

2023 Annual Report

Futureal Holding B.V.

FUTUREAL

HOLDING

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Message from the Board of Directors



Zsolt Balázsik
Member of the Board /
Director



Astrid van Groeningen
Member of the Board /
Director



Steven Melkman
Member of the Board /
Director



Dr. Janos J. Berki
Member of the Board /
Director

During 2023, the real estate sector went through a major slow-down globally, primarily driven by massively increased interest rates and by the structural shock suffered by the office market due to hybrid work. The investment market had been mostly frozen during the year. However, we began to see the light at the end of the tunnel as rates have improved markedly at the end of October, when it became clear that central banks' inflation fight has achieved major victories across the globe.

As the previous year closed and we started to see the inflation-shock and anticipated potential deep repricing in certain sectors, we have quickly moved to issue some fixed-rate, long-term bonds and curbed our development plans in the office sector and our investment plan into the UK social housing sector (anticipating falling prices and worsening credit conditions) and re-focused instead on improved asset management of our properties. These efforts have been highly successful, Etele Plaza has achieved significant footfall and turnover growth (despite significantly falling consumer spending in Hungary) and we have increased our office occupancy as well.

Despite the general market turmoil, our HelloParks industrial and logistics development platform has continued to dynamically develop new large-scale buildings and our enthusiasm was rewarded by strong tenant demand and unchanged interest from financing banks. We have delivered over 175,000 sqm GLA of new buildings and launched construction of further 145,000 sqm GLA in 2023. HelloParks has also leased over 150,000 sqm GLA to major tenants including BYD, DHL, Ge-

brüder-Weiss, Samsung, DM drogerie markt, Transdanubia and ACE that all contributed to achieving a market-leading 40% share in new developments.

Our opportunistic investment platform, Futureal Investment Partners has progressed with office repositioning projects and has made a major new acquisition. Wratislavia Tower achieved 100% occupancy, over 9yr WAULT and obtained BREEAM certificate (In-Use Excellent level). We have acquired Lipow Business Park, offering 40,000 sqm of vacant office space in Warsaw. We have successfully resold half of the project in Q1_2024.

In January of 2023, last minute before the major blow-out of rates, we issued a 125 million EUR long-term bond at reasonable pricing (6.56%) and with flexible callability.

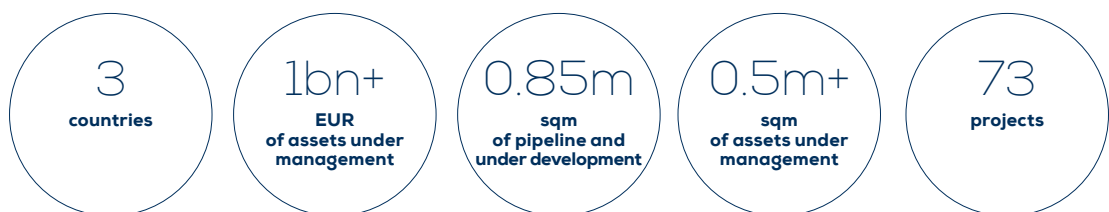
We have made it a priority to increase and intelligently invest Futureal Holding's significant liquidity reserves. Those investments will only partially appear as "cash equivalents" on our balance sheet as we are implementing a globally diversified short and medium-term liquidity management strategy with primary focus on credit and market neutral investment strategies.

We are confident that the long-term, predominantly fixed-rate nature of our project level loans and corporate bonds (where we have locked in the extremely low interest rates of the QE era), combined with a significant war-chest of cash and liquid financial assets (that now actually yield returns) gives us the stability to ride out and to opportunistically take advantage of this new market reality.



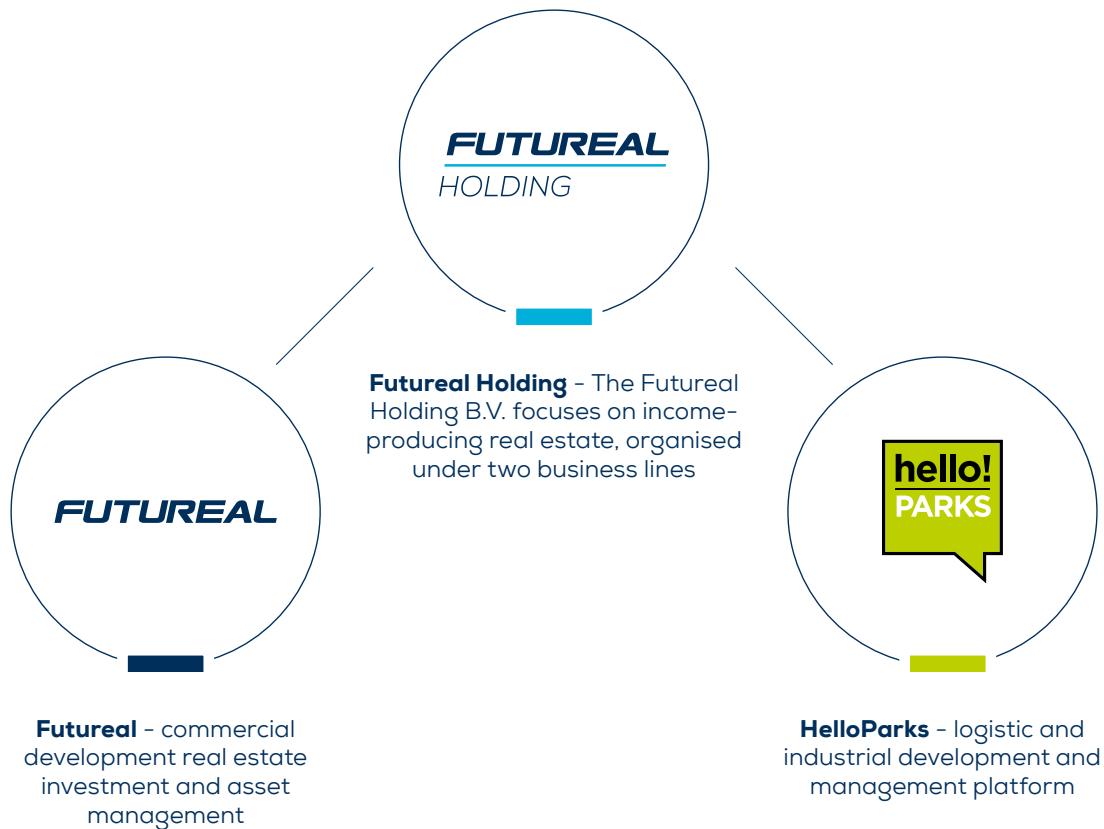
2 Futureal Holding

Futureal Holding has grown to become one of the leading diversified commercial real estate developers and investment managers in Central Europe. We have 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 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 whole of 2023 Futureal Holding's financial results leveraged on stable performance of the Hungarian and Polish office and retail assets and continuous growth of HelloParks platform. Profit for the year was impacted by slower investment activity of Futureal Holding as a result of overall economic slow-down.

