associates are measured applying the equity method.

Entity name	Nature of relationship at	
	31.12.2021	31.12.2020
Futureal Management Ltd.	Associate	Associate

All joint ventures operate in the real estate industry, their activities include real estate development, leasing and managing properties. In case of all joint ventures the parent company and the other investor had 50-50% voting rights through the rights attached to the shares owned. At the end of 2021 and 2020 Futureal Holding had no investment in any joint venture.

The carrying amounts of the most significant investments are as follows:

<i>in EUR</i> Entity name	Carrying amount at	
	31.12.2021	31.12.2020
Futureal Management Ltd.	400	400

Reconciliation of the carrying amounts:

<i>In EUR</i>	2021	2020
Opening balance	400	34 471 271
Share of profit/ for the year	0	- 895
Acquiring of interest in associate or joint venture	0	400
Sale of interest in associate or joint venture	0	- 34 470 376
Closing balance	400	400

Futureal Holding's interests in joint ventures and associates have been disposed in 2020, except Futureal Management Ltd, which is an empty dormant company. See further details about the gain/loss recognised on the sale of interest in associates and joint ventures in Note 13.

The tables below provide summarized financial information for those joint ventures and associates that are material to Futureal Holding.

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18. Shareholders' equity

18.(a) Share capital

The parent company's share capital is EUR 342 000 000 (2020 EUR 342 000 000) consisting of ordinary shares with nominal value of EUR 80 000 in the number of 4 275 (2020: 4 275).

Company	31.12.2021	
	Nominal value of shares EUR	Ownership percentage
Futureal Group B.V.	342 000 000	100%
Total	342 000 000	

Company	31.12.2020	
	Nominal value of shares EUR	Ownership percentage
Futureal Group B.V.	342 000 000	100%
Total	342 000 000	

<i>In EUR</i>	2021	2020
Opening balance	342 000 000	324 000 000
Capital increase	0	18 000 000
Closing balance	342 000 000	342 000 000

The share capital of the Company did not change during 2021.

18.(b) Other reserves

The following table shows the movements in Other reserves during the period:

<i>In EUR</i>	Cash flow hedge reserve – Interest rate swaps
Opening balance at 01.01.2021	-5 369 105
Parent share - Change in fair value of hedging instrument recognised in OCI	7 152 162
Closing balance at 31.12.2021	1 783 057

<i>In EUR</i>	Cash flow hedge reserve – Interest rate swaps
Opening balance at 01.01.2020	0
Parent share - Change in fair value of hedging instrument recognised in OCI	-5 369 105
Closing balance at 31.12.2020	- 5 369 105

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The cash flow hedge reserve is used to recognise the effective portion of gains or losses on interest rate swaps that are designated and qualify as cash flow hedges, as described in Note 4. See Note 17(m), 17(n) and Note 22(a)(iii) for further details. Amounts are subsequently reclassified to profit or loss when the underlying transaction is recorded.

18.(c) Retained earnings

<i>In EUR</i>	2021	2020
Opening balance at 01.01.2021	5 191 586	-11 294 371
Dividend paid	-5 543 640	0
Transactions with non-controlling interests	5 543 640	9 047 107
Closing balance before profit appropriation	5 191 586	-2 247 264
Profit/Loss of the year	11 058 213	7 438 850
Closing balance at 31.12.2021 after profit appropriation	16 249 799	5 191 586

See further details about transactions with non-controlling interest in Note 18(d).

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 Futureal Holding has non-controlling interest.

<i>in EUR</i>	Principal place of business	Shares owned by NCI (%)	
		31.12.2021	31.12.2020
Finext Nyrt and its subsidiaries	Hungary	26,13%	26,13%
Futureal Real Estate Holding Limited and its subsidiaries	Hungary	0,10%	0,10%
Hello Parks Hungary B.V. and its subsidiaries	Hungary	2,00%	2,00%
Hello Parks Group B.V. and its subsidiaries	Hungary	30,00%	30,00%
FR Investments Zabrze Sp. z o.o.	Poland	25,00%	0,00%

Please see below the summarized financial information of the entities with NCI (calculated in EUR, based on the stand-alone financial statements of the entities):

<i>in EUR</i>	Profit/(loss) and OCI allocated to NCI		Accumulated NCI	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	31.12.2021	31.12.2020
Finext Nyrt and its subsidiaries	2 368 408	4 637 933	25 726 351	23 357 943
Futureal Real Estate Holding Limited and its subsidiaries	-7 487	0	-7 387	100
Futureal Development Holding and its subsidiaries	0	1 528 167	0	0
Hello Parks Hungary B.V. and its subsidiaries	91 813	241 058	1 332 618	1 240 804
Hello Parks Group B.V. and its subsidiaries	1 328 362	3 643 115	19 967 749	18 639 387
FR Investments Zabrze Sp. z o.o.	1 603	0	1 603	0
Total Profit/(loss) and OCI allocated to NCI	3 782 699	10 050 273	47 020 934	43 238 234
Dividend paid to NCI	-5 543 640	0	-5 543 640	0
Capital increase in Equity by NCI partner	272	0	272	0
Total movements	-1 760 669	10 050 273	41 477 565	43 238 234

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<i>in EUR</i>	Equity	Equity
Entity name	31.12.2021	31.12.2020
Finext Nyrt and its subsidiaries	75 819 590	89 494 035
Futureal Real Estate Holding Limited and its subsidiaries	154 969 824	217 130 701
Hello Parks Hungary B.V. and its subsidiaries	54 033 707	62 040 213
Hello Parks Group B.V. and its subsidiaries	53 956 461	62 131 290
FR Investments Zabrze Sp. z o.o.	7 499	0

<i>in EUR</i>	Profit/(loss) and OCI	Profit/(loss) and OCI
Entity name	01.01.2021 -31.12.2021	01.01.2020 -31.12.2020
Finext Nyrt and its subsidiaries	9 074 357	13 627 362
Futureal Real Estate Holding Limited and its subsidiaries	-7 880 569	-3 977 328
Hello Parks Hungary B.V. and its subsidiaries	4 590 668	12 395 134
Hello Parks Group B.V. and its subsidiaries	4 427 873	12 131 290
FR Investments Zabrze Sp. z o.o.	6 411	0

Movements in non-controlling interests during the period ended 31 December 2021 and 31 December 2020 are as follows:

<i>In EUR</i>	01.01.2021 -31.12.2021	01.01.2020 -31.12.2020
Opening balance	43 238 234	52 687 311
Profit/(loss) for the year a	3 398 336	10 050 273
Other comprehensive loss (CTA and hedge related) b	384 363	-1 561 400
Dividend paid c	-5 543 640	-22 663 051
Transactions with non-controlling interest – merger d	0	-8 773 735
Transactions with non-controlling interest – other e	0	-2 491 880
Issue to non-controlling interests f	272	16 000 100
Sale of subsidiary g	0	-9 384
Closing balance	41 477 565	43 238 234

- **Line: 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. (IFRS 10.B89).
- **Line c)** The amount related to dividend payment to non-controlling interests.
- **Line d)** Transaction with non-controlling interest line includes two items:
 - On 17 June 2020, Futureal Property Group Kft (the direct parent of Futureal Development Holding Kft) and other subsidiaries of Futureal Holding (previously not subsidiaries of Futureal Property Group Kft) merged into Futureal Development Holding Kft. As a result of the merger, non-controlling interest of Futureal Property Group Kft and its subsidiaries (with a 14,92% non-controlling ownership interest) has ceased to exist and a non-controlling interest of Futureal Development Holding Kft and its subsidiaries has arisen (with a 2,03% non-controlling ownership interest). This line shows the proportion of change in net assets allocated to the non-controlling interests resulting from the merger of entities previously not subsidiaries of Futureal Property Group Kft (- 3,145,045 EUR) and the result of decrease in the non-controlling ownership interest (- 15,628,690 EUR). The total impact of this on non-controlling interests was -18,883,735 EUR in 2020;
 - On 26 June 2020, FREH Ltd. (subsidiary of Futureal Holding B.V.) decided on dividend payments to shareholders. The board decision of FREH Ltd. decided for non-controlling shareholders (which are entities under common control with Futureal Holding B.V.) a dividend of 10,000,000 EUR based on their preference shares owned at this date. This dividend was declared based on previous year's accumulated retained earnings. Since based on the articles of association, there is no minimum economic share to be

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distributed to the non-controlling shareholders, this resulted in a transaction with non-controlling shareholders and increased non-controlling interest with 10,000,000 EUR.

