

2022 Annual Report

Futureal Holding B.V.

FUTUREAL

HOLDING

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Gábor Futó

Co-Founder,
Futureal Group

The 2022 performance of Futureal Holding was driven by the stability of our core development and asset management businesses and the strong growth of our recently launched new business lines. Our long-term interest rate hedges and fixed-rate bonds have significantly dampened the effects of the rising interest rate environment. We are actively looking for investment opportunities as we are sailing into more stormy waters.

Our Hungarian office team secured occupancy permit for the 2nd and 3rd phases of Budapest One complex (with BT and Vodafone as anchor tenants) and completed the development of Phase 1 of Corvin Innovation Campus (with IBM as anchor) with occupancy permit received in Q1_2023. We believe that Futureal now boasts the highest quality major office portfolio in Budapest. Also in Hungary, Etele Plaza, the largest and most modern shopping center of Buda has been performing strongly.

In Poland, Futureal successfully refinanced its retail redevelopment assets (Galeria Bemowo and Manhattan SC) acquired at the end of 2021 and began the repositioning works of Wroclaw office tower.

Still in January, Futureal successfully executed the second tranche issuance of over EUR 22 million of long-term, senior unsecured, fixed rate HUF bonds.

During 2022, the leadership of Futureal Holding worked intensively on developing and enhancing firm's strategy and reflecting on current market conditions and opportunities. Under the new strategy Futureal Development and Futureal Investment Partners will be merged and will operate under the name Futureal as an integrated business concentrating on expanding its core Central-European activity to a pan-European scale, with increased focus on commercial property retrofit and redevelopment. The new strategy is driven by the abrupt and immense market pressure on existing commercial properties that are obsolete or will quickly become obsolete against new ESG, carbon-emission and energy efficiency requirements.

Our HelloParks logistics platform achieved leadership position in new logistics and industrial developments around Budapest. Our first two of warehouses with 92,000 sqm of GLA, were fully let. Our next two buildings of 46,000 sqm GLA in Fót and Maglód, a 58,000 sqm GLA building in Páty and our first city flex concept on 26,000 sqm GLA also in Maglód are currently being leased up. Multi-phase financing agreements were signed with Erste Bank, Raiffeisen Bank and K&H Bank to finance the continuous development of our logistics megaparks.

Responding to Russia's war on Ukraine, over EUR 1 million aid program was launched to help Ukrainian refugees with several further initiatives started, including kindergarten, temporary accommodations (used by thousands of refugees), storage facilities to help cities with supplies, etc.

With the stormy seas ahead, we have reviewed cash management and liquidity policies and created large cash reserves strengthening our liquidity and capital management.

I would like to thank our exceptional team for their commitment, relentless efforts and great achievements in the 2022 challenging environment. 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 /
Group Tax and Structuring
Director, Futureal Group



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



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



Dr. Janos J. Berki
Member of the Board /
International Office Sales and
Asset Management Director,
Futureal

2022 brought many challenges connected to the economic slow-down and overall uncertainty on real estate markets. Despite those challenges Futureal Holding performed strongly and delivered on plans.

We continue to leverage on the diversification of our activities which protects us from the market challenges. HelloParks team closed the year with great performance and delivery on its plans to develop in total 1 million sqm of GLA of industrial and logistics properties around Budapest. Within 2022 HelloParks put into operation 92,000 sqm of fully let BREEAM Excellent warehouse space in its Budapest North and Budapest Airport locations. Construction was started on further over 219,000 sqm of GLA. During 2022 HelloParks team secured further land bank for development of 60,000 sqm GLA in the south of Budapest (Alsonemedi).

Futureal Holding's value add and opportunistic teams focused on stabilization and financing of projects acquired at the end of

2021 in Poland. During second half of the year the team initiated the repositioning of Wratislavia office tower in line with the newly defined, ESG focused, strategy of Futureal Holding.

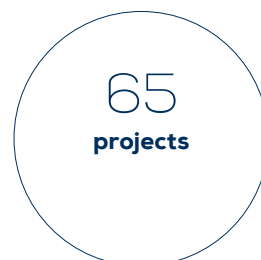
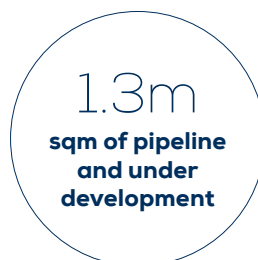
Futureal Holding's Hungarian team successfully progressed with letting of the CORE office projects in Budapest One Phase 2 and Phase 3 buildings, as well as finishing works on Corvin Innovation Campus, Phase I resulting in occupation permit issue and hand over to first tenant (IBM) in Q1 2023.

For 2023 we are excited about the further growth of our logistic and industrial platform and opportunities brought by our new commercial property retrofit and ESG-focused redevelopment strategy.

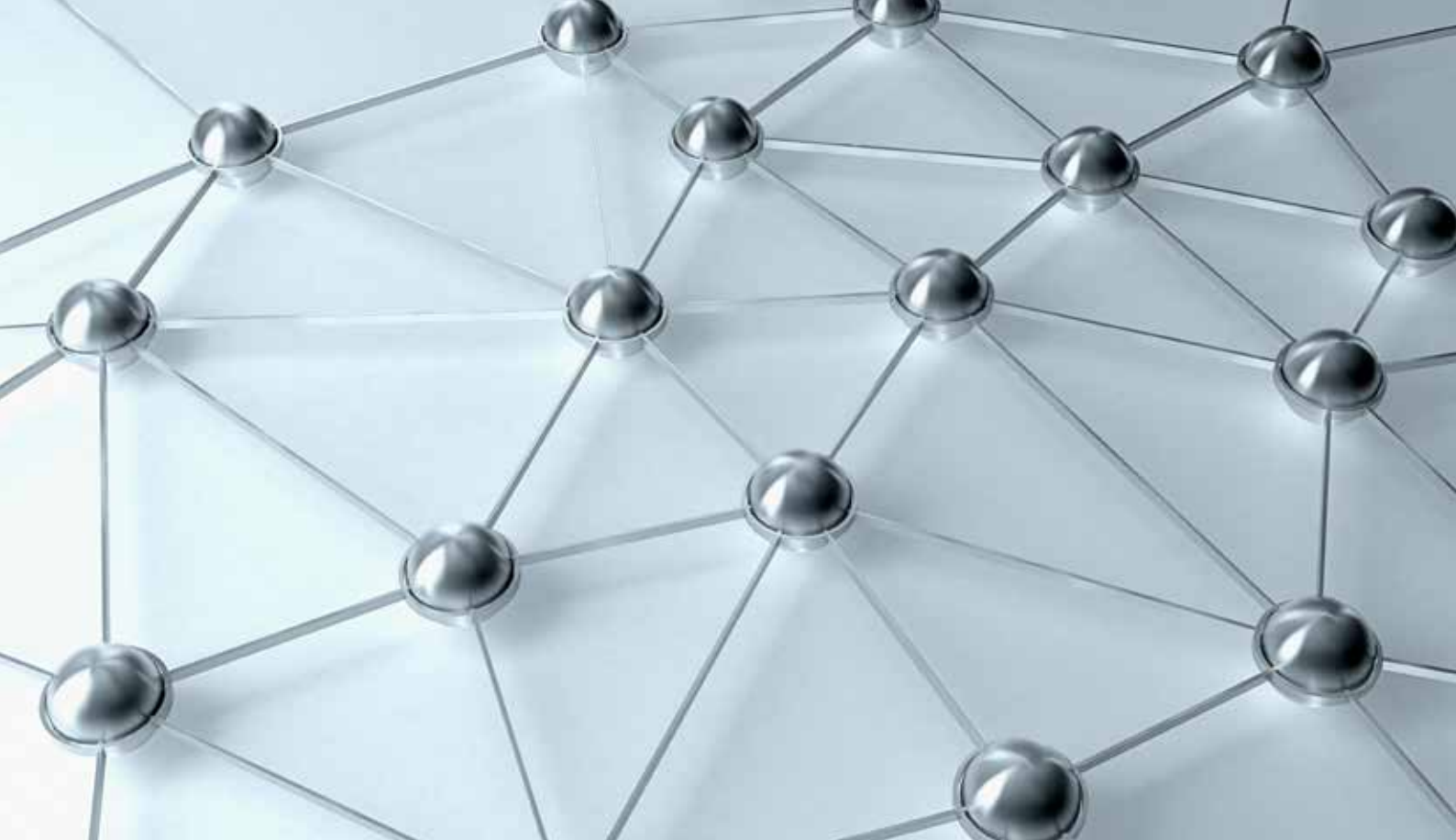


2 Futureal Holding

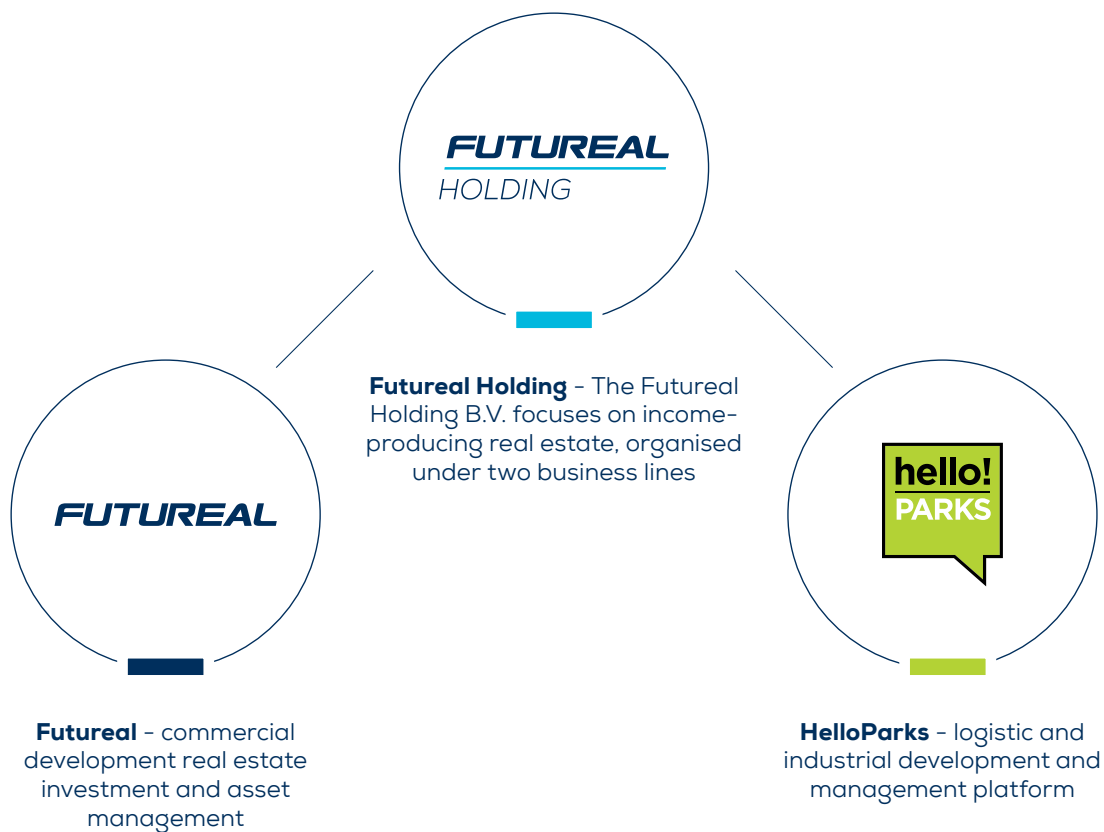
Futureal Holding B.V. has grown to become one of the leading diversified commercial real estate developers and investors in Central Europe. We have nearly two decades of experience in outstanding large-scale office, retail and mixed-use projects, as well as logistics and industrial developments and investments,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



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's Structure





4 Futureal Holding Financials

In 2022 Futureal Holding B.V. shows great financial results capitalizing primarily on the stable performance of its asset portfolio and strong growth of HelloParks - logistic and industrial development and management platform.

Futureal Holding Financials

How we performed

Real estate performance of Futureal Holding in 2022 continued to develop unevenly for differing asset types. Retail and office asset classes were negatively impacted by uncertainties connected with the economic crisis, continued increase of utility pricing, impacts of Russia-Ukraine conflict and still continued Covid-19 pandemic challenges (at the beginning of the year). Logistic / industrial asset class kept showing growth and strong tenant interest. 2022 financial results of Futureal Holding confirm that we have made the right decisions when diversifying Futureal Holding's activities and carefully managing business as well as financial risks. Despite the challenges retail and office portfolios delivered stable results as per the budgets with logistics / industrial platform exceeding expectations and even speeding up the delivery and lease-up of the highest quality warehouses.



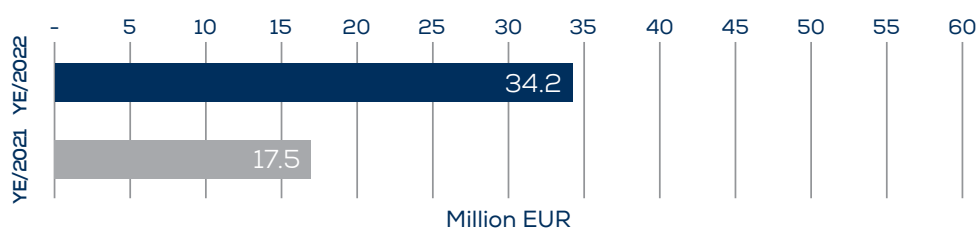
David Hendrych
CFO and COO

Futureal Holding B.V.

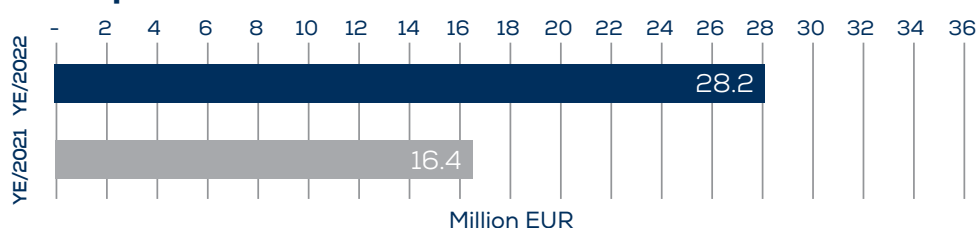
| General Data (thousands of EUR) | 2022 | 2021 |
|---------------------------------------|-----------|-----------|
| Investment and Development Property | 969,111 | 702,977 |
| Cash and cash equivalents | 242,424 | 290,262 |
| Total Assets | 1,449,754 | 1,107,807 |
| Total Equity | 488,571 | 393,906 |
| Equity attributable to shareholders | 408,953 | 352,428 |
| Bank Borrowings (drawn down) | 461,649 | 307,294 |
| Debentures (bond related liabilities) | 299,369 | 305,338 |
| Net Consolidated Debt | 451,994 | 266,680 |
| Net Loan to Value | 39.8% | 35.2% |
| Operating Profit | 67,613 | 16,690 |

Financial Highlights

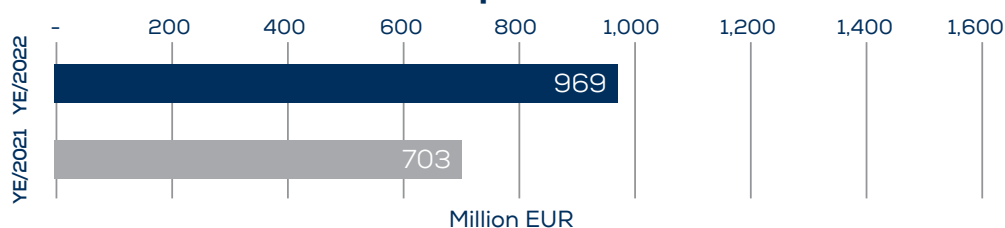
Rental revenue



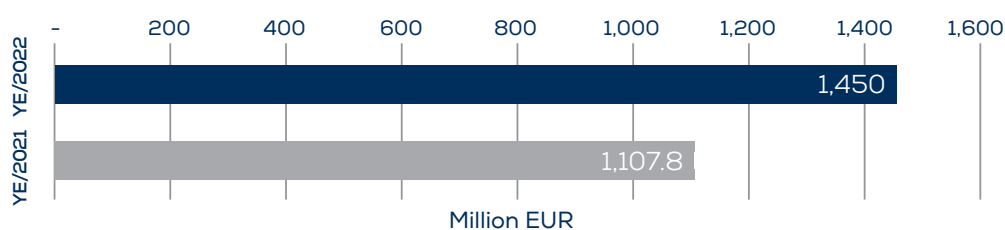
Gross profit



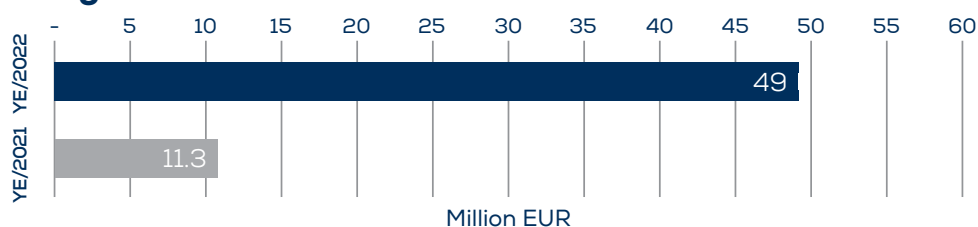
Total Investment and Development Value



Total assets



Net gain on IP



- ✓ EUR 704 million bank financing secured (EUR 477 million drawn down). Interest rate risk mostly hedged.
- ✓ **Net Loan to Value ratio at 39.8%**, bank covenants met*.
- ✓ **Bond debt to equity undertaking ratio: 0.12** at 2022 year end, well below the bond covenant.
- ✓ **Bank financing secured for all on-going development projects.**

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

Financial Performance in 2022

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

Rental revenue

Rental revenue almost doubled to EUR 34.2 million in 2022 from EUR 17.5 million in 2021. The strong increase was related to rental income from Etele Plaza in operation over full year of 2022, start of the leases in completed BudapestOne Phase 2 and Phase 3 as well as the assets acquired towards end of 2021 by Futureal Investment Partners and warehouse buildings (Maglod 1 and Fot 1) finished by HelloParks.

Service revenue

Service (Other) revenue, similarly to rental revenue, doubled to EUR 21.9 million in 2022 from EUR 9.3 million in 2021 due to higher income from intermediary services (higher energy costs) and higher management fee.

Net gain on IP

The net gain on investment properties as at 2022 year end amounts to EUR 49 million driven by the revaluation of HelloParks projects delivered over the year. The value of the retail and office assets in Futureal Holding portfolio stayed relatively flat when pressure on yields was balanced by the rent indexation.

Cost of sales

Cost of sales were EUR 28.2 million in 2022 versus EUR 10.7 million in 2021. This reflects the increase of the costs of operating the growing real estate portfolio of Futureal Holding as well as increase of the (mainly) utility costs. The impact on Futureal Holding is compensated by increase of the revenues from intermediary services (service charges).

Gross profit

Gross profit increased to EUR 28.2 million in 2022 versus EUR 16.4 million in 2021 reflecting the increased scope of rental operations.

Operating profit

Operating profit reached EUR 67.6 million in 2022 versus 16.7 million in 2021. The increase is driven by the profit from rental operations as well as gain on investment properties.

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 30.3 million in 2022 versus 11 million in 2021.

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 86.4 million in 2022 versus EUR 17.5 million in 2021.



Financial Performance in 2022

Overview of Consolidated Statement of Financial Position

Investment and Development Property

The value of investment and development property increased to EUR 969 million at the end of 2022 compared to EUR 703 million in 2021 year end. The strong increase is attributable primarily to the investments into Futureal Holdings' office projects and warehouse assets delivered by Futureal logistics platform HelloParks.

Cash and cash equivalents

Cash and cash equivalents were at EUR 242.4 million at the end of 2022 showing decrease from EUR 290.3 at the end of 2021.

Total assets

Total assets increased to EUR 1,450 million at end 2022 compared to EUR 1,108 million at the end of 2021 reflecting the investments done during the year.

Loans and Borrowings

As of end of 2022, despite the challenges in the banking markets, Futureal Holding had managed to have all its on-going projects financed through 3rd party banks. Out of the total amount of EUR 704 million of facility agreements concluded, EUR 477 million was drawn. The main partner banks of Futureal Holding are Unicredit Bank (total facilities of EUR 189 million), Erste Bank (total facilities of EUR 218 million) and MKB Bank (total facilities of EUR 85 million).

Bonds

During 2022 Futureal Holding carried out successful tap issuance of its Green Bonds

(FUTURE2031) issued during 2021. The tap issuance took place on January 31st, 2022 with total face value of over EUR 22 million.

Net assets attributable to non-controlling investment unit holders

Net assets attributable to non-controlling investment unit holders of EUR 59.6 million as of end 2022 represents investment of non-controlling unit holders in an investment fund. Change to 2021 year end of 42.2 million.

Equity attributable to equity holders of the parent

Equity attributable to equity holders of the parent increased to EUR 409 million at year end 2022 from EUR 352.4 million at year end 2021.

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 0.12 as of year-end 2022, well below the bond covenant.

Loan to value ratio

The net LTV ratio was 39.8% at the end of 2022, where net LTV is defined as (net consolidated debt) / (total consolidated assets net of cash & tenant deposits).



5 Futureal

Our vast experience, expertise, innovation, creativity and ability to quickly execute on opportunities have made Futureal a market leader in high quality project developments.

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 over EUR 2 billion and operating assets under management close to EUR 1 billion.

Management Overview

Retail Development

In the retail asset class Futureal Holding focused during 2022 on stabilization of the Etele Plaza shopping mall. Despite the uncertainties brought by Russia-Ukraine conflict and related economic downturn (on the top of the still lasting Covid-19 pandemic impact and impact of e-commerce), Etele Plaza demonstrated great performance and stabilization with a 96.5% occupancy (contracted) by the end of 2022 and average footfall and turnovers growing strongly compared to 2021.

Despite the overall positive development of footfall and turnover in Etele Plaza the tenants performance was negatively impacted by the continuing growth of utility prices and overall economic downturn.

Futureal Holding's Polish retail assets (Galeria Bemowo in Warsaw and Manhattan SC in Gdansk) were successfully refinanced at the beginning of 2022 by concluding financing agreements with OTP Bank Nyrt. for EUR 16.5 million and EUR 19.5 million, respectively. The operation of both assets is stabilized with occupancy stable at around 98% for Manhattan SC and over 97% for Galeria Bemowo. Both assets are delivering cash-flow on plan."

Office Development

"In June 2022 Futureal Holding successfully managed to obtain occupancy permit for Budapest ONE Phase 3. This is another milestone in the finalization of Budapest ONE office complex. Occupancy permit for Budapest One Phase 2 was received in August 2022. The project came to its final stage and Budapest ONE reached its dominant and robust figure as Budapest's new emblematic building. Budapest ONE received Well Platinum certification. The office building is BREEAM Excellent certified and it is the first in Hungary to meet the highest requirements of the International Well Building Institute (IWBI). The anchor tenants of the second and third phase of Budapest ONE (Vodafone and British Telecom) took over their premises towards the year-end along with a few smaller tenants.

Budapest's Corvin Innovation Campus (CIC) development works progressed well during 2022 with focus on Phase 1 which reached its final stage and received occupancy permit in February 2023 with first tenant (IBM) moving in from March 1st, 2023. The office of IBM in CIC is the new headquarter of the



Karol Pilniewicz

CEO & CIO, Futureal

tech giant in Hungary. IBM occupies over 60% of the building.

In Wroclaw, the new long-term lease with a reputable anchor tenant - City of Wroclaw, secured stable performance of the Wroclaw office building and allowed the start of the modernization of this asset, aiming at meeting our sustainability goals by achieving the BREEAM Excellent (in use) certification. This modernization project is not only a move towards sustainability but also a part of a broader retrofitting strategy to be executed from 2023.