Futureal Holding Financials

How we performed

Year 2023 was from financial perspective impacted by many factors. The continued strong increase in Gross Profit compared to prior years is a confirmation of Futureal Holding executing on its target to build robust cash generating base of high quality and well performing operating assets. Rental Income from Futureal Holding's portfolio reached EUR 48.9 million compared to EUR 34.2 million in 2022. On the other hand, careful approach to investments and decision to put on hold some of the planned projects together with pressure on valuation yields resulted compared to 2022 to lower Gain on Investment Properties and thus Operating Profit.

Gross Profit of Futureal Holding exceeded EUR 41 million with the growth compared to the same period of 2022 driven by stable performance of existing and newly delivered assets as well as indexation of the rent which was accepted by the tenants. Futureal Holding has closed 2023 with operating profit touching EUR 45 million which is decrease compared to 2022. As already noted in the semi-annual report the main driver being lower gain on investment properties. Net Finance profit/(loss) of Futureal Holding shows increase of Interest Expenses. Those are interest expenses related to newly drawn down loans for HelloParks projects as well as inter-



David Hendrych

CFO and COO

est expenses related to long-term unsecured green bonds issued in a private placement in January 2023. The un-realized FX loss presented in semi-annual report on revaluation of Hungarian forint denominated bond liability was partly corrected towards the year end due to weakening of Hungarian forint.

Futureal Holding maintains its strong capital position as well as continues with conservative approach to liquidity management.

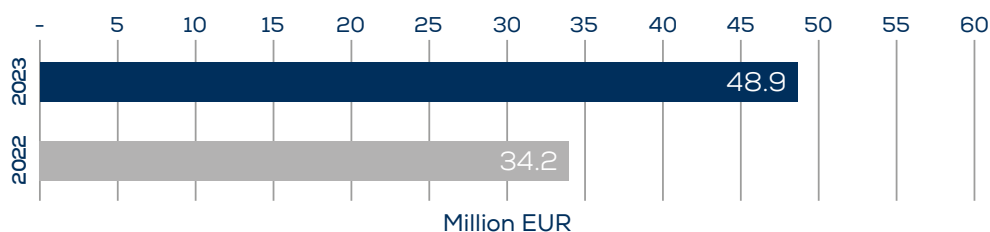
Futureal Holding B.V.

General Data (thousands of EUR)	2023 YE	2022 YE
Investment and Development Property	1,061,382	969,111
Financial Investments in Real Estate Businesses	47,601	40,818
Cash and cash equivalents	131,459	242,424
Financial Investments*	82,142	N/A
Total Assets	1,544,965	1,449,754
Total Equity	405,369	488,571
Equity attributable to shareholders	321,018	408,953
Bank Borrowings (drawn down)	513,742	461,649
Debentures (bond related liabilities)	445,874	299,369
Net Consolidated Debt	748,456	451,994
Adjusted Net Loan to Value	53.6%	39.8%
Operating Profit	44,758	67,613

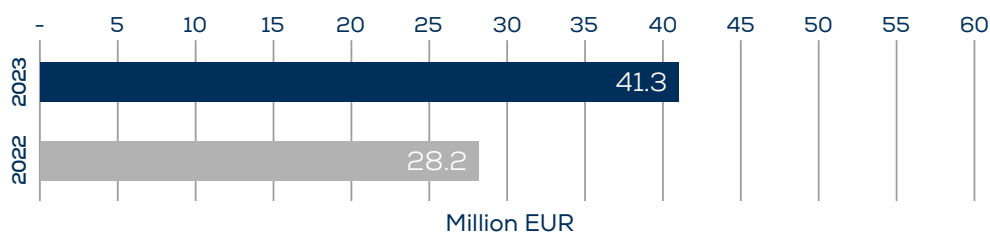
*Assets in short and medium term financial investments held with the view of creating additional reserves for the repayment of bonds (not including Cash and Cash Equivalents)

Financial Highlights

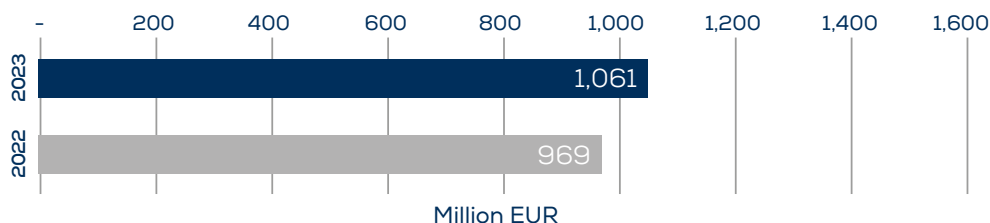
Rental revenue



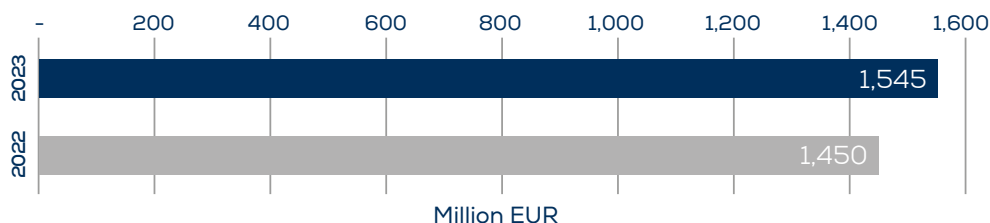
Gross profit



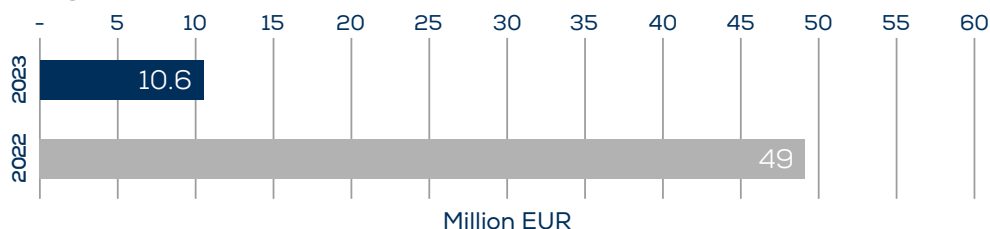
Total Investment and Development Value



Total assets



Net gain on IP



- ✔ EUR 654 million bank financing secured (EUR 514 million outstanding). Interest rate risk hedged for 99% of the loans.
- ✔ **Adjusted Net Loan to Value ratio at 53.6%**, bank covenants met*.
- ✔ **Bond debt to equity undertaking ratio covenants met.**
- ✔ **Bank financing secured for most of the on-going projects.**

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

Financial Performance in 2023

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

Rental revenue

Rental revenue significantly grew to EUR 48.9 million in 2023 from EUR 34.2 million in 2022. The increase in revenue compared to 2022 was related to rental income from full year for Budapest ONE Phase 2 and Phase 3 projects, successfully (in March 2023) handed over Phase 1 of Corvin Innovation Campus and warehouse buildings delivered by HelloParks (apart from Maglod 1 and Fot 1 also Maglod 3, Fot 6 and Paty 1).