- **Line e)** During the year 2020 referring to the detail on line d) above after the merger mentioned there in connection with Futureal Development Holding Kft a 2,03% non-controlling ownership interest has arisen which was owned by a related party right after the merger. Later on in 2020 Futureal Holding BV purchased the 2,03% interest in Futureal Development Holding Kft from that related party for a consideration of 2 484 346 EUR.

- **Line f)** Shows the increase of non-controlling interest arising from capital increase.

In 2021 the figure comprises capital increase of FR Investments Zabrze Sp. z o.o. in an amount of 272 EUR.
In 2020 the figure comprises capital increases of Hello Parks Hungary B.V. (1 000 000 EUR), Hello Parks Group B.V. (15 000 000 EUR) and Futureal Real Estate Holding Ltd (100 EUR).

- **Line g)** Non-controlling interest balance derecognized as a result of sale of subsidiaries with NCI in 2020. The amount is related to BRAND ART Arculat és Kommunikáció Tervező és Design Stúdió Kft. Please see details in previous notes.

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18.(e) Net assets attributable to non-controlling investment unit holders

Represents the investment of the non-controlling investment unit holders in the investment fund subsidiaries.

Please see below the movements in the balances during the period.

<i>In EUR</i>	01.01.2021 - 31.12.2021
Opening	0
Investment made by non-controlling investment unit holders	41 999 072
Annual Profit and Loss attributable to non-controlling investment unit holders	155 740
Redemption of investment units of non-controlling investment unit holders	0
Closing carrying amount	42 154 812

First investment was made on 26 May 2021, therefore no movement table for 2020 is presented.

Futureal Holding indirect subsidiary had controlling investment in an investment fund as of 31 December 2021, where there is an external non-controlling investor as owner of this fund. The fund is established for an indefinite period. The fund issued three classes of investment notes in form of shares, Class AH and AT shares are owned by Futureal Holding, Class P is purchased by the non-controlling investor. The three share classes provide different rights, and they have different risk profile. Based on the funds' prospectus, repayment of the original investments and distributions of profits and losses are to be made as follows:

- First, original investments into Class P and Class A shares shall be returned pro-rata and pari passu. Potential losses are therefore suffered pro-rata, based on the invested capital; and
- After distributions equal to the invested capital to all unit holders, the potential profits are not distributed on prorata basis but in different proportions, with such proportions changing based on IRR achieved by the Class P unitholders versus pre-agreed IRR hurdles.

Futureal Holding does not provide any guarantee on the return on the capital invested by the non-controlling investment unit holder. In case the projects in the fund generate losses, the losses are shared between Futureal Holding and the non-controlling investment unit holder on a pro-rata basis up to the amount of the capital invested. Each parties' liability is limited to the amount of capital invested in the fund.

Futureal Holding has no unconditional obligation to pay back any amount invested by the non-controlling investment unit holders. The Management believes that presenting these balances among general liabilities or among Futureal Holding equity would be misleading and it would not provide a fair picture about the financial position of Futureal Holding. Based on the above, and based on the industry practice, net asset attributable to non-controlling investment unit holders are disclosed on a separate line in the consolidated statement of financial position. At each period end, Futureal Holding calculates the profit distribution to be paid out to non-controlling investment unit holders and presents the balance in the statement of financial position among net assets attributable to non-controlling investment unit holders instead of non-controlling interests.

19. Fair value estimation of financial assets and liabilities

Financial assets that are measured at fair value through profit or loss in the IFRS consolidated financial statements are securities presented as long-term financial assets, other short-term financial assets and long-term derivative financial assets. The fair value of the assets is EUR 1 380 322 at 31 December 2021, and was EUR 236 233 at 31 December 2020 respectively. Financial liabilities measured at fair value through profit or loss are derivative financial liabilities (See note 17(m,n)) and bonds (see note 17(h)).

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).

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20. Commitments and contingencies

Commitments:

The amounts in the table below present uncharged investment commitments of Futureal Holding in respect of construction services to be rendered by the general contractors:

<i>In EUR</i>	Project name	31.12.2021	31.12.2020
Futureal Prime Properties Subfund 1	Etele Pláza	0	24 546 745
Futureal New Ages Ingatlanfejlesztő Kft.	Corvin 7	26 411 895	2 251 549
Futureal New Ages Ingatlanfejlesztő Kft.	Corvin 8	24 296 038	354 000
Budapest One Első Ütem Kft.	BPOne1	0	7 413 725
Futureal Prime Properties Subfund 3	BPOne2	12 905 848	33 743 556
Futureal Prime Properties Subfund 3	BPOne2 / Parking house	1 992 657	0
Futureal Prime Properties Subfund 2	BPOne3	13 878 871	29 209 496
HelloParks Project Fund	Maglód1	21 850 629	0
HelloParks Project Fund	Fót1	23 076 609	0
Total		124 412 547	97 519 071

As for the loan commitments please refer the Note 17(g).

Contingent liabilities:

Futureal Holding's Management is not aware of any contingent liability not already recorded in the balance sheet.

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21. Related parties

Parent company

During 2021 there was no capital increase of the Company. In 2020 there was a capital contribution by the parent company (please see the details in Note 18(a)). Dividend was not declared to the parent company during the reporting period.

For a list of subsidiaries reference is made to Note 1.

The main related parties' transactions arise on:

Futureal Holding has entered into the following transactions with other related parties. All related party transactions were at arms length basis if not disclosed otherwise.

For the period ended December 31:

<i>(a) Sales of products and services:</i>	2021	2020
Services:		
Rental of real estates	341 902	34 821
Intermediary services	2 938 910	420 967
Marketing revenue	0	24 271
IT support and other support revenue	1 024 858	581 021
Consultancy	894 456	0
Project Management fee	1 425 066	0
Other	41 656	6 140
Total	6 666 848	1 067 221

For the period ended December 31:

<i>(b) Purchase of products and services:</i>	2021	2020
Services:		
Management fee from FR Management	1 029 090	3 737 997
Partnership accounted in the P/L:		
Management fee from FR Management	3 703 402	1 672 877
Intermediary services from FR Management	8 487 735	3 834 027
Marketing	50 641	24 534
Administrative costs	158 213	58 500
Consultancy	261 652	0
Fund management fee	484 306	363 397
Management fee	1 356 121	0
Accounting cost	107 895	98 417
Intermediated expenses	1 792 288	0
IT service fee	30 221	0
Other	10 022	199 897
Total	17 471 586	9 989 646

The above transactions are with sister companies

For the period ended December 31:

<i>(c) Sale of subsidiaries and joint ventures:</i>	2021	2020
<i>Ultimate controlling parties:</i>		
Consideration received	0	0
<i>Sister companies:</i>		
Consideration received	61 800	35 629 065
Total	61 800	35 629 065

For further details about disposed subsidiaries and joint ventures see Note 3.

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<i>(d) Dividend to non-controlling shareholders (which are entities under common control with Futureal Holding B.V.):</i>	31.12.2021	31.12.2020
Dividend	0	10 000 000
Total	0	10 000 000

For further details about the dividend to non-controlling shareholders see Note 18(d).

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. An equity plan program is operated at Futureal Holding for the purpose of rewarding key individuals in connection with the (i) success of the development and investment projects, and (ii) overall performance of Futureal Holding and (iii) other corporate objectives (the Equity Plan).

Key management personnel compensation can be presented as follows:

For the period ended:		
<i>In EUR</i>	31.12.2021	31.12.2020
Salary and other short time benefit	85 386	43 640
Incentive plan linked to project results	1 442 607	715 830
Total	1 527 993	759 470

Loans to directors

As at 31 December 2021 and 31 December 2020 there were no loans granted to directors.

22. Financial risk management, objectives and policies

Financial risks are risks arising from financial instruments to which Futureal Holding is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency 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 Futureal Holding financial activities.

Risk management is carried out by a central treasury department (Group Treasury) and the risk management functions of Futureal Holding. Group Treasury and risk management teams identify and evaluate financial risks in close co-operation with Futureal Holding's operating units.

