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**Futureal Development Holding**  
**Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**2022 Annual Report**

# Management Report

## 1 Company information

Name: Futureal Development Holding Ingatlanforgalmazó  
Korlátolt Felelősségű Társaság  
Tax number: 14434459-2-42  
Registered address: 1082 Budapest, Futó utca 47-53. VII. emelet  
Company registration number: 01-09-903759

Futureal Development Holding Kft. (“the Company”) was established on 14 July 2008. The Company was registered on 19 August 2008 by the Metropolitan Court of Budapest as Court of Registration.

The Company’s ownership structure as at 31 December 2022:

Shareholders	Face value of shares	Ownership share %
Futureal Holding BV	11 520 000,00 €	100,0000%

## 2 Business Environment

### Market Update - General

The turbulent economic situation is currently being observed in all global markets, including countries in which Futureal and as part thereof, the Company operate. After two years of disruptions caused by the pandemic, the ongoing Russian invasion of Ukraine is having a significant impact on CEE economies, bringing uncertainty in tenant demand, and driving increases of utility prices and construction and fit-out budgets.

### Office market

The environment of high inflation, growing prices of utilities and the change in work culture all have impact on the conditions of the market and tenants' decisions regarding real estate. As a result, we are witnessing that tenants very consciously adjust office space to their real needs and are more cautious in their office space related decisions. The diminishing supply of new constructions in key markets however creates a favorable opportunity for Futureal concentrating on its office repositioning program. This program is tailored towards satisfying the growing demand for "green", high-quality office spaces. The current trend towards hybrid and remote working has emphasized the need for office spaces that encourage collaboration and provide a premium experience for employees when they do come into the office. Futureal is actively pursuing this trend by focusing on creation of contemporary and flexible spaces that meet the rapidly evolving needs of tenants.

Despite the challenges which the office market is facing in Europe and globally, Futureal, and as part thereof, the Company, is well-positioned to capitalize on the current market dynamics. The increasing demand for sustainable office space is aligned with Futureal's focus on ESG credentials and employee well-being. As the EU-wide initiative to improve the energy performance of non-residential buildings gains traction, Futureal's sustainability focus provides a competitive edge in the market.

### Industrial market

Despite the rapid growth in modern industrial and logistics space supply in recent years, raising construction costs and growing land prices are expected to constrain future growth and cause gradual rents increases. Although the level of space currently under construction has decreased, Futureal anticipates that the industrial market will continue to grow. Due to problems with Asian suppliers and relocation of production from conflict areas (back) to Europe, the manufacturing sector emerges as one of the key drivers of the today's warehouse and industrial market.

As rents and utility costs continue to rise, tenants are increasingly prioritizing ESG values and energy-saving solutions in their decisions. We remain committed to our focus on constructing sustainable and environmentally friendly facilities for our industrial tenants.

#### Retail market

Retail property market is constantly evolving to meet the expectations and needs of consumers. Shopping centers must go beyond providing just a place to purchase goods, they must also serve as trendy gathering spaces and entertainment hubs for visitors to enjoy. Retail industry is facing a great challenge with rising utility prices and inflation in property costs. In line with its ESG values, Futureal, and as a part thereof the Company, has been proactive in adapting its retail assets to reduce energy consumption and limit carbon emissions. By reducing carbon footprint, Futureal not only contributes to a more sustainable future but also creates cost savings that benefit both the company and the tenants.

### **3 Purpose and strategy**

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

Futureal has grown to become one of the leading diversified commercial real estate developers and investors in Central Europe and its Hungarian holding entity, Futureal Development Holding Kft has increased its size in parallel. 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.

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

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

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

#### Strong financing partners

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

### **4 Major developments of the reported period**

#### Changes:

The Company has on 31<sup>st</sup> January 2022 successfully issued a second tranche of bonds in an amount of HUF 8,05 billion (face value) within the framework of the Bond Funding for Growth Program ("Növekedési Kötvény-program") launched by the National Bank of Hungary. This issuance was an addition to two bond series issued during 2021.

After nearly 20 years Tibor Tatár, former CEO, decided to leave the Company for personal reasons bounding him to a narrower geographic region. The merged organization will be jointly led by Karol Pilniewicz, CEO & CIO and David Hendrych, Group CFO & COO.

## 5 Results

<b>Description (Data in EUR)</b>	<b>01.01.2022-31.12.2022</b>
Net Sales revenues	8 599
Other income	539
Material Expenses	481 914
Depreciation	721
Other Expenses	40 492
<b>Operating Loss</b>	<b>-518 479</b>
Financial Income	43 675 303
Financial Expenses	26 635 651
<b>Profit Before Tax</b>	<b>16 521 173</b>
Corporate Income Tax	-672 045
<b>Profit After Tax</b>	<b>15 849 128</b>

The financial income include the following items: the dividend received from Finext Nyrt. and OTP Bank Nyrt in total amount of EUR 2,346,933; the interest income on loan receivables in amount of EUR 7,507,796.16; interest on other financial assets (government bond, treasury bill and OTC derivatives) in amount of EUR 8,612,068 and the remaining amount derived mainly from exchange gains.

The financial expenses consist of three main items. One is the impairment reversal of the investment in Finext Nyrt. EUR 6,665,400, the impairment losses on other subsidiaries in amount of EUR 75,744 and impairment losses on securities in current assets in amount of EUR 2,560,609 the other one is the interest payable on bonds in amount of EUR 12,287,789 and the third one is the exchange loss on financial transactions.

## 6 Review of the fulfilments of the covenants:

### (i) Rating of the Bonds

Based on the latest valuation made on 3 November 2022 the rating of the Company is BB with a Negative Outlook.

The Company is for the purposes of the following paragraph named “the Issuer”

### (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 Group) that are not subordinated to the Bonds, plus

(b) any other third party loans and borrowings of the Issuing Entities that are outstanding to third parties (being not part of Futureal Group) that are not subordinated to the Bonds,

### **Issuing Entities:**

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

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

**Cash and Cash Equivalents:** the Cash and Cash Equivalents as indicated in the consolidated balance sheet of the Guarantor, i.e. Futureal Holding BV. (dated 31.12.2022) based on the latest audited financial statements (for the avoidance of doubt, not including restricted cash).

Consolidated Equity	491 798 221
Total Issuer Bonds and Other Borrowings	299 369 348
Cash and Cash Equivalents	242 424 467
Total Net Issuer Bonds and Other Borrowings	56 944 881
<b>Bond Debt to Equity Undertaking</b>	<b>0.12</b>

As at 31 December 2022 the Bond related Issuer Undertakings were fulfilled.



## 7 Key performance indicators

### Profitability indicators

Description	Calculation	01/01/2021- 31/12/2021	01/01/2022- 31/12/2022
Pre-tax profit/(loss) to sales net profit margin	pre-tax profit (loss) / net sales revenues	1741270,85%	192129,00%
Operating profit/(loss) to sales profit margin	operating profit (loss) / net sales revenues	-166767,35%	-6029,53%
Pre-tax profit/(loss) to return on equity	pre-tax profit/(loss) / equity	4,76%	11,70%
After-tax profit/(loss) to equity	after-tax profit (loss) / equity	4,74%	11,22%
Operating profit/(loss) to return on asset	operating profit/(loss) / (non-current assets + inventories)	-0,31%	-0,19%

### Net assets position

Description	Calculation	01/01/2021- 31/12/2021	01/01/2022- 31/12/2022
Equity	equity / balance sheet total	28,32%	31,24%
Coverage of non-current assets	non-current assets / equity	146,51%	197,09%
Equity growth ratio	equity in the reporting year / equity in the previous year	104,97%	112,64%
Equity to share capital	equity / share capital	1 088,45%	1 226,03%
Debt/equity ratio	liabilities / equity	244,12%	214,46%

### Liquidity indicators

Description	Calculation	01/01/2021- 31/12/2021	01/01/2022- 31/12/2022
Cash ratio	cash /current liabilities	34708,36	365,69
Acid test	(receivables + cash at bank and in hand + securities) / current liabilities	39348,03	258,93
Current ratio	(current assets + prepayments) / (current liabilities + accruals)	22,87	20,40