Service revenue

Increase in Service (Other) revenue follows increase in rental revenue ended at EUR 30.6 million in 2023 compared to EUR 21.9 million in 2022.

Net gain on IP

The net gain on investment properties as at 2023 year end amounts to EUR 10.6 million. The decrease compared to prior years is a result of slow down in development activity of Futureal Holding (except of HelloParks) and also pressure on yields due to current market situation.

Cost of sales

Cost of sales were EUR 38.9 million in 2023 versus EUR 28.2 million in 2022. This increase reflects the dynamics of increase of the size of real estate portfolio of Futureal Holding.

Gross profit

Gross profit increased to EUR 41.3 million in 2023 versus EUR 28.2 million in 2022 reflecting on the increased scope of rental operations.

Operating profit

Operating profit reached EUR 44.8 million in 2023 versus 67.6 million in 2022. The change

is on one hand result of positive impact of profit from rental operations, on the other hand lower 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 reached EUR 13 million in 2023 versus 30.3 million in 2022. This change is a result of lower Net Gain on IP and Interest Expenses on newly issued bonds and newly drawn down bank loans.

Total comprehensive profit/loss for the period attributable to owners of the parent

Total comprehensive profit/loss for the period attributable to owners of the parent ended at loss of EUR -16.4 million in 2023 versus profit of EUR 86.4 million in 2022. This significant difference is a result of 2022 being impacted by Other Comprehensive Income ("OCI") from hedging Futureal Holding has in place for its interest expenses. The increased interest rates in 2022 resulted in fair value increase of the IRS swaps which are reflected in OCI. On the other hand, decreasing market interest rates during 2023 triggered a fair value decrease of the IRS swaps therefore the OCI decreased creating a loss in total comprehensive profit/loss.

Investment and Development Property

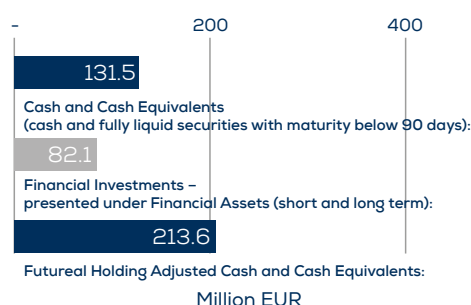
The value of investment and development property increased to EUR 1,061 million at the end of 2023 compared to EUR 969 million in 2022 year end. This increase is attributable primarily to the investments into Futureal Holdings' warehouse assets delivered by Futureal logistics platform HelloParks.

Financial Performance in 2023

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

Cash and cash equivalent

Cash and cash equivalents were at EUR 131.5 million at the end of 2023 showing decrease from EUR 242.4 at the end of 2022. This decrease reflects a decision by Futureal Holding to manage its liquidity to generate attractive risk-adjusted returns from its cash reserves (Financial Investments) while maintaining a high level of liquidity appropriate to Futureal Holding operating needs and the maturity schedule of financial liabilities. Those instruments are included in financial assets of the company. From management perspective the liquidity of the company breaks down as follows (Futureal Holding Adjusted Cash and Cash Equivalents):



Total assets

Total assets increased to EUR 1,545 million at end 2023 compared to EUR 1,450 million at the end of 2022 reflecting the investments done during the year.

Loans and Borrowings

As of end of 2023, despite the challenges in the banking markets, Futureal Holding had managed to have its on-going projects financed through 3rd party banks. Out of the total amount of EUR 654 million of facility agreements concluded, EUR 540 million was drawn and 514 million is outstanding. The main partner banks of Futureal Holding are Unicredit Bank (total facilities of EUR 152.9 million), Erste Bank (total facilities of EUR 218 million) and MKB Bank (total facilities of EUR 79.8 million).

*For calculation please refer to note 17(h) Bonds.

Net assets attributable to non-controlling investment unit holders

Net assets attributable to non-controlling investment unit holders of EUR 85.4 million as of end 2023 increased compared to 2022 year end which closed at EUR 59.6 million. The increase is attributable to the increase in the value of underlying business lines with minority shareholders and the new structured capital raised for the Corvin Innovation Campus Phase 2.

Equity attributable to equity holders of the parent

Equity attributable to equity holders of the parent decreased to EUR 321 million at year end 2023 from EUR 409 million at year end 2022. This change is result of capital reduction of Futureal Holding done in Q3 2023 and the comprehensive profit/loss result.

Bond debt to equity undertaking ratio

Bond Debt to Equity Undertaking Ratio defined as Total Net Issuer Bonds and Other Borrowings / Consolidated Equity was as of 2023 year end at 0.78 for FUTURE2031 & FUTURE2036 bonds and at 0.74 for FUTURE2038/1 bonds*. If Financial Investments (investments made to manage Futureal Holding's liquidity that are not qualified as Cash and Cash Equivalents or Government Bonds) would have been redeemed at 2023 year end, the Bond Debt to Equity Undertaking Ratio would be at 0.57.

Loan to value ratio

The Net LTV ratio was at 56.4% at the end of 2023. The Adjusted Net LTV ratio, reflecting on the Financial Investments, was at 53.6%.



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, office and logistics real estate developers and investment managers with completed projects, including those exited, covering 750,000 sqm of GLA with a total value in excess of over EUR 2 billion and operating assets under management over EUR 1 billion.

Management Overview

Retail

The whole year of 2023 is marked by continuous focus of Futureal Holding on stabilization and growth of Etele Plaza which results into strong performance of the Shopping Center especially in comparison with its competitors and taking into account current economic and market environment. Both footfall and turnover of the plaza continue to grow compared to prior years (approximately 20% year on year for footfall and 30% year on year for turnover). Occupancy of Etele Plaza is stable over 96%.

High Street Retail portfolio of Futureal Holding delivered stable NOI during 2023 with occupancy over 90%.

Both of Futureal Holding's Polish shopping centers, Galeria Bemowo in Warsaw and Manhattan SC in Gdansk, continued to operate stably and met their targets in 2023.

Office

During 2023 Futureal Holding focused on further leasing-up of its office portfolio projects. Budapest ONE buildings secured many small and medium size occupiers including Partner in Pet, NuFarm, FalCon and BiztUp. In the second half of the year Budapest ONE (Phase II) successfully closed its negotiation with ORLEN, the petrol company, reaching 87% overall occupancy (88% for office premises). After delivery of the Corvin Innovation Campus (CIC) premises to its anchor tenant (IBM) in March 2023, Futureal Holding continued leasing the remaining part of the building and signed a lease agreement with Turbine, a research company, and Teladoc, a health service provider in second half of the year.