After positive signs of awakening tenants' interest at the end of 2021 and beginning of 2022 the Russia-Ukraine conflict brought just another slow-down to leasing activity and brought office asset class under further pressure. Despite those challenges Futureal Holding during 2022 leased-up its projects in development by more than 4,000 sqm with highly reputable tenants (Aldi, Pannergy, Corteva).

Futureal actively searches for investment opportunities fitting into its newly defined strategy focused on expanding Central-European activity to a pan-European scale, with increased focus on commercial property retrofit and redevelopments in best city locations.

Futureal Key Projects

Etele Plaza

We are extremely proud to have opened Etele Plaza in 2021, a unique shopping centre with over 150 units on three floors at 96.5% occupancy. Etele Plaza features more well-known 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:

- Over 150 units on 3 floors
- 4,000 m² green area
- 55,000 m² leasable area
- 137,000 m² total area
- 1,250 on-site parking units
- Smart solutions (application, Ariadne system, LED screen, Pepper robot, and other digital solutions)



Key Projects



Budapest ONE

A 66,000 m² office park with a unique facade and structural design located at Órmező, Hungary's largest transportation hub. 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. The outstanding office building was one of the first in Hungary to receive the international WELL Building Platinum pre-certification, and the first phase was the first in the country to receive the highest Platinum certification from WELL.

The development earned the international WELL Health-Safety certification for safe operation. Together with the multi storey smart car park, built in the immediate vicinity of the office building, Budapest ONE offers more than 1,200 parking spaces for cars, including electric chargers for hybrid and electric cars, as well as electric bikes and scooters.



Project highlights:

- Total GLA: 66,000 m²
- High quality working environment
- Sustainable solutions
- Smart car park
- Complete Retail, Dining and Sports offering
- Unprecedented Visibility
- Multinational tenants from the telecommunications, computing and pharmaceutical sectors



Futureal

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 has basically extended the well-known promenade. The first phase of the nine-storey complex provides 16,650 sqm of GLA, while the second will offer 14,310 sqm of GLA. The almost completely contactless office building surrounded by renovated and green public space transforms 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. Corvin Innovation Campus is one of the most energy-efficient office buildings in Hungary as it has obtained one of the highest, AA+ energy certifications. It has been designed according to BREEAM Excellent and WELL Platinum certification system to ensure it has a positive impact on the wellbeing and health of the people that work there. The category 'A' office building with unique facades is surrounded by renovated and green public space and widened roads



as part of the development. The office complex meets the expectations of the digital age, while a huge emphasis will be put on creating a green environment. An increased number of bicycle storage spaces as well as separated showers and lockers are available. The first phase was already completed, while the second phase is expected to be handed over in the near future.

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



MAIN TANENT OF CORVIN
INNOVATION CAMPUS

Futureal

Key Investments



Wratislavia Tower

11-storey, glass-clad mix-use building located in the centre of Wrocław, 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

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.



6

HelloParks

During the company's first two and a half years it already has achieved a market-leading role in terms of market share in the field of industrial developments under construction in Hungary.

By the end of 2022, HelloParks was working on the development and preparation of nearly 1 million sqm GLA warehouse and industrial space meeting extremely high sustainability criteria on 222 hectares in three strategically important locations around the Hungarian capital: Maglód (Budapest Airport), Fót (Budapest North) and Páty (Budapest West).

During the year HelloParks delivered 135,000 sqm industrial space, and launched the construction of further 174,000 sqm, that are expected to be delivered during 2023. HelloParks' first two buildings in Maglód and Fót were leased up in record time.

Management Overview

2022 confirmed that strategy and concept of establishing large scale industrial and logistic parks around the Hungarian capital works well and massive growth in tenant demand and rents strengthens HelloParks ability of continuing to grow. HelloParks first building (MG1), a 46,000 sqm warehouse obtained occupancy permit in February and reached 100% occupancy at the end of August. The first warehouse of HelloParks is also the first in the country with BREEAM New Construction Excellent rating. After receiving the occupancy permit for the first hall, the construction of the second 46,000 sqm building (MG3) has started at the Maglód megapark and reached 100% completion by year-end. MG3, which has already won a tenant with a 5,000 sqm lease, is the first building of HelloParks that is built to the highest, Outstanding rating of the BREEAM sustainability standards. Currently only HelloParks develops industrial buildings in line with these requirements on Hungarian market.

In HelloParks' second location, Budapest North, the first 46,000 sqm building (FT1) was completed and received occupancy permit in June 2022. Complying with the same BREEAM standards as MG1, FT1 was filling up in a similarly fast pace as MG1, and was also fully (100%) leased-up by the end of August. The second building (FT6) in the Budapest North megapark was the first City Flex type building of HelloParks. This was completed in December and even though the occupancy permit is expected to be received only in March 2023, almost 20% of the building is leased. Parallel with the construction of FT6, the second Big Box type building on this location was launched. The 45,000 sqm FT2 building is expected to be completed in the second quarter of 2023, and already has a signed LOI for 3,500 sqm. Both FT6 and FT2 are build according to the Outstanding criteria of BREEAM New Construction category.



Rudolf Nemes

CEO, Co-Founding Partner
HelloParks

In the HelloParks West location in Páty, the first column of the 58,000 sqm PT1 building was placed in the end of September and the building was structurally completed before the end of the year with industrial floor building works progressing. The building is expected to be finalized in Q3 2023.

Sustainability plays a defining role in the activities of HelloParks, with a focus on reducing greenhouse gas emissions, improving energy efficiency and targeting carbon neutrality. ESG targets oblige HelloParks from 2028 to ensure that all new development operations will be Net Zero, using 100% renewable energy. By 2025 HelloParks commit to decrease its developments' built-in carbon by 25% compared to base value.

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 +BREAAM 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 promptly visible and can be adjusted and set in real-time mode via the HelloParks Application.

Park size

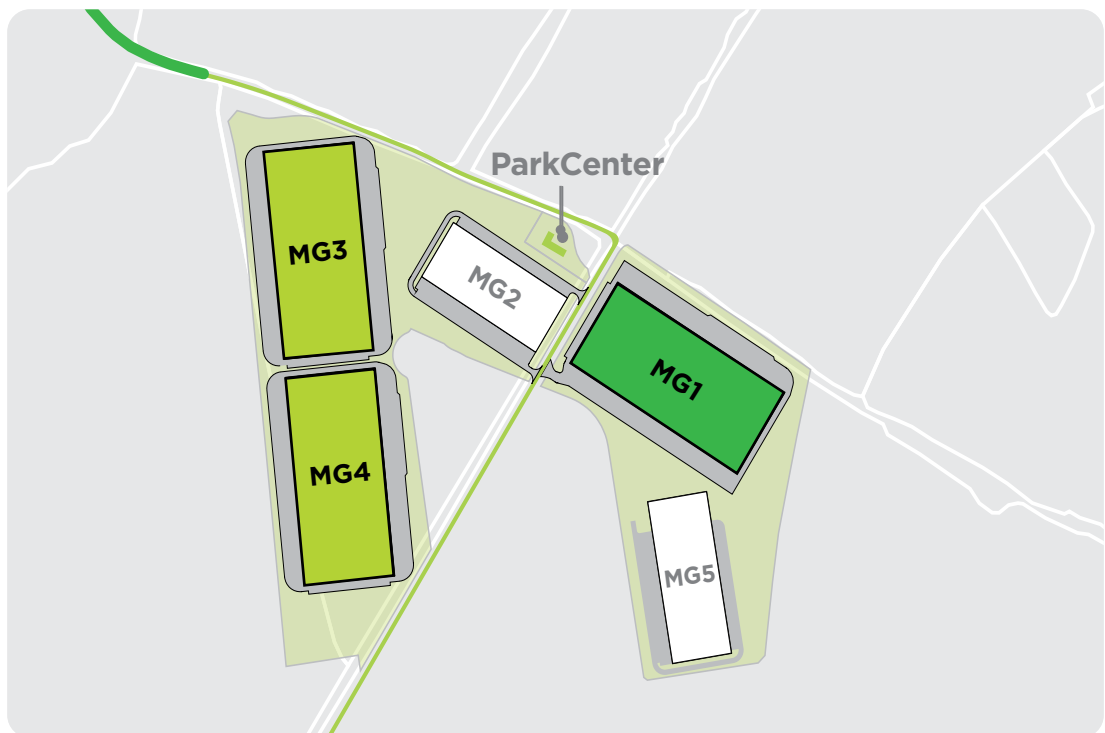
46 ha

Development potential

215,000 m²

Max building height

18 m (up to 40 m)



completed



under construction

Key Projects

HelloParks Fót (Budapest North)

The HelloParks Budapest North site is located in Fót, right next to the junction of highways M0 and 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 2,000 sqm is an attractive location for those requiring a smaller area than the 3,400 sqm minimum unit of the classic Big Box logistic assets.

Park size

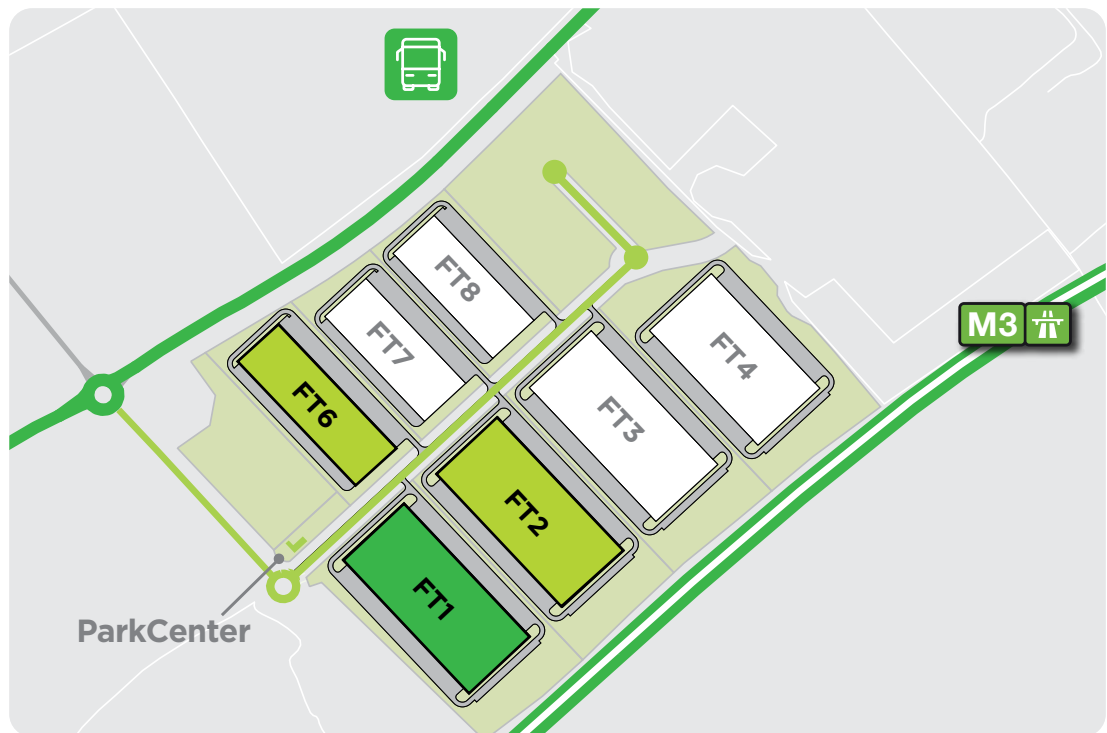
76 ha

Development potential

265,000 m²

Max building height

15m



completed



under construction

Key Projects

HelloParks Páty (Budapest West)

The HelloParks Budapest West site is HelloParks' 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 of the site is already under construction and is planned to be handed over in Q3 2023. 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 by being one of the greenest warehouse in Hungary.



Park size

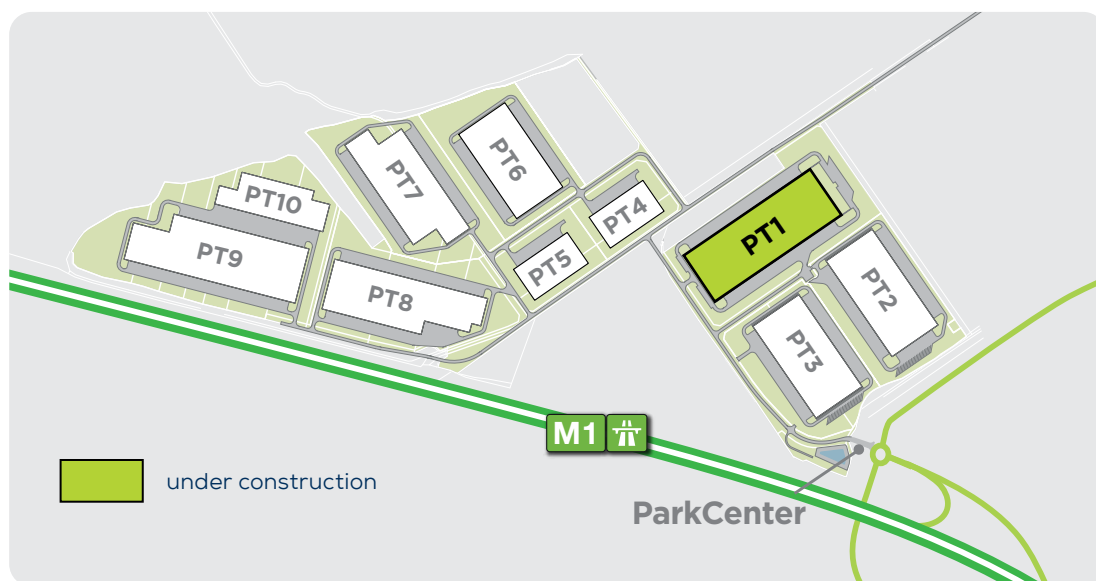
108 ha

Development potential

392,000 m²

Max building height

20m



| STATUS ¹ | COMPLETED | | UNDER CONSTRUCTION | | | | |
|-------------------------------------|-----------------------------|---------|------------------------------|---------|------------|---------|----------|
| | Maglód MG1 | Fót FT1 | Maglód MG3 | Fót FT6 | Maglód MG4 | Fót FT2 | Páty PT1 |
| Warehouse size (m ²) | 46,000 | 46,000 | 45,000 | 26,000 | 45,000 | 45,000 | 58,000 |
| Minimum unit size (m ²) | 3,300 | 3,300 | 3,300 | 2,000 | 3,300 | 3,300 | 3,300 |
| Storage height (m) | 10 | 11.7 | 11.7 | 8.0 | 11.7 | 11.7 | 11.7 |
| Available | NOW | NOW | 2023 Q1 | 2023 Q1 | 2023 Q4 | 2023 Q2 | 2023 Q3 |
| Total | 92,000 m² | | 219,000 m² | | | | |

¹At the date of writing the report



7 2022 Market Update

General

The turbulent economic situation is currently being observed in all global markets, including countries in which Futureal Holding operates. After two years of disruptions caused by the pandemic, the ongoing Russian invasion of Ukraine is having a significant impact on European economies, bringing uncertainty in tenant demand, and driving increases of utility prices and construction and fit-out budgets. We have also entered a new era of much higher inflation and interest rates.

2022 Market Update

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 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.



2022 Market Update

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 Holding 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.



2022 Market Update

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 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.





8

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 4th, 2021, while an amendment of the Green Finance Framework has been re-audited by Sustainalytics on May 12th, 2022 and was published on Futureal Holding's website. 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 23rd, 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 31st, 2022 by issuing a total face value of an additional HUF 8.05bn.

On November 16th, 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 will serve as financial basis for future projects to be turned to be eligible with 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 13th, 2021.

Sustainability

Progress for a more liveable planet

As one of the leading real estate development and investment management 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



Following sustainable procurement practices



Focusing on sustainability from planning through development to operation



Supporting communities with energy efficient solutions



Making buildings and their environment safe, resilient and sustainable



Achieving sustainable development



Protect, enhance and promote sustainable use of land



Creating partnerships for sustainable development

What makes our developments sustainable?



3 GOOD HEALTH AND WELL-BEING

Health and wellbeing

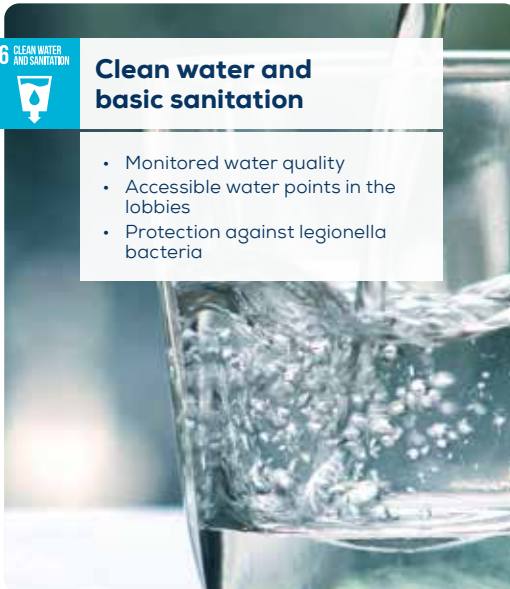
- Monitored air quality
- Reduction of number of contacts in common areas
- Highly adjustable, glare-free lighting
- Careful design of acoustic and thermal comfort
- Accessible environment that complies with the principles of universal design
- Biophilic design
- Soothing wall colours
- Multifunctional "WELL" rooms
- Nearby fitness facilities
- Bike storage and showers
- Low-emitting and non-toxic building materials in common areas



5 GENDER EQUALITY

Supporting women at work

- Futureal is dedicated to keep diversity, equality and overall acceptance in its company values
- Being a proud member of nyitottak-vagyunk.hu promoting diversity and inclusion for millions, and helping companies become more open.



6 CLEAN WATER AND SANITATION

Clean water and basic sanitation

- Monitored water quality
- Accessible water points in the lobbies
- Protection against legionella bacteria



7 AFFORDABLE AND CLEAN ENERGY

Affordable and clean energy

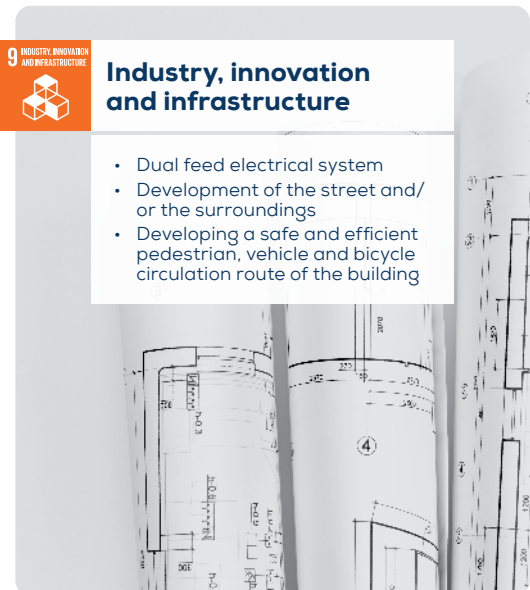
- 0% local CO₂ emission through district heating and/or heat pump
- The electricity needs of the office buildings are partly provided by solar panel system
- Heat recovery ventilation system
- Advanced building automation system
- Strive to use renewable energy sources whenever possible
- Low-energy elevators
- Energy-saving lighting system
- Submetering of tenants consumption



8 DECENT WORK AND ECONOMIC GROWTH

A good day's work and economic growth

- We provide a suitable, well equipped, healthy and safe working environment for our tenants' employees



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Industry, innovation and infrastructure

- Dual feed electrical system
- Development of the street and/or the surroundings
- Developing a safe and efficient pedestrian, vehicle and bicycle circulation route of the building

What makes our developments sustainable?



Sustainable cities and communities

- Our offices are located in the immediate vicinity of a multimodal transport hub or near metro stations
- Bicycle storage, repair station and shower facilities on site
- EV-charger for green vehicles



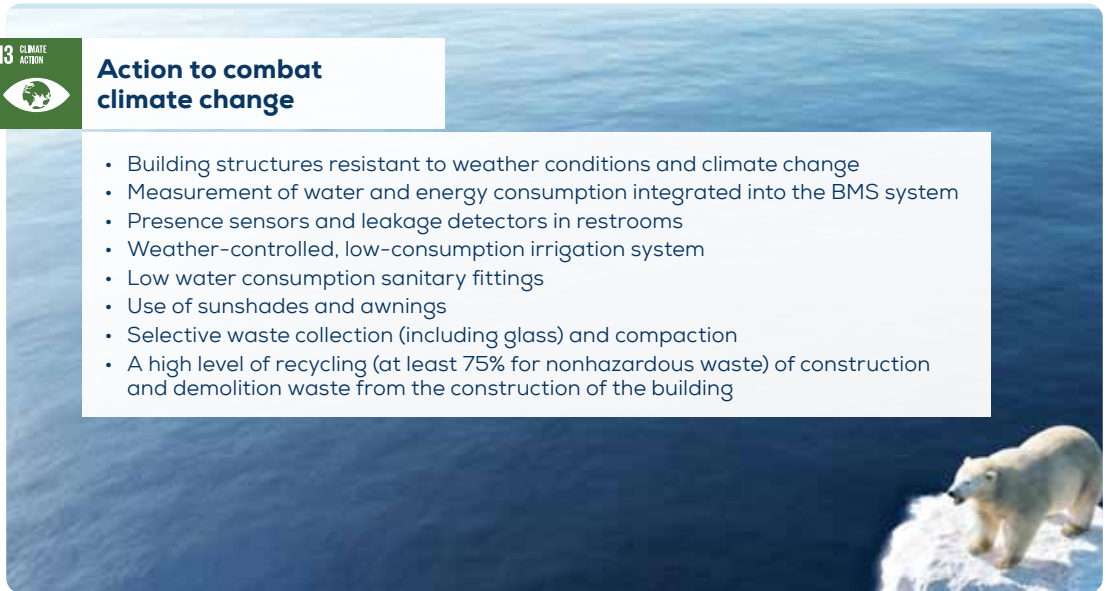
Sustainable consumption and production patterns

- Application of sustainable procurement plan
- Responsible procurement practices (e.g. only PEFC/ FSC certified timber is used)
- Life cycle cost analysis and/or Life cycle assessment are carried out
- Developments are designed to be flexible and durable
- Material efficiency is taken into consideration during design and construction



Action to combat climate change

- Building structures resistant to weather conditions and climate change
- Measurement of water and energy consumption integrated into the BMS system
- Presence sensors and leakage detectors in restrooms
- Weather-controlled, low-consumption irrigation system
- Low water consumption sanitary fittings
- Use of sunshades and awnings
- Selective waste collection (including glass) and compaction
- A high level of recycling (at least 75% for nonhazardous waste) of construction and demolition waste from the construction of the building



Protecting terrestrial ecosystems

- Landscaped courtyard with indigenous plants and enhancement of biodiversity
- Meeting BREEAM ecological requirements
- Office buildings are located in previously developed areas



Partnership to achieve objectives

- Futureal is planting forests on external sites

Futureal is a founding member of the Hungary Green Building Council (HuG-BC), a professional platform and community that has been active in all areas of the building industry since 2009. We provide professional advocacy on current and future issues to achieve a sustainable built environment. As a member of the international community of the World Green Building Council, we provide a knowledge base and platform to raise awareness and for educational activities that builds on forward-looking international practices and the knowledge, as well as the experience and innovative solutions of our members.



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 during the Covid-19 pandemic, 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.

Sustainability

Green certifications



Budapest ONE, Phase I.

BREEAM New Construction
Very Good at Final stage
April 2021



Budapest ONE, Phase II.

BREEAM New Construction
Excellent at Design Stage
February 2022



Budapest ONE, Phase III.

BREEAM New Construction
Excellent at Design Stage
January 2022



Corvin Innovation Campus, Phase I.

BREEAM New Construction
Excellent at Design stage
June 2021



Corvin Innovation Campus, Phase II.