Date: Budapest 26 April 2023

Statistical code: 14434459-6810-113-01

Company registration number: 01-09-903759

**The Company's name: Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**The Company's address: 1082 Budapest, Futó u. 47-53. VII.emelet**

## **Financial statement**

**31/12/2022**

: Budapest, 26 April 2023

**L.S.**

László Péter Pusztai and David Hendrych  
Company Managers

Statistical code: 14434459-6810-113-01

Company registration number: 01-09-903759

**Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**BALANCE SHEET Version "A" -  
Assets**

All figures in EUR

No.	Line item		31/12/2021	Adjustments to previous year(s)	31/12/2022
a	b		c	d	e
Financial A.	FIXED ASSETS		183 711 769	0	278 364 600
2 I.	INTANGIBLE ASSETS		6 103	0	5 382
3	Capitalized value of foundation/restructuring expenses		0	0	0
4	Capitalized value of research and development		0	0	0
5	Concessions, licences and similar rights		0	0	0
6	Intellectual property products		6 103	0	5 382
7	Goodwill		0	0	0
8	Advances and payments on account in respect of tangible assets		0	0	0
9	Adjusted value of intangible assets		0	0	0
10 II.	TANGIBLE ASSETS		0	0	0
11	Land and buildings and rights to immovables		0	0	0
12	Technical equipment, machinery, and vehicles		0	0	0
13	Other equipment, fixtures and fittings, and vehicles		0	0	0
14	Breeding stock		0	0	0
15	Investments, refurbishments		0	0	0
16	Advance payments for investments		0	0	0
17	Adjusted value of tangible assets		0	0	0
18 III.	FINANCIAL INVESTMENTS		183 705 666	0	278 359 218
19	Long-term participations in affiliated companies		56 523 010	0	63 133 184
20	Long-term loans to affiliated companies		126 300 925	0	201 306 450
21	Long-term major participating interests		0	0	0
22	Long-term loans to companies linked by virtue of major participating interests		0	0	0
23	Other long-term participations		881 731	0	541 196
24	Long-term loans to other companies linked by virtue of participating interests		0	0	0
25	Other long-term loans		0	0	0
26	Long-term debt securities		0	0	13 378 388
27	Adjusted value of financial investments		0	0	0
28	Valuation margin of financial investments		0	0	0

Statistical code: 14434459-6810-113-01

Company registration number: 01-09-903759

**Futureau Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**BALANCE SHEET Version "A" -  
Assets**

All figures in EUR

No.	Line item	31/12/2021	Adjustments to previous year(s)	31/12/2022
a	b	c	d	e
Financial B.	CURRENT ASSETS	245 610 399	0	153 397 565
30 I.	INVENTORIES	0	0	0
31	Raw materials	0	0	0
32	Work in progress and intermediate goods	0	0	0
33	Rearing animals, hogs and other livestock	0	0	0
34	Finished products	0	0	0
35	Goods	0	0	0
36	Advance payments for inventories	0	0	0
37 II.	RECEIVABLES	24 962 290	0	1 411 112
38	Receivables from supplies of goods and services (trade debtors)	0	0	0
39	Receivables from affiliated companies	5 247 422	0	1 290 033
40	Receivables from undertakings with which the company is linked by virtue of major participating interests	0	0	0
41	Receivables from others companies with which the company is linked by virtue of other participating interests	0	0	0
42	Notes receivable	0	0	0
43	Other receivables	19 714 868	0	121 079
44	Valuation margin of receivables	0	0	0
45	Valuation margin of derivative instruments	0	0	0
46 III.	SECURITIES	3 998 555	0	22 485 007
47	Shares in affiliated companies	0	0	0
48	Major participating interests	0	0	0
49	Other participating interests	0	0	2 166 015
50	Own shares and own partnership shares	0	0	0
51	Debt securities held for trading	3 998 555	0	20 318 992
52	Valuation margin of securities	0	0	0
53 IV.	CASH AT BANK AND IN HAND	216 649 554	0	129 501 446
54	Cash in hand, checks	321	0	321
55	Cash at bank	216 649 233	0	129 501 125
56 C.	ACCRUED AND DEFERRED ASSETS	13 495 583	0	20 302 113
57	Accrued income	1 961 539	0	9 624 005
58	Accrued expenses	11 534 044	0	10 678 108
59	Deferred expenses	0	0	0
60	TOTAL ASSETS	442 817 751	0	452 064 278

Date: Budapest, 26 April 2023

L.S.

László Péter Pusztai and David Hendrych  
Company Managers

Statistical code: 14434459-6810-113-01

Company registration number: 01-09-903759

**Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**BALANCE SHEET Version "A" -  
Liabilities**

All figures in EUR

No.	Line item	31/12/2021	Adjustments to previous year(s)	31/12/2022
a	b	c	d	e
Financial D.	EQUITY	125 389 175	0	141 238 303
62 I.	SHARE CAPITAL	11 520 000	0	11 520 000
63	of which: ownership shares repurchased at nominal value	0	0	0
64 II.	SUBSCRIBED CAPITAL unpaid (-)	0	0	0
65 III.	CAPITAL RESERVE	85 894 072	0	85 894 072
66 IV.	RETAINED EARNINGS *	22 035 850	0	27 975 103
67 V.	TIED-UP REVERSE	0	0	0
68 VI.	REVALUATION RESERVE	0	0	0
69	Valuation reserve for adjustments	0	0	0
70	Fair value reserve	0	0	0
71 VII.	PROFIT AFTER TAX	5 939 253	0	15 849 128
72 E.	PROVISIONS	0	0	0
73	Provisions for contingent liabilities	0	0	0
74	Provision for future expenses	0	0	0
75	Other provisions	0	0	0
76 F.	LIABILITIES	306 103 803	0	302 903 494
77 I.	SUBORDINATED LIABILITIES	0	0	0
78	Subordinated liabilities to related companies	0	0	0
79	Subordinated liabilities to companies linked by virtue of major participating interests	0	0	0
80	Subordinated liabilities to other companies linked by virtue of other participating interests	0	0	0
81	Subordinated liabilities to other entities	0	0	0
82 II.	LONG-TERM LIABILITIES	306 097 561	0	302 311 056
83	Long-term loans	0	0	0
84	Convertible and equity bonds	0	0	0
85	Liabilities from the issue of bonds	306 097 561	0	302 311 056
86	Investment and development loans	0	0	0
87	Other long-term loans	0	0	0
88	Long-term liabilities to affiliated companies	0	0	0
89	Long-term liabilities to companies linked by virtue of major participating interests	0	0	0
90	Long-term liabilities to other companies linked by virtue of other participating interests	0	0	0
91	Other long-term liabilities	0	0	0

Statistical code: 14434459-6810-113-01

Company registration number: 01-09-903759

**Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**BALANCE SHEET Version "A" -  
Liabilities**

All figures in EUR

No.	Line item	31/12/2021	Adjustments to previous year(s)	31/12/2022
Financia	b	c	d	e
92 III.	CURRENT LIABILITIES	6 242	0	592 438
93	Short-term loans	0	0	0
94	of which: convertible and equity bonds	0	0	0
95	Short-term loans	0	0	0
96	Advance payments received from customers	0	0	0
97	Liabilities from supplies of goods and services (trade liabilities)	6 133	0	0
98	Notes payable	0	0	0
99	Short-term liabilities to affiliated companies	0	0	4 475
100	Short-term liabilities to companies linked by virtue of major participating interests	0	0	0
101	Short-term liabilities to other companies linked by virtue of other participating interests	0	0	0
102	Other short-term liabilities	109	0	587 963
103	Valuation margin of liabilities	0	0	0
104	Valuation margin of derivative instruments	0	0	0
105 G.	ACCRUALS AND DEFERRED INCOME	11 324 773	0	7 922 481
106	Accrued and deferred income	0	0	0
107	Deferred costs and expenses	11 324 554	0	7 922 481
108	Deferred income	0	0	0
109	TOTAL LIABILITIES	442 817 751	0	452 064 278