Futureal Holding initiated over its office portfolio many operational cost saving programs in co-operation with tenants to reduce energy usage and setting the path to a greener and more sustainable future office building. Futureal Holding committed to:

1. Increasing the usage of renewable energy,
2. Reducing the cost of operation with tighter property and facility management processes, and



Karol Pilniewicz

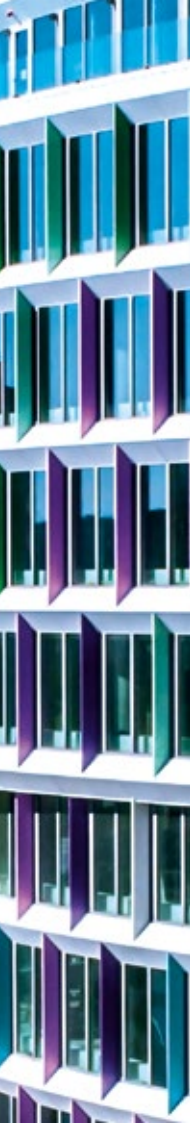
CEO Futureal

3. Educating tenants how to reduce electricity and central heating consumption of their operations in Futureal Holding properties.

Results are already showing, pleasing Futureal Holding customers.

In Wroclaw, the Wratislavia Tower has achieved full commercialization by signing a 15-year lease contract with a hotel operator. The premises are expected to be delivered by the end of 2024. In Warsaw, the Lipowy Office Park, a 40,000 sqm project, was acquired in second half of 2023. Two, out of four towers were successfully sold in Q1_2024. The new owner will convert the project into other use to keep mixed used initial concept of the product, the whole project is expected to achieve BREEAM excellent in use certification.

Futureal Holding keeps pursuing its ESG targets that seem to resonate with both the office tenants and investors alike. In-house sustainability team of young and yet experienced professionals aims the highest levels of certificates (BREEAM, WELL Building Standard, Access4you) and makes sure that each and every property in the portfolio is compliant with the EU Taxonomy and fits with the CRREM curve for future generations. Futureal Holding puts endless hours of work and effort as well as large investments into new technologies, linking to renewable resources and close co-operations with clients, partners and third party service providers.



Futureal Key Projects

Etele Plaza

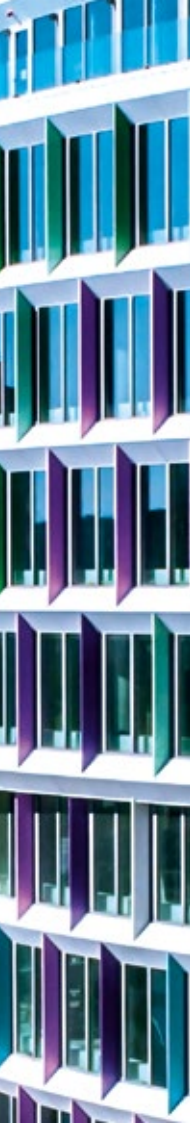
A unique shopping centre with over 150 units on three floors at 96.2% occupancy. As well as fashion stores, the centre also features a large supermarket, multiplex cinema and a range of entertainment facilities. The area is an ideal point for transit traffic due to Budapest's largest multi-modal public 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
- 1,300 on-site parking units
- Smart solutions (application, Ariadne system, LED screen, Pepper robot, and other digital solutions)





Futureal Key Projects



Budapest ONE

A 66,500 m² office park with a unique façade and structural design located at Órmező, Hungary's largest transportation hub

Project highlights:

- Total GLA: 66,500 sqm
- High quality working environment (WELL Platinum, BREEAM Very Good/Excellent certified)
- Sustainable solutions
- Smart car park
- Complete Retail, Dining and Sports offering
- Unprecedented Visibility
- Multinational tenants from the telecommunications, computing and pharmaceutical sectors

“Budapest ONE was an excellent choice for Roche thanks to its prime location, offering convenience and accessibility to various amenities and transportation options for our colleagues.”

Roche

“Budapest ONE really provides everything that can be expected from a modern and sustainable office, and even more.”

Vodafone

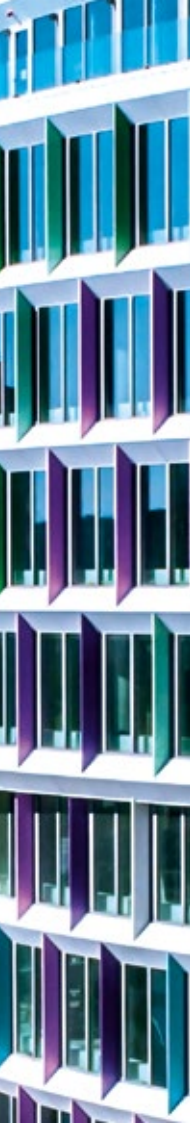
“There are many shops and services of Budapest ONE, the Etele Plaza shopping and entertainment center is within walking distance.”

Oracle

“The building itself is a really impressive one, appreciated by both our associates and also by our clients.”

Unisys





Futureal

Key Projects

Corvin Innovation Campus

Corvin Innovation Campus – office complex with a groundbreaking design extending the Corvin 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.

Project highlights:

- Located in the neighbourhood of the iconic Corvin Promenade
- Total GLA: 31,800 sqm
- High quality working environment (BREEAM Excellent Design Stage, WELL Platinum Precertification)
- 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 TENANT OF CORVIN INNOVATION CAMPUS



Futureal

Key Investments



Wratislavia Tower Wrocław, Poland

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 currently being refurbished with majority of works to be finished by the end of 2023. Advanced negotiations are held with potential tenant for the remaining vacant space.

Galeria Bemowo Shopping Centre Warsaw, Poland

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, Gdańsk, Poland

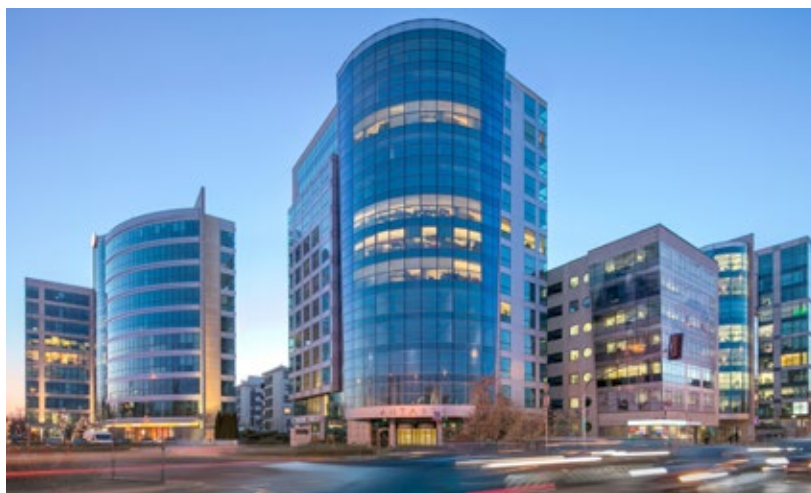
25,570 sqm shopping centre located in the Wrzeszcz area of Gdańsk with 120 shops and a 360-space car park, anchored by the Eurospar supermarket, Sinsay, Rossmann and Pepco.

Futureal

Key Investments

Antares Warsaw, Poland

13-storey office building offering 9,400 sqm of total rentable space, together with 229 underground parking spaces located in Warsaw at Marynarska Street, providing an excellent location with easy access by public transport.