BREEAM New Construction
Excellent at Design stage
February 2022



HelloParks Maglód

BREEAM New Construction
Excellent at Final stage
September 2022



Etele Plaza

BREEAM New Construction
Very good at Final Stage
December 2022



Advance Tower, Phase I. and phase II.

WELL CORE Gold Certification
July 2022
(No longer owned by Futureal Group)



Budapest ONE Phase I.

WELL CORE Platinum Certification
October 2022



Budapest ONE, Phase I.

WELL Health-Safety Rated
February 2022 - February 2023



Corvin Innovation Campus, Phase I.

WELL CORE Platinum Precertification
April 2021



Corvin Technology Park Phase I.

WELL CORE Gold Certification
July 2021
(No longer owned by Futureal Group)



Etele Plaza

Acces4You Gold
2021



9 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 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, Futureal Group provided more than HUF 300 million in support of the fight against the pandemic in Hungary, Romania, Poland and Spain, most funds provided during 2020 and 2021. The first part



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

During 2022 we have 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. Our temporary shelters were used by 2,000 Ukrainians during 2022 and the Polish team was awarded for their efforts from the President in Wrocław. We are working with several humanitarian aid and medical organizations that help rescue people from Ukraine. In cooperation with local municipality, we carried out charity events to support refugees with raising goods eg. in Etele Plaza.





10 Risk Management

Managing risk is an integral part of Futureal Holding's decision making processes.



Dan Harverd
CRO, Futureal Group

Risk Management

Futureal Holding holds regular risk assessment meetings to manage liquidity & cash flow risks, credit risk, foreign exchange and interest rate risks. Currency exposure is managed taking into account the company's functional currency, future investment plans, current assets, short and long-term liabilities, payments schedule and market volatility. Futureal Holding uses foreign exchange hedging and interest rate swaps to mitigate risks and increase the predictability of future cash flows. The group has a long dated fixed interest debt profile but still places significant attention on asset liability management.

The objective of Futureal Holding's risk management framework is to enable the company to meet its strategic business goals of growth, value creation and meeting tenants' demands, while preserving long-term liquidity, solvency and a 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. 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 zon-

ing 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 are 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 and regulatory requirements.

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

The main risks relevant for the Futureal Holding and their mitigation is listed below:

| RISK | RISK MITIGATION |
|--|---|
| Cyclical commercial real estate markets | Deepening and extending the diversification both geographically and operationally |
| Unable to acquire further land and property portfolios | Developing, maintaining and motivating the agency network, proactive search and mapping activity, searching for acquisition and other special opportunities, in co-operation with sister company, cordia, in acquiring multi-purpose large scale projects |
| Zoning risk | Limiting the share of lands without proper zoning, closing of land acquisitions conditioned on zoning, purchasing large, multi-phased project complexes with the upside of potential re-zoning |

For details on Financial risk management and policies please refer to Note 23 in the Consolidated Financial Statements.

Risk Management

| RISK | RISK MITIGATION |
|--|---|
| Building permit risk | Selecting experienced and locally well reputed architects, concept always in line with the prevailing regulation, proper management of interest of the stakeholders (authorities, neighbours, city architects, media providers, etc.) |
| Market risk | Deep understanding of the markets with quarterly competitor analysis, regular market research, other indicators having effect on the market, regularly requiring agency feed-backs; active and direct leasing management; proper and efficient marketing activities with active advertisement management; constant monitoring of the property investment market developments |
| Construction risk | Well prepared projects with good quality construction design, close monitoring of the sub-contractor activity payments and performances under the general contractor, two-fold performance/quality/contract management of the contractors, including internal experts and third-party quantity surveyors, selecting contractors with proper references and in good financial status |
| Bank financing risk | Full-cover financing for projects, non-recourse loans, limited number of or no construction starts without bank financing terms sheet/agreement available; keeping enhanced cash reserves for freezing banking liquidity situations when and until necessary, managing financing costs (interest rate) volatility via available hedging instruments (ir swaps) |
| Operation risk | Well defined, proper processes and people management |
| Warranty risk | Proper security/insurance from contractors, permanent monitoring of the warranty processes, active intervention, application of full warranty policies, dedicated warranty monitoring roles |
| Risks of supply chain shocks | Established and maintained multiple quality material supply sources with geographical diversification; selective and well-designed increase of raw material inventories |
| Energy crisis | Leveraging the size of the futureal group in the procurement process, long term planning and contracting as possible, active asset management and close cooperation with the tenants (ultimately bearing the energy costs via service charges) |
| Recent economic downturn and negative change on credit markets | Conservative liquidity strategy with internal reserve policy established, decrease of discretionary spending, adjustment of focus in operations to less-capex demand projects, strengthened investment approval process |

Risk Management

Fraud risk assessment

The management of fraud risks is an integral part of Futureal Holding risk management. On regular basis Futureal Holding conducts fraud risk analysis in order to assess whether potential fraud risks are adequately mitigated or controlled within its internal control environment, to identify if there are any risks that are not (yet) adequately mitigated, and if there are shortcomings for which additional measures should be taken. The actions executed as a result of the assessment conducted during 2022 included board structure policy issuance strengthening 4 eye principle over the acts done on behalf of Futureal Holding and its subsidiaries, publication of Code of Ethics articulating potential fraud risk areas and reporting and communication process and various technology investments (as part of continuous improvement of the Futureal Holding ERP).

The main potential fraud risks areas related to Futureal Holding business are:

- Ethical and fair dealing
- Anti-bribery and corruption
- Gifts, expenses and client entertainment
- Conflict of interest

The conducted fraud risk analysis shows that adequate mitigating measures are in place with respect to fraud risks. The deeply implemented separation of duties and the way in which decision-making are embedded in the organization contribute significantly to this. Furthermore, the assignment

of external appraisers in the valuation process and the standardization of processes and formats in general are also important mitigating measures in this regard. The risk assessment (including fraud) is being discussed on regular basis on leadership level of Futureal Holding. Futureal Code of Ethics was published in 2022 confirming the governance, values and ethical principles of Futureal Holding. All employees were requested to acknowledge their acquaintance with the Code of Ethics in writing. Those confirmations are documented and will be renewed on annual basis. Acknowledgement of Code of Ethics is also part of on-boarding of any new employee. During 2022 period there were no incidents in relation to fraud or integrity.

Russia-ukraine conflict

The impact of the Russia-Ukraine 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 in the portfolio and on presented financials at the reporting date. Futureal Holding has no direct exposure or business relationships in Ukraine and Russia. The conflict may have only an indirect impact on Futureal Holding through the general economic downturn. Management is closely monitoring the situation and will take appropriate actions to preserve the value delivery to its clients and investors.





11 Other

Future outlook and expected business development

Futureal Holding expects further growth and profitable operation in its activity in the upcoming years. For Futureal's Hungarian teams the main focus will be finalizing and stabilizing Budapest One Phase 2 and Phase 3 and Corvin Innovation Campus Phase I and potentially Phase II project (depending on the overall economic environment). In line with the newly defined strategy Futureal will continue pursuing opportunities fitting into its newly defined strategy focused on expanding Central-European activity to a pan-European scale, with increased focus on commercial property retrofit and redevelopments.

Futureal Holding's logistic platform, HelloParks, will keep expanding its Budapest lo-

cations as the current lease-up data confirm strong interest of tenants in HelloParks product.

Given the current uncertainty on the markets caused by the Russia-Ukraine conflict and economic downturn 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 leadership team closely monitors financing need for existing and planned projects and is in close discussion with potential financing banks. The decisions on new projects or progress of existing projects are done commensurate to availability of financing.

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

Other

Going Concern Basis

Based on the current operating performance and liquidity position, including an analysis of Futureal Holding's expected future performance, based on the assumptions in Futureal Holding business plan, we believe that the cash provided from operating activities, the available cash balances and the remaining committed undrawn credit facility, will be sufficient for working capital, capital expenditures, interest payments and scheduled debt repayments for the next twelve months and the foreseeable future.

Research and development activities

Futureal Holding does not have research and development activities.

Subsequent events

The drawdown of the first tranche of HelloParks' loan (EUR 25 million - related to the FT1 building) occurred in January with the first drawdown of Tranche B (FT6 building) about to happen very shortly.

Budapest's Corvin Innovation Campus (CIC) development received occupancy permit in February 2023.

FT6 Building in HelloParks' Budapest North megapark received occupancy permit in March 2023.

In January 2023 Futureal Holding has successfully issued bonds of EUR 125 million aggregated face value in the course of a private placement.



Futureal Holding has decided in Q1 2023 to restructure its commercial development business and asset management business into one efficient pan-European platform with Futureal Development and Futureal Investment Partners operating under the name Futureal as an integrated business line concentrating on expanding Central-European activity to a pan-European scale.



Futureal Holding BV

Consolidated Financial Statements 31 December 2022

Futureal Holding BV
IFRS consolidated financial statements
for the period from 01 January 2022 to 31 December 2022

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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> | 2022 | 2021 |
| Sales revenue from sale of real estate | | 254 708 | 311 579 |
| Rental revenue | | 34 211 948 | 17 462 191 |
| Service revenue | | 21 900 122 | 9 302 846 |
| Revenue | <i>7</i> | 56 366 778 | 27 076 616 |
| Cost of goods sold and services rendered | | -48 135 | -248 602 |
| Direct costs of rental and operation | | -25 541 126 | -8 850 984 |
| Other property related costs | | -2 570 707 | -1 589 626 |
| Cost of sales | <i>8</i> | -28 159 968 | -10 689 212 |
| Gross profit | | 28 206 810 | 16 387 404 |
| Selling and marketing expenses | <i>9</i> | -532 344 | -190 801 |
| Administrative expenses | <i>10</i> | -10 979 899 | -9 272 626 |
| Net gain from fair valuation of investment and development properties | <i>16(b)</i> | 49 093 992 | 11 326 533 |
| Net gain/(loss) on sale of investment properties | <i>16(b)</i> | 2 095 538 | 676 802 |
| Other income | <i>12</i> | 1 727 292 | 496 995 |
| Other expenses | <i>13</i> | -1 997 981 | -2 733 987 |
| Operating profit | | 67 613 408 | 16 690 320 |
| Interest income | <i>14</i> | 8 656 318 | 21 776 |
| Other financial income | <i>14</i> | 37 407 767 | 10 797 528 |
| Interest expense | <i>14</i> | -20 903 114 | -4 772 357 |
| Other financial expense | <i>14</i> | -39 439 040 | -6 156 424 |
| Net finance profit/(loss) | | -14 278 069 | -109 477 |
| Share of profit/(loss) in joint ventures and associates | <i>17(o)</i> | 67 161 | 0 |
| Profit before taxation | | 53 402 500 | 16 580 843 |
| Income tax expense | <i>15</i> | -1 550 788 | -1 968 554 |
| Profit for the period | | 51 851 712 | 14 612 289 |

Futureal Holding BV
IFRS consolidated financial statements
for the period from 01 January 2022 to 31 December 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

| | | | |
|--|---------|--------------------|-------------------|
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Profit/(loss) on cash flow hedges | 17(m,n) | 62 778 621 | 7 551 700 |
| Exchange differences on translating foreign operations | | -90 954 | -738 435 |
| Other comprehensive income/(loss) net of tax | | 62 687 667 | 6 813 265 |
| Total comprehensive income for the period | | 114 539 379 | 21 425 554 |
| Total profit/(loss) for the period attributable to: | | | |
| owners of the parent | | 30 283 746 | 11 058 213 |
| non-controlling interests | 18(d) | 17 985 415 | 3 398 336 |
| non-controlling investment unit holders | 18(e) | 3 582 551 | 155 740 |
| Total profit/(loss) for the period | | 51 851 712 | 14 612 289 |
| Total comprehensive income attributable to: | | | |
| owners of the parent | | 86 374 173 | 17 487 115 |
| non-controlling interests | 18(d) | 24 582 655 | 3 782 699 |
| non-controlling investment unit holders | 18(e) | 3 582 551 | 155 740 |
| Total comprehensive income for the period | | 114 539 379 | 21 425 554 |

The notes on pages 10 to 86 are an integral part of these IFRS consolidated financial statements.

Futureal Holding BV
IFRS consolidated financial statements
for the period from 01 January 2022 to 31 December 2022

Consolidated Statement of Financial Position

| <i>In EUR</i> | <i>Note</i> | 31.12.2022 | 31.12.2021 |
|---|--------------------|----------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | <i>16(a)</i> | 7 769 | 552 404 |
| Investment and development property | <i>16(b)</i> | 969 111 173 | 702 977 079 |
| Property, plant and equipment | <i>16(c)</i> | 569 936 | 5 644 660 |
| Investments in subsidiary | | 10 200 | 10 000 |
| Investments in Joint Ventures and Associates | <i>17(o)</i> | 61 774 | 400 |
| Other long-term assets | | 0 | 0 |
| Other long-term financial assets | <i>16(e),17(d)</i> | 53 385 854 | 239 642 |
| Long-term derivative financial assets | <i>17(d,m)</i> | 12 490 230 | 1 986 849 |
| Total non-current assets | | 1 035 636 936 | 711 411 034 |
| Current assets | | | |
| Inventory | <i>16(d)</i> | 812 514 | 242 968 |
| Trade and other receivables | <i>17(c)</i> | 31 909 297 | 11 535 769 |
| Short-term receivables from related parties | <i>17(a)</i> | 5 678 156 | 8 539 063 |
| Short-term receivables from third parties | <i>17(b)</i> | 11 768 965 | 19 627 933 |
| Income tax receivable | | 37 702 | 190 714 |
| Other short-term assets | <i>16(e)</i> | 4 681 381 | 1 362 283 |
| Short-term VAT receivables | <i>16(g)</i> | 7 098 902 | 8 940 379 |
| Restricted cash | <i>17(f)</i> | 66 599 817 | 55 690 071 |
| Cash and cash equivalents | <i>17(e)</i> | 242 424 467 | 290 262 369 |
| Other short-term financial assets | <i>17(d)</i> | 32 678 385 | 0 |
| Short-term derivative financial assets | <i>17(d),17(m)</i> | 3 182 952 | 4 118 |
| Total current assets | | 406 872 538 | 396 395 667 |
| Non-current assets classified as held for sale | <i>19</i> | 7 244 461 | 0 |
| Total assets | | 1 449 753 935 | 1 107 806 701 |

The notes on pages 10 to 86 are an integral part of these IFRS consolidated financial statements.

Futureal Holding BV
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Consolidated Statement of Financial Position (cont'd)

| <i>In EUR</i> | <i>Note</i> | 31.12.2022 | 31.12.2021 |
|---|--------------|----------------------|----------------------|
| Equity | | | |
| Shareholders' equity | | | |
| Share capital | 18(a) | 311 647 500 | 342 000 000 |
| Share premium | | 0 | 0 |
| Currency translation reserve | | -7 772 291 | -7 604 794 |
| Other reserves | 18(b) | 58 039 825 | 1 783 057 |
| Retained earnings | 18(c) | 47 038 343 | 16 249 799 |
| Equity attributable to equity holders of the parent | | 408 953 377 | 352 428 062 |
| Non-controlling interests | 18(d) | 79 617 463 | 41 477 565 |
| Total equity | | 488 570 840 | 393 905 627 |
| Net assets attributable to non-controlling investment unit holders | | | |
| | 18(e) | 59 567 950 | 42 154 812 |
| Long-term liabilities to related parties | 17(i) | 2 436 | 113 952 |
| Loans and borrowings | 17(g) | 439 035 410 | 298 786 252 |
| Bonds | 17(h) | 284 859 233 | 299 166 270 |
| Tenant deposits | 17(k) | 5 679 835 | 4 029 528 |
| Provisions | 16(j) | 1 122 111 | 2 560 302 |
| Deferred tax liability | 16(f) | 488 216 | 344 519 |
| Other long-term liabilities | 16(l) | 0 | 2 500 000 |
| Amounts withheld for guarantees | 17(l) | 4 982 766 | 4 945 126 |
| Lease liabilities | 16(h) | 1 310 589 | 4 786 804 |
| Derivative financial liabilities | 17(n) | 0 | 239 626 |
| Total non-current liabilities (excluding net assets attributable to non-controlling investment unit holders) | | 737 480 596 | 617 472 379 |
| Short-term liabilities to related parties | 17(i) | 4 010 380 | 4 367 069 |
| Loans and borrowings | 17(g) | 22 613 838 | 8 508 106 |
| Bonds short-term | 17(h) | 14 510 115 | 6 172 118 |
| Tenant deposits | 16(i), 17(k) | 42 766 | 43 085 |
| Trade and other payables | 17(j) | 112 803 221 | 29 229 864 |
| Customer advances | 16(i) | 1 424 831 | 1 117 072 |
| Provisions | 16(j) | 930 287 | 238 442 |
| Income tax liabilities | 15 | 768 826 | 153 248 |
| Other tax liabilities | 16(k) | 2 481 915 | 1 538 526 |
| Lease liabilities | 16(h) | 58 321 | 980 360 |
| Derivative financial liabilities | 17(n) | 810 781 | 1 925 993 |
| Total current liabilities | | 160 455 281 | 54 273 883 |
| Liabilities directly associated with non-current assets classified as held for sale | 19 | 3 679 268 | 0 |
| Total liabilities (excluding net assets attributable to non-controlling investment unit holders) | | 901 615 145 | 671 746 262 |
| Total equity and liabilities | | 1 449 753 935 | 1 107 806 701 |

The notes on pages 10 to 86 are an integral part of these IFRS consolidated financial statements
Equity is excluded net assets attributable to non-controlling investment unit holders

Futureal Holding BV
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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 2022 | 342 000 000 | 0 | -7 604 794 | 1 783 057 | 16 249 799 | 352 428 062 | 41 477 565 | 393 905 627 |
| Profit/(loss) for the period | 0 | 0 | 0 | 0 | 30 283 746 | 30 283 746 | 17 985 415 | 48 269 161 |
| Other comprehensive income/(loss) | 0 | 0 | -166 341 | 56 256 768 | 0 | 56 090 427 | 6 597 240 | 62 687 667 |
| Capital decrease | -30 352 500 | 0 | 0 | 0 | 0 | -30 352 500 | 0 | -30 352 500 |
| Dividend paid | 0 | 0 | 0 | 0 | 0 | 0 | -798 660 | -798 660 |
| Sale of subsidiary from the group | 0 | 0 | -1 156 | 0 | 24 700 | 23 544 | 1 348 | 24 892 |
| Sale of subsidiary to non-controlling interest | 0 | 0 | 0 | 0 | 480 098 | 480 098 | 14 354 555 | 14 834 653 |
| Transactions with owners: | -30 352 500 | 0 | -1 156 | 0 | 504 798 | -29 848 858 | 13 557 243 | -16 291 615 |
| Balance at 31 December 2022 | 311 647 500 | 0 | -7 772 291 | 58 039 825 | 47 038 343 | 408 953 377 | 79 617 463 | 488 570 840 |

| <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 |

The significant movements in the equity items presented above are explained in detail in Note 18.
The notes on pages 10 to 86 are an integral part of these IFRS consolidated financial statements.

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Consolidated Statement of Cash Flows

For the periods ended 31 December 2021 and 31 December 2022

| <i>In EUR</i> | <i>Note</i> | 2022.01.01-2022.12.31 | 2021.01.01-2021.12.31 |
|--|---------------------|------------------------------|------------------------------|
| Cash flows from/(used in) operating activities | | | |
| Profit/(loss) before taxation for the period | | 53 402 500 | 16 580 843 |
| Adjustments to reconcile profit before for taxation to net cash used in operating activities: | | | |
| Depreciation and amortization | <i>16(a), 16(c)</i> | 1 418 765 | 1 459 529 |
| Impairment on securities | <i>17(d)</i> | 5 999 245 | 0 |
| Provisions | <i>16(j)</i> | -746 346 | 2 205 704 |
| Bond related foreign exchange difference and premium amortisation | <i>17(h)</i> | -16 071 777 | -1 833 663 |
| Other non-cash movements | <i>16(b)</i> | 2 061 373 | -5 383 797 |
| (Profit)/loss on disposal of subsidiaries, associates and joint ventures | | 24 892 | 5 964 |
| (Profit)/loss on sale of tangible and intangible assets | <i>16(a), 16(c)</i> | -2 095 538 | -676 802 |
| Proceeds from sale of current asset | <i>16(d)</i> | 254 708 | 0 |
| Net (gain)/loss from valuation of investment and development property | <i>16(b)</i> | -49 093 992 | -11 326 533 |
| (Increase)/decrease in inventory | <i>16(d)</i> | 1 798 075 | -242 059 |
| Share of loss/(profit) in joint venture | <i>17(o)</i> | -67 161 | 0 |
| Decrease/(increase) in short-term receivables | <i>17(a), 17(b)</i> | 10 717 083 | -3 837 017 |
| Decrease/(increase) in trade and other receivables | <i>17(c)</i> | -6 265 371 | -4 356 327 |
| Decrease/(increase) in restricted cash and other assets | <i>17(e), 17(f)</i> | 38 802 002 | -19 711 825 |
| (Decrease)/increase in short-term liabilities | <i>17(i)</i> | 894 140 | 6 739 731 |
| Increase/(decrease) in trade and other payables | <i>17(j)</i> | 26 729 860 | -8 254 941 |
| Income tax paid | <i>15</i> | -638 501 | -2 080 355 |
| Net cash from/(used in) operating activities | | 67 123 957 | -30 711 548 |
| Cash flows from/(used in) investing activities | | | |
| Proceeds from sale of investment property | <i>16(b)</i> | 3 813 676 | 1 454 623 |
| Acquisitions of investment and development property | <i>16(b)</i> | -167 159 673 | -187 676 364 |
| Advance payment for investments | <i>16(e)</i> | -3 994 494 | -970 921 |
| Acquisitions of property, plant and equipment as well as intangible assets | <i>16(a), 16(c)</i> | -795 929 | -1 223 625 |
| Sale of property, plant and equipment as well as intangible assets | <i>16(a), 16(c)</i> | 2 546 | 0 |
| Investing in long-term financial assets | <i>17(d)</i> | -53 146 412 | -17 348 |
| Investing in short-term financial and other assets | <i>17(d)</i> | -38 677 630 | 0 |
| Interest received | <i>14</i> | 8 608 670 | 21 776 |
| Paid borrowing cost capitalized | | -5 585 216 | -8 786 543 |
| Sale of non controlling shares and investment notes | <i>18(d)</i> | 14 834 653 | 0 |
| Proceeds from sale of investment in subsidiary | | 0 | 272 |
| Net cash from/(used in) investing activities | | -242 099 809 | -197 198 130 |
| Cash flows from/(used in) financing activities | | | |
| Proceeds from loans and borrowings | <i>17(g)</i> | 166 621 104 | 125 446 109 |
| Repayment of loans and borrowings | <i>17(g)</i> | -11 255 043 | -10 654 935 |
| Proceeds from bond issue net of issuance costs | <i>17(h)</i> | 18 536 095 | 302 458 669 |
| Capital decrease | <i>18(a)</i> | -30 352 500 | 0 |
| Proceeds from non-controlling investment unit holders | <i>18(e)</i> | 13 830 587 | 41 999 072 |
| Interest paid | <i>14</i> | -17 385 129 | 3 426 902 |
| Dividend paid to non-controlling interest | <i>18(d)</i> | -798 660 | -5 543 640 |
| Repayment of lease liabilities | <i>16(h)</i> | -996 126 | -993 564 |
| (Decrease)/Increase in other liabilities | <i>17(i), 17(j)</i> | 1 687 947 | 4 820 830 |
| Net cash from financing activities | | 139 888 275 | 460 959 443 |
| Net change in cash and cash equivalents | | - 35 087 577 | 233 049 765 |
| Cash and cash equivalents at the beginning of the period | | 290 262 369 | 56 963 336 |
| Exchange differences | | - 12 750 325 | 249 268 |
| Cash and cash equivalents at the end of the period | <i>17(e)</i> | 242 424 467 | 290 262 369 |

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Notes to the IFRS Consolidated Financial Statements

1. Background and business of the Company

| | |
|---|--|
| Company name: | Futureal Holding B.V. |
| Headquarter: | 1183AS Amstelveen, Laan van Kronenburg 14, the Netherlands |
| Company registration number (RSIN number): | 860112676 |
| CCI number: | 75024012 |
| Tax registration number: | 860112676 |

Futureal Holding B.V. ('the Company' or 'Futureal Holding'), a private limited company registered in the Netherlands incorporated on 4 June 2019, registered office at 1183AS Amstelveen, Laan van Kronenburg 14, the Netherlands.