Statistical code: 14434459-6810-113-01

Company registration number: 01-09-903759

**Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**PROFIT AND LOSS ACCOUNT** (using the cost by nature method)

All figures in EUR

No.	Line item		01/01/2021 - 31/12/2021	Adjustments to previous year(s)	31/12/2022
a	b		c	d	e
Financial	01.	Net domestic sales revenues	343	0	8 599
	2 02.	Net export sales revenues	0	0	0
	3 I.	Net sales revenues (lines 01+02)	343	0	8 599
	4 03.	Variation in inventories of finish goods and in work in progress ±	0	0	0
	5 04.	Own work capitalized	0	0	0
	6 II.	Work performed by the company for its own purposes and capitalized (03+04)	0	0	0
	7 III.	Other income	832	0	539
	8	of which: impairment reversed	0	0	0
	9 05.	Raw materials	0	0	0
	10 06.	Value of services consumed	539 877	0	371 671
	11 07.	Other services	11 523	0	101 948
	12 08.	Cost of goods sold	0	0	0
	13 09.	Services resold (intermediated)	0	0	8 295
	14 IV.	Material expenses (lines 05+06+07+08+09)	551 400	0	481 914
	15 10.	Wages and salaries	0	0	3 894
	16 11.	Other employee benefits	0	0	75
	17 12.	Contributions on wages and salaries	0	0	521
	18 V.	Payments to personnel (lines 10+11+12)	0	0	4 490
	19 VI.	Depreciation	721	0	721
	20 VII.	Other expenses	21 066	0	40 492
	21	of which: impairment	15 087	0	167
	22 A.	OPERATING/TRADING PROFIT/(LOSS) (lines I±II+III-IV-V-VI-VII)	-572 012	0	-518 479

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**Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság**

**PROFIT AND LOSS ACCOUNT** (using the cost by nature method)

All figures in EUR

No.	Line item	01/01/2021 - 31/12/2021	Adjustments to previous year(s)	31/12/2022
a	b	c	d	e
Financial 13.	Dividends and profit sharing receivable	15 696 360	0	2 346 933
24	of which: received from related companies	15 696 360	0	2 261 340
25 14.	Income and exchange gains from participating interests	0	0	15 166
26	of which: from affiliated companies	0	0	15 166
27 15.	Income and exchange gains from financial investments (securities, loans)	2 061 195	0	7 045 441
28	of which: from affiliated companies	2 061 195	0	7 003 105
29 16.	Other interest receivable and similar income	676 762	0	7 696 110
30	of which: from affiliated companies	668 749	0	504 691
31 17.	Other income from financial transactions	3 772 551	0	26 571 653
32	of which: valuation margin	0	0	0
33 VIII.	Income from financial transactions (lines 13+14+15+16+17)	22 206 868	0	43 675 303
34 18.	Expenses and exchange losses from participating interests	0	0	0
35	of which: to affiliated companies	0	0	0
36 19.	Expenses and exchange losses from financial investments (securities, loans)	2 655	0	181 465
37	of which: to affiliated companies	0	0	0
38 20.	Interest payable (paid) and similar expenses	4 955 446	0	12 384 251
39	of which: to affiliated companies	2 094	0	0
40 21.	Impairment on participating interests, securities, long-term loans and bank deposits	10 128 317	0	-4 029 047
41 22.	Other expenses on financial transactions	575 879	0	18 098 982
42	of which: valuation margin	0	0	0
43 IX.	Expenses on financial transactions (lines 18+19+20+21+22)	15 662 297	0	26 635 651
44 B.	PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS (lines VIII-IX)	6 544 571	0	17 039 652
45 C.	PROFIT OR LOSS BEFORE TAX) (±A±B)	5 972 559	0	16 521 173
46 X.	Tax liability	33 306	0	672 045
47 D.	PROFIT AFTER TAX (lines ±C-X)	5 939 253	0	15 849 128

Date: Budapest, 26 April 2023

L.S.

László Péter Pusztai and David Hendrych  
Company Managers



1	4	4	3	4	4	5	9	-	6	8	1	0	-	1	1	3	-	0	1
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Statistical code

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Company registration number

The Company's name: Futoreal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság

The Company's address: 1082 Budapest, Futó utca 47-53. VII. emelet

Financial statements

31/12/2022

Date: Budapest, 26 April 2023

\_\_\_\_\_  
Manager (representative) of the Company

L.S.

## I. General notes

### 1. Company information

Name: Futureal Development Holding Ingatlanforgalmazó Korlátolt Felelősségű Társaság  
Tax number: 14434459-2-42  
Registered address: 1082 Budapest, Futó utca 47-53. VII. emelet  
Company registration number: 01-09-903759

Futureal Development Holding Kft. was established on 14 July 2008. The Company was registered on 19 August 2008 by the Metropolitan Court of Budapest as Court of Registration.

The Company's ownership structure as at 31 December 2022:

Shareholders	Face value of shares	Ownership share
Futureal Holding BV	11 520 000 EUR	100%

Futureal Holding BV (registered office: Kronenburg 14, 1183 AS Amstelveen, The Netherlands) prepares the consolidated financial statement of the group in which the Company is included as a subsidiary. The consolidated financial statement can be found at [www.futurealgroup.com](http://www.futurealgroup.com).

The Company's share capital: 11 520 000 EUR

The Company carries out the following activities:

- 6420'08 Asset management
- 4110'08 Development of building projects
- 6820'08 Renting and operating of own or leased real estate
- 6810'08 Buying and selling of own real estate - core activity

Based on the Section 20 (4) of Act C of 2000 on Accounting, the Company has changed its accounting currency to euro which means that since 1 January 2021 the bookkeeping and the preparation of annual financial statement has been prepared in euro.

The Company has three managing directors. Always any two of the managing directors jointly represent the Company.

Hendrych David  
1037 Budapest, Jablonka lejtő 17. Fsz. 2. ajtó

Pusztai László Péter  
2120 Dunakeszi, Szent Erzsébet utca 14. fszt. 2.

László Zsuzsa  
2120 Dunakeszi, Iskola utca 5. 10. em. 41. ajtó

Futureal Development Holding Ingatlanforgalmazó Kft.  
01/01/2022 – 31/12/2022

The Company's statutory auditor:

Kalavszky Márton  
Chamber membership no.: 007413  
PricewaterhouseCoopers Könyvvizsgáló Kft.  
1055 Budapest, Bajcsy-Zsilinszky út 78.

The audit fee for the financial year is 4,370,000 HUF + VAT

As at 31 December 2022, the Company had participating interest of the following companies:

Company name	Registered office	Ownership share at face value (EUR)	Ownership share
Futureal Belváros Ingatlanfejlesztő Kft.	1082 Budapest, Futó utca 47-53. VII. emelet	35 604	100,00%
BP1 Második Ütem Zrt.	1082 Budapest, Futó utca 47-53. VII. emelet	63 000	100,00%
Etele Plaza Üzemeltető Kft.	1082 Budapest, Futó utca 47-53. VII. emelet	3	100,00%
Futureal Management Kft	1082 Budapest, Futó utca 47-53. VII. emelet	382 261	100,00%
Finext Vagyonkezelő Nyrt.	1082 Budapest, Futó utca 47-53. VII. emelet	89 166 969	73,913%
Futureal New Times Ingatlanfejlesztő Kft.	1082 Budapest, Futó utca 47-53. VII. emelet	8 216	100,00%
Cinext Kft	1082 Budapest, Futó utca 47-53. VII. emelet	5 996	0,122%
Finext Partners Two Alapok Alapja	1082 Budapest, Futó utca 47-53. VII. emelet	300 000	100,00%
Finext Partners Three Alapok Alapja	1082 Budapest, Futó utca 47-53. VII. emelet	300 000	100,00%

The net book value of the shares is shown in the following table:

Company name	Ownership share at face value 01/01/2022		Impairment in EUR	Net book value in EUR 31/12/2022
Futureal Belváros Ingatlanfejlesztő Kft.	35 604	-	35 604	0
Futureal New Times Ingatlanfejlesztő Kft.	8 216	-	8 216	0
Etele Plaza Üzemeltető Kft.	3	-	3	0
Futureal Management Kft.	382 261		0	382 261
Finext Partners Three Alapok Alapja	300 000	-	28 553	271 447
Finext Vagyonkezelő Nyrt.	89 166 969	-	26 471 035	62 695 934
BP1 Második Ütem Zrt	63 000	-	8 011	54 989
Cinext Kft.	5 996	-	3 912	2 084
Finext Partners Two Alapok Alapja	300 000	-	32 335	267 665
<b>Total</b>	<b>90 262 049</b>	<b>-</b>	<b>26 587 669</b>	<b>63 674 380</b>

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Futureal Shared Services Partnership C.V. Magyarországi Fióktelep (tax number: 321466314-2-42) is responsible for the preparation of the financial statements on behalf of FR Management Partnership C.V. Magyarországi Fióktelep.