Spectrum Building Glasgow, United Kingdom

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 sqm of office and retail accommodation.



Lipowy Park, Poland

Lipowy Park includes four 9-storey buildings totaling 39,121 sqm of office accommodation plus 449 underground parking spaces.

The complex is located at Żwirki i Wigury 31 Street in Warsaw. On October 13, 2023 Futureal signed a preliminary sale agreement for the sale of 2 of the 4 buildings and closed this divestment in March 2024.



6

HelloParks

HelloParks is an innovative industrial real estate development company, that uses environmentally friendly, sustainable, and high-quality engineering solutions to create futuristic megaparks that provide long-term value for its partners. Since its foundation HelloParks has been present in four locations, Maglód (Budapest Airport), Fót (Budapest North), Páty (Budapest West) and Alsónémedi (Budapest South) where it works on the development of more than 1 million sqm of warehouse and industrial space on a total of 243 hectares. The total gross development value of delivered and ongoing projects is close to EUR 455 million.

Management Overview

During the company's first three 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 2023 HelloParks was working on the development and preparation of more than 1 million sqm GLA warehouse and industrial space meeting extremely high sustainability criteria on 243 hectares in four strategically important locations around the Hungarian capital: Maglód (Budapest Airport), Fót (Budapest North), Páty (Budapest West) and Alsónémedi (Budapest South). In 2023 HelloParks delivered 175,000 sqm industrial space and launched the construction of further 145,000 sqm that are expected to be delivered during 2024 and the first quarter of 2025. HelloParks' first two buildings in Maglód and Fót were leased up in record time, while this year's completions of MG3 building in Maglód, FT6 and FT2 buildings in Fót and PT1 building in Páty have granted signed lease agreements exceeding 250,000 sqm overall for the company. For PT2 and PT3 high volume pre-lease agreements have already been signed during H2 of 2023 with growing demand showing for ongoing projects of AN1 and MG4 as well.

Sustainability plays a defining role in HelloParks activities with focus on reducing greenhouse gas emissions, improving energy savings, and targeting carbon neutrality. In addition to protecting the environment, HelloParks teams are also committed to mental and physical health preservation and social responsibility. That is why HelloParks' ESG targets have been defined to achieve the climate goals set by the United Nations and detailed climate neutrality roadmap has been developed until 2035.



Rudolf Nemes

CEO, Co-Founding Partner
HelloParks

This includes that HelloParks develop buildings from the design stage to meet the highest, Outstanding level of the BREEAM New Construction category, and the requirements of the EU Taxonomy. Furthermore, from 2028, HelloParks aim to make the new developments' operations become Net Zero, using 100% renewable energy. By 2030 HelloParks are to decrease developments' embodied carbon by 50% compared to current base values.

Ultimate goal for HelloParks team is to achieve climate neutrality in the entire supply chain in relation to Scope 1, 2, and 3 emissions by 2050.

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 ring road and with endless extension option. Competitive closed-book service charges and buildings with the highest BREAAAM New Construction rating in Hungary provide a solid ground to run a business in the most sustainable logistic building in Hungary where utility consumptions are promptly visible and can be adjusted and set in real time mode via the HelloParks Application. With MG3 receiving its occupancy permit at the beginning of 2023 now there is more than 92,000 sqm of lettable space available in Maglód out of which more than 67,000 has already been let to a variety of logistic and industrial occupiers.

Park size

46 ha

Development potential

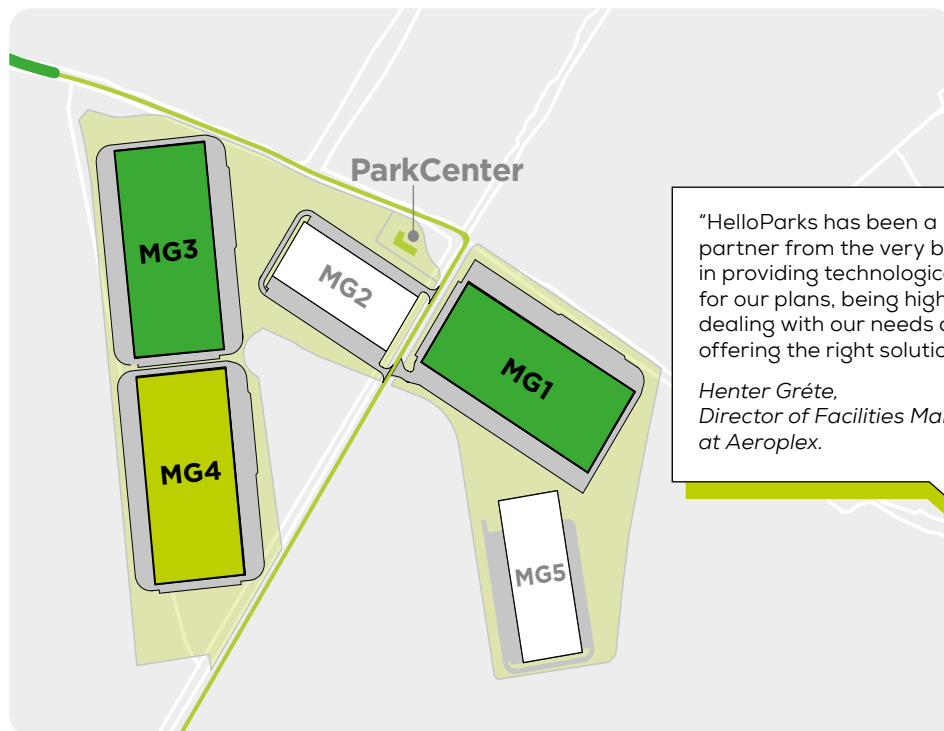
200,000+ m²

Max building height

18 m (up to 40 m)

Completed buildings – MG1, MG3

92,000 m²



“HelloParks has been a reliable partner from the very beginning in providing technological support for our plans, being highly flexible in dealing with our needs and always offering the right solution”

*Henter Gréte,
Director of Facilities Management
at Aeroplex.*

 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 1,000 sqm is an attractive location for those requiring a smaller area than the 3,300 sqm minimum unit of the classic Big Box logistic assets. The Fót megapark has been an attractive location for Asian light industrial companies. As FT1, FT6 and FT2 had been completed, immediate demand could meet supply of c. 36,000 sqm for all types of tenant needs.