The Company (together with its subsidiaries operating in the Netherlands, Hungary, Poland, Luxembourg, Malta and United Kingdom), 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.

As at 31 December 2022 as well as 31 December 2021, the Company had the following ownership structure:

- 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.

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 the Company. 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 | |
|---|--------------------|------------------------------------|------------|------------------------|------------------|
| | | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| 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% | 68,60% | Subsidiary | Subsidiary |
| Finext HelloParks Alapok Alapja Értékpapír Befektetési Alap | Hungary | 68,60% | 68,60% | Subsidiary | Subsidiary |
| 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% | 68,60% | Subsidiary | Subsidiary |
| Hello Parks Two Real Estate Fund Ingatlanbefektetési | Hungary | 68,60% | 68,60% | Subsidiary | Subsidiary |
| Hello Parks Three Real Estate Fund Ingatlanbefektetési | Hungary | 68,60% | 68,60% | Subsidiary | Subsidiary |
| Hello Parks Four 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 |
| QED Limited | Malta | 99,90% | n/a | Subsidiary | Not in the group |
| QED Magyarország Kft | Hungary | 99,90% | n/a | Subsidiary | Not in the group |
| FR UK Holdco 1 Limited | UK | 99,90% | 99,90% | Subsidiary | Subsidiary |
| Spectrum 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 |
| 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% | 99,90% | 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 | n/a | 73,90% | Not in the group | Subsidiary |
| Evern Invest Kft. | Hungary | 73,90% | 73,90% | Subsidiary | Subsidiary |
| FR Investments BV | Netherlands | 100% | 100% | Subsidiary | Subsidiary |
| FIP Gdańsk Retail Sp. z o.o. | Poland | 100% | 100% | Subsidiary | Subsidiary |

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| | | | | | |
|--|------------|------|------|------------|------------------|
| FR Investments Wrocław Sp. z o.o. | Poland | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Logistic Poland Sp. z o.o. | Poland | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Poland Sp. z o.o. | Poland | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Bemowo Sp. z o.o. FIP Retail Sp.k. | Poland | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Bemowo Sp. z o.o. FIP Retail II Sp.k. | Poland | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Bemowo Sp. z o.o. | Poland | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Finance Vagyonkezelő Kft. | Hungary | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Logistic Poland I | Poland | 100% | 100% | Subsidiary | Subsidiary |
| FR Investments Zabrze | Poland | 75% | 75% | Subsidiary | Subsidiary |
| 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 |
| BPI Második Ütem Zrt. | Hungary | 100% | 100% | Subsidiary | Subsidiary |
| Etele Pláza Üzemeltető Kft. | Hungary | 100% | 100% | Subsidiary | Subsidiary |
| Finext Opportunities Értékpapír Befektetési Alap (ex Finext PARTNERS ONE Alapok Alapja) | Hungary | 100% | 100% | Subsidiary | Subsidiary |
| Finext PARTNERS TWO Alapok Alapja | Hungary | 100% | 100% | Subsidiary | Subsidiary |
| Finext PARTNERS THREE Alapok Alapja | Hungary | 100% | 100% | Subsidiary | Subsidiary |
| Futureal Residential One S.á.r.l. | Luxembourg | 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 26th April 2023.

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, in Luxemburg the entities prepare their financial statements according to Lux GAAP, while Maltese entities according to IFRS. Some of the regulations in the Hungarian, Polish or UK accounting standards are

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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 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 2022. 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.

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

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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 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 2022 and 31 December 2021 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 2022:

| Newly established entities | Date of establishment |
|-----------------------------------|------------------------------|
| HelloParks Four Real Estate Fund | 09.06.2022 |

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 acquired the following entities in 2022:

| Newly acquired entities | Date of acquisition |
|-----------------------------------|----------------------------|
| QED Ltd | 05.05.2022 |
| QED Magyarország Kft | 05.05.2022 |
| Futureal Residential One S.á.r.l. | 28.11.2022 |

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Futureal Holding acquired the following entities in 2021:

| Newly acquired entities | Date of acquisition |
|--|----------------------------|
| Evern Invest Kft | 16.04.2021 |
| Finext HelloParks Fund of Securities Fund | 14.06.2021 |
| FIP Gdańsk Retail Sp. z o.o. | 30.11.2021 |
| FR Investments Wrocław 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 |

In line with the accounting policy of Futureal Holding, all the acquisitions in 2022 and 2021 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 2022:

| Disposed entities | Date of disposal |
|--------------------------|-------------------------|
| FPP Kertész Projekt Kft | 30.09.2022 |

Futureal Holding disposed the following entities in 2021:

| Disposed entities | Date of disposal |
|--------------------------|-------------------------|
| BP1 Harmadik Ütem Zrt. | 07.12.2021 |

All the disposed entities in 2021 and 2022 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 22 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 20.

(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.

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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;
- 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.

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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 2022 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.

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).

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- 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 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.

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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);
- 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, 12month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying

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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.

(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).

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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 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)).

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(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.

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.

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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

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.

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.

(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:

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- 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.

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;

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- 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

Share capital

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

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.

Currency translation reserve

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

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.

(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

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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.

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.

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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.

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.

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(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) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less costs to sell unless the assets are investment properties measured at fair value or financial assets in the scope of IFRS 9 in which case they are measured in accordance with those standards.

(ad) 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.

(af) Financial Assets with more than 50% ownership held by Futureal Holding

In the last quarter of 2022 Futureal Holding acquired two new interests in financial assets at purchase price equal to the net asset values of the companies at 2022 year-end: in STAH SLP and in Auxesia SLP. These companies are investors in residential real estate projects in the UK. However, the shareholding in these financial assets is more than 50% they should be treated as financial assets as the Group is only limited partner in them meaning the group has no control over these entities.

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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.

The investment property related estimates such as sensitivity and development cost change are detailed in Note 16(b).

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 three entities (one Maltese, one in Luxemburg, and one in Hungary) in 2022, and nine entities in 2021 (two Hungarian and seven Polish entities).

In 2021 from the above mentioned nine entities the 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 22 about transactions with related parties.

Based on the above, Management believes that none of the acquisitions in 2022 and in 2021 meet the definition of business combinations are required by IFRS 3. Instead, they are recorded as asset acquisitions. The cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values

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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 2022 and in 2021 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 2022 reporting periods and have not been early adopted by Futureal Holding. The adoption of new accounting standards is in progress with Accounting policies being up-dated (where relevant).

- Amendments to IAS 1 - “Classification of Liabilities as Current or Non-current” The amendments originally were effective for annual reporting periods starting on Jan. 1, 2022, but their effective date was delayed to Jan. 1, 2024. This amendment to IAS 1 clarifies that the classification of liabilities as current or non-current is based solely on a company’s right to defer settlement at the reporting date. Such right needs to exist at the reporting date and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability unless it results from the exercise of a conversion option meeting the definition of an equity instrument.
- Amendments to IFRS 17 - to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. The amendments are effective for annual periods beginning on or after 1 January 2023.
- IAS 8 „, Accounting Policies, Changes in Accounting Estimates and Errors” standard modification

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- Amendments to IAS 8 - Definition of Accounting Estimates to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 1 and IFRS Practice Statement 2 - 'Disclosure of Accounting Policies with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

These standards and amendments do 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: | 2022 | 2021 |
|--|----------------|----------------|
| <i>In EUR</i> | | |
| Revenue from sale of real estate | 254 708 | 311 579 |
| Total Sales revenue | 254 708 | 311 579 |

In 2022 one warehouse building in Gödöllő was sold to a third-party customer in the amount of EUR 253 223. In 2021 few lands in Páty were sold to local government authority in the amount of EUR 309 562.

| For the year ended 31 December: | 2022 | 2021 |
|--|-------------------|-------------------|
| <i>In EUR</i> | | |
| Rental income | 32 972 243 | 12 764 492 |
| Parking income | 1 210 861 | 676 502 |
| Other rental income | 28 844 | 4 021 196 |
| Total Rental revenue | 34 211 948 | 17 462 191 |

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. The increase of the total rental revenue in 2022 compared to 2021 is primarily driven by:

- Rental income from Etele Plaza in operation over full year of 2022;
- Full year operation of BudapestOne Phase 1 and start of the leases in completed BudapestOne Phase 2 and Phase 3;
- Acquisitions done by Futureal Holding in Poland (mainly Manhattan and Bemowo shopping centers and Wratislavia Tower office building); and
- Rental fees from operation of warehouse project in Maglód 1 and Fót 1

| For the year ended 31 December: | 2022 | 2021 |
|--|-------------------|-------------------|
| <i>In EUR</i> | | |
| Management fee | 854 938 | 1 274 301 |
| Income from intermediary service charges | 17 535 539 | 5 240 139 |
| Advisory fee | 561 261 | 1 096 703 |
| Fit-out | 337 779 | 0 |
| Other revenue | 2 610 605 | 1 691 703 |
| Total Service revenue | 21 900 122 | 9 302 846 |
| Total revenue | 56 366 778 | 27 076 616 |

Compared to 2021 the incomes from intermediary services increased in 2022 due to the below reasons:

- Etele Plaza shopping mall was operating whole year in 2022 (in 2021 only for four months);
- Successful lease up and operation of BudapestOne project;
- in Poland Manhattan, Bemowo shopping centers, and Wratislavia Tower office buildings' annual revenues are included in the consolidated income statements for the whole year (in 2021 only for a few months); and
- HelloParks logistics warehouse projects started to invoice Service revenues in 2022 to their tenants (in 2021 they were still in development phase).

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

After the year ended 31 December 2022

| <i>In EUR</i> | Within 1 year | Between 1 and 3 years | Between 3 and 5 years | After 5 | Total |
|---------------|----------------------|------------------------------|------------------------------|----------------|--------------------|
| Total | 45 125 447 | 95 416 947 | 80 141 227 | 114 158 856 | 334 842 477 |

Timing of revenue recognition under IFRS 15 and IFRS 16:

| For the year ended 31 December | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| <i>In EUR</i> | | |
| Point in time | 254 708 | 311 579 |
| Over time | 56 112 070 | 26 765 037 |
| Total | 56 366 778 | 27 076 616 |

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

8. Cost of sales

| For the period ended 31 December: | 2022 | 2021 |
|---|---------------|----------------|
| <i>In EUR</i> | | |
| Costs of goods sold | 48 135 | 248 602 |
| Total cost of goods sold and services provided | 48 135 | 248 602 |

| For the period ended 31 December: | 2022 | 2021 |
|---|-------------------|------------------|
| <i>In EUR</i> | | |
| Intermediary services charged to customer | 17 840 794 | 5 645 113 |
| Consultancy fees | 1 110 403 | 1 020 574 |
| Taxes | 2 478 650 | 1 096 136 |
| External services - rent related | 858 395 | 560 105 |
| Fit-out compensation | 682 494 | 0 |
| Management fee | 383 405 | 149 145 |
| Utilities | 391 479 | 176 136 |
| External services other | 709 572 | 136 751 |
| Materials and energy | 729 363 | 54 362 |
| Contribution to local authority | 230 656 | 0 |
| Insurances, duties, other authority charges | 125 915 | 12 662 |
| Total direct costs of rental and operation | 25 541 126 | 8 850 984 |

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.

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| For the period ended 31 December: | 2022 | 2021 |
|---|-------------------|-------------------|
| <i>In EUR</i> | | |
| Materials and energy | 43 934 | 43 477 |
| External services | 1 496 591 | 908 251 |
| Fit-out contribution | 441 047 | 0 |
| Service charge | 528 596 | 136 509 |
| Other admin cost | 16 630 | 5 160 |
| Depreciation and amortisation | 43 909 | 496 229 |
| Total other property related costs | 2 570 707 | 1 589 626 |
| Total cost of sales | 28 159 968 | 10 689 212 |

9. Selling and marketing expenses

| For the period ended 31 December: | 2022 | 2021 |
|---|----------------|----------------|
| <i>In EUR</i> | | |
| Advertising | 46 948 | 17 697 |
| Marketing | 167 293 | 24 518 |
| Sales cost | 318 103 | 148 586 |
| Total selling and marketing expenses | 532 344 | 190 801 |

10. Administrative expenses

| For the period ended 31 December: | 2022 | 2021 |
|--|-------------------|------------------|
| <i>In EUR</i> | | |
| Personnel expenses and external services | 4 326 107 | 3 264 378 |
| External services | 3 222 231 | 3 059 733 |
| Depreciation and amortisation | 1 329 882 | 936 350 |
| Accounting and audit fees | 771 943 | 779 444 |
| Professional services | 178 563 | 28 825 |
| Other administrative expenses | 1 151 173 | 1 203 896 |
| Total administrative expenses | 10 979 899 | 9 272 626 |

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: | 2022 | 2021 |
|---|-------------------|-------------------|
| <i>In EUR</i> | | |
| Material type expenditures | 33 761 911 | 15 313 414 |
| Employee benefits expenses | 4 536 509 | 3 406 645 |
| Depreciation & amortisation | 1 373 791 | 1 432 580 |
| Total | 39 672 211 | 20 152 639 |

Both in 2022 and 2021 the costs are mainly related to the operating expenses of Futureal Holding properties.

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12. Other income

| For the period ended 31 December: | 2022 | 2021 |
|---|------------------|----------------|
| <i>In EUR</i> | | |
| Net gain (loss) on non-current assets sold | 8 530 | 0 |
| Reversal of impairment losses | 2 395 | 11 665 |
| Gain on sale of subsidiary, joint ventures and associates | 0 | 0 |
| Other income | 1 716 367 | 485 330 |
| Total other income | 1 727 292 | 496 995 |

13. Other expenses

| For the period ended 31 December: | 2022 | 2021 |
|---|------------------|------------------|
| <i>In EUR</i> | | |
| Non-income taxes | 236 891 | 137 504 |
| Taxes | 15 047 | 139 909 |
| Impairment losses | 149 745 | 135 170 |
| Loss on subsidiary, joint ventures and associates | 430 148 | 1 441 597 |
| Provision | 360 324 | 0 |
| Penalties, fines | 521 970 | 375 862 |
| Donations | 263 741 | 430 505 |
| Other Expense | 20 115 | 73 440 |
| Total other expense | 1 997 981 | 2 733 987 |

Both in 2022 and 2021 Futureal Holding continued its strong charitable efforts. Similarly, as in 2021 the donations in 2022 were provided to hospitals, and other non-profit organizations to support their work. In 2021 the charity activities of Futureal Holding were focused on supporting organizations fighting against the Covid-19 pandemic situation while in 2022 helping people impacted by the Russia-Ukraine war.

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 2022 and 2021 (Corvin 5-6 buildings) divested to OTP in 2019 and 2020. The provision expense is also related to the rental guarantees to be paid to OTP Prime Ingatlanbefektetési Alap in 2023.

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14. Finance income and expense

| For the period ended 31 December: | 2022 | 2021 |
|--|--------------------|-------------------|
| <i>In EUR</i> | | |
| Interest income | 8 656 318 | 21 776 |
| Realised exchange difference | 5 645 182 | 6 104 911 |
| Unrealised exchange difference | 26 267 898 | 3 109 869 |
| Premium amortization on bond | 2 897 218 | 1 300 081 |
| Other | 471 785 | 282 667 |
| Derivative financial gains | 2 040 091 | 0 |
| Dividend income | 85 593 | 0 |
| Other financial income | 37 407 767 | 10 797 528 |
| Total financial income | 46 064 085 | 10 819 304 |
| | | |
| Interest expense | 8 951 772 | 3 270 959 |
| Interest on lease liabilities | 222 471 | 214 918 |
| Bond related interest expense | 11 728 871 | 1 286 480 |
| Interest expense | 20 903 114 | 4 772 357 |
| Bank charges | 1 254 283 | 388 671 |
| Realised exchange difference | 22 952 215 | 1 837 874 |
| Unrealised exchange difference | 6 603 226 | 3 327 304 |
| Loss on derivatives | 0 | 602 574 |
| Derivative financial expenses | 1 853 932 | 0 |
| Impairment on financial assets | 6 714 880 | 0 |
| Other | 60 504 | 0 |
| Other financial expense | 39 439 040 | 6 156 424 |
| Financial expense | 60 342 154 | 10 928 781 |
| | | |
| Net finance income / (expense) | -14 278 069 | -109 477 |

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, Note 17(i) about liabilities to related parties, and Note 17(m,n) about derivatives.

Foreign 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.

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15. Income tax

| For the period ended 31 December: | 2022 | 2021 |
|---|------------------|------------------|
| <i>In EUR</i> | | |
| Corporate income tax | 1 013 224 | 174 564 |
| Local business tax | 295 183 | 188 061 |
| Innovation contribution | 57 204 | 74 435 |
| Other | 34 290 | 0 |
| Total current tax expense / (benefit) | 1 399 901 | 437 060 |
| Deferred tax | 150 887 | 1 531 494 |
| Total deferred tax expense / (benefit) | 150 887 | 1 531 494 |
| Total income tax expense / (benefit) | 1 550 788 | 1 968 554 |

Reconciliation of effective tax rate

| For the period ended 31 December: | 2022 | 2021 |
|---|-------------------|-------------------|
| <i>In EUR</i> | | |
| Profit / (loss) for the period | 51 851 712 | 14 612 289 |
| Total income tax expense / (benefit) | 1 550 788 | 1 968 554 |
| Profit / (loss) before income tax | 53 402 500 | 16 580 843 |
| Expected income tax using the local tax rate | 4 806 225 | 1 492 276 |
| <i>Tax effect of:</i> | | |
| Not recognized deferred tax asset for tax loss carried forward a) | 2 329 309 | 1 033 008 |
| Difference in tax rates b) | -304 964 | 1 487 983 |
| Difference due to investment funds and entities under Real Estate Investment Trust c) | -5 481 634 | -87 427 |
| Not recognized tax loss carried forward in earlier period d) | -980 128 | -2 131 194 |
| Other income tax e) | 1 053 970 | 368 998 |
| Other f) | 128 010 | -195 090 |
| Tax expense for the period | 1 550 788 | 1 968 554 |
| Effective tax rate | 2,90% | 11,87% |

- 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 expense. 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.

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- d) This line shows the effect of the usage not recognized tax loss carried forward in earlier period.
- e) 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, and also corporate income tax basis modifying items.
- f) Other differences include 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))

16.(a) Intangible assets

For the year ended 31 December 2022

In EUR

| | Intellectual property and rights |
|--|---|
| Cost or deemed cost | |
| Balance at 1 January 2022 | 1 617 017 |
| Additions | 553 971 |
| Disposal | -7 282 |
| Currency translation adjustment | -125 118 |
| Reclassification to Assets held for sale | -2 027 309 |
| Closing balance at 31 December 2022 | 11 279 |
| Depreciation and impairment losses | |
| Balance at 1 January 2022 | 1 064 613 |
| Depreciation for the period | 166 216 |
| Disposal | -4 736 |
| Currency translation adjustment | -82 689 |
| Reclassification to Assets held for sale | -1 139 894 |
| Closing balance at 31 December 2022 | 3 510 |
| Carrying amounts | |
| At 1 January 2022 | 552 404 |
| Closing balance at 31 December 2022 | 7 769 |

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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 |

16.(b) Investment and development property

For the period 1 January 2022- 31 December 2022:

In EUR

| | |
|--|--------------------|
| Fair value at 1 January | 702 977 079 |
| Additions | 234 253 496 |
| Disposal | -1 718 138 |
| Borrowing cost capitalized | 5 585 215 |
| Net gain/loss from fair valuation | 49 093 992 |
| Reclassification to inventory | -2 622 329 |
| Reclassification to asset held for sale | -2 056 000 |
| Lease incentives reclassification from investment properties | -14 355 170 |
| Translation differences | -2 046 972 |
| Fair value at 31 December | 969 111 173 |

For the period 1 January 2021- 31 December 2021:

In EUR

| | |
|-----------------------------------|--------------------|
| 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 |

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All the value of the investment properties are supported by third-party valuation reports.

In 2021 Futureal Holding acquired three properties in Poland and one in Hungary for the total amount of EUR 69 092 788. There were no such transactions in 2022.

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 869 350 127 as at 31 December 2022 (EUR 595 261 as of 31 December 2021), remaining properties with a fair value of EUR 108 677 574 (EUR 107 715 512 as of 31 December 2022) are located outside of Hungary (in Poland and UK). Please see note 26.

Futureal Holding is acquiring new properties and developing its properties to be leased out under operating lease agreements and held 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, neighbourhood, or platform, etc.

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 7 336 693 EUR as at 31 December 2022 (13 031 254 EUR as at 31 December 2021).