(a) Market risk

(i) Foreign currency exchange risk

Apart from the functional currency Futureal Holding operates in foreign currencies and therefore is exposed to foreign exchange risk, primarily with respect to Hungarian Forint 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 Futureal Holding entity.

Management has set up a policy to require Futureal Holding companies to manage their foreign exchange risk against their functional currency

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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, Futureal Holding manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as rental income) are denominated. This is generally achieved by obtaining loan finance in the relevant currency.

The functional currency of the Company is the EUR 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 2021 if the Hungarian forint weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 3 628 894 EUR lower / 4 010 883 EUR higher.

At 31 December 2021 if the Polish Zloty weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 40 276 EUR lower / 44 515 EUR higher.

At 31 December 2021 if the English GBP weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 475 532 EUR lower / 525 588 EUR higher.

At 31 December 2020 if the Hungarian forint weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 829,454 EUR lower / 916,765 EUR higher.

At 31 December 2020 if the Polish Zloty weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 635,283 EUR lower / 702,154 EUR higher.

At 31 December 2020 if the English GBP weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 469,576 EUR lower / 519,005 EUR higher.

(ii) Cash flow and fair value interest rate risks

Futureal Holding's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose Futureal Holding to cash flow interest rate risk, which is partially covered by the variable rate and cash equivalents. Futureal Holding 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:

<i>Interest rate increase:</i>	Yearly effect on profit before tax (EUR)
+ 10 basis point – 01.01.2021. -31.12.2021.	- 284 194
+ 10 basis point – 01.01.2020. -31.12.2020.	- 156 792

Please also refer to Note 17(b) and 17(g) for the main conditions of the loan agreements.

Interest rate swaps and hedge accounting

Futureal Holding enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. Futureal Holding does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the period, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the following principles. It may occur due to:

- The credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and

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- Differences in critical terms between the interest rate swaps and loans.

There was no recognised material ineffectiveness during the period in relation to the interest rate swaps.

Swaps currently in place cover approximately 100% of the variable loan principal outstanding.

The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The effects of the interest rate swaps on Futureal Holding's financial position and performance are as follows:

<i>In EUR</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Carrying amount (long-term assets – note 17(m))	1 990 967	3 949
Carrying amount (long-term and current liabilities – note 17(n))	2 165 619	7 716 085
Notional amount	286 534 151	219 449 778
Maturity date	2023-2037	2025-2030
Hedge ratio	100%	100%
Change in fair value of outstanding hedging instruments since 1 January	7 541 433	-5 238 825
Change in value of hedged item used to determine hedge effectiveness	7 326 123	-5 211 579

(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 risk is not material in case of cash, since it is held at major international banks. Trade receivables are not material. Loans are mostly granted to companies under common control and they are guaranteed by the parent company or the ultimate owner. Based on this, credit risk is considered to be minimal for Futureal Holding.

(c) Liquidity risk

The cash flow forecast is prepared by the operating units of Futureal Holding. The forecasts are summarized by Futureal Holding's finance department. The finance department monitors the rolling forecasts on Futureal Holding's required liquidity position in order to provide the necessary cash balance for the daily operation. Futureal Holding 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 Futureal Holding's financial plans, the contracts' covenants, the key performance indicators and the legal environment.

As at 31 December 2021

<i>In EUR</i>	Less than 1 year	Between 1 and 5 years
Loans and borrowings	8 508 106	298 786 252
Bonds	6 172 118	299 166 270
Trade and other payables	29 229 866	0
Liabilities to related parties	4 367 069	113 952
Amounts withheld for guarantees	0	4 945 126
Lease liabilities	980 360	4 786 804
Total	49 257 519	607 798 404

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<i>EUR</i>	As at 31 December 2020	
	Less than 1 year	Between 1 and 5 years
Loans and borrowings	4 738 036	187 921 593
Trade and other payables	38 232 071	0
Liabilities to related parties	8 824 436	15 371
Amounts withheld for guarantees	0	1 977 834
Lease liabilities	897 672	4 781 576
Total	52 692 215	194 696 374

23. Capital management

When managing capital, it is Futureal Holding's objective to safeguard Futureal Holding'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, Futureal Holding may adjust the profit appropriation, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, Futureal Holding monitors capital on the basis of the gearing ratio and leverage.

There were no changes in Futureal Holdings 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>	31.12.2021	31.12.2020
Cash and cash equivalents	-290 262 369	-56 963 336
Lease liabilities	5 767 164	5 679 248
Long-term liabilities to related parties	113 952	15 371
Tenant deposits	4 072 613	2 175 990
Amounts withheld for guarantees	4 945 126	1 977 834
Loans and borrowings	307 294 358	192 659 629
Bonds	305 338 388	0
Net debt	337 269 232	145 544 736

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<i>in EUR</i>	Cash	Lease liabilities	Long-term liabilities to related parties	Tenant deposits	Amounts withheld for guarantees	Loans and borrowings	Bonds	Total
Net debt as at 01 January 2021	-56 963 336	5 679 248	15 371	2 175 990	1 977 834	192 659 629	0	145 544 736
Cash flow	-233 299 033	-993 564	98 581	1 896 623	2 967 292	114 692 592	302 988 533	188 351 024
Recognition of new lease liability	0	169 266	0	0	0	0	0	169 266
Interest	0	203 300	0	0	0	0	6 172 118	6 375 418
Acquisition	0	744 853	0	0	0	0	0	744 853
Foreign exchange adjustments	0	-35 939	0	0	0	-57 863	-2 004 826	-2 098 628
Premium on bond/capitalized cost/and other effect	0	0	0	0	0	0	-1 817 437	-1 817 437
Net debt as at 31 December 2021	-290 262 369	5 767 164	113 952	4 072 613	4 945 126	307 294 358	305 338 388	337 269 232

<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 01 January 2020	- 49 718 663	6 891 753	2 371	1 513 042	3 006 732	145 274 326	106 969 561
Cash flow	-7 244 673	- 809 581	13 000	662 948	-1 028 898	48 282 460	39 875 256
Terminated lease agreements	0	-423 574	0	0	0	0	-423 574
Interest	0	114 249	0	0	0	0	114 249
Foreign exchange adjustments	0	576 914	0	0	0	-654 664	-77 750
Other non-cash movements	0	-670 513	0	0	0	-242 493	-913 006
Net debt as at 31 December 2020	- 56 963 336	5 679 248	15 371	2 175 042	1 977 834	192 659 629	145 544 736

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25. Segment report

The Board of Directors is Futureal Holding's chief operating decision-making body. Futureal Holding's operating segments are defined as separate business clusters for which the Board of Directors does regular reviews and sets strategy.

The segments definition is based on geographical locations where Futureal Holding active. On this basis Futureal Holding reviews its operations in the following operating segments: Hungarian operations, Polish operations, Maltese operations, Dutch operations and United Kingdom operations.

The Board of Directors monitors the financial results of the operating segments for the purposes of making decisions about resource allocation and performance assessment.

Revenue

There are no significant sales transactions between the segments. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the income statement.

Closing balance 2021

Balance sheets (EUR)	The Netherlands	Hungary	Poland	United Kingdom	Malta
<i>Assets</i>					
1.1 Intangible assets	0	552 404	0	0	0
1.2 Investment property	0	595 261 565	88 456 748	19 258 766	0
1.3 Property, plant and equipment	0	5 644 660	0	0	0
1.6 Investment in subsidiary	10 000	0	0	0	0
1.7 Investment in JV/Associate	0	0	0	0	400
1.8 Long-term receivables from related parties	107 521 334	114 745 789	0	0	0
1.10 Other long-term assets	0	0	0	0	239 642
1.11 Long-term derivative financial assets	0	1 950 718	0	36 131	0
Non-current assets	107 531 334	718 155 136	88 456 748	19 294 897	240 042
2.1 Inventory	0	242 968	0	0	0
2.2 Trade and other receivables	0	10 149 512	894 432	491 825	0
2.3 Short-term receivables from related parties	0	13 010 913	0	0	0
2.4 Short-term receivables from third parties	0	19 627 933	0	0	0
2.5 Income tax receivable	0	102 833	87 881	0	0
2.7 Other short-term assets	2 564 411	282 704 349	2 855 025	2 010 891	127 693
2.8 Short-term VAT receivables	0	1 226 948	51 083	84 252	0
2.9 Restricted cash	0	7 140 383	1 796 673	3 323	0
2.6 Cash and cash equivalents	0	55 681 222	8 849	0	0
2.11 Short-term derivative financial assets	0	0	0	4 118	0
Current assets	2 564 412	389 887 061	5 693 942	2 594 408	127 693
Total assets	110 095 745	1 108 042 197	94 150 690	21 889 305	367 736