The annual financial statement has been prepared by:

Name: Pusztai László

Address: 2120 Dunakeszi, Szent Erzsébet u. 14. Fsz. 2.

Registration number: 178048

The managing directors are not remunerated. The Company did not provide any loans or advances to and did not undertake any guarantee on behalf of its managing directors.

The company has no tangible assets directly related to the protection of the environment and does not emit or possess any hazardous waste or environmentally harmful substances.

The Company was not exercising employers right over any employees during the period. The personnel expenses presented in the financial statements reflect the shared employment related costs as per Section No. 195 of Labour Code.

## 2. Accounting policy

### 1. Basis of accounting

The Company prepares financial statements annually. Accordingly, it is required to keep its books and records in accordance with the regulations of double-entry bookkeeping.

The Company prepares a “Version A” balance sheet.

The Company prepares a “Version A” profit and loss account using the total cost method.

The figures in the financial statements are provided in EUR (unless otherwise specified).

Comparative information disclosed in the financial statements refers to the period 01/01/2021-31/12/2021.

The Company’s financial year is equal to the calendar year.

The chosen date for preparation of the balance sheet – unless otherwise provided for in another part of the accounting policy or by law – is 31 calendar days after the balance sheet date i.e. 31.01.2023.

### 2. Key elements of the accounting policy

The Company recognizes its expenses in the section 5 of the accounts “Expense itemized by cost type”, in line with requirements set by the Accounting Act. At the time of preparing the financial statements, the Company did not perform any secondary expense accounting. However, the computerized accounting system allows classification of expenses according to various criteria. The current expense accounting system determined the selection of format and content of the profit and loss account.

Errors are considered to be material if, in the year when identified by any form of audit, the total of all errors (whether negative or positive) identified for a given financial year (separately for each year) and the impacts thereof – increasing or decreasing the profit or equity – exceeds the limit set in the Accounting Policy.

Errors are always considered to be material if, in the year when identified, the total of all errors (whether negative or positive) identified for the same financial year and the impacts thereof – increasing or decreasing the profit or equity – exceeds 2% of the balance sheet total of the financial year under review, or 2,498.44 EUR if 2% of the balance sheet total does not exceed 2,498.44 EUR.

Non-material errors: errors are not considered material if, in the year when disclosed by different reviews, the total of all errors (whether negative or positive) disclosed for a given financial year (separately for each year) and the impacts thereof - increasing or decreasing the profit or equity - does not exceed the value limit of material errors.

The Company does not use value adjustments for intangible property rights or intellectual property.

### 3. Measurement

The Company performs measurement based on the principle of continuity. In the course of measurement, all impairment relating to the reporting year which becomes known until the date of balance sheet preparation must be taken into account.

Transactions in foreign currencies are recognized at the Hungarian Central Bank’s exchange rate valid at the transaction date. Exchange gains or losses arising from the difference between the exchange rates valid at the payment date and the transaction date are recognized in the profit and loss account.

The acquisition cost of tangible assets and all other costs incurred in relation to the acquisition of tangible assets are allocated over the period in which the assets are expected to be used. Depreciation is recognized on a monthly basis, from that period in which the assets are capitalized. Depreciation is recognized using the straight-line method, on a time proportion basis, from the date of capitalization.

During the valuation of the investments in subsidiaries the Company considers the following factors to determine the market value.

- Market reputation of the owned company
- Whether the invested amount will be repaid in case of liquidation
- Market value of the investments is more or less than the actual book value of the investment.

If the carrying value of an investment decreases below its market value and this loss is significant and permanent an impairment is recognized.

If the market value of an investment is significantly and permanently higher than the carrying value the previous impairment shall be reversed After the impairment loss is reversed the book value of the investment shall not exceed the original (purchase) cost.

On the basis of the debtor's rating, for loans outstanding on the balance sheet date of the financial year and not financially settled until the date of the balance sheet preparation, an impairment shall be recorded in the amount of the difference between the carrying amount of the claim and the expected amount of the claim to be recovered, if this difference appears to be permanent and significant. For the expected recoverable amount of the claim, the Company examines the total amount of the value of the loan and the related interest claim as well as the value of the assets less liquid liabilities of the borrowing company.

### 3.1 Tangible and intangible assets

The Company established the depreciation method and period in accordance with the Accounting Act, taking into account the useful lives of intangible assets and intangible property rights as well as the legislation concerning depreciation.

Intangible assets are recognized on the basis of their expected useful lives.

Depreciation rates:

Intangible property rights:	10.0%
Intellectual property:	33.0%
Goodwill:	20.0%
Buildings (in accordance with the CDTA)	2.0%
Leased property owned by other parties	6.0%
Rental of own real estate	5.0%
Technical equipment and machinery	14.5%
Other equipment, fixtures and fittings	14.5%
IT equipment	33.0%

Tangible assets with individual purchase price below 499.69 EUR are fully expensed when taken into proper use.

### 3.2 Non-current financial assets

Non-current financial assets are measured at acquisition cost on initial recognition. The cost of interest-bearing securities recognized in non-current (or current) assets exclude pro rata temporal amount of interest included in the purchase price.

### 3.3 Inventories

On measurement of inventories, the carrying amount is the cost of inventories less impairment recognized.

### 3.4 Receivables

Receivables must be recognized in the balance sheet at their EUR amounts as at the contractual performance date (cost).

### 3.5 Securities

Short-term securities are initially recognized at cost. The recognized balance sheet amount of interest-bearing securities excludes the pro rata temporal (unpaid) amount of interest included in the purchase price.

### 3.6 Equity

Equity must be recognized at carrying amount. Subscribed unpaid capital must be shown in the balance sheet as a separate line item and a negative amount in equity.

### 3.7 Provisions and liabilities

Provisions and liabilities must be initially recognized at their EUR amount translated using the exchange rate valid at the date of initial recognition or contractual performance and must be recognized at their carrying amount. Provisions and liabilities must be shown in the balance sheet at the end of the financial year at their EUR amounts translated using the official exchange rates published by the Hungarian National Bank for the balance sheet date.

The balance sheet must show advance payments received from customers in EUR in the actually received amount, and advance payments received in other currencies in the EUR amount translated using the official exchange rate published by the Hungarian National Bank at the date of settlement following contractual performance, retransfer of the advance payments, or settlement in any other way.

The balance sheet must show loans taken out in EUR in the actually disbursed amounts or the amounts net of repayments, loans taken out in other currencies in EUR equivalents of the other currency amounts actually disbursed or calculated net of repayments, translated using the official exchange rate published by the Hungarian National Bank.

Liabilities from supplies of goods and services including VAT, must be shown in the balance sheet

- a) In the confirmed and invoiced amounts in the case of liabilities payable in EUR;
- b) In the EUR equivalents of the confirmed and invoiced other currency amounts, translated using the official exchange rate published by the Hungarian National Bank at 31 December 2022.

### 3.8 Sales revenues

Net sales revenues are recognized at the date of supply and are exclusive of VAT.

### 3.9 Corporate tax

Corporate tax is recognized in the profit and loss account in compliance with the tax regulations currently in force.



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3.10 Other

The Company did not have any significant and unusual transactions with related companies in the financial year.

During the year, the Company has entered into OTC derivatives for non-hedging purposes, of which the open positions at the balance sheet date are recorded in the 0 account class. Details of these transactions are shown in the following table.