Disclosures related to fair value measurement of the investment and development properties:

in EUR

| 31.12.2022 | Valuation method | Fair value | Area (m2) | Sensitivity for yield | | Sensitivity for rental fees | |
|------------------|--|-------------|--------------|-----------------------|------------|-----------------------------|-------------|
| | | | | +0.25% | -0.25% | +5% | -5% |
| Retail | Discounted cashflow method | 366 335 749 | 124 476 m2 | -8 664 388 | 9 090 857 | 7 513 567 | -7 480 234 |
| Offices | Residual amount/Discounted cashflow method/Comparable price method | 361 011 843 | 405 489 m2 | -7 807 544 | 8 325 056 | 13 487 208 | -13 586 208 |
| Logistics | Residual amount/Discounted cashflow method/ Comparable price method/ Sales and purchase price method | 245 142 883 | 2 007 995 m2 | 2 200 000 | -2 100 000 | 3 600 000 | -3 600 000 |
| Other | Comparable price method | 5 537 227 | 3 183 m2 | n/a | n/a | n/a | n/a |

in EUR

| 31.12.2021 | Valuation method | Fair value | Area (m2) | Sensitivity for yield | | Sensitivity for rental fees | |
|------------------|--|-------------|--------------|-----------------------|------------|-----------------------------|-------------|
| | | | | +0.25% | -0.25% | +5% | -5% |
| Retail | Discounted cashflow method | 366 363 866 | 169 901 m2 | -7 586 016 | 8 065 790 | 9 691 598 | -9 689 103 |
| Offices | Discounted cashflow method | 289 546 147 | 143 345 m2 | -15 503 894 | 16 692 450 | 19 020 858 | -19 050 024 |
| Logistics | Residual amount/Residual amount+ Comparable price method | 45 762 167 | 2 070 859 m2 | n/a | n/a | n/a | n/a |
| Other | Residual amount | 1 304 898 | 25 m2 | n/a | n/a | n/a | n/a |

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| | Intervals 31.12.2022 | Intervals 31.12.2021 |
|---|-------------------------|-------------------------|
| Yield | 5,90-11,28% | 5,65-8,20% |
| Office ERV | 8,73-18,50 | 8,62-16,50 |
| Office rental fee (€/m²) | 8,73-18,50 | 8,62-16,50 |
| Store space rental fee (€/m²) | 5,46-130,00 | 5,00-80,00 |
| Warehouse rental fee (€/m²) | 4,00-15,00 | 4,50-9,00 |

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> | 2022 | 2021 |
|---|-------------------|-------------------|
| Rental income from operating lease | 34 211 948 | 17 462 191 |
| Direct operating expenses | -25 541 126 | -8 850 984 |
| Fair value gain recognised | 49 093 992 | 11 326 533 |
| Lease interest | 222 471 | 214 918 |
| Profit from sale of investment and development property | 2 095 538 | 676 802 |
| Amounts recognised in PL for investment and development properties | 60 082 823 | 20 829 460 |

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 2022 <i>In EUR</i> | Rights of perpetual usufruct of land |
|---|---|
| Balance at 1 January | 1 413 159 |
| Additions to right of use assets | 0 |
| Fair value change | -15 854 |
| Currency translation difference | - 28 395 |
| Closing balance | 1 368 910 |

| 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 |

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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 2022 | 6 576 013 | 3 001 306 | 45 768 | 9 623 087 |
| Addition | 0 | 12 187 | 254 751 | 266 938 |
| Capitalizing assets under construction | 1 012 | 295 935 | -296 947 | 0 |
| Sale | 0 | -178 026 | 0 | -178 026 |
| Scrapping | 0 | -5 033 | 0 | -5 033 |
| Lease modification | 63 332 | 0 | 0 | 63 332 |
| Reclassification to assets held for sale | -5 574 724 | -1 807 989 | 0 | -7 382 713 |
| Currency translation difference | -36 306 | -122 491 | -3 572 | -162 369 |
| Closing balance at 31 December 2022 | 1 029 327 | 1 195 889 | 0 | 2 225 216 |
| 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 | -42 470 |
| Closing balance at 31 December 2021 | 6 576 013 | 3 001 306 | 45 768 | 9 623 087 |
| Depreciation and impairment losses | | | | |
| Balance at 1 January 2022 | 2 017 628 | 1 960 799 | 0 | 3 978 427 |
| Depreciation | 885 820 | 366 729 | 0 | 1 252 549 |
| Sale | 0 | -153 046 | 0 | -153 046 |
| Scrapping | 0 | -4 262 | 0 | -4 262 |
| Reclassification to assets held for sale | -1 953 926 | -1 412 670 | 0 | -3 366 596 |
| Currency translation reserve | -7 127 | -44 665 | 0 | -51 792 |
| Closing balance at 31 December 2022 | 942 395 | 712 885 | 0 | 1 655 280 |
| 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 |
| Carrying amounts | | | | |
| At 31 December 2021 / 1st January 2022 | 4 558 385 | 1 040 506 | 45 768 | 5 644 660 |
| Closing balance at 31 December 2022 | 86 932 | 483 004 | 0 | 569 936 |

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

| <i>In EUR</i> | Buildings | Total |
|---|-------------------|-------------------|
| Cost or deemed cost | | |
| Balance at 1 January 2022 | 6 280 356 | 6 280 356 |
| Lease modification | 0 | 0 |
| Additions to right of use assets | 63 332 | 63 332 |
| Termination of contracts | 0 | 0 |
| Reclassification to assets held for sale | -5 456 916 | -5 456 916 |
| Currency translation difference | -13 222 | -13 222 |
| Closing balance at 31 December 2022 | 873 550 | 873 550 |
| Depreciation and impairment losses | | |
| 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 2022 | -1 926 352 | -1 926 352 |
| Depreciation charge for right of use assets | -873 550 | -873 550 |
| Reclassification to assets held for sale | 1 926 352 | 1 926 352 |
| Termination of contracts | 0 | 0 |
| Closing balance at 31 December 2022 | -873 550 | -873 550 |
| 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 |
| Carrying amounts | | |
| At 1 January 2022 | 0 | 0 |
| Closing balance at 31 December 2022 | 0 | 0 |
| At 1 January 2021 | 4 930 440 | 4 930 440 |
| Closing balance at 31 December 2021 | 4 354 004 | 4 354 005 |

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

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16.(d) Inventory

For the year ended 31 December 2022

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| Total inventories at the lower of cost or net realizable value | 812 514 | 242 968 |

For 31 December 2022 Futureal New Ages Kft, BP1 Második Ütem Zrt, and Futureal New Times Kft recognized a development land plot and two parking places investment properties as inventory (the value of the land plot was EUR 790 000) as the companies will sell these assets during the next year.

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

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 2022 and 31 December 2021 Futureal Holding performed an inventory review regarding 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> | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| Advances and prepayments made for investments | 3 994 494 | 970 921 |
| Advances and prepayments made for services | 314 224 | 42 544 |
| Advances and prepayments made for inventories | 114 708 | 78 244 |
| Prepaid expenses | 90 558 | 137 609 |
| Deposits | 133 211 | 132 423 |
| Other | 34 185 | 542 |
| Total closing balance | 4 681 381 | 1 362 283 |

Closing balance includes:

| | | |
|------------------------------|------------------|------------------|
| Other long-term assets | 0 | 0 |
| Other short-term assets | 4 681 381 | 1 362 283 |
| Total closing balance | 4 681 381 | 1 362 283 |

As of 31 December 2022 the Advances and prepayments made for investments line includes an advance on acquisition of investment property in an amount of EUR 2 493 676, and the remaining EUR 1 500 818 are advances paid for development work in progress.

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16.(f) Deferred tax assets and liabilities

Recognized 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 01.01.2022 | Acquisition | Recognized in the income statement | Currency translation adjustment | Closing balance 31.12.2022 |
|--|----------------------------------|-------------|--|---------------------------------------|----------------------------------|
| Book value and tax value difference and tax loss carried forward | 0 | 0 | 0 | 0 | 0 |
| Total deferred tax assets | 0 | 0 | 0 | 0 | 0 |
| Investment property | -593 762 | 0 | -158 066 | 12 176 | -739 652 |
| Loans | -6 228 | 0 | 78 139 | 128 | 72 039 |
| Tax loss carry forward | 249 489 | 0 | -64 223 | -5 116 | 180 151 |
| Other liabilities | 12 905 | 0 | -6 470 | -7 188 | -754 |
| Currency translation adjustment | -6 923 | 0 | 0 | 6 923 | 0 |
| Total deferred tax liability | -344 519 | 0 | -150 620 | 6 923 | -488 216 |
| Total deferred tax asset/(liability) | -344 519 | 0 | -150 620 | 6 923 | -488 216 |

| <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 | 261 419 |
| 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> | 31.12.2021 | 31.12.2021 |
|--|-----------------|-----------------|
| Deferred tax liabilities | | |
| Deferred tax liabilities to be recovered after more than 12 months | -488 216 | -344 519 |
| Deferred tax liabilities to be recovered within 12 months | 0 | 0 |
| Total deferred tax liabilities: | -488 216 | -344 519 |

Realization of deferred tax assets

The net deferred tax liability of Futureal Holding as at 31 December 2022 and 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.

In 2021 Futureal Holding acquired entities that held tax loss carried forward in amount of EUR 1 186 975 which was not recorded in the balance sheet due to recognition exemption. There was no such item in the subsidiaries acquired in 2022.

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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, 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.

16.(g) VAT receivables

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| Short-term VAT receivables | 7 098 902 | 8 940 379 |
| Total closing balance | 7 098 902 | 8 940 379 |

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 2022 and 31 December 2021.

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> | 2022 | 2021 |
|---|------------------|------------------|
| Opening balance | 5 767 164 | 5 679 248 |
| Acquisition | 0 | 744 853 |
| Lease modification | 156 131 | 169 266 |
| Interest expense | 174 005 | 203 300 |
| Currency translation adjustment | -52 996 | -35 939 |
| Reclassification to liability held for sale | -3 679 268 | 0 |
| Repayment of lease liability | -996 126 | -993 564 |
| Total closing balance | 1 368 910 | 5 767 164 |

Closing balance includes:

| | | |
|------------------------------|------------------|------------------|
| Short-term lease liabilities | 58 321 | 980 360 |
| Long-term lease liabilities | 1 310 589 | 4 786 804 |
| Total closing balance | 1 368 910 | 5 767 164 |

The total cash outflow for leases in 2022 was 996 126 EUR. The total cash outflow for leases in 2021 was 993 564 EUR.

16.(i) Customer advances received

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

| <i>in EUR</i> | | 31.12.2022 | 31.12.2021 |
|---|-----------------------|-------------------|-------------------|
| Entity | Project | | |
| Finext Global 2 Részalap | HelloParks East (Fót) | 184 032 | 1 117 072 |
| HelloParks Three Alpha Ingatlanbefektetési részalap | HelloParks East (Fót) | 495 001 | 0 |
| Futureal 1 Ingatlanbefektetési Alap | Street retail project | 745 798 | 0 |
| Total customer advances received | | 1 424 831 | 1 117 072 |

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For the period ended

| <i>In EUR</i> | 31.12.2021 |
|--|-------------------|
| Opening balance of customer advances received | 46 446 |
| Increase in contract liabilities from customer advances received for not completed performance obligations | 1 117 072 |
| Decrease in contract liabilities from customer advances received for not completed performance obligations | -46 446 |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | 0 |
| Currency translation adjustment | 0 |
| Closing balance of customer advances received | 1 117 072 |
| Non-current customer advances received | 0 |
| Current customer advances received | 1 117 072 |

16.(j) Provisions

For the period ended 31 December 2022

| <i>In EUR</i> | Rental guarantee | Total |
|---------------------------------|-------------------------|------------------|
| Balance at 1 January | 2 798 744 | 2 798 744 |
| Additional provision charged | 987 285 | 987 285 |
| Amounts used during the year | -1 665 220 | -1 665 220 |
| Unused amounts reversed | -23 625 | -23 625 |
| Currency translation adjustment | -44 786 | -44 786 |
| Closing balance | 2 052 398 | 2 052 398 |

For the year ended 31 December 2021

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

For the period ended:

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| Non-current provision | 1 122 111 | 2 560 302 |
| Current provision | 930 287 | 238 442 |
| Total closing balance | 2 052 398 | 2 798 744 |

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 EUR 930 287 (only long-term) at 31 December 2022 and EUR 569 964 at 31 December 2021 which is expected to cover the upcoming compensations.

Other than the above at the end of 2021 EUR 2 228 781 provision related 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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During 2022 the discount of this provision liability was recalculated taking into consideration the significantly changed market conditions and as a result the value of this provision liability in the balance sheet decreased to EUR 1 122 111.

16.(k) Other tax liabilities

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|-------------------------------------|-------------------|-------------------|
| VAT liability | 1 498 102 | 852 268 |
| Stam duty liability | 501 569 | 336 138 |
| Social Security liabilities | 275 819 | 265 509 |
| Innovation contribution liabilities | 0 | 0 |
| Personal income tax liabilities | 145 090 | 50 372 |
| Other misc. tax liabilities | 61 335 | 34 239 |
| Total closing balance | 2 481 915 | 1 538 526 |

Closing balance includes:

| | | |
|------------------------------|------------------|------------------|
| Long-term tax liabilities | 0 | 0 |
| Short-term tax liabilities | 2 481 915 | 1 538 526 |
| Total closing balance | 2 481 915 | 1 538 526 |

16.(l) Other long-term liability

At the end of 2021 there was 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. Due to the liability will be payable in 2023 it was reclassified during 2022 to the trade and other liabilities balance sheet row. As a consequence of the reclassification Futureal Holding has no other long-term liability at the end of 2022.

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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 2022

| <i>In EUR</i> | Financial assets at FV through P/L | Financial assets at amortized cost | Hedging derivatives | Total |
|---|--|--|------------------------|--------------------|
| Non-current financial assets | 53 385 854 | 0 | 12 490 230 | 65 876 084 |
| Long-term receivables from related parties | 0 | 0 | 0 | 0 |
| Long-term receivables from third parties | 0 | 0 | 0 | 0 |
| Loans receivables from third parties | 0 | 0 | 0 | 0 |
| Other long-term assets | 0 | 0 | 0 | 0 |
| Other long-term financial assets | 53 385 854 | 0 | 0 | 53 385 854 |
| Restricted Cash | 0 | 0 | 0 | 0 |
| Long-term derivative financial assets | 0 | 0 | 12 490 230 | 12 490 230 |
| Current financial assets | 32 678 385 | 358 380 702 | 3 182 952 | 394 242 039 |
| Trade and other receivables | 0 | 31 909 297 | 0 | 31 909 297 |
| Short-term receivables from related parties | 0 | 5 678 156 | 0 | 5 678 156 |
| Short-term receivables from third parties | 0 | 11 768 965 | 0 | 11 768 965 |
| Cash and cash equivalents | 0 | 242 424 467 | 0 | 242 424 467 |
| Restricted Cash | 0 | 66 599 817 | 0 | 66 599 817 |
| Other short-term financial assets | 32 678 385 | 0 | 0 | 32 678 385 |
| Short-term derivative financial assets | 0 | 0 | 3 182 952 | 3 182 952 |
| Total financial assets | 86 064 239 | 358 380 702 | 15 673 182 | 460 118 123 |

As at 31 December 2022

| <i>In EUR</i> | Financial liabilities at FV through P/L | Financial liabilities at amortized cost | Hedging derivatives | Total |
|---|---|---|------------------------|--------------------|
| Non-current financial liabilities | 0 | 734 559 680 | 0 | 734 559 680 |
| Long-term liabilities to related parties | 0 | 2 436 | 0 | 2 436 |
| Loans and borrowings | 0 | 439 035 410 | 0 | 439 035 410 |
| Bonds | 0 | 284 859 233 | 0 | 284 859 233 |
| Tenant deposits | 0 | 5 679 835 | 0 | 5 679 835 |
| Amounts withheld for guarantees | 0 | 4 982 766 | 0 | 4 982 766 |
| Derivative financial liabilities | 0 | 0 | 0 | 0 |
| Current financial liabilities | 810 781 | 155 405 152 | 0 | 156 215 933 |
| Short-term liabilities to related parties | 0 | 3 650 380 | 0 | 3 650 380 |
| Loans and borrowings | 0 | 22 613 838 | 0 | 22 613 838 |
| Bonds short-term | 0 | 14 510 115 | 0 | 14 510 115 |
| Tenant deposits | 0 | 42 766 | 0 | 42 766 |
| Trade and other payables | 0 | 113 163 222 | 0 | 113 163 222 |
| Customer advances | 0 | 1 424 831 | 0 | 1 424 831 |
| Derivative financial liabilities | 810 781 | 0 | 0 | 810 781 |
| Total financial liabilities | 810 781 | 889 964 832 | 0 | 890 775 613 |

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| <i>In EUR</i> | Financial assets at FV through P/L | Financial assets at amortized cost | Hedging derivatives | Total |
|---|---|---|--------------------------------|--------------------|
| Non-current financial assets | 239 642 | 0 | 1 986 849 | 2 226 491 |
| Loans receivables from third parties | 0 | 0 | 0 | 0 |
| Other long-term financial assets | 239 642 | 0 | 0 | 239 642 |
| Restricted Cash | 0 | 0 | 0 | 0 |
| Long-term derivative financial assets | 0 | 0 | 1 986 849 | 1 986 849 |
| Current financial assets | 0 | 385 655 205 | 4 118 | 385 659 323 |
| Trade and other receivables | 0 | 11 535 769 | 0 | 11 535 769 |
| Short-term receivables from related parties | 0 | 8 539 063 | 0 | 8 539 063 |
| Short-term receivables from third parties | 0 | 19 627 933 | 0 | 19 627 933 |
| Cash and cash equivalents | 0 | 290 262 369 | 0 | 290 262 369 |
| Restricted Cash | 0 | 55 690 071 | 0 | 55 690 071 |
| Short-term derivative financial assets | 0 | 0 | 4 118 | 4 118 |
| Total financial assets | 239 642 | 385 655 205 | 1 990 967 | 387 885 814 |

As at 31 December 2021

| <i>In EUR</i> | Financial liabilities at FV through P/L | Financial liabilities at amortized cost | Hedging derivatives | Total |
|---|--|--|--------------------------------|--------------------|
| Non-current financial liabilities | 0 | 607 041 128 | 239 626 | 607 280 754 |
| Long-term liabilities to related parties | 0 | 113 952 | 0 | 113 952 |
| Loans and borrowings | 0 | 298 786 252 | 0 | 298 786 252 |
| Bonds | 0 | 299 166 270 | 0 | 299 166 270 |
| Tenant deposits | 0 | 4 029 528 | 0 | 4 029 528 |
| Amounts withheld for guarantees | 0 | 4 945 126 | 0 | 4 945 126 |
| Derivative financial liabilities | 0 | 0 | 239 626 | 239 626 |
| Current financial liabilities | 0 | 49 437 314 | 1 925 993 | 51 363 307 |
| Short-term liabilities to related parties | 0 | 4 367 069 | 0 | 4 367 069 |
| Loans and borrowings | 0 | 8 508 106 | 0 | 8 508 106 |
| Bonds short-term | 0 | 6 172 118 | 0 | 6 172 118 |
| Tenant deposits | 0 | 43 085 | 0 | 43 085 |
| Trade and other payables | 0 | 29 229 864 | 0 | 29 229 864 |
| Customer advances | 0 | 1 117 072 | 0 | 1 117 072 |
| Derivative financial liabilities | 0 | 0 | 1 925 993 | 1 925 993 |
| Total financial liabilities | 0 | 656 478 442 | 2 165 619 | 658 644 061 |

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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> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| Trade receivables | 1 117 999 | 435 828 |
| Accrued revenue | 4 341 894 | 7 136 443 |
| Accrued interest receivables | 9 | 1 |
| Other receivables | 218 254 | 966 138 |
| Accrued costs | 0 | 653 |
| Total closing balance | 5 678 156 | 8 539 063 |

Closing balance includes:

| | | |
|------------------------------|------------------|------------------|
| Non-current assets | 0 | 0 |
| Current assets | 5 678 156 | 8 539 063 |
| Total closing balance | 5 678 156 | 8 539 063 |

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

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| EUR | 985 547 | 2 537 377 |
| HUF | 4 342 094 | 5 850 159 |
| PLN | 132 262 | 143 409 |
| GBP | 172 168 | 0 |
| RON | 46 085 | 8 118 |
| Total closing balance | 5 678 156 | 8 539 063 |

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

As of 31 December 2022

In EUR

| Counterparty | Balance | Maturity | Interest rate | Currency |
|--|------------------|-----------------|----------------------|-----------------|
| FR Management Partnership C.V. Magyarországi Fióktelepe | 2 736 097 | within one year | N/A | EUR |
| Cordia Management Szolgáltató Kft. | 1 560 998 | within one year | N/A | EUR/HUF |
| Cordia FM Társasházkezelő Kft | 157 844 | within one year | N/A | HUF |
| Cordia Management Poland sp. z o.o. | 424 514 | within one year | N/A | HUF |
| CINEXT Kft. | 284 212 | within one year | N/A | EUR/HUF |
| Cordia Homes Holding Limited | 211 806 | within one year | N/A | HUF |
| Other related parties (individually not significant) | 302 685 | within one year | N/A | EUR/HUF |
| Total | 5 678 156 | | | |

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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 | N/A | EUR |
| Cordia Management Szolgáltató Kft. | 1 078 125 | within one year | N/A | EUR/HUF |
| RK Projekt Kft. | 719 176 | within one year | N/A | HUF |
| ECC Real Estate Vagyonkezelő Kft | 566 444 | within one year | N/A | HUF |
| CINEXT Kft. | 273 967 | within one year | N/A | EUR/HUF |
| Cordia Homes Holding Limited | 229 743 | within one year | N/A | HUF |
| Other related parties (individually not significant) | 46 092 | within one year | N/A | EUR/HUF |
| Total | 8 539 063 | | | |

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 of non-payment in the past and balances in the above table are expected to be repaid until 31.12.2023. There was no impairment accounted for the receivables from related parties' items as the impact is fully immaterial.

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> | 2022 | 2021 |
|------------------------------|-------------------|-------------------|
| Opening balance | 19 627 933 | 3 693 693 |
| Loans granted | 0 | 15 934 240 |
| Loans repaid | -7 858 968 | 0 |
| Revaluation | 0 | 0 |
| Total closing balance | 11 768 965 | 19 627 933 |

| | 31.12.2022 | 31.12.2021 |
|----------------------------------|-------------------|-------------------|
| Closing balance includes: | | |
| Non-current assets | 0 | 0 |
| Current assets | 11 768 965 | 19 627 933 |
| Total closing balance | 11 768 965 | 19 627 933 |

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| EUR | 11 768 965 | 19 607 911 |
| HUF | 0 | 20 022 |
| Total closing balance | 11 768 965 | 19 627 933 |

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

As of 31 December 2022

In EUR

| Counterparty | Balance | Maturity | Interest rate | Currency |
|--|----------------|-----------------|----------------------|-----------------|
| Pedrano Commercial Építőipari Kft. | 11 653 645 | within one year | 5,35% | EUR |
| Pedrano Construction Hungary Építőipari Kft. | 115 320 | within one year | 0% | EUR |

As of 31 December 2021

In EUR

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

Pedrano Commercial Építőipari Kft and Pedrano Construction Hungary Kft are strategic partners for Futureal Holding. 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 to 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> | 31.12.2022 | 31.12.2021 |
|--|-------------------|-------------------|
| Gross trade receivables | 15 485 079 | 5 476 923 |
| Decreased by impairment | -119 252 | -12 958 |
| Net trade receivables | 15 365 827 | 5 463 965 |
| Lease incentives | 14 355 170 | 0 |
| Accrued revenue | 846 825 | 3 199 776 |
| Prepaid expenses | 746 911 | 1 067 523 |
| Vendor overpayment | 0 | 137 342 |
| Given deposits | 22 369 | 0 |
| Purchased receivables | 0 | 1 062 300 |
| Other receivables | 572 195 | 604 863 |
| Total trade and other receivables | 31 909 297 | 11 535 769 |

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. From 2022 the lease incentives given to the tenants are also classified under trade and other receivables instead of within the investment and development property line.

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17.(d) Other financial assets

| <i>In EUR</i> | 2022 | 2021 |
|--|--------------------|------------------|
| Securities | 316 035 | 239 642 |
| Other long-term financial assets | 53 069 819 | 0 |
| Long-term derivative financial assets | 12 490 230 | 1 986 849 |
| Short-term financial assets – government bonds | 30 512 370 | 0 |
| Short-term financial assets – other | 2 166 015 | 0 |
| Short-term derivative financial assets | 3 182 952 | 4 118 |
| Total closing balance | 101 737 421 | 2 230 609 |
| Closing balance includes: | | |
| Other long-term assets | 65 876 084 | 2 226 491 |
| Other short-term assets | 35 861 337 | 4 118 |
| Total closing balance | 101 737 421 | 2 230 609 |

Balances presented above are financial assets based on IFRS 9 measured at fair value through profit and loss.

The derivative financial assets are the part of the interest rate swap assets that are not covered by the security transferred by the banks. For further details about the long-term and short-term derivative financial assets please refer to note 17(m) and 17(n).

The other long-term financial assets contain investments in companies which are not controlled by the Company. In the last quarter of 2022 Futureal Holding acquired two new interests in financial assets at purchase prices equal to the net asset values of the companies at 2022 year-end: in STAH SLP and in Auxesia SLP. These companies are investors in residential real estate projects in the UK. The shareholding in STAH SLP and Auxesia SLP is more than 50%, but the Company is only limited partner without having control over those entities. Most of the presented amount consist of the passive financial investment in three British entities in which the Company sees substantial growth potential through value appreciation and which also give access to know-how in different business models. The Company has the investments in St Arthur Homes Limited and Auxesia Homes. These investments are valued only once at the end of the year. The acquisition of both, STAH S.C.Sp and Auxesia SLP took place on 13 December 2022. In both cases the companies are for profit Registered Providers of affordable housing. STAH's operation is exclusively focused on shared ownership structures while Auxesia focuses on both shared ownership as well as affordable rent structures.

The short-term financial assets – government bonds line contain state treasury bonds that are measured at fair value through profit and loss. As at 31 December 2022 the majority of these treasury bonds is to be sold in 2023 to a related party in an amount of EUR 19 636 601.

Also, in the short-term financial assets line there are shares included in companies which are not controlled by the group. The year-end value of those shares is EUR 2 166 015.