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Liabilities

	The Netherlands	Hungary	Poland	United Kingdom	Malta
5.1 Long-term liabilities to related parties	114 788 789	42 362 952	50 629 534	0	0
5.2 Loans and borrowings	0	287 571 092	0	11 215 160	0
5.3 Bonds	0	299 166 270	0	0	0
5.4 Tenant deposits	0	3 496 360	533 168	0	0
5.5 Deferred tax liabilities	0	0	344 519	0	0
5.7 Provisions	0	381 307	2 178 995	0	0
5.8 Other long-term liabilities	0	2 500 000	0	0	0
5.9 Amounts withheld for guarantees	0	4 945 127	0	0	0
5.10 Lease liabilities	0	3 433 161	1 353 643	0	0
5.11 Derivative financial liabilities long term	0	239 626	0	0	0
Non-current liabilities	114 788 789	644 095 895	55 039 858	11 215 160	0
6.1 Short-term liabilities to related parties	79 989	3 665 767	393 204	0	19 299 759
6.2 Loans and borrowings	0	8 508 106	0	0	0
6.3 Bonds short term	0	6 172 118	0	0	0
6.4 Tenant deposits	0	0	43 085	0	0
6.5 Trade and other payables	432 003	26 746 929	835 248	1 133 456	82 228
6.6 Customer advances	0	1 117 072	0	0	0
6.7 Provisions	0	188 657	49 786	0	0
6.8 Income tax liabilities	0	111 892	0	0	41 356
6.9 Other tax liabilities	4 558	1 130 680	403 288	0	0
6.10 Lease liabilities	0	920 843	59 517	0	0
6.11 Derivative financial liabilities short term	0	1 925 993	0	0	0
Current liabilities	516 550	50 488 056	1 784 128	1 133 456	423 343
Total liabilities	115 305 339	694 583 951	56 823 986	12 348 616	423 343
	The Netherlands	Hungary	Poland	United Kingdom	Malta
Profit and loss and other comprehensive income					
Revenue	0	25 176 678	872 966	1 026 973	0
Gross profit	0	15 861 728	-155 579	681 256	0
Other Finance Income	0	0	0	0	26 373 498
Profit for the year	-1 411 792	1 590 457	13 226 001	2 165 572	-957 949
Dividend paid	0	47 800 000	0	0	0

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Closing balance 2020					
Balance sheets (EUR)	The Netherlands	Hungary	Poland	United Kingdom	Malta
<i>Assets</i>					
1.1 Intangible assets	0	325 326	0	0	0
1.2 Investment property	0	464 988 280	12 967 350	16 518 708	0
1.3 Property, plant and equipment	0	5 959 860	0	0	0
1.7 Investment in JV/Associate	0	0	0	0	400
1.10 Other long-term assets	10	0	0	0	232 284
1.11 Long-term derivative financial assets	0	0	0	3 949	0
Non-current assets	10	471 273 466	12 967 350	16 522 657	232 684
2.1 Inventory	0	795	0	0	114
2.2 Trade and other receivables	0	6 198 025	587	980 830	0
2.3 Short-term receivables from related parties	12 500 000	8 096 721	39 565	0	0
2.4 Short-term receivables from third parties	0	3 693 693	0	0	0
2.5 Income tax receivable	0	68 371	0	0	0
2.7 Other short-term assets	0	709 734	7 651	51 229	0
2.8 Short-term VAT receivables	0	14 929 614	0	0	0
2.9 Restricted cash	0	29 890 175	0	1 708 602	0
2.6 Cash and cash equivalents	4 740 087	51 927 072	55 563	0	240 614
2.11 Short-term derivative financial assets	0	0	0	0	0
Current assets	17 240 087	115 514 201	103 366	2 740 660	240 727
Total assets	17 240 097	586 787 668	13 070 716	19 263 318	473 411

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Liabilities

	The Netherlands	Hungary	Poland	United Kingdom	Malta
5.1 Long-term liabilities to related parties	0	0	0	0	15 371
5.2 Loans and borrowings	0	177 459 967	0	10 461 626	0
5.3 Bonds	0	0	0	0	0
5.4 Tenant deposits	0	2 167 170	8 820	0	0
5.5 Deferred tax liabilities	0	0	0	0	0
5.7 Provisions	0	35 835	0	0	0
5.8 Other long-term liabilities	0	0	0	0	0
5.9 Amounts withheld for guarantees	0	1 977 834	0	0	0
5.10 Lease liabilities	0	4 157 961	623 615	0	0
5.11 Derivative financial liabilities long term	0	6 278 462	0	0	0
Non-current liabilities	0	192 077 228	632 436	10 461 626	15 371
6.1 Short-term liabilities to related parties	0	8 164 302	133	0	660 000
6.2 Loans and borrowings	0	4 738 036	0	0	0
6.3 Bonds short term	0	0	0	0	0
6.4 Tenant deposits	0	46 446	0	0	0
6.5 Trade and other payables	-43 767	37 476 570	131 205	583 712	84 352
6.6 Customer advances	0	0	0	0	0
6.7 Provisions	0	557 205	0	0	0
6.8 Income tax liabilities	0	110 331	0	0	32 375
6.9 Other tax liabilities	0	615 100	-85 103	61 793	1 384
6.10 Lease liabilities	0	853 936	43 736	0	0
6.11 Derivative financial liabilities short term	0	1 437 623	0	0	0
Current liabilities	-43 767	53 999 550	89 971	645 505	778 110
Total liabilities	-43 767	246 076 777	722 407	11 107 131	793 481
	The Netherlands	Hungary	Poland	United Kingdom	Malta
Profit and loss and other comprehensive income					
Revenue	0	60 691 888	62 831	1 401 040	0
Gross profit	0	6 538 190	-361 704	1 030 984	0
Profit for the year	-90 249	18 155 799	-844 326	-246 277	514 177

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26. Subsequent events

The Futureal Development Holding Kft on 31st January 2022 successfully issued a second tranche of Futureal 2031/I HUF Bond (ISIN: HU0000360268) in an amount of HUF 8,05 billion (EUR 22 m) within the framework of the Bond Funding for Growth Program (“Növekedési Kötvény-program”) launched by the National Bank of Hungary.

On 10th January 2022 Futureal Holding acquired occupancy permit for the HelloParks Maglód1 logistics building which further added to the net gain from fair valuation of investment properties to be shown in H1/2022 consolidated financial statements.

In March 2022 Futureal Holding and Unicredit Bank have signed a loan agreements worth EUR 79,5 million plus HUF 500 million (EUR 1,4 m) to finance the development project of Corvin 7 and Corvin 8 office buildings.

In March and April 2022 Futureal Holding and OTP Bank Nyrt. have signed two loan agreements worth in total EUR 36 million to finance its Polish development projects of Manhattan Shopping Centre in Gdansk and Galeria Bemowo Shopping Centre in Warsaw.

The shareholders of Finext Vagyonkezelő Nyrt approved a dividend amount of EUR 3,06 million in April 2022, 26,1% of which was paid to non-controlling interest.

The impact of the Ukrainian-Russian conflict

The impact of the Ukrainian-Russian conflict which started at the end of February 2022 has been considered by Futureal Holding's management and it was concluded that it has no direct impact on the assets presented in the books at the reporting date. Futureal Holding has no direct exposure or business relationships in Ukraine and Russia and the war is not impacting going concern of Futureal Holding

In the opinion of the management, the war conflict may have only an indirect impact in the fiscal year 2022 through the general economic situation.

For 2022, the management expects Futureal Holding's financial position to be stable, based on the cash flow projections. Liquidity issues have not been identified for the next 12 months. The management is going to continue to analyse the situation and will take corresponding actions if and where necessary.