Park size

76 ha

Development potential

255,000 m²

Max building height

15m

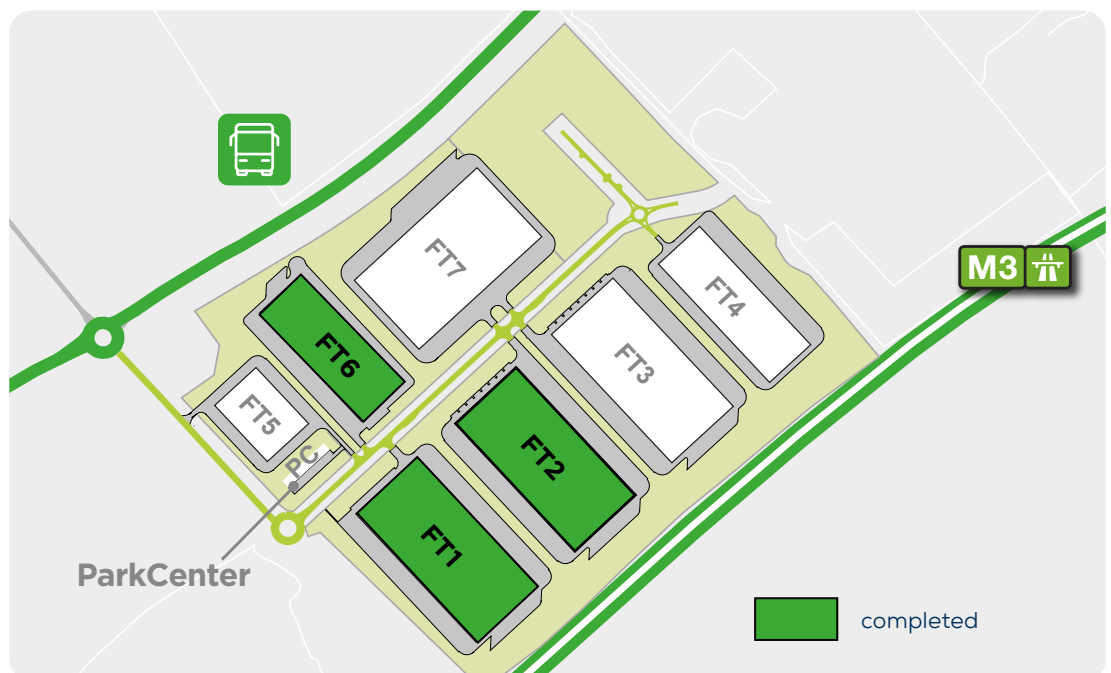
Completed buildings – FT1, FT6, FT2

118,000 m²



“We’ve had an excellent relationship with HelloParks for a long time, as we rent our warehouses in Fót in their innovative and environmentally friendly industrial park. We value our partnership and are grateful to work with such a modern-minded and responsible team on a daily basis.”

*Viktor Varga,
Business Development Director of K&V Kft.*



Key Projects

HelloParks Páty (Budapest West)

The HelloParks Budapest West site is with 108 Ha of land and almost 400,000 sqm development potential the biggest site within the portfolio. The location has direct access to the busiest highway of Hungary connecting Budapest with Vienna and Bratislava. The first warehouse of the site was handed over in Q3 2023. The PT1 building with its 58,000 sqm GLA has been delivered according to the latest standards by being one of the greenest warehouses in Hungary. The building has already been 90% leased within six months of obtaining occupancy permit. The attractiveness of the location is proven by the continuous demand for high volume logistics space as HelloParks teams were able to sign pre-leases of 31,000 sqm and 24,000 sqm for PT2 and PT3, respectively. Both buildings' construction has already been under way with PT2 expected to obtain occupancy permit in Q2 2024, followed by PT3 in Q4 2024.



Park size

108 ha

Development potential

392,000 m²

Max building height

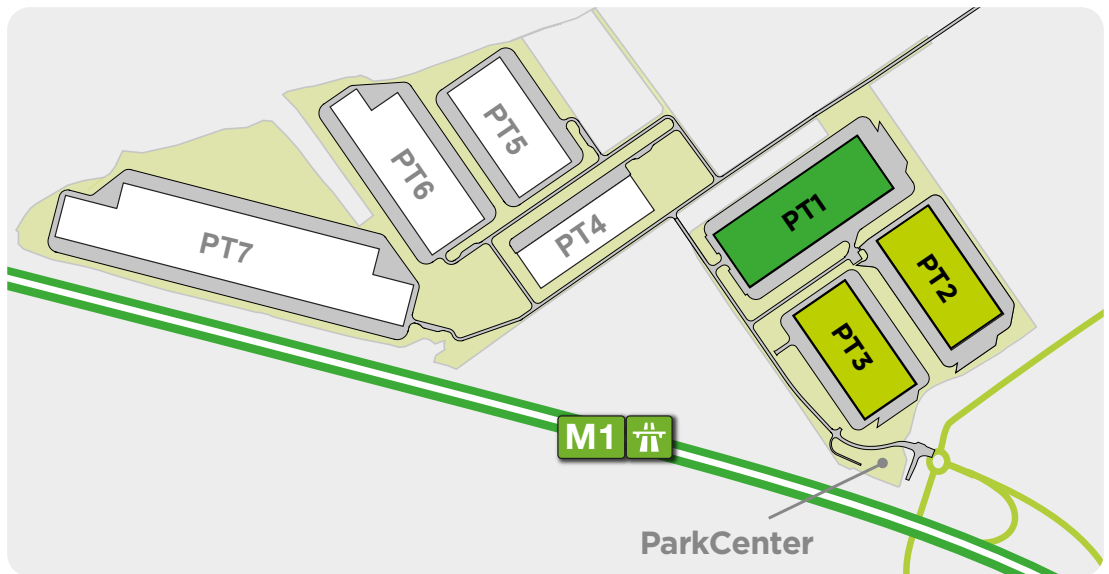
20m

Completed building – PT1

58,000 m²

“After considering several locations to relocate our international private label warehouse, we decided on the HelloParks site in Páty. When making our decision, we took into account several important factors, including the support and expertise of the developer, the location of the property with regards to retaining our current workforce, and ensuring the sustainable operation of the building”

András Görgey,
Managing Director of dm Kft.



 completed  under construction

Key Projects

HelloParks Alsónémedi (Budapest South)

Located on an area of 135,000 square meters, HelloParks Alsónémedi is HelloParks' latest real estate investment. The building to be developed in the southern submarket of Budapest is located in the popular commercial zone, close to the intersection of the M0 and M5 highways and the BILK container terminal. Thanks to the development, HelloParks will be present in another key location after Fót, Maglód and Páty with industrial real estates, giving the company full coverage of the Hungarian capital's surrounding area. The construction of a 60,000 sqm Big Box building on the Alsónémedi plot has already started, which will be the company's largest project to date. Sustainability and energy efficiency are priorities in HelloParks' investments. To this end, similarly to the ongoing developments, the AN1 hall will be built according to the strictest criteria of the New Construction category of BREEAM sustainability standard to achieve the Outstanding rating and it will be in line with the EU Taxonomy requirements. The construction is expected to be completed in the first quarter of 2025.