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17.(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, and petty cash. 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> | 31.12.2022 | 31.12.2021 |
|--|--------------------|--------------------|
| Cash at bank and petty cash | 242 424 467 | 290 262 369 |
| Total cash and cash equivalents | 242 424 467 | 290 262 369 |

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

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|--|--------------------|--------------------|
| EUR | 185 830 434 | 51 531 720 |
| HUF | 36 028 221 | 235 636 542 |
| USD | 15 753 533 | 91 173 |
| GBP | 2 902 614 | 2 010 891 |
| PLN | 1 906 855 | 992 043 |
| CZK | 2 810 | 0 |
| Total cash and cash equivalents | 242 424 467 | 290 262 369 |

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

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|--|--------------------|--------------------|
| A- | 136 174 833 | 160 560 106 |
| BBB | 47 661 176 | 78 013 167 |
| A+ | 47 431 211 | 0 |
| B+ | 10 938 089 | 5 649 589 |
| A2 | 159 431 | 0 |
| BBB- | 554 | 0 |
| A | 0 | 38 457 371 |
| BBB+ | 0 | 7 577 694 |
| Petty cash | 59 173 | 4 442 |
| Total cash and cash equivalents | 242 424 467 | 290 262 369 |

*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 types of escrow accounts. The balances can be used for CAPEX expenditures, loan instalments, VAT payment obligations triggered by revenue invoices.

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| Tenant deposits | 5 647 081 | 4 072 613 |
| Other deposits | 1 712 478 | 8 013 162 |
| Loans and borrowings related cash deposits | 10 611 077 | 27 467 900 |
| Restricted renovation fund | 1 119 763 | 7 312 849 |
| Trustee accounts | 0 | 5 876 507 |
| Restricted derivative cash | 47 230 000 | 2 349 631 |
| Other restricted cash | 279 418 | 597 409 |
| Total restricted cash and cash equivalents | 66 599 817 | 55 690 071 |

Regarding the restricted derivative cash having increased significantly for 31 December 2022 please refer to Note 17(m).

| Closing balance includes: | | |
|----------------------------------|-------------------|-------------------|
| Current assets | 66 599 817 | 55 690 071 |
| Non-current assets | 0 | 0 |
| Total closing balance | 66 599 817 | 55 690 071 |

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| HUF | 831 631 | 2 887 526 |
| EUR | 64 565 818 | 52 793 696 |
| PLN | 1 202 368 | 8 849 |
| Total restricted cash and cash equivalents | 66 599 817 | 55 690 071 |

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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> | 31.12.2022 | 31.12.2021 |
|---------------------------------|--------------------|--------------------|
| Opening balance | 307 294 358 | 192 659 629 |
| New bank loan drawdown | 166 621 104 | 125 446 109 |
| Loans repayments | -11 143 527 | -10 753 516 |
| Amortized transaction cost | -464 735 | 0 |
| Currency translation adjustment | -594 268 | 753 534 |
| Revaluation (fx) | -63 684 | -811 398 |
| Total closing balance | 461 649 248 | 307 294 358 |

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|----------------------------------|--------------------|--------------------|
| Closing balance includes: | | |
| Non-current liabilities | 439 035 410 | 298 786 252 |
| Current liabilities | 22 613 838 | 8 508 106 |
| Total closing balance | 461 649 248 | 307 294 358 |

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|--------------------|--------------------|
| EUR | 450 607 580 | 294 115 326 |
| HUF | 420 776 | 1 963 872 |
| GBP | 10 620 892 | 11 215 160 |
| Total closing balance | 461 649 248 | 307 294 358 |

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Conditions of significant loans and borrowings:

in EUR

| Legal entity | Bank | Maturity | Currency | Loan facility EUR | Withdrawn loan amount in EUR | Undrawn loan amount in EUR | Outstanding loan amount | 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 | 65 947 500 | 65 947 500 | 0 | 61 940 000 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| Futureal Prime Propertes One Ingatlanfejlesztő Részalap | Unicredit Hungary, Erste Hungary, Erste Group Bank AG | 2028.06.30 | EUR | 149 850 000 | 149 850 000 | 0 | 145 500 000 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| Futureal I Ingatlanbefektetési Alap | MKB Bank | 2030.12.31 | EUR | 35 000 000 | 30 000 000 | 5 000 000 | 26 580 000 | 3 month EURIBOR + margin | Yes | No | Investment loan |
| Spectrum Glasgow Ltd | Laxfield | 2023.10.22 | GBP | 10 620 892 | 10 620 892 | 0 | 10 620 892 | LIBOR + margin | Yes | No | Investment loan |
| Futureal Prime Propertes Three Ingatlanfejlesztő Részalap | Erste Hungary, Erste Group Bank AG | 2032.12.31 | EUR | 60 000 000 | 44 664 609 | 15 335 391 | 44 664 609 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| | Erste Hungary | 2023.12.31 | HUF | 499 688 | 529 677 | -29 989 | 85 654 | 3 months BUBOR + margin | Yes | No | VAT loan |
| Futureal Prime Propertes Two Ingatlanfejlesztő Részalap | MKB Bank | 2037.12.31 | EUR | 49 773 400 | 38 345 903 | 11 427 497 | 38 345 903 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| | | 2024.06.30 | HUF | 624 610 | 432 126 | 192 483 | 139 659 | 3 months BUBOR + margin | Yes | No | VAT loan |
| Futureal Prime Propertes Four Ingatlanfejlesztő Részalap | Unicredit Hungary | 2030.12.31 | EUR | 79 500 000 | 31 705 177 | 47 794 823 | 31 705 177 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| | | 2024.03.31 | HUF | 624 610 | 749 143 | -124 534 | 0 | 3 months BUBOR + margin | Yes | No | VAT loan |
| | | 2024.09.30 | HUF | 624 610 | 0 | 624 610 | 0 | 3 months BUBOR + margin | Yes | No | VAT loan |
| HelloParks Two Alpha Ingatlanalap | Erste Bank | 2031.12.31 | EUR | 82 000 000 | 42 580 101 | 39 419 899 | 42 580 101 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| | Erste Bank | 2023.12.31 | HUF | 374 766 | 195 463 | 179 303 | 195 463 | 3 months BUBOR + margin | Yes | No | VAT loan |
| Corvin Innovation Campus | K&H | 2032.12.30 | EUR | 21 700 000 | 0 | 21 700 000 | 0 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| | K&H | 2024.12.30 | HUF | 249 844 | 0 | 249 844 | 0 | 3 months BUBOR + margin | Yes | No | VAT loan |
| HelloParks ThreeAlpha Ingatlanalap | Raiffeisen | 2030.06.30 | EUR | 67 090 850 | 25 160 000 | 41 930 850 | 25 160 000 | 3 month EURIBOR + margin | Yes | No | Investment and development loan |
| | | 2029.11.15 | EUR | 5 000 000 | 0 | 5 000 000 | 0 | 3 month EURIBOR + margin | Yes | No | Development loan |
| HelloParks Four Alpha Ingatlanalap | K&H | 2031.12.31 | EUR | 38 000 000 | 0 | 38 000 000 | 0 | 3 month EURIBOR + margin | Yes | No | Development loan |

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| | | | | | | | | | | | |
|--|-----|------------|-----|--------------------|--------------------|--------------------|--------------------|--------------------------|-----|----|---------------------------|
| | K&H | 2024.06.27 | HUF | 249 844 | 0 | 249 844 | 0 | 3 months BUBOR + margin | Yes | No | VAT loan |
| FR Investments Bemowo Sp. z o.o. FIP Retail Sp.k. | OTP | 2033.03.22 | EUR | 16 500 000 | 16 500 000 | 0 | 15 666 569 | 3 month EURIBOR + margin | Yes | No | Credit facility agreement |
| Sirius Investments Sp. z o.o. (FIP Gdańsk Retail Sp. z o.o.) | OTP | 2031.12.31 | EUR | 19 500 000 | 19 500 000 | 0 | 18 465 221 | 3 month EURIBOR + margin | Yes | No | Investment loan |
| Total | | | | 703 730 612 | 476 780 591 | 226 950 021 | 461 649 248 | | | | |

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Conditions of significant loans and borrowings:

in EUR

| Legal entity | Bank | Maturity | Currency | Loan facility EUR | Withdrawn loan amount in EUR | Undrawn loan amount in EUR | Outstanding loan amount | 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 | 64 250 000 | 0 | 64 250 000 | 3 month EURIBOR + margin | Yes | No | Investment loan |
| Futureal Prime Propertes One Ingatlanfejlesztő Részalap | Unicredit Hungary, Erste Hungary, Erste Group Bank AG | 2028.06.30 | EUR | 149 850 000 | 135 000 000 | 14 850 000 | 133 650 000 | 3 month EURIBOR + margin | Yes | No | Investment loan |
| | Unicredit Hungary | 2022.06.30 | HUF | 1 626 016 | 1 626 016 | 0 | 1 626 016 | 3 month BUBOR + margin | Yes | No | VAT loan |
| Futureal 1 Ingatlanbefektetési Alap | MKB Bank | 2030.12.31 | EUR | 35 000 000 | 30 000 000 | 5 000 000 | 28 120 000 | 3 month EURIBOR + margin | Yes | No | Investment loan |
| Spectrum Glasgow Ltd | Laxfield | 2023.10.22 | GBP | 11 215 160 | 11 215 160 | 0 | 11 215 160 | LIBOR + margin | Yes | No | Investment loan |
| Futureal Prime Propertes Three Ingatlanfejlesztő Részalap | Erste Hungary, Erste Group Bank AG | 2032.12.31 | EUR | 60 000 000 | 24 262 797 | 35 737 203 | 24 262 797 | 3 month EURIBOR + margin | Yes | No | Development loan |
| | Erste Hungary | 2023.12.31 | HUF | 542 005 | 235 893 | 306 112 | 235 894 | 3 months BUBOR + margin | Yes | No | VAT loan |
| Futureal Prime Propertes Two Ingatlanfejlesztő Részalap | MKB Bank | 2037.12.31 | EUR | 49 773 400 | 25 036 194 | 24 737 206 | 25 036 194 | 3 month EURIBOR + margin | Yes | No | Project loan |
| | | 2024.06.30 | HUF | 677 507 | 312 298 | 365 209 | 96 147 | 3 months BUBOR + margin | Yes | No | VAT loan |
| HelloParks Two Alpha Ingatlanalap | Erste Bank | 2031.12.31 | EUR | 82 000 000 | 18 802 150 | 63 197 850 | 18 802 150 | 3 month EURIBOR + margin | Yes | No | Development loan |
| | Erste Bank | 2023.12.30 | HUF | 406 504 | 0 | 406 504 | 0 | 3 months BUBOR + margin | Yes | No | VAT loan |
| Total | | | | 457 090 592 | 310 740 508 | 144 600 084 | 307 294 358 | | | | |

17.(h) Bonds

| <i>In EUR</i> | 2022 | 2021 |
|---|--------------------|--------------------|
| Cash received | 18 847 137 | 302 988 533 |
| Bond face value | 22 479 127 | 308 236 399 |
| Accrued gain/(loss) on Bond issuance | - 3 631 990 | - 5 247 866 |
| Premium on Bond issuance | 0 | 39 616 616 |
| Capitalized costs of Bond issuance | 311 042 | 529 864 |
| Fair value of Bond related liabilities | 323 874 483 | 262 842 053 |
| Interest payment | - 11 214 639 | |
| Effective interest rate of Bonds | 14 510 115 | 6 172 118 |
| Amortized Bond liability | 327 169 959 | 269 014 171 |
| Liability recorded for premium | - 2 897 218 | 38 316 535 |
| Other | 351 835 | 12 508 |
| FX (gain)/loss | - 25 255 228 | - 2 004 826 |
| Total closing balance | 299 369 348 | 305 338 388 |

| <i>In EUR</i> | 12.31.2022 | 12.31.2021 |
|----------------------------------|--------------------|--------------------|
| Closing balance includes: | | |
| Current liabilities | 14 510 115 | 6 172 118 |
| Non-current liabilities | 284 859 233 | 299 166 270 |
| Total closing balance | 299 369 348 | 305 338 388 |

| <i>In EUR</i> | 2022 | 2021 |
|------------------------------|--------------------|--------------------|
| HUF | 299 369 348 | 305 338 388 |
| Total closing balance | 299 369 348 | 305 338 388 |

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.

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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| 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 | 09.12.2021 | 13.12.2021 | 16.11.2036 | HUF | HUF 24,25 bn | HUF 21,55 bn |
| second tranche of FUTURE2031 | 27.01.2022 | 31.01.2022 | 23.03.2031 | HUF | HUF 8,05 bn | HUF 6,75 bn |

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 2021 December. Futureal Holding B.V. provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities. Scope Ratings assigned issuer rating of BB to the Issuer. 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 14 510 115 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 was 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.

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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.

| Green Bond The Eligible Green Assets Portfolio | Asset Class | Geographic distribution | BREEAM | Access4You | WELL CORE Certification according to WELL Building Standard v1 (Marina: v2) |
|---|-----------------------------------|------------------------------------|--|---|---|
| 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) Designed to be BREEAM excellent: International 2016 | - | No WELL certification yet. Not precertified but intended to be certified at Platinum level. |
| Corvin Innovation Campus phase 1 | Office (Under construction) | Hungary | 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) BREEAM International 2009 | - | No WELL certification yet. Not precertified but intended to be certified at Platinum level. |
| Etele Plaza Shopping Centre | Retail | Hungary | Europe Commercial: Retail – Very good level – Final stage BREEAM In-Use (expected at excellent level). (Not registered yet) | Access4You certificate – Gold level | - |

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”).

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Coupon Payment Date:

The first coupon payment date was 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 November 2022 the rating of Futureal Development Holding is BB with a Negative Outlook.

(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,

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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> | 31.12.2022 |
|--|--------------------|
| Consolidated Equity | 488 570 840 |
| <hr/> | |
| <i>In EUR</i> | 31.12.2022 |
| Bonds (non-current) | 284 859 233 |
| Bonds (current) | 14 510 115 |
| 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 |
| <hr/> | |
| Bond Debt to Equity Undertaking | 0,12 |

As at December 31, 2022 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> | 31.12.2022 | 31.12.2021 |
|----------------------------------|-------------------|-------------------|
| Loan | 0 | 243 000 |
| Trade payables | 968 395 | 590 955 |
| Deferred income | 149 618 | 181 015 |
| Accrued expenses | 2 764 525 | 3 257 781 |
| Other liabilities | 130 278 | 208 270 |
| Total closing balance | 4 012 816 | 4 481 021 |
| Closing balance includes: | | |
| Non-current liabilities | 2 436 | 113 952 |
| Current liabilities | 4 010 380 | 4 367 069 |
| Total closing balance | 4 012 816 | 4 481 021 |

The table below presents the movement in loans and borrowings:

| For the period ended: | | |
|------------------------------|-------------------|-------------------|
| <i>In EUR</i> | 31.12.2021 | 31.12.2021 |
| Opening balance | 243 000 | 680 475 |
| Loans granted | 0 | 0 |
| Loans repaid | -243 000 | -437 475 |
| Total closing balance | 0 | 243 000 |

The tables below present the most important conditions of the significant related party loans of Futureal Holding in 2021:

| 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 | | | | | |

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| HUF | 1 926 467 | 1 915 854 |
| EUR | 1 699 071 | 2 444 534 |
| GBP | 213 204 | 0 |
| PLN | 174 074 | 120 633 |
| Total closing balance | 4 012 816 | 4 481 021 |

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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> | 31.12.2022 | 31.12.2021 |
|---------------------------------------|--------------------|-------------------|
| Trade payables | 16 489 101 | 16 504 912 |
| Deferred income | 14 128 906 | 4 932 257 |
| Accrued expenses | 72 780 242 | 7 064 645 |
| Payable purchase price of investments | 8 180 062 | 500 000 |
| Other payables | 1 224 910 | 228 050 |
| Closing balance | 112 803 221 | 29 229 864 |

Trade payables are unsecured and are usually paid within 30 days of recognition. Majority of the trade payables relates to construction activities of Futureal Holding.

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> | 31.12.2022 | 31.12.2021 |
|------------------------------|--------------------|-------------------|
| HUF | 3 432 865 | 1 472 573 |
| EUR | 100 454 986 | 20 617 576 |
| GBP | 6 944 187 | 5 441 507 |
| PLN | 1 206 929 | 953 411 |
| USD | 735 690 | 743 442 |
| RON | 1 270 | 1 356 |
| AUD | 27 294 | 0 |
| Total closing balance | 112 803 221 | 29 229 864 |

17.(k) Tenant deposits

Deposits received from tenants are denominated in the following currencies:

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| EUR | 4 770 651 | 2 954 082 |
| HUF | 475 992 | 542 278 |
| PLN | 475 958 | 576 253 |
| Total closing balance | 5 722 601 | 4 072 613 |

Closing balance includes:

| | | |
|------------------------------|------------------|------------------|
| Non-current liabilities | 5 679 835 | 4 029 528 |
| Current liabilities | 42 766 | 43 085 |
| Total closing balance | 5 722 601 | 4 072 613 |

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17.(l) Amounts withheld for guarantees

Amounts withheld for guarantees are the contractual amounts 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 to cover the warranty claims of the Company due to non-contractual delivery. Amounts where the expected payment date is after the balance sheet date by more than 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 2022 is EUR 4 982 766.

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

17.(m) Derivative financial assets

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 23(a)(iii). Futureal Holding's hedging reserves are disclosed in Note 18(b).

| <i>in EUR</i> | 31.12.2022 | 31.12.2021 |
|----------------------------------|-------------------|-------------------|
| Closing balance includes: | | |
| Long-term derivative assets | 12 490 230 | 1 986 849 |
| Short-term derivative assets | 3 182 952 | 4 118 |
| Total closing balance | 15 673 182 | 1 990 967 |

| Movements table | 2022 | 2021 |
|---|-------------------|------------------|
| Opening balance as at 01 January | 1 990 967 | 3 949 |
| Parent share - Fair value change recorded in the other comprehensive income | 54 188 302 | 1 919 262 |
| NCI share - Fair value change recorded in the other comprehensive income | 6 423 745 | 66 758 |
| Fair value change recorded in the profit and loss statement | 300 168 | 0 |
| Margin call amount | -47 230 000 | 0 |
| Foreign exchange loss | 0 | 998 |
| Closing balance as at 31 December | 15 673 182 | 1 990 967 |

The Margin call amount is the cash which the banks transferred to Futureal Holding as a security behind the interest rate swap deals positions at 31 December 2022. This cash is classified as restricted cash (please refer Note 17 (f)) and due to that it is included in the restricted cash balance sheet line. Here it decreases the final balance sheet value of the derivative assets avoiding the duplication within the assets side of the balance sheet this way.

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.

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17.(n) Derivative financial liabilities

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 23(a)(iii). Futureal Holding's hedging reserves are disclosed in Note 18(b).

| <i>in EUR</i> | 31.12.2022 | 31.12.2021 |
|-----------------------------------|-------------------|-------------------|
| Closing balance includes: | | |
| Long-term derivative liabilities | 0 | 239 626 |
| Short-term derivative liabilities | 810 781 | 1 925 993 |
| Total closing balance | 810 781 | 2 165 619 |

| Movements table | 2022 | 2021 |
|--|------------------|------------------|
| Opening balance as at 01 January | 2 165 619 | 7 716 085 |
| Parent share - Fair value change recorded in the other comprehensive income | -2 067 516 | -5 232 900 |
| Ineffective hedge portion booked in the profit and loss statement | 0 | 16 054 |
| Fair value of foreign currency forward recorded in the profit and loss statement | 810 781 | 0 |
| NCI share - Fair value change recorded in the other comprehensive income | -98 103 | -332 780 |
| Foreign exchange loss | 0 | -840 |
| Closing balance as at 31 December | 810 781 | 2 165 619 |

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.

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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 2022 and 31 December 2021. All joint ventures and associates are measured applying the equity method.

| Entity name | Nature of relationship at | |
|--------------------------|----------------------------------|-------------------|
| | 31.12.2022 | 31.12.2021 |
| 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 2022 and 2021 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 | |
|-------------------------------------|---------------------------|-------------------|
| | 31.12.2022 | 31.12.2021 |
| Futureal Management Ltd. | 61 774 | 400 |

Reconciliation of the carrying amounts:

| <i>In EUR</i> | 2022 | 2021 |
|---|---------------|-------------|
| Opening balance | 400 | 400 |
| Share of profit/ for the year | 67 161 | 0 |
| Late adjustment of value of joint venture (Futureal Management Ltd) | -5 787 | 0 |
| Closing balance | 61 774 | 400 |

Futureal Holding's interest in associates in 2022n and 2021 was only an interest in Futureal Management Ltd, which is an empty dormant company.

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18. Shareholders' equity

18.(a) Share capital

The parent company's share capital is EUR 311 647 500 (in 2021: EUR 342 000 000) consisting of ordinary shares with nominal value of EUR 7 290 (in 2021: EUR 8 000) in the number of 42 750 (in 2021: 42 750).

| Company | 31.12.2022 | |
|---------------------|--------------------------------|-------------------------|
| | Nominal value of shares EUR | Ownership percentage |
| Futureal Group B.V. | 311 647 500 | 100% |
| Total | 311 647 500 | |

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

| <i>In EUR</i> | 2022 | 2021 |
|------------------------|--------------------|--------------------|
| Opening balance | 342 000 000 | 342 000 000 |
| Capital decrease | - 30 352 500 | 0 |
| Closing balance | 311 647 500 | 342 000 000 |

The share capital of the Company was decreased twice in 2022: on 29 September 2022 and on 4 November 2022. The company paid the liability to its owners via bank transfer during 2022.

During 2021 the share capital of the Company did not change.

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 01.01.2022 | 1 783 057 |
| Parent share - Change in fair value of hedging instrument recognised in OCI | 56 256 768 |
| Closing balance at 31.12.2022 | 58 039 825 |

| <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 |

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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 23(a)(iii). Amounts are subsequently reclassified to profit or loss when the underlying transaction is recorded.

18.(c) Retained earnings

| <i>In EUR</i> | 2022 | 2021 |
|---|-------------------|-------------------|
| Opening balance at 01.01.2021 | 16 249 799 | 5 191 586 |
| Dividend paid | 0 | -5 543 640 |
| Transactions with non-controlling interests | 504 798 | 5 543 640 |
| Closing balance before profit appropriation | 16 754 597 | 5 191 586 |
| Profit/Loss of the year | 30 283 746 | 11 058 213 |
| Closing balance at 31.12.2021 after profit appropriation | 47 038 343 | 16 249 799 |

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> | | Shares owned by NCI (%) | |
|---|------------------------------------|--------------------------------|-------------------|
| Entity name | Principal place of business | 31.12.2022 | 31.12.2021 |
| Finext Nyrt and its subsidiaries | Hungary | 26,13% | 26,13% |
| Futureal Real Estate Holding Limited and its subsidiaries | Hungary | 0,01% | 0,01% |
| Futureal 1 Ingatlanfejlesztő Alap | Hungary | 49% | 0% |
| 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% | 25,00% |

Movements in non-controlling interests during the period ended 31 December 2022 and 31 December 2021 are as follows:

| <i>In EUR</i> | | 01.01.2022 -31.12.2022 | 01.01.2021 -31.12.2021 |
|--|----------|-------------------------------|-------------------------------|
| Opening balance | | 41 477 565 | 43 238 234 |
| Profit/(loss) for the year | a | 17 985 415 | 3 398 336 |
| Other comprehensive loss (CTA and hedge related) | b | 6 597 240 | 384 363 |
| Dividend paid | c | -798 660 | -5 543 640 |
| Issue to non-controlling interests | d | 0 | 272 |
| Sale of subsidiary from the group | e | 1 348 | 0 |
| Sale of subsidiary to a non-controlling interest | f | 14 354 555 | 0 |
| Closing balance | | 79 617 463 | 41 477 565 |

- **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.