Directors:



.....
Zsolt Balázsik



.....
Astrid van Groeningen



.....
Steven Melkman

Amsterdam, 11 July 2022

Futureal Holding BV
Separate Financial Statements

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December

<i>In EUR</i>	<i>Note</i>	2021	2020
Revenue		0	0
Cost of sales		0	0
Gross profit		0	0
Administrative expenses	4	-229 006	-190 976
Other income	5	5 939 253	1 233 469
Other expenses	6	-4 337 001	-20 080 153
Operating profit		1 373 246	-19 037 660
Interest income	7	821 928	0
Other financial income	7	4 009	5 040 501
Interest expense	8	-1 270 267	0
Other financial expense	8	-5 751	-2 480
Net finance profit/(loss)		-450 081	5 038 021
Share of profit/(loss) in joint ventures and associates		0	0
Profit before taxation		923 165	-13 999 639
Income tax expense		0	0
Profit for the period		923 165	-13 999 639

The financial statements should be read in conjunction with the accompanying notes on pages 102-120

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Statement of Financial Position

<i>In EUR</i>	<i>Note</i>	31.12.2021	31.12.2020
Assets			
Non-current assets			
Long-term receivables from related parties	<i>11</i>	105 714 940	0
Investments in subsidiary	<i>9</i>	377 989 185	347 049 932
Total non-current assets		483 704 125	347 049 932
Current assets			
Short-term receivables from related parties	<i>11</i>	821 928	0
Cash and cash equivalents	<i>12</i>	103 808	197 757
Total current assets		925 736	197 757
Total assets		484 629 861	347 247 689
Equity			
Shareholders' equity			
Share capital	<i>15</i>	342 000 000	342 000 000
Retained earnings	<i>16</i>	-13 183 871	-14 107 036
Equity attributable to equity holders of the parent		328 816 129	327 892 964
Liabilities			
Non-current liabilities			
Long-term liabilities to related parties	<i>13</i>	150 095 789	0
Guarantees		4 337 001	0
Total non-current liabilities		154 432 790	0
Current liabilities			
Short-term liabilities to related parties	<i>13</i>	1 315 767	19 300 000
Trade and other payables	<i>14</i>	65 175	54 724
Total current liabilities		1 380 942	19 354 724
Total liabilities		155 813 732	19 354 724
Total equity and liabilities		484 629 861	347 247 689

The financial statements should be read in conjunction with the accompanying notes on pages 102-120.

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Statement of Changes in Equity

<i>In EUR</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at 1 January 2021	342 000 000	0	0	-14 107 036	327 892 964
Profit/(loss) for the period	0	0	0	923 165	923 165
Other comprehensive income/(loss)	0	0	0	0	0
Transactions with owners:	0	0	0	0	0
Balance at 31 December 2021	342 000 000	0	0	-13 183 871	328 816 129

<i>In EUR</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at 1 January 2020	324 000 000	0	0	-107 396	323 892 604
Profit/(loss) for the period	0	0	0	-13 999 639	-13 999 639
Other comprehensive income/(loss)	0	0	0	0	0
Proceeds from shares issued	18 000 000	0	0	0	18 000 000
Transactions with owners:	18 000 000	0	0	0	18 000 000
Balance at 31 December 2020	342 000 000	0	0	-14 107 036	327 892 964

The financial statements should be read in conjunction with the accompanying notes on pages 102-120.

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Statement of cash flows

For the years ended at 31 December 2021 and 31 December 2020

<i>In EUR</i>	Note	Year ended 31 December 2021	Year ended 31 December 2020
Loss before income tax		923 165	-13 999 639
<i>Adjustments for:</i>			
Financial result	7, 8	0	-5 038 021
Impairment / (Reversal of impairment) of subsidiary	6	-5 939 253	20 080 153
Guarantee for bond liabilities	6	4 337 001	
Non cash movements	*	0	38 002
Increase/ (Decrease) in trade and other payables	14	10 450	-2 821
Increase/(Decrease) in receivables from related parties	11	-821 928	0
Increase/(Decrease) in liabilities to related parties	13	-17 984 233	11 700 010
Net cash generated from operating activities		-19 474 798	12 777 694
Acquisitions of subsidiaries and capital increase in subsidiaries	9	-25 000 000	-83 185 247
Proceeds from disposal of associate	9	0	34 400 000
Proceeds from capital distribution	9	0	13 000 000
Dividend received	7, 17	0	5 000 000
Net cash used in investing activities		-25 000 000	-30 785 247
Capital increase	15	0	18 000 000
Proceeds from borrowings	11, 13	29 180 849	1 000 000
Repayment of borrowings	11, 13	15 200 000	-1 000 000
Net cash from financing activities		44 380 849	18 000 000
Net increase in cash and cash equivalents		-93 949	-7 563
Cash and cash equivalents at the beginning of the year	12	197 757	205 320
Cash and cash equivalents at the end of the year		103 808	197 757

* In 2020 the other non-cash movements derive mainly from foreign exchange differences.

Notes to the financial statements

1. General information

Parent company details

Name: Futureal Holding B.V.
Tax number: 25096107-2-42
Address: Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, Netherlands.
Court registration: 01-09-199474

The Company was founded on 5th June 2019. The Company's immediate controlling parent company is Futureal Group BV (address of registered office: Prof. W.H. Keesomlaan 12, 1183 DJ Amstelveen, Netherlands), which owns 99,16% of the Company's shares.

The ultimate controlling party of the Company is Gábor Futó private individuals. The ultimate parent of the Company is Futureal Group B.V.

The share capital of the Company as at 31 December 2021: € 342 000 000 (€ 342 000 000 as at 31 December 2020).

The Company is a holding company.

The owners of the Company as at	31.12.2020	31.12.2020
Futureal Group B.V.	99,16%	99,16%
Finext Consultants Ltd.	0,84%	0,84%
Total % of ownership	100%	100%

The Company has three managing directors:

- Zsolt Viktor Balázsik
- Steven Melkman
- Astrid van Groeningen

The company financial statements are approved by the Managing Directors on 11 July 2022 and forwarded for approval of the Shareholder's meeting. The shareholder is eligible to approve the financial statements and can ask for adjustments before approval.

Subsidiaries

The details of the subsidiaries are shown in Note 9.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Futureal Holding B.V. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRIC) and with Part 9 of Book 2 of the Dutch Civil Code.

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In these financial statements the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRIC) are together defined as 'IFRS'. Preparation of the financial statements

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property at fair value, financial assets classified as available-for-sale and derivative financial instruments that have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate.

2.1.1 Impact of standards issued but not yet applied by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. The adoption of these standards are not expected to have material impact on the financial statements.

- Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023);
- Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023);
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023);
- IFRS 17 Insurance contract (issued on May 2017, the EU has not yet endorsed the changes);
- IAS 16: 'Property, Plant and Equipment (PP&E) – Proceeds before Intended Use' issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;
- IAS 37: 'Onerous Contracts – Cost of Fulfilling a Contract' issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;
- IFRS 3: 'Reference to the Conceptual Framework' issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;
- Annual Improvements to IFRS Standards 2018–2020 affecting IFRS 1, IFRS 9, IFRS 16 and IAS 41 issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023); and
- IFRS 4 – deferral of IFRS 9 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). IFRS 14, Regulatory deferral accounts (issued in January 2014, the European Commission has decided not to launch the endorsement process of this standard and to wait for the final standard). Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB. The EU endorsement is postponed as IASB effective date is deferred indefinitely.)

These standards and amendments did not have material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in euros, which is the Company’s functional currency and presentation currency.

(b) Transactions and balances

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 recognised in the profit or loss for the year except for the exchange gains and losses related to cash flow hedges or hedges for qualified investments which shown in other comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively, unless they are capitalised as explained in Note 2.15 (“Borrowing costs”). All other foreign exchange gains and losses are presented net also in the income statement within finance costs and finance income respectively.

2.3 Impairment of non-financial assets

The carrying amounts of the Company’s non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s or a cash generating unit’s recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.4 Financial instruments

Classification and measurement

Financial assets

All financial assets under IFRS 9 are to be initially recognised at fair value, plus or minus (in the case of a financial asset not at FVTPL) transaction costs that are directly attributable to the acquisition of the financial instrument.

IFRS 9 has two measurement categories: amortised cost and fair value. Movements in fair value are presented in either profit or loss or other comprehensive income (OCI), subject to certain criteria being met, as described below.