Park size

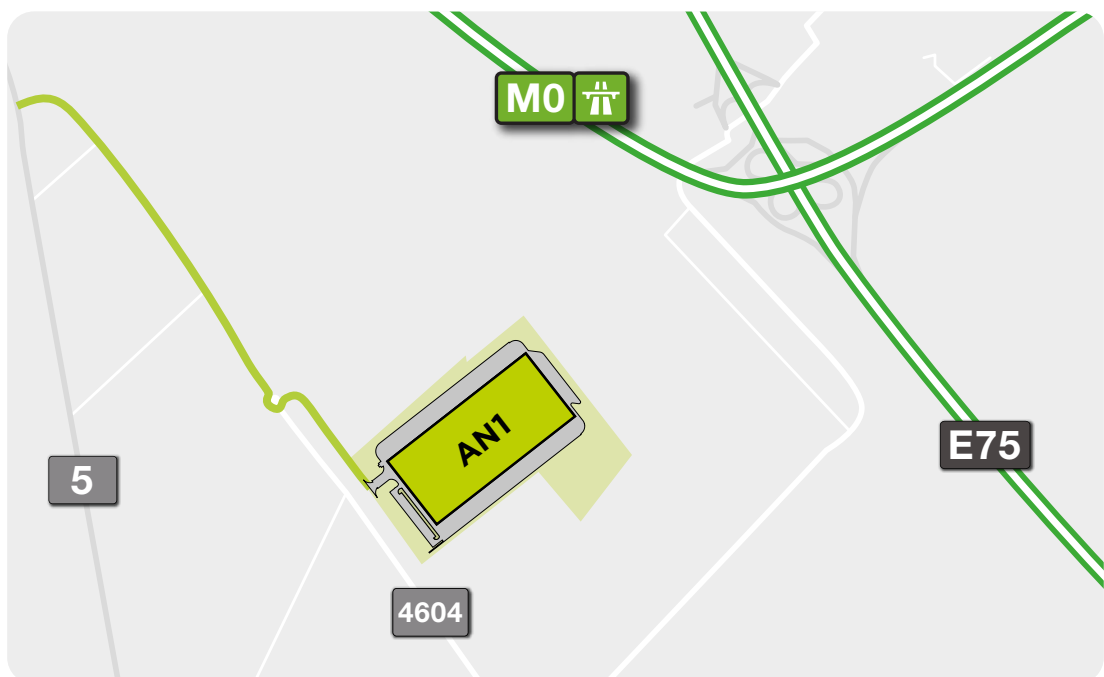
13 ha

Development potential

60,000 m²

Max building height

20m



 under construction

Key Projects

PHASE	COMPLETED					
Building	Maglód MG1	Fót FT1	Maglód MG3	Fót FT6	Fót FT2	Páty PT1
Size GLA (sqm)	46,272	45,818	45,394	26,208	45,298	57,763
Storage Height (m)	10.0	11.7	11.7	8.0	11.7	11.7
Occupancy	100%	100%	46%	55%	46%	90%
BREEAM	Excellent	Excellent	Outstanding	Outstanding	Outstanding	Outstanding
Total	266,753 m²					

PHASE	UNDER CONSTRUCTION			
Building	Páty PT2	Páty PT3	Alsónémedi AN	Maglód MG4
Size GLA (sqm)	41,940	42,732	60,000	45,000
Storage Height (m)	11.7	11.7	11.7	11.7
Occupancy	76%	59%	0%	0%
BREEAM	Outstanding	Outstanding	Outstanding	Outstanding
Total	189,672 m²			



7 2023 Market Update

The global economy has been grappling with significant pressures over recent years, beginning with the onset of the pandemic and compounded by the economic repercussions of the Russian invasion of Ukraine. These challenges manifest in various forms, including escalating utility prices, heightened costs of financing, inflationary trends, uncertainties in tenant demand, and disrupted supply chains. Consequently, the real estate sector has borne a substantial brunt of these adversities.

Throughout 2023, investment activity in real estate experienced a pronounced slowdown, with the office sector particularly affected. This persistent pressure has accentuated divergence in performance between high-quality A class real estate assets and their counterparts. Notably, there is a discernible redefinition underway within the A class real estate segment, where traditional parameters such as location, tenant quality, and amenities are complemented by an increasing emphasis on various Environmental, Social, and Governance (ESG) criteria. In light of these challenges, it becomes imperative for real estate stakeholders to adopt a strategic response characterized by resilience and adaptability. Futureal Holding acknowledges the evolving landscape and remains committed to proactively addressing these dynamics. Through a focus on high-quality assets and a robust integration of ESG considerations, Futureal Holding aims to navigate the prevailing uncertainties while capitalizing on emerging opportunities in the real estate market.

2023 Market Update

Office Market

Amidst the geopolitical challenges having significant influence on global real estate markets, the office market is witnessing a confluence of critical dynamics. Numerous companies are undertaking substantial re-vamping and reorganization of their office spaces to better align with the evolving work landscape. The proliferation of hybrid work arrangements, accelerated by the COVID-19 pandemic, underscores the imperative for flexible office spaces capable of accommodating both remote and in-person work modalities.

In response, there is a growing emphasis on optimizing occupied space, leading to preferences for renegotiating lease terms or exploring new locations. This strategic shift is perceived as a prudent and efficient organizational solution, enabling companies to maintain smaller office footprints while retaining strategic urban locations.

Furthermore, the volatility in energy prices is significantly impacting the operational expenses of office buildings. Both landlords and tenants are actively seeking technological interventions to mitigate these costs, enhance energy efficiency, and embrace renewable energy strategies. Such initiatives seamlessly align with comprehensive Environmental, Social, and Governance (ESG) strategies adopted by companies.

Despite the formidable challenges confronting the office market, Futureal Holding stands well-positioned to harness these dynamic shifts. By steadfastly prioritizing sustainability and employee welfare, the company is adeptly navigating the evolving landscape, thereby contributing to a resilient and forward-looking real estate sector.



Industrial Market

Despite the rapid expansion of modern industrial and logistics space in recent years, persistent inflationary pressures, weak currency, and structural shifts in financing have resulted in escalating construction costs, thereby constraining future growth and contributing to gradual rent increases. In the Greater Budapest area, prime rents remained resilient in the fourth quarter of the year, hovering between EUR 5.75 per sqm and EUR 5.90 per sqm, reflecting a noteworthy 5% year-on-year uptick.

Futureal Holding foresees continued growth in the industrial market, buoyed by several key factors. The influx of foreign direct investments (FDI) into Hungary and the ongoing trend of production relocation from conflict-affected regions back to Europe position the manufacturing sector as a primary catalyst for the warehouse and industrial market. Notably, the addition of over 350,000 sqm of new logistics space to the Hungarian stock during 2023 underscores the market's resilience and potential for expansion.

However, despite the robust influx of new supply, significant challenges persist. The substantial pipeline of upcoming developments, coupled with the influx of stock over the past few years, is expected to exert pressure on outdated and inefficient properties, potentially tempering the current cycle of rent growth in 2024. Nevertheless, a considerable portion of pipeline is already pre-leased, ensuring that available supply levels remain at healthy levels.

As the industrial market continues to evolve, Futureal Holding remains steadfast in its strategic focus on sustainable development and proactive response to market dynamics. By aligning its operations with ESG principles and delivering high-quality, energy-efficient facilities, the company is poised to capitalize on emerging opportunities while mitigating potential challenges, thereby delivering long-term value to stakeholders and fostering sustainable growth in the industrial sector.