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- **Line d)** Shows the increase of non-controlling interest arising from capital increase by a non-controlling interest owner. In 2021 the figure comprises capital increase of FR Investments Zabrze Sp. z o.o. in an amount of 272 EUR.
- **Line e)** During 2022 Futureal Holding sold one of its subsidiaries (Kertész Hotel Projekt Kft) to related party. The non-controlling interest related proportionate part from the result of the sale was EUR 1 348.
- **Line f)** On 5th May 2022 the 49% of the shares of Futureal 1 Real Estate Property Fund was sold. The Fund itself is fully consolidated by Futureal Holding as Futureal Holding remained its 51% owner and retains the control over the Fund as defined in Note 1.

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 2022 and 2021.

| <i>In EUR</i> | 01.01.2022 - 31.12.2022 |
|--|------------------------------------|
| Opening | 42 154 812 |
| Investment made by non-controlling investment unit holders | 13 830 587 |
| Annual Profit and Loss attributable to non-controlling investment unit holders | 3 582 551 |
| Redemption of investment units of non-controlling investment unit holders | 0 |
| Closing carrying amount | 59 567 950 |

| <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.

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-

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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. Non-current assets classified as held for sale and connecting liabilities

The below stated assets and liabilities were presented as held for sale as at 31 December 2022 following the decision of the management of Futureal Holding about a business transfer from the beginning of 2023. The sale of the assets used for the transferred business (except the investment property) happened on 1 January 2023. The investment property will be sold during 2023.

The management of Futureal Holding considered the assets to meet the criteria to be classified as held for sale for the following reasons:

- Management is committed to a plan to sell the assets;
- The assets are available for immediate sell;
- The potential buyer has been found;
- The sale already happened in 2023 in case most of the assets, and a contract to sell the investment property as well is in place; and
- Actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| Intangible asset | 887 415 | 0 |
| Investment property | 2 056 000 | 0 |
| Property plant and equipment | 485 552 | 0 |
| Right of use asset | 3 530 564 | 0 |
| Trade and other receivables | 247 013 | 0 |
| Other short-term receivables from third parties | 2 601 | 0 |
| Other short-term receivables from related parties | 191 | 0 |
| Other short-term assets | 35 125 | 0 |
| Total non-current assets held for sale | 7 244 461 | 0 |
| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
| Lease liability | 3 679 268 | 0 |
| Total liabilities held for sale | 3 679 268 | 0 |

The assets and liabilities of the disposal groups are presented at their carrying amount. The Group did not recognise any impairment loss for a writedown of the disposal groups to fair value less costs to sell.

The assets and liabilities of the disposal groups all belong to the Hungarian segment of Futureal Holding, please refer to Note (26).

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20. 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. The fair value of the assets is EUR 45 717 734 at 31 December 2022, and was EUR 239 642 at 31 December 2021 respectively.

Financial liabilities measured at fair value through profit or loss are foreign currency forward deal presented as derivative financial liabilities in amount of EUR 810 781 in 2022, there was no such item in 2021.

Derivative financial assets such as interest rate swaps are measured at fair value through other comprehensive income.

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).

21. 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 | 31.12.2022 | 31.12.2021 |
|-------------------------------------|----------------------------------|-------------------|--------------------|
| Futureal Prime Properties Subfund 4 | Corvin 7 office building project | 5 718 216 | 26 411 895 |
| Futureal Prime Properties Subfund 4 | Corvin 8 office building project | 20 687 336 | 24 296 038 |
| Futureal Prime Properties Subfund 3 | BPOne2 office building project | 3 433 463 | 12 905 848 |
| Futureal Prime Properties Subfund 3 | BPOne2 / Parking house | 0 | 1 992 657 |
| Futureal Prime Properties Subfund 2 | BPOne3 office building project | 3 568 759 | 13 878 871 |
| HelloParks Two Alpha Subfund | Maglód 1 logistics project | 2 357 893 | 21 850 629 |
| HelloParks Three Alpha Subfund | Fót1 logistics project | 4 120 567 | 23 076 609 |
| HelloParks Three Alpha Subfund | Fót 2 logistics project | 8 544 690 | 0 |
| HelloParks Three Alpha Subfund | Fót 6 logistics project | 1 679 731 | 0 |
| HelloParks Two Alpha Subfund | Maglód 3 logistics project | 1 358 372 | 0 |
| HelloParks Two Alpha Subfund | Maglód 4 logistics project | 16 766 988 | 0 |
| HelloParks One Alpha Subfund | Páty 1 logistics project | 12 882 145 | 0 |
| Total | | 81 118 160 | 124 412 547 |

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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22. Related parties

Parent company

During 2022 and in 2021 there was no capital increase of the Company, however in 2022 there was capital decrease. For more details please see 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> | 2022 | 2021 |
|--|------------------|------------------|
| Services: | | |
| Rental of real estates | 1 068 189 | 341 902 |
| Intermediary services | 2 184 306 | 2 938 910 |
| IT support and other support revenue | 1 121 367 | 1 024 858 |
| Project Management fee | 1 054 562 | 1 425 066 |
| Sale of investment property | 405 000 | 0 |
| Consultancy | 473 141 | 894 456 |
| Other | 77 356 | 41 656 |
| Total | 6 383 921 | 6 666 848 |

For the period ended December 31:

| <i>(b) Purchase of products and services:</i> | 2022 | 2021 |
|---|-------------------|-------------------|
| Services: | | |
| Management fee from FR Management | 1 394 029 | 1 029 090 |
| Partnership accounted in the P/L: | | |
| Management fee from FR Management | 5 698 290 | 3 703 402 |
| Intermediary services from FR Management | 762 970 | 8 487 735 |
| Marketing | 228 778 | 50 641 |
| Administrative costs | 292 753 | 158 213 |
| Consultancy | 294 548 | 261 652 |
| Fund management fee | 466 373 | 484 306 |
| Management fee | 34 876 | 1 356 121 |
| Accounting cost | 112 838 | 107 895 |
| Intermediated expenses | 1 763 424 | 1 792 288 |
| IT service fee | 5 682 | 30 221 |
| Other | 29 903 | 10 022 |
| Total | 11 084 464 | 17 471 586 |

The above transactions are with sister companies

For the period ended December 31:

| <i>(c) Sale of subsidiaries and joint ventures:</i> | 2022 | 2021 |
|---|---------------|---------------|
| <i>Ultimate controlling parties:</i> | | |
| Consideration received | 0 | 0 |
| <i>Sister companies:</i> | | |
| Consideration received | 55 000 | 61 800 |
| Total | 55 000 | 61 800 |

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

| <i>(d) Dividend to non-controlling shareholders (which are entities under common control with Futureal Holding B.V.):</i> | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| Dividend | 0 | 0 |
| Total | 0 | 0 |

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> | 31.12.2022 | 31.12.2021 |
| Salary and other short time benefit | 37 290 | 85 386 |
| Incentive plan linked to project results | 1 084 851 | 1 442 607 |
| Total | 1 122 141 | 1 527 993 |

Loans to directors

As at 31 December 2022 and 31 December 2021 there were no loans granted to directors.

23. 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 2022 if the Hungarian forint weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 1 008 912 EUR lower / 1 115 114 EUR higher.

At 31 December 2022 if the Polish Zloty weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 88 710 EUR higher / 98 047 EUR lower.

At 31 December 2022 if the English GBP weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 784 029 EUR lower / 709 359 EUR higher.

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.

(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 – 01.01.2022. -31.12.2022. | - 328 833 |
| + 10 basis point – 01.01.2021. -31.12.2021. | - 284 194 |

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

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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> | 01.01.2022-31.12.2022 | 01.01.2021-31.12.2021 |
|---|------------------------------|------------------------------|
| Carrying amount (long-term and short-term assets – note 17(m)) | 15 673 182 | 1 990 967 |
| Carrying amount (long-term and current liabilities – note 16 (j)) | 810 781 | 2 165 619 |
| Notional amount | 400 720 590 | 286 534 151 |
| Maturity date | 2028-2037 | 2023-2037 |
| Hedge ratio | 100% | 100% |
| Change in fair value of outstanding hedging instruments since 1 January | 62 872 786 | 7 541 433 |
| Change in value of hedged item used to determine hedge effectiveness | 63 002 573 | 7 326 123 |

(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 2022

| <i>In EUR</i> | Less than 1 year | Between 1 and 5 years |
|---------------------------------|-------------------------|------------------------------|
| Loans and borrowings | 22 613 838 | 439 035 410 |
| Bonds | 14 510 115 | 284 859 533 |
| Trade and other payables | 113 163 223 | 0 |
| Liabilities to related parties | 3 650 380 | 2 436 |
| Amounts withheld for guarantees | 0 | 4 982 766 |
| Lease liabilities | 58 321 | 1 310 589 |
| Total | 153 995 877 | 730 190 734 |

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| <i>In EUR</i> | As at 31 December 2021 | |
|---------------------------------|-------------------------------|------------------------------|
| | 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 |

(d) Fraud risk assessment

The management of fraud risks is an integral part of Futureal Holding risk management. On regular basis Futureal Holding conducts fraud risk analysis in order to assess whether potential fraud risks are adequately mitigated or controlled within its internal control environment, to identify if there are any risks that are not (yet) adequately mitigated, and if there are shortcomings for which additional measures should be taken. The actions executed as a result of the assessment conducted during 2022 included board structure policy issuance strengthening 4 eye principle over the acts done on behalf of Futureal Holding and its subsidiaries, publication of Code of Ethics articulating potential fraud risk areas and reporting and communication process and various technology investments (as part of continuous improvement of the Futureal Holding ERP).

The main potential fraud risks areas related to Futureal Holding business are:

- Ethical and fair dealing
- Anti-bribery and corruption
- Gifts, expenses and client entertainment
- Conflict of interest

The conducted fraud risk analysis shows that adequate mitigating measures are in place with respect to fraud risks. The deeply implemented separation of duties and the way in which decision-making are embedded in the organization contribute significantly to this. Furthermore, the assignment of external appraisers in the valuation process and the standardization of processes and formats in general are also important mitigating measures in this regard.

The risk assessment (including fraud) is being discussed on regular basis on leadership level of Futureal Holding.

Futureal Code of Ethics was published in 2022 confirming the governance, values and ethical principles of Futureal Holding. All employees were requested to acknowledge their acquaintance with the Code of Ethics in writing. Those confirmations are documented and will be renewed on annual basis. Acknowledgement of Code of Ethics is also part of on-boarding of any new employee.

During 2022 period there were no incidents in relation to fraud or integrity.

(e) Going concern basis

The Futureal Holding leadership made a five year forward looking cash flow forecast. Based on the current operating performance and liquidity position, including an analysis of Futureal Holding's expected future performance, based on the assumptions in Futureal Holding business plan, the leadership believes that the cash provided from operating activities, the available cash balances and the remaining committed undrawn credit facility, will be sufficient for working capital, capital expenditures, interest payments and scheduled debt repayments for the next twelve months and the period of the cash flow analysis.

24. 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

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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.

25. 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> | 31.12.2022 | 31.12.2021 |
|---------------------------|--------------------|--------------------|
| Cash and cash equivalents | - 242 424 467 | - 290 262 369 |
| Restricted cash | - 66 599 817 | -55 690 071 |
| Loans and borrowings | 461 649 248 | 307 294 358 |
| Bonds | 299 369 348 | 305 338 388 |
| Net debt | 451 994 312 | 266 680 306 |

| <i>in EUR</i> | Cash | Restricted cash | Loans and borrowings | Bonds | Total |
|---|---------------------|------------------------|-----------------------------|--------------------|--------------------|
| Net debt as at 1 January 2022 | -290 262 369 | -55 690 071 | 307 294 358 | 305 338 388 | 266 680 306 |
| Cash flow | 47 837 902 | -10 909 746 | 155 477 577 | 7 321 456 | 199 727 189 |
| Lease modification | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 14 510 115 | 14 510 115 |
| Acquisition | 0 | 0 | 0 | 0 | 0 |
| Foreign exchange adjustments | 0 | 0 | -657 952 | -25 255 228 | -25 913 180 |
| Premium on bond/capitalized cost/and other effect | 0 | 0 | 0 | -2 545 383 | -2 545 383 |
| Amortized transaction cost | 0 | 0 | -464 735 | 0 | -464 735 |
| Reclassification to liability held for sale | 0 | 0 | 0 | 0 | 0 |
| Net debt as at 30 June 2022 | -242 424 467 | -66 599 817 | 461 649 248 | 299 369 348 | 451 994 312 |

| <i>in EUR</i> | Cash | Restricted cash | Loans and borrowings | Bonds | Total |
|---|---------------------|------------------------|-----------------------------|--------------------|--------------------|
| Net debt as at 01 January 2021 | -56 963 336 | -31 598 777 | 192 659 629 | 0 | 104 097 516 |
| Cash flow | -233 299 033 | -24 091 294 | 114 692 592 | 302 988 533 | 160 290 798 |
| Recognition of new lease liability | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 6 172 118 | 6 172 118 |
| Acquisition | 0 | 0 | 0 | 0 | 0 |
| Foreign exchange adjustments | 0 | 0 | -57 863 | -2 004 826 | -2 062 689 |
| Premium on bond/capitalized cost/and other effect | 0 | 0 | 0 | -1 817 437 | -1 817 437 |
| Net debt as at 31 December 2021 | -290 262 369 | -55 690 071 | 307 294 358 | 305 338 388 | 266 680 306 |

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26. 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 is active. On this basis Futureal Holding reviews its operations in the following operating segments: Hungarian operations, Polish operations, Maltese operations, Dutch operations, Luxembourg 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 2022

| Balance sheets (EUR) | Hungary | Poland | United Kingdom | Other countries |
|---|----------------------|-------------------|-------------------|-------------------|
| <i>Assets</i> | | | | |
| Intangible assets | 7 769 | 0 | 0 | 0 |
| Investment property | 860 433 599 | 90 947 478 | 17 730 096 | 0 |
| Property, plant and equipment | 557 772 | 12 164 | 0 | 0 |
| Investment in subsidiary | 10 200 | 0 | 0 | 0 |
| Investment in JV/Associate | 0 | 0 | 0 | 61 774 |
| Long-term derivative financial assets | 12 479 727 | 0 | 10 503 | 0 |
| Other long-term financial assets | 12 252 179 | 0 | 40 817 641 | 316 035 |
| Non-current assets | 885 741 246 | 90 959 642 | 58 558 240 | 377 809 |
| Inventory | 812 514 | 0 | 0 | 0 |
| Trade and other receivables | 30 773 869 | 707 143 | 428 285 | 0 |
| Short-term receivables from related parties | 5 678 156 | 0 | 0 | 0 |
| Short-term receivables from third parties | 11 768 965 | 0 | 0 | 0 |
| Income tax receivable | 12 294 | 25 408 | 0 | 0 |
| Cash and cash equivalents | 219 680 747 | 1 849 234 | 2 238 209 | 18 362 833 |
| Other short-term assets | 2 237 335 | 2 410 819 | 33 226 | 0 |
| Short-term VAT receivables | 6 099 126 | 999 776 | 0 | 0 |
| Restricted cash | 65 690 893 | 1 202 368 | 0 | 0 |
| Short-term financial assets | 32 678 385 | 0 | 0 | 0 |
| Short-term derivative financial assets | 2 948 160 | 0 | 234 793 | 0 |
| Current assets | 378 380 444 | 7 194 748 | 2 934 513 | 18 362 833 |
| Assets held for sale | 7 244 461 | 0 | 0 | 0 |
| Total assets | 1 271 366 151 | 98 154 390 | 61 492 753 | 18 740 642 |

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Liabilities

| | Hungary | Poland | United Kingdom | Other countries |
|---|--------------------|-------------------|-------------------|-----------------|
| Long-term liabilities to related parties | 2 435 | 0 | 0 | 0 |
| Loans and borrowings | 405 975 819 | 33 059 591 | 0 | 0 |
| Bonds | 284 859 233 | 0 | 0 | 0 |
| Tenant deposits | 5 246 643 | 433 191 | 0 | 0 |
| Deferred tax liabilities | 0 | 488 216 | 0 | 0 |
| Provisions | 0 | 1 122 111 | 0 | 0 |
| Other long-term liabilities | 0 | 0 | 0 | 0 |
| Amounts withheld for guarantees | 4 965 771 | 16 995 | 0 | 0 |
| Lease liabilities | 0 | 1 310 589 | 0 | 0 |
| Derivative financial liabilities long term | 0 | 0 | 0 | 0 |
| Non-current liabilities | 701 049 901 | 36 430 693 | 0 | 0 |
| Short-term liabilities to related parties | 2 992 996 | 609 449 | 0 | 47 935 |
| Loans and borrowings | 10 920 746 | 1 072 200 | 10 620 892 | 0 |
| Bonds short term | 14 510 115 | 0 | 0 | 0 |
| Tenant deposits | 0 | 42 766 | 0 | 0 |
| Trade and other payables | 105 387 201 | 1 025 902 | 6 708 991 | 41 128 |
| Customer advances | 1 424 831 | 0 | 0 | 0 |
| Provisions | 930 287 | 0 | 0 | 0 |
| Income tax liabilities | 666 220 | 19 252 | 0 | 83 354 |
| Other tax liabilities | 2 765 055 | -285 819 | 1 399 | 1 280 |
| Lease liabilities | 0 | 58 321 | 0 | 0 |
| Derivative financial liabilities short term | 810 781 | 0 | 0 | 0 |
| Amounts withheld for guarantees | 0 | 0 | 0 | 0 |
| Current liabilities | 140 408 232 | 2 542 071 | 17 331 282 | 173 697 |
| Liability connecting to assets held for sale | 3 679 268 | 0 | 0 | 0 |
| Total liabilities | 845 137 401 | 38 972 764 | 17 331 282 | 173 697 |

| | Hungary | Poland | United Kingdom | Other countries |
|---|-------------------|------------------|-------------------|-------------------|
| Profit and loss and other comprehensive income | | | | |
| Revenue | 45 323 715 | 9 638 403 | 1 404 660 | 0 |
| Gross profit | 22 638 538 | 4 647 479 | 920 793 | 0 |
| Other Finance Income | 62 837 616 | 346 386 | -501 411 | 5 076 |
| Profit for the year | 55 658 811 | 795 063 | -2 693 022 | -1 909 140 |
| Dividend paid | 0 | 0 | 0 | 0 |

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Closing balance 2021

| Balance sheets (EUR) | Hungary | Poland | United Kingdom | Other countries |
|---|--------------------|-------------------|-------------------|------------------|
| <i>Assets</i> | | | | |
| Intangible assets | 552 404 | 0 | 0 | 0 |
| Investment property | 595 261 565 | 88 456 748 | 19 258 766 | 0 |
| Property, plant and equipment | 5 644 660 | 0 | 0 | 0 |
| Investment in JV/Associate | 0 | 0 | 0 | 400 |
| Long-term derivative financial assets | 1 950 718 | 0 | 36 131 | 239 642 |
| Non-current assets | 603 409 347 | 88 456 748 | 19 294 897 | 240 042 |
| Inventory | 242 968 | 0 | 0 | 0 |
| Trade and other receivables | 10 149 512 | 894 432 | 491 825 | 0 |
| Short-term receivables from related parties | 8 539 063 | 0 | 0 | 0 |
| Short-term receivables from third parties | 19 627 933 | 0 | 0 | 0 |
| Income tax receivable | 102 833 | 87 881 | 0 | 0 |
| Other short-term assets | 1 226 948 | 51 083 | 84 252 | 0 |
| Short-term VAT receivables | 7 140 383 | 1 796 673 | 3 323 | 0 |
| Restricted cash | 55 681 222 | 8 849 | 0 | 0 |
| Cash and cash equivalents | 282 704 349 | 2 855 025 | 2 010 891 | 2 692 105 |
| Short-term derivative financial assets | 0 | 0 | 4 118 | 0 |
| Current assets | 385 415 211 | 5 693 942 | 2 594 408 | 2 692 105 |
| Total assets | 988 824 558 | 94 150 690 | 21 889 305 | 2 932 147 |
| <i>Liabilities</i> | | | | |
| Long-term liabilities to related parties | 70 952 | 0 | 0 | 43 000 |
| Loans and borrowings | 287 571 092 | 0 | 11 215 160 | 0 |
| Bonds | 299 166 270 | 0 | 0 | 0 |
| Tenant deposits | 3 496 360 | 533 168 | 0 | 0 |
| Deferred tax liabilities | 0 | 344 519 | 0 | 0 |
| Provisions | 381 307 | 2 178 995 | 0 | 0 |
| Other long-term liabilities | 2 500 000 | 0 | 0 | 0 |
| Amounts withheld for guarantees | 4 945 127 | 0 | 0 | 0 |
| Lease liabilities | 3 433 161 | 1 353 643 | 0 | 0 |
| Derivative financial liabilities long term | 239 626 | 0 | 0 | 0 |
| Non-current liabilities | 601 803 895 | 4 410 324 | 11 215 160 | 43 000 |

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| | | | | |
|---|--------------------|------------------|-------------------|----------------|
| Short-term liabilities to related parties | 3 665 767 | 393 204 | 0 | 308 098 |
| Loans and borrowings | 8 508 106 | 0 | 0 | 0 |
| Bonds short term | 6 172 118 | 0 | 0 | 0 |
| Tenant deposits | 0 | 43 085 | 0 | 0 |
| Trade and other payables | 26 746 929 | 835 248 | 1 133 456 | 514 231 |
| Customer advances | 1 117 072 | 0 | 0 | 0 |
| Provisions | 188 657 | 49 786 | 0 | 0 |
| Income tax liabilities | 111 892 | 0 | 0 | 41 356 |
| Other tax liabilities | 1 130 680 | 403 288 | 0 | 4 558 |
| Lease liabilities | 920 843 | 59 517 | 0 | 0 |
| Derivative financial liabilities short term | 1 925 993 | 0 | 0 | 0 |
| Current liabilities | 50 488 056 | 1 784 128 | 1 133 456 | 868 244 |
| Total liabilities | 652 291 951 | 6 194 452 | 12 348 616 | 911 244 |

| | Hungary | Poland | United Kingdom | Other countries |
|---|-------------------|-------------------|------------------|-------------------|
| Profit and loss and other comprehensive income | | | | |
| Revenue | 25 176 678 | 872 966 | 1 026 973 | 0 |
| Gross profit | 15 861 728 | -155 579 | 681 256 | 0 |
| Profit for the year | 1 590 457 | 13 226 001 | 2 165 572 | -2 369 741 |

27. Subsequent events

Adjusting subsequent events

During 2022 the Futureal Development Holding Ingatlanforgalmazó Kft acquired Hungarian State Treasury bonds the majority of which it sold to related party partner on 2nd and 20th March 2023 in an amount of HUF 7,859,549,590 (EUR 19 636 601 in the balance sheet)

Non-adjusting subsequent events

On 31st January 2023 Futureal Holding has successfully issued bonds of EUR 125,000,000 aggregated face value in the course of a private placement.

The drawdown of the first tranche of HelloParks' loan (25,1M – related to the FT1 building) occurred in January with the first drawdown of Tranche B (FT6 building) is about to happen very shortly.

Budapest's Corvin Innovation Campus (CIC) development received occupancy permit in February 2023.


FT6 Building in HelloParks' Budapest North megapark received occupancy permit in March 2023.

Futureal Holding has decided in Q1 2023 to restructure its commercial development business and asset management business into one efficient pan-European platform with Futureal Development and Futureal Investment Partners operating under the name Futureal as an integrated business line concentrating on expanding Central-European activity to a pan-European scale.