If the financial asset is a debt instrument (or does not meet the definition of an equity instrument in its entirety), management should consider the following assessments in determining its classification:

- The entity’s business model for managing the financial asset.
- The contractual cash flows characteristics of the financial asset.
- A financial asset should be subsequently measured at amortised cost if both of the following conditions are met:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; ‘principal’ and ‘interest’.
- A financial asset should be subsequently measured at FVOCI if both of the following conditions are met:
- the financial asset is held within a business model whose objective is achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

If the financial asset does not pass the business model assessment and SPPI criteria, or the fair value option is applied it is measured at FVTPL. This is the residual measurement category.

The Company’s business model refers to how an entity manages its financial assets in order to generate cash flows. IFRS 9 prescribes two business models: holding financial assets to collect contractual cash flows; and holding financial assets to collect contractual cash flows and selling. FVTPL is the residual category which is used for financial assets that are held for trading or if a financial asset does not fall into one of the two prescribed business models.

Investments in equity instruments are always measured at fair value. Equity instruments that are held for trading (including all equity derivative instruments, such as warrants and rights issues) are required to be classified at FVTPL, with dividend income recognised in profit or loss.

For all other equities within the scope of IFRS 9, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in OCI rather than profit or loss.

Futureal BV Company’s financial assets are debt instruments that are measured at amortized cost because those are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual term of the financial asset gives rise to cash flows that pass the SPPI test.

Financial liabilities

Futureal BV Company recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. It is, therefore, necessary to measure those contractual rights and obligations on initial recognition.

All financial liabilities in IFRS 9 are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability.

There are two measurement categories for financial liabilities: fair value, and amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or an entity has opted to measure a liability at FVTPL.

Trade receivables that do not have a significant financing component are initially measured at their transaction price. A similar concept is commonly applied to short-term trade payables where the effect of discounting would be immaterial, consistent with the requirements of paragraph 8 of IAS 8.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The amortised cost of a financial asset or financial liability is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative

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amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and presented in the statement of financial position as a net amount when the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies IFRS 9 impairment model to:

- investments in debt instruments measured at amortised cost;
- investments in debt instruments measured at fair value through other comprehensive income (FVOCI);
- all loan commitments not measured at fair value through profit or loss;
- financial guarantee contracts to which IFRS 9 is applied and that are not accounted for at fair value through profit or loss; and
- lease receivables that are within the scope of IFRS 16, 'Leases', trade receivables and contract assets within the scope of IFRS 15 that give rise to a conditional right to consideration.

The model does not apply to investments in equity instruments.

The entity follows the rules of IFRS 9 outlines a 'three-stage' model ('general model') for impairment based on changes in credit quality since initial recognition:

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

Inter-company loans within the scope of IFRS 9 are considered to be low credit risk when they are repayable on demand and the lender expects to be able to recover the outstanding balance of the loan if demanded or when the issuer has a strong capacity to meet its contractual cash flow obligation in the near term.

Based upon historical performance and forward-looking information the loans granted are considered to be low risk and therefore the general model with a 12-month expected credit losses is calculated.

On an annual basis an assessment is performed in order to identify any subsequent credit deterioration of a counterparty which might lead to change the expected credit loss from a 12-month probability default to a lifetime probability default. This assessment consists mainly of assessing the financial performance of the counterparties and checking of the interest payments are current and in line with the relevant loan agreements.

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For trade receivables, contract assets and lease receivables the Company applies simplifications eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred.

For trade receivables or contract assets that do not contain a significant financing component, the loss allowance should be measured at initial recognition and throughout its life at an amount equal to lifetime ECL. As a practical expedient, a provision matrix is be used to estimate ECL for these financial instruments.

2.5 Subsidiary companies

A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company 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.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is defined. The Company should assess, at each reporting date, whether there is any indication that an impairment loss for a subsidiary either no longer exists or has decreased. If there is any such indication, the Company should estimate the recoverable amount and record the reversal of the impairment if applicable.

2.6 Trade and other receivables

Financial assets recognized in the statement of financial position as trade receivables are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. As rental fees are received in advance, trade receivables presented in the statement of financial position are not material and no expected credit loss is recognised.

2.7 Cash and cash equivalents

Cash and cash equivalents in the statement of financial positions comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, except for collateralized deposits, treasury bills if those are considered highly liquid assets with no significant risk furthermore the advance payment received from customers for project financing purposes if withdraw process is considered perfunctory.

The overdrafts are shown in current liabilities in borrowings line.

2.8 Share capital

Share capital includes the proceeds received from the issue of ordinary shares on the nominal value in exchange for cash.

2.9 Trade and other payables

Trade payables are contract amount payable in the normal business activity for goods and services. Trade payables are classified as current liabilities if the payment term is less than 12 months, in any other cases they are classified as non-current liability.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.10 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down (and should be calculated with in the effective interest

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calculation and the amortized cost of the loan). In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

2.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in other comprehensive income or equity - in which case, the tax is also recognized in other comprehensive income or equity.

The Company based on the operation of the mother company considers the following taxes as income tax defined by IAS 12:

- corporate income tax;
- local trade tax;
- innovation duty.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Provisions

Provisions for legal claims are recognised when:

- The Company has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

In case of similar liabilities the Company estimates the expected resource-outflows probability taking into consideration the whole Company of liability. The provision is recognized even if on the level of the separate similar liabilities belonging to the same Company the probability of resource-outflow is low.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

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The Company did not have to make a provision in the financial statements.

2.13 Interest income

Interest income and expense are recognized within 'finance income' and 'finance expense' in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. The Company has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not. Properties built in property development projects are considered to be qualifying assets for the Company.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.14 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved.

2.15 Other investment incomes

Dividend received from subsidiaries are recognised by the company as finance income. The dividend income is recognised when the Company becomes entitled for the dividend.

2.16 Use of estimates and critical judgments

The Company's estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

(a) Estimates

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(b) Critical judgments

Functional currency

The Company determined functional currency considering the indicators in IAS 21.9-10.

Presentation currency of the financial statements is also the Euro, as both users of the financial statements and market participants assess transactions in this currency, and this facilitates comparability with the financial statements of other companies in the industry.

Impairment

At the end of 2020 the Company accounted EUR 20 080 153 impairment on one of its subsidiaries, Futureal Development Holding Kft. The impairment amount was identified in the amount of the difference between the carrying

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value of this investment in Futureal Holding B.V.'s books and the 31.12.2020 Total Equity value of the subsidiary. The negative difference was accounted as impairment in the books of Futureal Holding B.V.

At the end of 2021 after the year-end impairment test of Futureal Development Holding Kft EUR 5 939 253 impairment was reversed due to the subsidiary's increased 2021 year-end equity value.

The same test was performed concerning all the other subsidiaries of the Company too as at 31 December 2021 and 2020.

3. Financial risk management

3.1 Financial risk factors

Financial risks are risks arising from financial instruments to which the Company 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 Company financial activities.

(a) Market risk

(i) Foreign exchange risk

The Company operates in foreign currencies too and therefore is exposed to foreign exchange risk, primarily with respect to the Hungarian forint. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Company entity.

Management has set up a policy to require the Company to manage its foreign exchange risk against its functional currency.

The Company is exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies. In addition, the Company manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as rental revenue) are denominated. This is generally achieved by obtaining loan finance in the relevant currency and by entering into forward foreign exchange contracts.

The functional currency of the Company is the euro. The Company is exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies.

(ii) Price risk

The Company has no significant exposure to price risk as it does not hold any equity securities or commodities.

The Company is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk.

The current rental levels are in line with the market environments of the properties.

(iii) Cash flow and fair value interest rate risks

The Company's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially covered by the variable rate cash and cash equivalents.

The Company's policy is to fix the interest rate on its variable interest borrowings. The Company would enter into variable interest rate long term loan contracts and exchange the variable interest to a fixed interest with an interest swap

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which is cheaper than an originally fixed interest rate loan for the Company. To manage this, the Company would enter into interest rate swaps in which the Company agrees to exchange, at specified intervals (usually quarterly), the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

(b) Credit risk

Credit risk is managed on a Company basis except for lending risks. 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. Rental contracts are to be entered into only with lessees with an appropriate credit history. Credit risk arises from cash and cash equivalents held at banks, trade receivables, including rental receivables from lessees, rental guarantees, and derivatives. The credit level of a tenant is set up by taking into consideration the financial strength, credit history and other factors.