<b>Subject of the transaction</b>	<b>Maturity time</b>	<b>Contract value (EUR)</b>	<b>Contract value (HUF)</b>	<b>Market value at balance sheet date (HUF)</b>
Foreign exchange futures	10.03.2023.	2 500 000	1 016 725 000	1 046 404 153
Foreign exchange futures	22.03.2023.	15 096 239	6 000 000 000	6 016 337 126
Foreign exchange futures	24.03.2023.	9 934 186	4 000 000 000	4 058 392 701

The details of OTC derivatives for non-edging purposes which closed during the year are shown in the following table:

<b>Subject of the transaction</b>	<b>Maturity time</b>	<b>Contract value (EUR)</b>	<b>Contract value (HUF)</b>	<b>Result of the transaction (EUR)</b>
Foreign exchange futures	15.12.2022.	20 000 000	8 373 000 000	636 877
Foreign exchange futures	15.12.2022.	20 000 000	8 277 600 000	401 745
Foreign exchange futures	15.12.2022.	20 000 000	8 269 600 000	382 027

## II. Notes to the assets shown in the balance sheet in EUR

### 1. Intangible assets

<b>Gross value</b>	<b>Opening value as at 01/01/2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>Closing value as at 31/12/2022</b>
Capitalised value of foundation/restructuring	0	0	0	0
Capitalised value of experimental development	0	0	0	0
Intangible property rights	0	0	0	0
Intellectual property	7 211	0	0	7 211
Goodwill	0	0	0	0
<b>Total</b>	<b>7 211</b>	<b>0</b>	<b>0</b>	<b>7 211</b>

  

<b>Depreciation</b>	<b>Opening value as at 01/01/2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>Closing value as at 31/12/2022</b>
Capitalised value of foundation/restructuring	0	0	0	0
Capitalised value of experimental development	0	0	0	0
Intangible property rights	0	0	0	0
Intellectual property	1 108	721	0	1 829
Goodwill	0	0	0	0
<b>Total</b>	<b>1 108</b>	<b>721</b>	<b>0</b>	<b>1 829</b>

  

<b>Net value</b>	<b>Opening value as at 01/01/2022</b>	<b>Increase</b>	<b>Decrease</b>	<b>Closing value as at 31/12/2022</b>
Capitalised value of foundation/restructuring	0	0	0	0
Capitalised value of experimental development	0	0	0	0
Intangible property rights	0	0	0	0
Intellectual property	6 103	0	721	5 382
Goodwill	0	0	0	0
<b>Total</b>	<b>6 103</b>	<b>0</b>	<b>721</b>	<b>5 382</b>

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## 2. Tangible assets

The Company did not have any tangible assets in the reporting year or the year preceding the reporting year.

## 3. Financial investments

Non-current financial assets	all figures in EUR	
	31/12/2021	31/12/2022
Long-term participating interest in Finext Vagyonkezelő Nyrt	56 040 534	62 695 934
Long-term participating interest in Futureal Management Kft	414 634	382 261
Long-term participating interest in Futureal New Times Kft	6 992	0
Long-term participating interest in BP1 Második Ütem Zrt	60 850	54 989
<b>Long term participations in affiliated companies</b>	<b>56 523 010</b>	<b>63 133 184</b>
Loan provided to Futureal Management Kft.	9 634 146	12 050 863
Loan provided to Etele Plaza Üzemeltető Kft.	906 983	2 001 737
Loan provided to Futureal Belváros Kft.	1 014 007	1 079 402
Loan provided to Futureal Residential One S.á.r.l.	0	35 265 295
Loan provided to Futureal Holding BV.	114 745 789	138 675 158
Loan provided to QED Magyarország Kft.	0	12 233 995
<b>Long term loans in affiliated companies</b>	<b>126 300 925</b>	<b>201 306 450</b>
Long-term participating interest in Cinext Kft	0	2 084
Long-term participating interest in Finext Partners Opportunities Sec.Invesment Fund	293 639	0
Long-term participating interest in Finext Partners Three Sec. Investment Fund	294 136	271 447
Long-term participating interest in Finext Partners Two Sec. Investment Fund	293 956	267 665
<b>Other long-term participations</b>	<b>881 731</b>	<b>541 196</b>
Government bond	0	13 378 388
<b>Long-term debt securities</b>	<b>0</b>	<b>13 378 388</b>
<b>Total</b>	<b>183 705 666</b>	<b>278 359 218</b>

The loan receivables are interest bearing and the Company used market conform interest rates.

Long-term debt securities include government bonds series 2038/A purchased during the year. Based on the Section 54 (8) to (9) of Act C of 2000 on Accounting, the Company considers these securities risk-free and does not apply impairment recognition.

During the period the Company acquired 0.22 % share in Cinext Kft and sold its share in Finext Opportunities Securities Investment Fund.

The Company recognised impairment based on equity data of subsidiaries.

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The following table is shown the equity's data of subsidiaries:

Company name	Equity data in EUR
Futureal Belváros Ingatlanfejlesztő Kft.	-23 636
Etele Plaza Üzemeltető Kft.	-1 154 546
Finext Partners Two Sec. Investment Fund	267 665
Finext Vagyonkezelő Nyrt.	84 823 961
Futureal New Times Ingatlanfejlesztő Kft.	-78 072
BP1 Második Ütem Zrt.	54 989
Finext Partners Three Sec. Investment Fund	271 447
Futureal Management Kft.	657 037
Cinext Kft.	1 708 210

The following table shows the movements of the impairments on subsidiaries:

Company name	Opening impairment in EUR	Impairment in the current year in EUR	Closing impairment in EUR
Futureal Belváros Ingatlanfejlesztő Kft.	35 604	0	35 604
Finext Partners Opportunities Sec. Investment Fund	6 361	-6 361	0
Etele Plaza Üzemeltető Kft.	3	0	3
Finext Partners Two Sec. Investment Fund	6 044	26 291	32 335
Finext Vagyonkezelő Nyrt.	33 126 436	-6 655 401	26 471 035
Futureal New Times Ingatlanfejlesztő Kft.	1 224	6 992	8 216
BP1 Második Ütem Zrt.	2 150	5 861	8 011
Finext Partners Three Sec. Investment Fund	5 864	22 689	28 553
Cinext Kft.	0	3 912	3 912
<b>Total</b>	<b>33 183 686</b>	<b>-6 596 017</b>	<b>26 587 669</b>

#### 4. Inventories

The Company did not have any inventories in the reporting year or the year preceding the reporting year.

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5. Receivables

Receivables	all figures in EUR	
	31/12/2021	31/12/2022
Loan provided to Futureal New Times Kft.	775 572	1 290 033
Receivables from Futureal Real Estate Holding Bv.	4 471 850	0
<b>Receivables from affiliated companies</b>	<b>5 247 422</b>	<b>1 290 033</b>
Loan provided to Pedrano Construction Kft.	0	115 320
Loan provided to Pedrano Commercial Kft.	19 607 911	0
Receivables from corporate income tax	90 674	0
Receivables from VAT	1 797	2 064
Receivables from foreign VAT	243	242
Receivables from duties	6	5
Receivables from duties Grünes Whonen	10 329	0
Receivables from local business tax	3 741	3 448
Disposal of Cordia Homes Ltd shares	167	0
<b>Other receivables</b>	<b>19 714 868</b>	<b>121 079</b>
<b>Total (including the line items of Receivables from supplies of goods and services (trade debtors) and Receivables from affiliated companies)</b>	<b>24 962 290</b>	<b>1 411 112</b>

The management considers that no impairment is required on loans receivables.

On the receivable related to the sale of Cordia Homes impairment is recognised in amount of 167 EUR.

Loans provided to Pedrano Construction Kft and Pedrano Commercial Kft. are interest free. The other loan receivables are interest bearing and the Company used market conform interest rates. Repayment of the loan receivables is due at maturity.