Board of Directors:



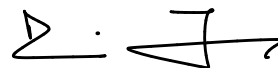
.....
Zsolt Balázsik



.....
Astrid van Groeningen



.....
Steven Melkman



.....
János Berki

Amsterdam, 26th April 2023

Futureal Holding BV
Separate Financial Statements

Futureal Holding BV
IFRS standalone financial statements
for the period from 01 January 2022 to 31 December 2022

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Futureal Holding BV
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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> | 2022 | 2021 |
| Revenue | | 0 | 0 |
| Cost of sales | | 0 | 0 |
| Gross profit | | 0 | 0 |
| Administrative expenses | 4 | -283 283 | -229 006 |
| Other income | 5 | 14 140 900 | 5 939 253 |
| Other expenses | 6 | -2 535 327 | -4 337 001 |
| Operating profit | | 11 322 290 | 1 373 246 |
| Interest income | 7 | 2 609 027 | 821 928 |
| Other financial income | 7 | 19 447 | 4 009 |
| Interest expense | 8 | -5 248 426 | -1 270 267 |
| Other financial expense | 8 | -12 487 | -5 751 |
| Net finance profit/(loss) | | -2 632 439 | -450 081 |
| Share of profit/(loss) in joint ventures and associates | | 0 | 0 |
| Profit before taxation | | 8 689 851 | 923 165 |
| Income tax expense | | 0 | 0 |
| Profit for the period | | 8 689 851 | 923 165 |

The financial statements should be read in conjunction with the accompanying notes on pages 94-113.

Futureal Holding BV
IFRS standalone financial statements
for the period 1 January 2022 - 31 December 2022

Statement of Financial Position

| <i>In EUR</i> | <i>Note</i> | 31.12.2022 | 31.12.2021 |
|--|-------------|--------------------|--------------------|
| Assets | | | |
| Non-current assets | | | |
| Long-term receivables from related parties | <i>11</i> | 68 317 610 | 105 714 940 |
| Investments in subsidiary | <i>9</i> | 392 132 119 | 377 989 185 |
| Total non-current assets | | 460 449 729 | 483 704 125 |
| Current assets | | | |
| Trade and other receivables | | 0 | 0 |
| Short-term receivables from related parties | <i>11</i> | 3 445 205 | 821 928 |
| Cash and cash equivalents | <i>12</i> | 45 840 | 103 808 |
| Total current assets | | 3 491 045 | 925 736 |
| Total assets | | 463 940 774 | 484 629 861 |
| Equity | | | |
| Shareholders' equity | | | |
| Share capital | <i>16</i> | 311 647 500 | 342 000 000 |
| Retained earnings | <i>17</i> | -4 494 019 | -13 183 871 |
| Equity attributable to equity holders of the parent | | 307 153 481 | 328 816 129 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Long-term liabilities to related parties | <i>15</i> | 138 675 158 | 150 095 789 |
| Guarantees | | 6 872 328 | 4 337 001 |
| Total non-current liabilities | | 145 547 486 | 154 432 790 |
| Current liabilities | | | |
| Short-term liabilities to related parties | <i>14</i> | 11 150 936 | 1 315 767 |
| Trade and other payables | <i>15</i> | 88 871 | 65 175 |
| Total current liabilities | | 11 239 807 | 1 380 942 |
| Total liabilities | | 156 787 293 | 155 813 732 |
| Total equity and liabilities | | 463 940 774 | 484 629 861 |

The financial statements should be read in conjunction with the accompanying notes on pages 94-113.

Futureal Holding BV
IFRS standalone financial statements
for the period 1 January 2022 - 31 December 2022

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</u> |
|------------------------------------|----------------------|----------------------|-----------------------|--------------------------|--------------------|
| Balance at 1 January 2022 | 342 000 000 | 0 | 0 | -13 183 871 | 328 816 129 |
| Profit/(loss) for the period | 0 | 0 | 0 | 8 689 852 | 8 689 852 |
| Other comprehensive income/(loss) | 0 | 0 | 0 | 0 | 0 |
| Share capital decrease | -30 352 500 | 0 | 0 | 0 | -30 352 500 |
| Transactions with owners: | -30 352 500 | 0 | 0 | 0 | -30 352 500 |
| Balance at 31 December 2022 | 311 647 500 | 0 | 0 | -4 494 019 | 307 153 481 |

| <i>In EUR</i> | <u>Share capital</u> | <u>Share premium</u> | <u>Other reserves</u> | <u>Retained earnings</u> | <u>Total</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 |

The financial statements should be read in conjunction with the accompanying notes on pages 94-113.

Futureal Holding BV
IFRS standalone financial statements
for the period 1 January 2022 - 31 December 2022

Statement of cash flows

For the years ended at 31 December 2022 and 31 December 2021

| <i>In EUR</i> | <i>Note</i> | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|-------------|--------------------------------|--------------------------------|
| Profit before income tax | | 8 689 851 | 923 165 |
| <u>Adjustments for:</u> | | | |
| Impairment / (Reversal of impairment) of subsidiary | 6 | -14 140 900 | -5 939 253 |
| Guarantee for bond liabilities | 6 | 2 535 327 | 4 337 001 |
| Non cash movements | * | 0 | 0 |
| Increase/ (Decrease) in trade and other payables | 15 | 23 696 | 10 450 |
| Decrease (+) / Increase (-) in receivables from related parties | 11 | -1 118 701 | -821 928 |
| Increase (-) / Decrease (+) in liabilities to related parties | 14 | 3 225 197 | -17 984 233 |
| Net cash generated from operating activities | | -785 530 | -19 474 798 |
| Acquisitions of subsidiaries and capital increase in subsidiaries | 9 | -2 034 | -25 000 000 |
| Net cash used in investing activities | | -2 034 | -25 000 000 |
| Capital decrease | 16 | -30 352 500 | 0 |
| Proceeds from borrowings | 11, 14 | 67 777 302 | 29 180 849 |
| Repayment of borrowings | 11, 14 | -36 695 206 | 15 200 000 |
| Net cash from financing activities | | 729 596 | 44 380 849 |
| Net increase in cash and cash equivalents | | -57 968 | -93 949 |
| Cash and cash equivalents at the beginning of the year | 12 | 103 808 | 197 757 |
| Cash and cash equivalents at the end of the year | | 45 840 | 103 808 |

Notes to the financial statements

1. General information

The Company

| | |
|---|--|
| Company name: | Futureal Holding B.V. |
| Headquarter: | 1075HJ Amsterdam, De Lairesestraat 145A, the Netherlands |
| Company registration number (RSIN number): | 860112676 |
| CCI number: | 75024012 |
| Tax registration number: | 860112676 |

The Company was founded on 5th June 2019. The Company's immediate controlling parent company is Futureal Group BV (address of registered office: 1075HJ Amsterdam, De Lairesestraat 145A, the Netherlands), which owns 99,16% of the Company's shares.

The ultimate controlling party of the Company are Gábor András Futó and Dr. Péter György Futó. The ultimate parent of the Company is FR Group B.V.

The share capital of the Company as at 31 December 2022 was: EUR 311 647 500 (EUR 342 000 000 as at 31 December 2021).

The Company is a holding company.

| The owners of the Company as at | 31.12.2022 | 31.12.2021 |
|--|-------------------|-------------------|
| Futureal Group B.V. | 99,16% | 99,16% |
| Finext Consultants Ltd. | 0,84% | 0,84% |
| Total % of ownership | 100% | 100% |

The Company has four managing directors:

- Zsolt Viktor Balázsik
- Steven Melkman
- Astrid van Groeningen
- János J. Berki

The Company's financial statements are approved by the Managing Directors on 26th April 2023 and forwarded for approval of the Shareholder's meeting. The shareholders are eligible to approve the financial statements and can ask for adjustments before approval.

Subsidiaries

The details of the subsidiaries are shown in Note 9.

Futureal Holding BV
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for the period 1 January 2022 - 31 December 2022

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.

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 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 2022 reporting periods and have not been early adopted by the Company. The adoption of these standards (where relevant) is in progress including (where relevant) up-date of Company's accounting policies.

- Amendments to IAS 1 - "Classification of Liabilities as Current or Non-current" The amendments originally were effective for annual reporting periods starting on Jan. 1, 2022, but their effective date was delayed to Jan. 1, 2024. This amendment to IAS 1 clarifies that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. Such right needs to exist at the reporting date and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability unless it results from the exercise of a conversion option meeting the definition of an equity instrument.
- Amendments to IFRS 17 - to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. The amendments are effective for annual periods beginning on or after 1 January 2023.
- IAS 8 „ Accounting Policies, Changes in Accounting Estimates and Errors” standard modification
- Amendments to IAS 8 - Definition of Accounting Estimates to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 1 and IFRS Practice Statement 2 - 'Disclosure of Accounting Policies with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

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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.

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- 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.

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.

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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.

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.

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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.

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 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.

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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 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.

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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.

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.

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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 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 and 2022 after the year-end impairment tests of Futureal Development Holding Kft EUR 14 140 900 (in 2022) and EUR 5 939 253 (in 2021) impairment was reversed due to the subsidiary's increased 2022 and 2021 year-end equity value.

The same test was performed concerning all the other subsidiaries of the Company too as at 31 December 2022 and 2021.

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

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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 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 31.12.2022 | 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 | 88 871 | 0 | 0 | 0 | 0 |
| Liabilities to subsidiaries | 0 | 11 150 936 | 0 | 138 675 158 | 0 |
| Total | 88 871 | 11 150 936 | 0 | 138 675 158 | 0 |

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 |

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

Beside the above payable liabilities, the Company has also a guarantee liability in its balance sheet with a fair value amount of EUR 6 872 328 at 31 December 2022 (it was EUR 4 337 001 at 31 December 2021). Within the next five years, in the highly unlikely scenario, in total EUR 38 249 844 of guarantee nominal value might materialize.

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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.

4. Administrative expenses

| <i>In EUR</i> | 01.01.2022 – 31.12.2022 | 01.01.2021 – 31.12.2021 |
|--------------------------------------|--------------------------------|--------------------------------|
| Audit and bookkeeping costs | 155 040 | 173 061 |
| Company management fee | 77 205 | 50 336 |
| Other administration costs | 51 038 | 5 609 |
| Total administrative expenses | 283 283 | 229 006 |

In the 2022 and 2021 financial year, the following audit fees were charged by PricewaterhouseCoopers Könyvvizsgáló Kft (in 2022) and PricewaterhouseCoopers Accountants N.V. (in 2021) to the result in accordance with article 382a Title 9 Book 2 of the Dutch Civil Code.

| | 2022 | 2021 |
|--|-------------|-------------|
| PricewaterhouseCoopers Accountants N.V. | EUR 64 530 | EUR 61 000 |
| PricewaterhouseCoopers Könyvvizsgáló Kft | EUR 90 510 | EUR 0 |

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 2022 financial statements, regardless of whether the work was performed during the financial year.

No other services than audit services were provided in 2022 and 2021.

5. Other income

| <i>In EUR</i> | 01.01.2022 – 31.12.2022 | 01.01.2021 – 31.12.2021 |
|---|--------------------------------|--------------------------------|
| Partial reversal of prior year's impairment on investment in subsidiary | 14 140 900 | 5 939 253 |
| Total Other income | 14 140 900 | 5 939 253 |

At the end of 2022 and 2021 after the year-end impairment test of Futureal Development Holding Kft EUR 14 140 900 and EUR 5 939 253 impairment was reversed due to the subsidiary's increased 2022 and 2021 year-end equity value.

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6. Other expenses

| <i>In EUR</i> | 01.01.2022 – 31.12.2022 | 01.01.2021 – 31.12.2021 |
|------------------------|--------------------------------|--------------------------------|
| Guarantee expenses | 2 535 327 | 4 337 001 |
| Finance expense | 2 535 327 | 4 337 001 |

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 6 872 328 at 31 December 2022 and was EUR 4 337 001 at 31 December 2021. 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.

7. Finance income

| <i>In EUR</i> | 01.01.2022 – 31.12.2022 | 01.01.2021 – 31.12.2021 |
|---------------------------------------|--------------------------------|--------------------------------|
| Interest income | 2 609 027 | 821 928 |
| Realized and unrealized exchange gain | 19 447 | 4 009 |
| Finance income | 2 628 474 | 825 937 |

In 2022 and 2021 the interest income derived from related party loan receivables.

8. Finance costs

| <i>In EUR</i> | 01.01.2022 – 31.12.2022 | 01.01.2021 – 31.12.2021 |
|---------------------------------------|--------------------------------|--------------------------------|
| Bank charges | 4 958 | 5 745 |
| Interest expense | 5 248 426 | 1 270 267 |
| Realized and unrealized exchange loss | 7 529 | 6 |
| Total Finance costs | 5 260 913 | 1 276 018 |

In 2022 and 2021 the interest expense derived from related party loan liabilities.

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9. Subsidiaries

The Company had the following subsidiaries as of 31.12.2022 and 31.12.2021:

| Name | Incorporation and place of business activity | Direct shareholding of the parent (%) 31.12.2022 | Direct shareholding of the parent (%) 31.12.2021 |
|--------------------------------------|--|---|---|
| Futureal Real Estate Holding Limited | Malta | 99.901% | 99.903% |
| FRGP B.V. | Netherlands | 100% | 100% |
| Futureal Development Holding Kft. | Hungary | 100% | 100% |
| Hello Parks Group B.V. | Netherlands | 70% | 70% |
| Futureal Residential One S.á.r.l. | Luxembourg | 100% | n/a |
| FR-Investments B.V. | Netherlands | 100% | 100% |

| Name | Direct shareholding of the parent (EUR) 31.12.2022 | Direct shareholding of the parent (EUR) 31.12.2021 |
|--------------------------------------|---|---|
| Futureal Real Estate Holding Limited | 192 584 644 | 192 600 000 |
| FRGP B.V. | 10 | 10 |
| Futureal Development Holding Kft. | 139 530 075 | 125 389 175 |
| Hello Parks Group B.V. | 35 000 000 | 35 000 000 |
| Futureal Residential One S.á.r.l. | 17 390 | n/a |
| FR-Investments B.V. | 25 000 000 | 25 000 000 |
| Investments | 392 132 119 | 377 989 185 |

In 2022 Futureal Holding BV purchased a new subsidiary, Futureal Residential One S.á.r.l. from a related party seller.

In 2021 Futureal Holding BV established a new subsidiary, FR Investments B.V.

| Amounts in EUR | 01.01.2022 – 31.12.2022 | 01.01.2021 – 31.12.2021 |
|--|-------------------------|-------------------------|
| Opening balance | 377 989 185 | 347 049 932 |
| Acquisition | 2 034 | 0 |
| Foundation | 0 | 25 000 000 |
| Impairment (-) / Impairment reversal (+) of subsidiary | 14 140 900 | 5 939 253 |
| Closing balance | 392 132 119 | 377 989 185 |

In 2022 Futureal Holding BV purchased a new subsidiary Futureal Residential One S.á.r.l. from a related party for a purchase price of EUR 17 390, as well as a late adjustment was booked regarding the Futureal Real Estate Holding Ltd's acquisition price in a value of EUR -15 356.

Regarding Futureal Development Holding Kft after the 2022 year-end impairment test based on the subsidiary's total equity value Futureal Holding BV reversed EUR 14 140 900 impairment of subsidiary booked originally in 2020.

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.

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10. Financial instruments

| <i>In EUR</i> | Loans and other receivables | Loans and other receivables |
|---|--|--|
| Financial instruments | 31.12.2022 | 31.12.2021 |
| Long term receivables from related parties | 68 317 610 | 105 714 940 |
| Short term receivables from related parties | 3 445 205 | 821 928 |
| Cash and cash equivalents | 45 840 | 103 808 |
| Total | 71 808 655 | 106 640 676 |

As of 31 December 2022

In EUR

| Counterparty | Balance | Maturity | Interest rate | Currency |
|---|-------------------|------------------|----------------------|-----------------|
| FR Investments B.V. | 5 090 883 | within five year | 6,92% | EUR |
| FR UK Holdco 1 Limited | 46 849 | within five year | 6,92% | EUR |
| FRGP B.V. | 60 000 | within five year | 6,92% | EUR |
| Futureal Prime Properties Five Ingatlanfejlesztő Részalap | 2 328 000 | within five year | 6,92% | EUR |
| Futureal Prime Properties Four Ingatlanfejlesztő Részalap | 13 574 000 | within five year | 6,92% | EUR |
| Futureal Prime Properties One Ingatlanfejlesztő Részalap | 25 836 128 | within five year | 6,92% | EUR |
| Futureal Real Estate Holding Ltd | 13 037 146 | within five year | 6,92% | EUR |
| Spectrum Glasgow SPV Limited | 8 344 604 | within five year | 6,92% | EUR |
| Total | 68 317 610 | | | |

As of 31 December 2021

In EUR

| 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 |
| Spectrum Glasgow SPV Limited | 6 123 140 | within five year | 2,32% | EUR |
| Total | 105 714 940 | | | |

In EUR

| Liabilities | Other financial liabilities – Amortised cost | Other financial liabilities – Amortised cost |
|---|---|---|
| | 31.12.2022 | 31.12.2021 |
| Long term liabilities to related parties | 138 675 158 | 150 095 789 |
| Short term liabilities to related parties | 11 150 936 | 1 315 767 |
| Guarantees | 6 872 328 | 4 337 001 |
| Trade and other payables | 88 871 | 65 175 |
| Total | 156 787 293 | 155 813 732 |

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

As of 31 December 2022

In EUR

| Counterparty | Balance | Maturity | Interest rate | Currency |
|--|--------------------|------------------|----------------------|-----------------|
| Futureal Development Holding Ingatlanforgalmazó Kft. | 138 675 158 | within five year | 6,92% | EUR |
| HelloParks Group B.V. | 5 000 000 | within one year | 6,92% | EUR |
| Total | 143 675 158 | | | |

As of 31 December 2021

In EUR

| Counterparty | Balance | Maturity | Interest rate | Currency |
|--|--------------------|------------------|----------------------|-----------------|
| 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 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'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.

11. Receivables from related parties

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|---|-------------------|--------------------|
| Loans granted | 68 317 610 | 105 714 940 |
| Accrued interest receivables | 3 429 849 | 821 928 |
| Trader receivables from related parties | 15 356 | 0 |
| Total closing balance | 71 762 815 | 106 536 868 |

Closing balance includes:

| | | |
|------------------------------|-------------------|--------------------|
| Non-current assets | 68 317 610 | 105 714 940 |
| Current assets | 3 445 205 | 821 928 |
| Total closing balance | 71 762 815 | 106 536 868 |

The Company provided in 2022 eight and in 2021 five of its subsidiaries with interest bearing related party loans.

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12. Cash and cash equivalents

The cash and cash equivalents consists of the following items in the financial statement:

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|--|-------------------|-------------------|
| Cash at bank and in hand | 45 840 | 103 808 |
| Total cash and cash equivalents | 45 840 | 103 808 |

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

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|--|-------------------|-------------------|
| EUR | 45 599 | 103 643 |
| HUF | 121 | 165 |
| GBP | 98 | 0 |
| PLN | 22 | 0 |
| Total cash and cash equivalents | 45 840 | 103 808 |

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 A-.

13. Long term liabilities

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| Guarantees | 6 872 328 | 4 337 001 |
| Total closing balance | 6 872 328 | 4 337 001 |

The Company provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities to Futureal Development Holding Kft. 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 2022, nor in 2021.

(b) Long and Short term liabilities to related parties

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|--------------------|--------------------|
| Loans granted | 143 675 158 | 150 095 789 |
| Accrued interest liabilities | 6 105 436 | 1 270 267 |
| Other liabilities | 45 500 | 45 500 |
| Total closing balance | 149 826 094 | 151 411 556 |

Closing balance includes:

| | | |
|------------------------------|--------------------|--------------------|
| Non-current liabilities | 138 675 158 | 150 095 789 |
| Current liabilities | 11 150 936 | 1 315 767 |
| Total closing balance | 149 826 094 | 151 411 556 |

In 2022 and 2021 the short-term liabilities to related party balances consist of received interest bearing related party loans as well as in 2021 audit fee accruals against a related party.

15. Trade and other payables

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| Trade payables | 44 073 | 1 577 |
| Accrued expenses | 43 035 | 63 598 |
| Other payables | 1 763 | 0 |
| Total closing balance | 88 871 | 65 175 |

Accrued expenses consist of accrued audit and administrative expenses in both years.

16. Share capital and capital reserve

| | Share capital | Capital reserve |
|------------------------------|----------------------|------------------------|
| 31.12.2020/01.01.2021 | 342 000 000 | 0 |
| Share capital increase | 0 | 0 |
| 31.12.2021 | 342 000 000 | 0 |
| Share capital decrease | -30 352 500 | 0 |
| 31.12.2022 | 311 647 500 | 0 |

The share capital of the Company was decreased twice in 2022: on 29 September 2022 and on 4 November 2022. The company paid the liability to its owners via bank transfer during 2022.

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17. Accumulated deficit

| | Retained earnings |
|--------------------------------|--------------------------|
| 31.12.2020 / 01.01.2021 | -14 107 036 |
| Current year result | 923 165 |
| 31.12.2021 | -13 183 871 |
| Current year result | 8 689 852 |
| 31.12.2022 | - 4 494 019 |

The annual profit of EUR 8 689 852 (deriving mainly from impairment reversal of a subsidiary) 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 2022 and in 2021.

(b) Purchase of goods and services

There were no services purchased from related parties both in 2022 and in 2021.

(c) Sale of associate

In 2022 and 2021 there happened no such event in the company.

(d) Key management compensation

In 2022 the Company paid EUR 19 686 as key management compensation, while in 2021 there was no such compensation to key management personnel.

(e) Interest incomes and expenses

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| Futureal Prime Properties One Ingatlanfejlesztő Részalap | 1 048 919 | 273 023 |
| Futureal Prime Properties Four Ingatlanfejlesztő Részalap | 541 947 | 27 980 |
| Futureal Real Estate Holding Ltd | 474 083 | 474 806 |
| FR Investments B.V. | 434 083 | 44 366 |
| Spectrum Glasgow SPV Limited | 78 448 | 1 753 |
| Futureal Prime Properties Five Ingatlanfejlesztő Részalap | 31 353 | 0 |
| FR UK Holdco 1 Limited | 194 | 0 |
| Total Interest income | 2 609 027 | 821 928 |

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|--|-------------------|-------------------|
| Futureal Development Holding Ingatlanforgalmazó Kft. | 4 965 525 | 1 139 912 |
| HelloParks Group B.V. | 282 901 | 130 355 |
| Total Interest expense | 5 248 426 | 1 270 267 |

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(f) Balances with related parties at the end of the years

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|--|-------------------|--------------------|
| Long-term related party receivables from subsidiaries | 68 317 610 | 105 714 940 |
| Short-term related party receivables from subsidiaries | 3 445 205 | 821 928 |
| <i>Total</i> | 71 762 815 | 106 536 868 |

| <i>In EUR</i> | 31.12.2022 | 31.12.2021 |
|--|--------------------|--------------------|
| Parent liabilities | 0 | 45 500 |
| Long-term related party liabilities to subsidiaries | 138 675 158 | 150 095 789 |
| Short-term related party liabilities to subsidiaries | 11 150 936 | 1 270 267 |
| <i>Total</i> | 149 826 094 | 151 411 556 |

For further details on the related party balances as at the year-end please see Note 11 and 14.

(g) Dividend received from subsidiary

In 2022 and 2021 the Company received no dividend.

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 Development Holding Kft. 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 6 872 328 at 31 December 2022 (EUR 4 337 001 at 31 December 2021). 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.

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19. Events after the date of the statement of financial position

On 31st January 2023 The Futureal Development Holding Ingatlanforgalmazó Kft successfully issued bonds of EUR 125,000,000 aggregated face value in the course of a private placement.

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.


Board of Directors:



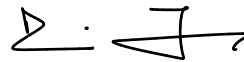
.....
Zsolt Balázsik



.....
Steven Melkman



.....
Astrid van Groeningen



.....
János Berki

Amsterdam, 26 April 2023

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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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