(c) Liquidity risk

The cash flow forecast is prepared by the Company. The forecasts are summarized by the Company's finance department. The finance department monitors the rolling forecasts on the Company's required liquidity position in order to provide the necessary cash balance for the daily operation. The Company 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 Company's financial plans, the contracts' covenants, the key performance indicators and the legal environment.

In EUR

as at 31.12.2021	3 months or less	3 months to 1 year	1 to 2 years	2 to 5 years	Later than 5 years
Trade and other payables	65 175	0	0	0	0
Liabilities to subsidiaries	0	1 315 767	0	150 095 789	0
Total	65 175	1 315 767	0	150 095 789	0

In EUR

as at 31.12.2020	3 months or less	3 months to 1 year	1 to 2 years	2 to 5 years	Later than 5 years
Trade and other payables	54 724	0	0	0	0
Liabilities to subsidiaries	19 300 000	0	0	0	0
Total	19 354 724	0	0	0	0

The table above shows the non derivative financial instruments grouped by maturity. The amounts are contracted, undiscounted cash flows.

3.2 Financial instruments

The Company's objectives when managing capital are to safeguard the Company'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. The management confirms that all of the Company's entities meets the capital criteria and the management takes all necessary decisions to provide adequate equity in case it is needed.

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4. Administrative expenses

<i>In EUR</i>	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Audit and bookkeeping costs	173 061	110 050
Company management fee	50 336	76 084
Other administration costs	5 609	4 842
Total administrative expenses	229 006	190 976

In the 2021 and 2020 financial year, the following audit fees were charged by PricewaterhouseCoopers Accountants N.V. to the result in accordance with article 382a Title 9 Book 2 of the Dutch Civil Code.

	2021	2020
PricewaterhouseCoopers Accountants N.V.	EUR 61 000	EUR 15 000

The fees listed above relate to the procedures applied to the Company by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta') as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the 2021 financial statements, regardless of whether the work was performed during the financial year.

No other services than audit services were provided in 2021 and 2020.

5. Other income

<i>In EUR</i>	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Profit on disposal of associated companies	0	1 233 469
Partial reversal of prior year's impairment on investment in subsidiary	5 939 253	0
Total Other income	5 939 253	1 233 469

At the end of 2021 after the year-end impairment test of Futureal Development Holding Kft EUR 5 939 253 impairment was reversed due to the subsidiary's increased 2021 year-end equity value.

In 2020 the Company sold its investment in its associate company, ARGO Properties N.V., to a related party company for a sale price of EUR 34 400 000. The company realized EUR 1 233 469 gain on this transaction.

6. Other expenses

<i>In EUR</i>	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Impairment of subsidiaries	0	20 080 153
Guarantee expenses	4 337 001	0
Finance expense	4 337 001	20 080 153

The Company provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities to Futureal Holding Ltd.. Financial guarantee contracts that are accounted for as financial liabilities under IFRS 9 by the issuer are initially recognised at fair value. The Company identified market prices for similar guarantees based on credit default swaps and concluded that the fair market value of the guarantee is EUR 4 337 001. The guarantee is shown as a long term liability and the difference between fair value and the fee charged for the guarantee is treated as other expense.

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At the end of 2020 the Company accounted EUR 20 080 153 impairment on one of its subsidiaries, Futureal Development Holding Kft. At the end of 2021 after the year-end impairment test of Futureal Development Holding Kft EUR 5 939 253 impairment was reversed due to the subsidiary's increased 2021 year-end equity value (please see Note 5.).

7. Finance income

<i>In EUR</i>	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Dividend received from subsidiary	0	5 000 000
Interest income	821 928	0
Unrealized exchange gain	4 009	40 501
Finance income	825 937	5 040 501

In 2021 the interest income derived from related party loan receivables.

In 2020 the Company received EUR 5 000 000 dividend income from Futureal Real Estate Holding Ltd.

8. Finance costs

<i>In EUR</i>	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Bank charges	5 745	2 434
Interest expense	1 270 267	0
Unrealized exchange loss	6	46
Total Finance costs	1 276 018	2 480

In 2021 the interest expense derived from related party loan liabilities.

9. Subsidiaries

The Company had the following subsidiaries as of 31.12.2021 and 31.12.2020:

Name	Incorporation and place of business activity	Direct shareholding of the parent (%) 31.12.2021	Direct shareholding of the parent (%) 31.12.2020
Futureal Real Estate Holding Limited	Malta	99.903%	99.903%
FRGP B.V.	Netherlands	100%	100%
Futureal Development Holding Kft.	Hungary	100%	100%
Hello Parks Group B.V.	Netherlands	70%	70%
FR-Investments B.V.	Netherlands	100%	0

Name	Direct shareholding of the parent (EUR) 31.12.2021	Direct shareholding of the parent (EUR) 31.12.2020
Futureal Real Estate Holding Limited	192 600 000	192 600 000
FRGP B.V.	10	10
Futureal Development Holding Kft.	125 389 175	119 449 922
Hello Parks Group B.V.	35 000 000	35 000 000
FR-Investments B.V.	25 000 000	0
Investments	377 989 185	347 049 932

In 2021 Futureal Holding BV established a new subsidiary, FR Investments B.V.

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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.

Amounts in EUR	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Opening balance	347 049 932	298 178 298
Acquisition	0	2 151 778
Foundation	25 000 000	35 000 000
Capital increase	0	44 800 000
Capital decrease	0	-13 000 000
Impairment (-) / Impairment reversal (+) of subsidiary	5 939 253	-20 080 153
Closing balance	377 989 185	347 049 932

In 2021 Futureal Holding BV established a new subsidiary, FR Investments B.V., with a share capital of EUR 25 000 000. At the end of 2021 after the year-end impairment test of Futureal Development Holding Kft EUR 5 939 253 impairment was reversed due to the subsidiary's increased 2021 year-end equity value.

In 2020 the company established a new subsidiary, Hello Parks Group B.V., with a share capital of EUR 35 000 000 of which EUR 15 700 000 was paid via bank transfers to the subsidiary during the year. The remaining amount (EUR 19 300 000) is classified as Short term liabilities to related party in the Balance Sheet as at 31 December 2020.

In 2020 the company increased its investment in Futureal Real Estate Holding Ltd via new redeemable shares in an amount of EUR 44 800 000 of which EUR 13 000 000 were redeemed still within the year.

As at 31 December 2020 the Company accounted EUR 20 080 153 impairment for its subsidiary, Futureal Development Holding Kft.

10. Financial instruments

<i>In EUR</i>	Loans and other receivables 31.12.2021	Loans and other receivables 31.12.2020
Financial instruments	31.12.2021	31.12.2020
Long term receivables from related parties	105 714 940	0
Short term receivables from related parties	821 928	0
Cash and cash equivalents	103 808	197 757
Total	106 640 676	197 757

As of 31 December 2021

<i>In EUR</i>				
Counterparty	Balance	Maturity	Interest rate	Currency
FR Investments B.V.	36 500 000	within five year	3,59%	EUR
Futureal Prime Properties Four Ingatlanfejlesztő Részalap	6 200 000	within five year	3,59%	EUR
Futureal Prime Properties One Ingatlanfejlesztő Részalap	42 292 000	within five year	3,59%	EUR
Futureal Real Estate Holding Ltd	14 599 800	within five year	3,59%	EUR

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Spectrum Glasgow SPV Limited	6 123 140	within five year	2,32%	EUR
Total	105 714 940			

<i>In EUR</i>	Other financial liabilities – Amortised cost 31.12.2021	Other financial liabilities – Amortised cost 31.12.2020
Liabilities		
Long term liabilities to related parties	150 095 789	0
Short term liabilities to related parties	1 315 767	19 300 000
Guarantees	4 337 001	0
Trade and other liabilities	65 175	54 724
Total	155 813 732	19 354 724

As of 31 December 2021

<i>In EUR</i>	Balance	Maturity	Interest rate	Currency
Counterparty				
Futureal Development Holding Ingatlanforgalmazó Kft.	114 745 789	within five year	3,59%	EUR
HelloParks Group B.V.	35 350 000	within five year	3,59%	EUR/HUF
Total	150 095 789			

The long-term liabilities to related party is a loan payable to Futureal Development Holding Kft. and HelloParks Group B.V. as of 31 December 2021.