6. Securities

Securities	figures in EUR	
	31/12/2021	31/12/2022
Participating interest in OTP Bank Nyrt.	0	2 166 015
<b>Other participating interests</b>	<b>0</b>	<b>2 166 015</b>
Treasury bill	3 998 555	0
Government bond	0	20 318 992
<b>Debt securities held for trading</b>	<b>3 998 555</b>	<b>20 318 992</b>
<b>Total</b>	<b>3 998 555</b>	<b>22 485 007</b>

During the period the Company purchased government bonds. Following table shows the details of the government bonds:

Government Bonds	Ammount in EUR	Expiration date
2030/A Hungarian Bonds	1 229 247	21/08/2030
2032/A Hungarian Bonds	17 446 035	24/11/2032
2038/A Hungarian Bonds	4 204 318	27/10/2038

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The Company shows the government bonds as a current asset, because it plans to sell it in the near future.

As the market value of these bonds at the time of balance sheet preparation is permanently and significantly lower than the book value, the Company recognized impairments in the amount of EUR 2,560,608 (1,024,883,496 HUF).

7. Cash at bank and in hand

Cash at bank in hand	all figures in EUR	
	31/12/2021	31/12/2022
Cash in hand, checks	321	321
HUF cash account balance	154 057 912	17 873 733
EUR cash account balance	17 492 642	58 308 665
PLN cash account balance	7 230	7 289
USD cash account balance	4 440 522	15 613 973
GBP cash account balance	520	579 414
Fixed term deposit	40 650 407	37 118 051
<b>Cash at bank</b>	<b>216 649 233</b>	<b>129 501 125</b>
<b>Total</b>	<b>216 649 554</b>	<b>129 501 446</b>

8. Accrued and deferred assets

Accrued and deferred assets	all figures in EUR	
	2021.12.31	2022.12.31
Accrued interest on loan provided to Finext Nyrt.	0	9
Accrued interest on loan provided to Futureal Residential One S.á.r.l.	0	106 381
Accrued interest on loan provided to QED Kft.	0	339 631
Accrued interest on loan provided to Futureal New Times Kft.	0	17 541
Accrued interest from securities	0	253 627
Accrued interest on loan provided to Futureal Management Kft.	594 438	1 876 039
Accrued interest on loan provided to Etele Plaza Üzemeltető Kft	10 455	225 013
Accrued interest on loan provided to Futureal Holding Bv.	1 139 912	6 105 436
Accrued interest on other receivables provided to FR Investments Bemowo sp.k.	47 364	446 788
Accrued income from bank interest	8 008	44 030
Accrued interest on loan provided to Futureal Belváros Kft.	2 308	50 490
Accrued interest on loan provided to Futureal Prime Properties One Real Estate Fund	158 713	158 713
Accrued income from franchise fees	341	307
<b>Accrued income</b>	<b>1 961 539</b>	<b>9 624 005</b>
Accrual of bonds	11 534 044	10 678 020
Accrual of bond charges	0	88
<b>Accrued expenses</b>	<b>11 534 044</b>	<b>10 678 108</b>
<b>Other</b>	<b>13 495 583</b>	<b>20 302 113</b>

Accrued income have increased because of the accrual of the interest on internal loans.

### III. Notes to liabilities shown in the balance sheet in EUR

#### 9. Equity

Equity	Opening balance as at 01/01/2022	Increase	Decrease	all figures in EUR
				Closing balance as at 31/12/2022
Share capital	11 520 000	0	0	11 520 000
Subscribed capital	0	0	0	0
Capital reserve	85 894 072	0	0	85 894 072
Retained earnings	22 035 850	5 939 253	0	27 975 103
Tied-up reverse	0	0	0	0
Revaluation reserve	0	0	0	0
Profit after tax	5 939 253	15 849 128	5 939 253	15 849 128
<b>Total</b>	<b>125 389 175</b>	<b>21 788 381</b>	<b>5 939 253</b>	<b>141 238 303</b>

The profit of the previous year has been transferred to the retained earnings.

#### 10. Provisions

The Company did not recognize any provisions in the reporting year or the year preceding the reporting year.

#### 11. Liabilities

Current liabilities	all figures in EUR	
	31/12/2021	31/12/2022
Domestic trade liabilities	6 133	0
<b>Liabilities from supplies of goods and services (trade liabilities)</b>	<b>6 133</b>	<b>0</b>
Other liabilities from FR Management CV Magyarországi Fióktelepe	0	4 475
<b>Short-term liabilities to affiliated companies</b>	<b>0</b>	<b>4 475</b>
Corporate tax liability	0	587 963
Santander negative Bank balance	109	0
<b>Other short-term liabilities</b>	<b>109</b>	<b>587 963</b>
<b>Total</b>	<b>6 242</b>	<b>592 438</b>

  

Long term liabilities	all figures in EUR	
	31/12/2021	31/12/2022
Liabilities from the issuance of bonds	306 097 561	302 311 056
<b>Total</b>	<b>306 097 561</b>	<b>302 311 056</b>

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In 2021 the Company 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.

In 2022 Futureal Holding has carried out an additional bond issuance: Issue No. 4 on January 27, 2022 with financial settlement date on January 31, 2022 and maturity on March 23, 2031. The offered volume was HUF 8.05 billion at face value. The amount of funds raised was HUF 6.75 billion.



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The Futureal 2031 bond in the total amount of HUF 63,05 bn (approximately EUR 158 m) qualifies as a green bond. Futureal Holding has fully allocated the amount from the bond issue to the eligible projects listed below (including achieved and targeted certifications). The equity value of the eligible projects as at December 31st, 2022 is over EUR 245 million, well above the bond amount.

<b>Green Bond The Eligible Green Assets Portfolio</b>	<b>Asset Class</b>	<b>Geographic distribution</b>	<b>BREEAM</b>	<b>Access4You</b>	<b>WELL CORE Certification according to WELL Building Standard v1 (Marina: v2)</b>
Budapest ONE Business Park Building "A"	Office	Hungary	BREEAM International 2013 New Construction: Offices – Very Good level –Final stage BREEAM In-Use (expected at excellent level) (Registered)	-	Certified at Platinum level
Budapest ONE Business Park British Telecom Building	Office (Under construction)	Hungary	BREEAM International 2013 New Construction: Offices – Excellent level – Interim stage (Design stage)	-	No WELL certification yet. Not precertified but intended to be certified at Platinum level.
Budapest ONE Business Park Vodafone Building	Office (Under construction)	Hungary	BREEAM International 2013 New Construction: Offices – Excellent level – Interim stage (Design stage)	-	No WELL certification yet. Not precertified but intended to be certified at Platinum level.
Corvin Innovation Campus phase 1	Office (Under construction)	Hungary	Designed to be BREEAM excellent: International 2016 New Construction: Commercial – Excellent level - Interim stage (Design stage)/Designed to be BREEAM excellent	Access4You - planned, level not yet decided	Precertified
Corvin Innovation Campus phase 2	Office (Under construction)	Hungary	Designed to be BREEAM excellent: International 2016 New Construction: Commercial – Excellent level - Interim stage (Design stage)	-	No WELL certification yet. Not precertified but intended to be certified at Platinum level.
Etele Plaza Shopping Centre	Retail	Hungary	BREEAM International 2009 Europe Commercial: Retail – Very good level – Final stage BREEAM In-Use (expected at excellent level). (Not registered yet)	Access4You certificate – Gold level	-

**Bond Debt to Equity Undertaking**

	in EUR
<b>Covenant calculation</b>	<b>2022.12.31.</b>
<hr/>	
<b>Consolidated Equity</b>	<b>488 570 840</b>
Bonds (non-current)	284 859 233
Bonds (current)	14 510 115
<b>Issuer Bonds and Other Borrowings</b>	<b>299 369 348</b>
<b>Cash and cash equivalents</b>	<b>242 424 467</b>
<b>Total Net Issuer Bonds and Other Borrowings</b>	<b>56 944 881</b>
<b>Bond Debt to Equity Undertaking</b>	<b>0.12</b>

At 31 December 2022 the Bond Debt to Equity Undertaking is 0.12 which is well below 1.0 bond covenant.

