



**INDEPENDENT AUDITOR'S REPORT**  
(Free translation)

**To the owner of Futureal Development Holding Ingatlanforgalmazó Kft.**

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Futureal Development Holding Kft. (the "Company") which comprise the balance sheet as at 31 December 2022 in which the balance sheet total is EUR 452 064 278, the profit after tax is EUR 15 849 128, the related income statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations for the year then ended in accordance with the provisions of Act C of 2000 on Accounting ("Accounting Act"), in force in Hungary.

**Basis for opinion**

We conducted our audit in accordance with Hungarian National Standards on Auditing ("HNSA") and with applicable laws and regulations in force in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and we also comply with further ethical requirements set out in these.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Our audit approach

### Overview

<i>Overall materiality</i>	Overall materiality applied was EUR 4 500 000
<i>Key Audit Matters</i>	<ul style="list-style-type: none"><li>Recoverability of the investments in subsidiaries and the long-term loans granted to related companies</li></ul>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<i>Materiality</i>	EUR 4 500 000
<i>Determination</i>	1% of the total assets
<i>Rationale for the materiality benchmark applied</i>	We chose total assets as the Company is a holding company without operating activity, and in our view, this is the most appropriate benchmark to calculate our materiality. We chose 1%, as we believe this rate is the most appropriate considering the activity of the Company and the users of the financial statements.



### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Key audit matter*

#### *How our audit addressed the key audit matter*

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### **Recoverability of the investments in subsidiaries and the long-term loans granted to related companies**

The company presents investments in subsidiaries in the long-term participating interests in related companies financial statement line in the net amount of EUR 63 133 184. The company accounted for EUR 26 587 669 accumulated impairment on these investments in subsidiaries.

The Company presents long-term loans granted to related companies in the Long-term loans to related companies financial statement line in the net amount of EUR 201 306 450 as at 31 December 2022.

The disclosures regarding the accounting principles for investments in subsidiaries, and long-term loans provided to related parties are presented in note I/2 of the notes to the financial statements. The Company used the principles to assess recoverability of these assets.

The Company presents in note II/3. of the notes to the financial statements, that no additional impairment was needed on these assets as at 31 December 2022.

As the value of investments in subsidiaries and long-term loans granted represent the 58,5% of the balance sheet total, they are the most significant item in the financial statements. As the main activity of the entity is asset management, we consider the recoverability of the said assets as a higher risk area, and we have concluded that it is the key audit matter.

The recoverability of the investments in subsidiaries and the long-term loans granted to related companies was in the focus of our audit. We performed the following procedures:

We reconciled the cost value of the holdings, the increases and decreases for the current year with the supporting documents (contracts, receipts), and examined the consistency with the accounting policy.

We checked the liquidity position, equity balance and income generating capability of the subsidiaries and loan counterparties assessed their ability to pay back the respective loan balances.

Written confirmation letters were obtained directly from related parties about the loan balances using a sampling method. We reconciled the confirmed balances to the accounting records.

We assessed whether the accumulated impairment losses were accounted for in accordance with the Company's accounting policy and whether they were sufficient, taking into account the property and financial situation of the long-term holdings (subsidiaries) and the borrowers.

We examined whether the disclosures related to long-term loans and shareholdings in the supplementary Notes are in accordance with the requirements of the Accounting Act.

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### **Other information: the business report**

The other information comprises the business report of the Company for the financial year ended on 31 December 2022. Management is responsible for the preparation of the business report in accordance with the provisions of the Accounting Act and other relevant regulations. Our opinion on the financial statements expressed in the “Opinion” section of our independent auditor’s report does not cover the business report.

In connection with our audit of the financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed, we conclude that the business report is materially misstated, we are required to report this fact and the nature of the misstatement.

Based on the Accounting Act, it is also our responsibility to consider whether the business report has been prepared in accordance with the provisions of the Accounting Act and other relevant regulations, and to express an opinion on this and on whether the business report is consistent with the financial statements.

In our opinion, regarding the financial year ended on 31 December 2022, the business report of the Company is consistent with the financial statements in all material respects, and it has been prepared in accordance with the provisions of the Accounting Act. As there is no other regulation prescribing further requirements for the Company’s business report, we do not express an opinion in this respect.

We are not aware of any other material inconsistency or material misstatement in the business report therefore we have nothing to report in this respect.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in the financial statements unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.



### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HNSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HNSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

Márton Kalavszky is responsible for the audit assignment resulting in this independent auditor's report.

Budapest, 26 April 2023

Márton Kalavszky  
Director  
PricewaterhouseCoopers Könyvvizsgáló Kft.  
1055 Budapest, Bajcsy-Zsilinszky út 78.  
Licence Number: 001464

*Translation note:*

*This English version of our report is a translation from the original version prepared in Hungarian on the financial statements prepared in Hungarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this English translation.*