The short-term liability to related party balance is share capital payment liability towards Hello Parks Group B.V. as at 31 December 2020.

The Company's financial assets are inter-company loans within the scope of IFRS 9 might not require a material impairment provision to be recognized, because:

- the lender expects to be able to recover the outstanding balance of the loan, if demanded;
- they are low credit risk, so 12-month expected credit losses can be calculated, which might not be material;
- they have not had a significant increase in credit risk since the loan was first recognized, or have a remaining life of less than 12 months, so 12-month expected credit losses are calculated, which, as noted above, might not be material;
- loans granted to the Company's subsidiaries are used to finance Futureal Holding Group's activities related to development of its portfolio of office, retail and logistics assets and the assets purchased by the Company's subsidiaries increase in value and do not require impairment to be recognized.

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11. Receivables from related parties

<i>In EUR</i>	31.12.2021	31.12.2020
Loans granted	105 714 940	0
Accrued interest receivables	821 928	0
Total closing balance	106 536 868	0

Closing balance includes:

Current assets	821 928	20 636 286
Non-current assets	105 714 940	0
Total closing balance	106 536 868	20 636 286

In 2021 the Company provided five of its subsidiaries with interest bearing related party loans.

12. Cash and cash equivalents

The cash and cash equivalents consists of the following items in the financial statement:

<i>In EUR</i>	31.12.2021	31.12.2020
Cash at bank and in hand	103 808	197 757
Total cash and cash equivalents	103 808	197 757

The total amount of cash and cash equivalents was denominated in the following currencies:

<i>In EUR</i>	31.12.2021	31.12.2020
HUF	165	0
EUR	103 643	197 757
Total cash and cash equivalents	103 808	197 757

The Company holds its bank account at Raiffeisen Bank, and the cash balance is freely available. The current credit rating of the Raiffeisen Bank is BBB+.

13. Long term liabilities

<i>In EUR</i>	31.12.2021	31.12.2020
Guarantees	4 337 001	0
Total closing balance	4 337 001	0

The Company provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities to Futureal Holding Ltd.. Financial guarantee contracts that are accounted for as financial liabilities under IFRS 9 by the issuer are initially recognised at fair value.

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14. Liabilities to related parties

(a) Commitments related to investments

There were no committed but not invoiced expenses related to investments neither in 2021, nor in 2020.

(b) Long and Short term liabilities to related parties

<i>In EUR</i>	31.12.2021	31.12.2020
Loans granted	150 095 789	0
Accrued interest liabilities	1 270 267	0
Other liabilities	45 500	19 300 000
Total closing balance	151 411 556	19 300 000

Closing balance includes:

Current assets	1 315 767	19 300 000
Non-current assets	150 095 789	0
Total closing balance	151 411 556	19 300 000

In 2021 the short-term liabilities to related party balances consist of received interest bearing related party loans and audit fee accruals against a related party.

In 2020 the short-term liabilities to related party balances consist of capital increase payables to subsidiaries.

15. Trade and other payables

<i>In EUR</i>	31.12.2021	31.12.2020
Trade payables	1 577	400
Accrued expenses	63 598	54 324
Total closing balance	65 175	54 724

Closing balance includes:

Long-term tax liabilities	0	0
Short-term tax liabilities	65 175	54 724
Total closing balance	65 175	54 724

Accrued expenses consist of accrued audit and administrative expenses in both years.

16. Share capital and capital reserve

	Share capital	Capital reserve
31.12.2019/01.01.2020	324 000 000	0
Share capital increase	18 000 000	0
31.12.2020	342 000 000	0
Share capital increase	0	0
31.12.2021	342 000 000	0

The share capital of the Company was increased on 23 March 2020, and the owners settled their liability via bank transfer during April 2020.

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17. Accumulated deficit

	Retained earnings
31.12.2019 / 01.01.2020	-107 396
Current year result	-13 999 639
31.12.2020	-14 107 036
Current year result	923 165
31.12.2021	-13 183 871

The annual profit of EUR 923 165 is subject to approval of the shareholder, allocated to the accumulated deficit.

18. Related parties

The Company had the following transactions with related parties:

(a) Services rendered

There were no services rendered with related parties both in 2021 and in 2020.

(b) Purchase of goods and services

There were no services purchased from related parties both in 2021 and in 2020.

(c) Sale of associate

In 2021 there happened no such event in the company.

In 2020 the Company sold its investment in its associate company, ARGO Properties N.V., to a related party company for a sale price of EUR 34 400 000. The company realized EUR 1 233 469 gain on this transaction.

(d) Key management compensation

There was no compensation to key management personnel both in 2021 and in 2020.

(e) Interest incomes and expenses

<i>In EUR</i>	31.12.2021	31.12.2020
FR Investments B.V.	44 366	0
Futureal Prime Properties Four Ingatlanfejlesztő Részalap	27 980	0
Futureal Prime Properties One Ingatlanfejlesztő Részalap	273 023	0
Futureal Real Estate Holding Ltd	474 806	0
Spectrum Glasgow SPV Limited	1 753	0
Total Interest income	821 928	0

<i>In EUR</i>	31.12.2021	31.12.2020
Futureal Development Holding Ingatlanforgalmazó Kft.	1 139 912	0
HelloParks Group B.V.	130 355	0
Total Interest expense	1 270 267	0

(f) Balances with related parties at the end of the years

<i>In EUR</i>	31.12.2021	31.12.2020
Long-term related party receivables from subsidiaries	105 714 940	0
Short-term related party receivables from subsidiaries	821 928	0
Total	106 536 868	0

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<i>In EUR</i>	31.12.2021	31.12.2020
Parent liabilities	45 500	0
Long-term related party liabilities to subsidiaries	150 095 789	0
Short-term related party liabilities to subsidiaries	1 270 267	19 300 000
<i>Total</i>	151 411 556	19 300 000

For further details on the related party balances as at the year-end please see Note 11 and 13.

(g) Dividend received from subsidiary

In 2021 the Company received no dividend.

In 2020 the company received EUR 5 000 000 dividend from its subsidiary, Futureal Real Estate Holding Ltd.

The Company did not have to impair loans or write down receivables to key management or related parties.

(h) Guarantees provided for bond issuances

The Company provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities to Futureal Holding Ltd.. Financial guarantee contracts that are accounted for as financial liabilities under IFRS 9 by the issuer are initially recognised at fair value. The Company identified market prices for similar guarantees based on credit default swaps and concluded that the fair market value of the guarantee is EUR 4,337,001. The guarantee is shown as a long-term liability and the difference between fair value and the fee charged for the guarantee should be treated as other expense.

19. Events after the date of the statement of financial position

The Futureal Development Holding Kft on 31st January 2022 successfully issued a second tranche of Futureal 2031/I HUF Bond (ISIN: HU0000360268) in an amount of HUF 8,05 billion (EUR 22 m) within the framework of the Bond Funding for Growth Program (“Növekedési Kötvény-program”) launched by the National Bank of Hungary.

In December 2021 Scope has assigned an issuer rating of BB/Stable to the issuing entity Futureal Development Holding Kft. and an issuer rating of BB/Stable to the holding company and guarantor of the contemplated senior unsecured bond Futureal Holding B.V. Scope has also assigned a long-term debt rating on senior unsecured debt of BB.

Other than the above one there were no material events after the statement of financial position that have a bearing on the understanding of these financial statements.

Directors:



.....
Zsolt Balázsik



.....
Astrid van Groeningen



.....
Steven Melkman

Amsterdam, 11 July 2022

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Other Information

Appropriation of result

Based on article 11 of the Company's articles of association, the general meeting is authorized to appropriate the profit determined by the adoption of the financial statements and to adopt resolutions regarding distributions, to the extent the net assets exceed the reserves which must be maintained by law or the articles of association.

A resolution to make a dividend distribution or a distribution out of other reserves shall not have any effect as long as the management board has not given its approval. The management board will only refrain from giving its approval if it knows or ought to reasonably foresee that, after the distribution, the company will not be able to continue to pay its debts that are due and payable.

In calculating the profit appropriation, shares held by the company in its own capital shall not be taken into account.

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Statements and data contained in this Annual Report and any associated discussion, which relate to the performance of Futureal group in the current and future years, represent plans, targets, or projections. All figures may be subject to change or vary as they are plans, estimations or pro-forma projections.

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