12. Accruals and deferred income

Accruals and deferred income	all figures in EUR	
	31/12/2021	31/12/2022
Futureal New Times Kft. interest overpayment	219	0
<b>Accrued and deferred income</b>	<b>219</b>	<b>0</b>
Bond fees	175 758	180 687
Audit fees	6 775	5 459
Banking expenses	5 636	14 850
Bond interest payable	11 136 385	7 721 485
<b>Deferred costs and expenses</b>	<b>11 324 554</b>	<b>7 922 481</b>
<b>Total</b>	<b>11 324 773</b>	<b>7 922 481</b>

## IV. Notes on the profit and loss account in EUR

### 1. Net sales revenues

Net sales revenues	all figures in EUR	
	01/01/2021-31/12/2021	01/01/2022-31/12/2022
Income from franchise fees	343	304
Income from services	0	8 295
<b>Net sales revenues</b>	<b>343</b>	<b>8 599</b>
<b>Total</b>	<b>343</b>	<b>8 599</b>

### 2. Other income

Other income	all figures in EUR	
	01/01/2021-31/12/2021	01/01/2022-31/12/2022
Income from rounding differences	92	47
Corporate tax credit	740	492
<b>Total</b>	<b>832</b>	<b>539</b>

### 3. Material expenses

Material expenses	all figures in EUR	
	01/01/2021-31/12/2021	01/01/2022-31/12/2022
Costs from previous year	0	151 748
Bookkeeping fees	3 365	3 023
Audit fees	10 423	10 823
Bond fees	520 443	185 080
Expenses pertaining to company foundation and modification	101	44
Law fees	48	8 873
Membership fees	5 336	11 200
Costs of other services	161	880
<b>Value of services consumed</b>	<b>539 877</b>	<b>371 671</b>
Bank expenses	11 523	101 948
<b>Other services</b>	<b>11 523</b>	<b>101 948</b>
<b>Services resold (intermediated)</b>	<b>0</b>	<b>8 295</b>
<b>Total</b>	<b>551 400</b>	<b>481 914</b>

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4. Payments to personnel

Payments to personnel	all figures in EUR	
	01/01/2021-31/12/2021	01/01/2022-31/12/2022
Wages and salaries	0	3 894
Other employee benefits	0	75
Contribution on wages and salaries	0	521
<b>Total</b>	<b>0</b>	<b>4 490</b>

5. Depreciation

Depreciation	all figures in EUR	
	01/01/2021-31/12/2021	01/01/2022-31/12/2022
Depreciation of intangible property rights	721	721
<b>Total</b>	<b>721</b>	<b>721</b>

6. Other expenses

Other expenses	all figures in EUR	
	01/01/2021-31/12/2021	01/01/2022-31/12/2022
Expense from rounding differences	3	0
Recognition of impairment on receivables	0	167
Impairment for loan of Futureal Belváros Kft.	15 087	0
Donation	542	39 029
Penalty	0	1 280
VAT (non-deductible)	5 434	16
<b>Total</b>	<b>21 066</b>	<b>40 492</b>

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7. Income from financial transaction

Income from financial transaction	all figures in EUR	
	01/01/2021-31/12/2021	01/01/2022-31/12/2022
Dividend	15 696 360	2 346 933
<b>Dividends and profit sharing receivable</b>	<b>15 696 360</b>	<b>2 346 933</b>
Income and exchange gains from participating interests	0	15 166
<b>Income and exchange gains from participating interests</b>	<b>0</b>	<b>15 166</b>
Interest received on long term IC loan	2 061 195	7 003 105
Profit of share sales	0	42 336
<b>Income and exchange gains from financial investments</b>	<b>2 061 195</b>	<b>7 045 441</b>
Bank interest	8 013	7 191 419
Interest received on short term IC loan	668 749	504 691
<b>Other interest receivable and similar income</b>	<b>676 762</b>	<b>7 696 110</b>
Unrealized exchange gain	0	22 724 035
Realized exchange gain	3 774 392	2 426 969
Hedge gain	0	1 420 649
Other last year IC interest	-1 841	0
<b>Other income from financial transactions</b>	<b>3 772 551</b>	<b>26 571 653</b>
<b>Total</b>	<b>22 206 868</b>	<b>43 675 303</b>

The Company received dividend from Finext Nyrt. and OTP Bank Nyrt.

Other interest receivable and similar income include interest income on government bonds, interest on bank deposit committed in the current year and interest income on treasury bills purchased and redeemed in the period.

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8. Expenses of financial transactions

<b>Expenses on financial transactions</b>	<b>all figures in EUR</b>	
	<b>01/01/2021-31/12/2021</b>	<b>01/01/2022-31/12/2022</b>
Loss of disposal of participating interest	2 655	181 465
<b>Expenses and exchange losses from financial investments (securities, loans)</b>	<b>2 655</b>	<b>181 465</b>
<b>Interest payable (paid) and similar expenses</b>	<b>4 955 446</b>	<b>12 384 251</b>
Impairment on participating interests.	10 128 317	-6 589 656
Impairment on securities	0	2 560 609
<b>Impairment on participating interest, securities, long-term loans and bank deposits</b>	<b>10 128 317</b>	<b>-4 029 047</b>
Unrealized exchange loss	161 300	0
Realized exchange loss	414 579	18 098 982
<b>Other expenses on financial transactions</b>	<b>575 879</b>	<b>18 098 982</b>
<b>Total</b>	<b>15 662 297</b>	<b>26 635 651</b>

Based on the equity data of the subsidiaries the Company has recorded impairment and impairment reversals, which are detailed in Section 3. Financial Investments.

According to the management opinion no further impairment is necessary in connection with long-term participating interest.

9. Profit after tax

<b>Profit after tax</b>	<b>all figures in EUR</b>	
	<b>01/01/2021-31/12/2021</b>	<b>01/01/2022-31/12/2022</b>
<b>Total</b>	<b>5 939 253</b>	<b>15 849 128</b>

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10. Corporate income tax

Corporate income tax	all figures THUF 01/01/2021- 31/12/2021	01/01/2022- 31/12/2022	all figures in EUR 01/01/2022- 31/12/2022
<b>Profit or loss before tax</b>	<b>2 203 874</b>	<b>6 612 600</b>	<b>16 521 173</b>
In the years before the tax year, the specified part of the increasing items of tax base according to the Section 8 (1) (j) CIT, but not more than the interest deduction capacity for the tax year	0	117 727	294 134
20% of the value of the donation, in case of public benefit organisation under a permanent donation contract 40%, MKA, NKA or higher education institution 50%, but maximum up to the pre tax profit and the certificate and grant contract are required.	40	590	1 474
Depreciation according to corporate income tax law	266	289	722
Exchange gain on the disposal of notified shareholding earned in the tax year, related impairment reversed in the tax year	0	2 663 824	6 655 400
Difference between the arm's length price and the consideration applied between related companies	49 940	37 584	93 901
During tax revision and self-revision specified revenue, increase own performance, reductions of expenses regarding the current year	0	1 302	3 253
Corporate tax credit	273	197	492
Dividend received	5 791 957	939 360	2 346 933
<b>Corporate tax base decreasing items</b>	<b>5 842 476</b>	<b>3 760 873</b>	<b>9 396 310</b>
Depreciation according to corporate income accounting law	266	289	722
Impairment on receivables	5 567	67	167
Impairment or exchange loss on reported shareholdings or difference between expenses and income accounted on derecognition of shareholdings	3 731 778	17 009	42 496
30% of the net financing cost of EBITDA or 939,810,000 HUF exceeding the higher amount of the two, less a certain part of the interest deduction capacity of previous years (Section 8 (1) (j) of the CIT Act). Do not have to apply: financial institution, investment firm, insurance company, alternative investment fund, management company of a collective investment undertaking dealing with transferable securities, member of a group of companies preparing consolidated financial statement.	117 727	0	0
Difference between the arm's length price and the consideration applied between related companies	2 700	106 976	267 273
Non-business expenses	0	12 669	31 653
<b>Corporate tax base increasing items</b>	<b>3 852 205</b>	<b>137 009</b>	<b>342 309</b>
<b>Corporate tax base</b>	<b>219 436</b>	<b>2 988 737</b>	<b>7 467 176</b>
<b>Corporate tax liability</b>	<b>19 749</b>	<b>268 986</b>	<b>672 045</b>

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Expected minimum income base	all figures THUF		all figures in EUR
	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2022-31/12/2022
Net sales revenue	127	3 442	8 599
Other income	307	216	539
Income from financial transactions	8 194 334	17 481 040	43 675 303
<b>Expected minimum income base</b>	<b>163 895</b>	<b>349 694</b>	<b>873 689</b>
<b>Minimum tax for the Company</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Company does not calculate its corporate income tax payable according to the minimum tax.



## **V. Other additional information**

### **1. Tax audit**

The Tax Authority has not performed any comprehensive tax audit of the Company in relation to previous years. The tax authority may examine books and records at any time for up to 6 years after the tax year concerned and may impose additional taxes or penalties. The Company's management is not aware of any circumstances that might result in a significant liability for the Company.

### **2. Related party transactions**

Non-arm's length related party transactions are represented by the loan that the Company received from Finext Nyrt. The Company adjusted its corporate tax base for that transaction to make the effect of arm's length prices reflected in its tax base. The Company calculated its tax base adjustment item using interest rate 0.48% in the first part of the year.

That is numerically shown in the corresponding line of the tax calculation.

### **3. Impact of Covid 19 pandemic on business operations**

The first news about Covid 19 shown up at the end of 2019. In the first few months of 2020 the virus spread globally and became a worldwide epidemic.

The current epidemiological situation has a negative influence on the global and the Hungarian economy as well as on the money and capital markets.

The Company's management is continuously analysing the situation evolving as a result of the pandemic. The Company operates as a holding company, is active in its operations, and does not have any employees. In this way, the Company's operations are not substantially affected by the current crisis.

The Company's financial position is stable, and its management did not identify any liquidity issues on the basis of the cash flow budgets for the coming 12 months. Having assessed the specific facts, risks, plans and the information concerning the implementation of these plans for Futureal Development Holding Kft., the Company's management believes that using the going concern assumption is appropriate when preparing special purpose interim financial statement 31 December 2022.

### **4. Consequences of the Russian-Ukrainian conflict**

Management is carefully monitoring the on-going Russian-Ukrainian conflict and is assessing its potential impact on the overall economic environment and the Company. After considering all circumstances and available information we believe that the conflict will not materially affect the financial position and operations of the Company.

The Company has no direct business relationship in Ukraine and Russia.

With regard to the 2023 financial year, we expect the following: the financial position of the Company is stable, and based on the cash flow plans, liquidity problems have not been identified by the Company's management for the next 12 months. The Company continuously analyses the situation arising from the conflict.

5. Subsequent events

On 31.01.2023 The Company successfully issued bonds of EUR 125,000,000 aggregated face value in the course of a private placement.

On 02.03.2023 The Company sold 60,000 pieces of 2030/A series and 730,000 pieces of 2032/A series government bonds to Cordia International Zrt. This transaction resulted in a loss in amount of EUR 621,823.

On 20.03.2023 The Company sold 69,321 pieces of 2032/A series and 252,956 pieces of 2038/A series government bonds to Cordia International Zrt. This transaction resulted in a loss in amount of EUR 105,629.12.

## VI. Indicators showing the company's net assets, financial position, and results of its operations

### Profitability indicators

Description	Calculation	01/01/2021- 31/12/2021	01/01/2022- 31/12/2022
Pre-tax profit/(loss) to sales net profit margin	pre-tax profit (loss) / net sales revenues	1741270,85%	192129,00%
Operating profit/(loss) to sales profit margin	operating profit (loss) / net sales revenues	-166767,35%	-6029,53%
Pre-tax profit/(loss) to return on equity	pre-tax profit/(loss) / equity	4,76%	11,70%
After-tax profit/(loss) to equity	after-tax profit (loss) / equity	4,74%	11,22%
Operating profit/(loss) to return on asset	operating profit/(loss) / (non-current assets + inventories)	-0,31%	-0,19%

### Net assets position

Description	Calculation	01/01/2021- 31/12/2021	01/01/2022- 31/12/2022
Equity	equity / balance sheet total	28,32%	31,24%
Coverage of non-current assets	non-current assets / equity	146,51%	197,09%
Equity growth ratio	equity in the reporting year / equity in the previous year	104,97%	112,64%
Equity to share capital	equity / share capital	1088,45%	1226,03%
Debt/equity ratio	liabilities / equity	244,12%	214,46%

### Liquidity indicators

Description	Calculation	01/01/2021- 31/12/2021	01/01/2022- 31/12/2022
Cash ratio	cash /current liabilities	34708,36	218,59
Acid test	(receivables + cash at bank and in hand + securities) / current liabilities	39348,03	220,97
Current ratio	(current assets + prepayments) / (current liabilities + accruals)	22,87	20,40

## VII. Statement of Cash Flow

		all figures in EUR	
a	Line item b	31/12/2021 c	31/12/2022 d
<b>I.</b>	<b>Operating cash flow, (rows 1-13)</b>	<b>5 653 353</b>	<b>-40 896 765</b>
1a.	Profit or loss before tax ±	5 972 559	16 521 173
	of which: operational support received, financially settled	0	0
1b.	Adjustments in profit or loss before tax +	2 346 719	-25 070 969
1.	Adjusted profit or loss before tax (lines 1a+1b) +	8 319 278	-8 549 796
2	Impairment recognized and reversed ±	721	721
3	Difference between formation and utilization of provisions ±	10 143 404	-4 028 880
4	Fixed assets sold ±	0	0
5	Changes in accounts payable ±	-2 655	-11 344
6	Changes in other short-term liabilities ±	2 307	-6 133
7	Changes in accrued and deferred liabilities ±	-877	592 345
8	Changes in trade receivables ±	7 881 613	-3 402 292
9	Changes in current assets (without receivables and liquid assets) ±	0	0
10	Changes in accrued and deferred assets ±	-7 382 939	-17 965 583
11	Tax paid -	-13 274 193	-6 853 758
12	Dividends and profit-sharing paid or payable -	-33 306	-672 045
13	Impairment recognized and reversed ±	0	0
<b>II.</b>	<b>Investment cash flow, (rows 14-18)</b>	<b>-117 076 743</b>	<b>-87 463 737</b>
14	Purchase of fixed assets -	-8 040 592	-13 801 158
15	Disposal of fixed assets +	7 133 530	11 344
15/b	Change in non-current financial assets	0	0
15/c	Change in advance payments for capital projects	0	0
16	Repayment, termination or redemption of long-term loans and bank deposits +	34 422 101	85 709 877
17	Long-term loans and bank deposits -	-150 607 478	-161 730 733
18	Dividend and profit sharing received +	15 696	2 346 933
<b>III.</b>	<b>Financial cash flow, (rows 19-26)</b>	<b>301 858 723</b>	<b>41 457 259</b>
19	Proceeds from the issue of shares, capital increase +	0	0
20	Proceeds from the issue of bonds and debt securities +	303 958 723	22 479 127
21	Borrowings +	46 622 041	159 971 957
	of which: short-term borrowings	0	0
	loss on revaluation at the balance sheet date	0	0
22	Non-repayable liquid assets received +	0	0
23	Share redemption, divestment (capital reduction) -	0	0
	Repayment of bonds and debt securities -	0	0
24	Loan instalment payments, repayment of loans	0	0
25	of which: short-term borrowings	0	0
26	gain on revaluation at the balance sheet date	-48 722 041	-140 993 825
	Non-repayable liquid assets -	0	0
	Proceeds from the issue of shares, capital increase +	0	0
27	Proceeds from the issue of bonds and debt securities +	0	0
<b>IV.</b>	<b>Change in liquid assets (lines I±II±III)</b>	<b>190 435 333</b>	<b>-86 903 243</b>
28	Revaluation of funds held in foreign currencies +	-483 026	-244 865
<b>V.</b>	<b>Change in funds as shown in the balance sheet (lines IV+27)</b>	<b>189 952 306</b>	<b>-87 148 108</b>