Retail market

The retail property market remains in a perpetual state of evolution, largely propelled by technological advancements. Retailers are increasingly prioritizing the seamless integration of online and in-store experiences, evident in initiatives such as buy-online-pick-up-in-store (BOPUS) services and self-checkout systems. Moreover, there is a discernible shift towards leveraging digital technologies such as dynamic signage, AI-driven personalization, and augmented/virtual reality to enrich the overall customer journey within physical stores.

Concurrently, sustainable development is assuming greater significance among both retailers and consumers alike. This heightened focus on sustainability has engendered a surge in interest in Environmental, Social, and Governance (ESG) practices among landlords and tenants in the retail sector.

Futureal Holding's dedication to ESG integration underscores its proactive stance towards fostering a more sustainable future. By aligning its operations with sustainable practices, the company not only contributes to environmental preservation but also realizes tangible cost savings, which accrue benefits for both the organization and its tenants.

As the retail property market continues to evolve, Futureal Holding is well-positioned to capitalize on emerging opportunities by embracing technological innovation and sustainable development. Through its steadfast commitment to ESG principles and ongoing efforts to enhance operational efficiency, Futureal Holding is poised to maintain its competitive edge and deliver long-term value to stakeholders amidst the dynamic retail landscape.





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.

Sustainability

Green Financing

In line with its commitment to support sustainable development, Futureal Holding (through its subsidiary Futureal Development Holding Kft.) issued a total of EUR 125 million, long-term, amortizing, unsecured green bonds by private placement in January 2023 (FUTUREAL2038/I, Futureal Development Holding Kft. issuer, Futureal Holding B.V. guarantor). The bonds were issued in line with Futureal Holding Green Finance Framework and are addition to the green bond issue (2021) and its tap issue done in 2022 (FUTUREAL2031). Proceeds from this new bond issue are being (similarly to previous issuances) used to finance eligible projects with clear environmental benefits.



Rezső Ezer

Director of Transactions and Investor Relations

Impact Report

Futureal Holding, as part of its Green Financing Framework, committed to report (“Impact Report”) on impact metrics, including type of certification and degree of certification, estimated annual GHG emissions avoided (in tCO₂e) or estimated energy savings (in MWh) for green buildings and expected annual renewable energy generation (MWh) and installed renewable energy capacity (MW) for renewable energy projects financed through its green bonds. The Impact Report is prepared on annual basis. The data presented below are as at 2023 year end.

Project Name	Energy Performance Certificate (old)	Certification No.	Energy Performance Certificate (2024)	Certificate No.
Etele Plaza	BB	HET-01209648	A+; A+	HET-1007-2403
Budapest ONE Phase 1	CC	HET-01050636	C; C*	HET-1006-7249
Budapest ONE Phase 2	AA	HET-01598178	B; B	HET-1003-8357
Budapest ONE Phase 3	AA	HET-01598180	B; B	HET-1003-8360
Corvin Innovation Campus Phase 1	AA+	HET-01539661	A+; A+	HET-1006-3034
HelloParks Maglód MG1	BB	HET-01588270	in progress	
HelloParks Maglód MG3	BB	HET-01568099	in progress	
HelloParks Fót FT1	-	-	A+; A+	HET-1001-0440
HelloParks Fót FT2	-	-	A+; A+	HET-1001-0444
HelloParks Fót FT6	-	-	A+; A+	HET-1001-0940
HelloParks Páty PT1	BB	HET-01636469	in progress	

*Improvement in progress: DHW by air/water heat pumps; 168 pieces of solar panels with 84.529 MWh/a electricity production

Sustainability

Impact Report

2) Emission avoided/Energy savings

Futureal Holding calculates CO2 savings in tons per annum leveraging energy efficiency regulations which were valid at the time of the construction. Using this regulatory driven method the calculated saving of CO2 as at 2023 year end over the assets for which proceeds from bonds were used amounted to 1.359 tons. Below table summarizes the detail of the calculation:

Project Name	Reference primary demand according to EPC valid at the time of construction	Primary energy demand according to EPC valid at the time of construction	Calculated/reference	Source of energy	Energy demand	Specific CO ₂ emission	Estimated CO ₂ consumption	Estimated CO ₂ reduction	Sum of estimated CO ₂ reduction
	E _{prim} [KWh/m ² a]	E _{prim} [KWh/m ² a]	%		[MWh/a]	e _{CO2} [g/kWh]	E _{CO2} [t/a]	E _{CO2} [t/a]	E _{CO2} [t/a]
Etele Plaza	202.02	168.92	0.836	grid electricity	4947.4	365	1805.8	295.9	379.1
				district heating	1861.6	273	508.2	83.3	
Budapest ONE Phase 1	99.32	85.97	0.866	N/A*	445.48	365	162.6	21.9	55.2
					909.44	273	248.3	33.4	
Budapest ONE Phase 2	99.12	65.68	0.663	grid electricity	340.34	365	124.2	41.9	105.9
				district heating 1	680.87	273	185.9	62.7	
				district heating 2	13.93	273	3.8	1.3	
Budapest ONE Phase 3	99.2	67.8	0.683	grid electricity	344.29	365	125.7	39.8	97.1
				district heating 1	650.68	273	177.6	56.2	
				district heating 2	12.9	273	3.5	1.1	
Corvin Innovation Campus Phase 1	100	50.12	0.501	grid electricity	246.68	365	90	44.9	94.4
				district heating	363.21	273	99.2	49.5	
HelloParks Maglód MG1	61.29	40.68	0.664	grid electricity	470.4	365	171.1	57.7	103.1
				natural gas	663.8	203	134.8	45.3	
HelloParks Maglód MG3	68.14	42.48	0.623	grid electricity	431.8	365	157.6	59.3	117.2
				natural gas	756.6	203	153.6	57.8	
HelloParks Fót FT1	40.27	34.84	0.865	Grid electricity + natural gas	1578.2	221.3	349.2	66.4	66.4
HelloParks Fót FT2	39.8	34.63	0.870	Grid electricity + natural gas	1564.5	221.2	346.1	51.9	51.9
HelloParks Fót FT6	40.44	36.36	0.899	Grid electricity + natural gas	931.4	225.0	209.5	39.8	39.8
HelloParks Páty PT1	76.31	37.48	0.491	grid electricity	575.7	365	210.1	106.9	249.2
				natural gas	700.7	203	142.2	142.2	
TOTAL									1359

Impact Report

This methodology of calculation of CO2 savings includes the following consumption categories:

- Heating and Cooling
- Air-conditioning related consumption
- Energy consumption related to domestic hot water production
- Lighting in common areas and tenant premises

The methodology excludes the following consumption categories:

- Energy consumption of plugged in devices (used by the tenants in the building)
- For tenant installed IT hardware equipment
- Lift operation
- Electric vehicles charging

3) Renewable Energy

Project Name	Share of renewable energy (%)
Etele Plaza	46.1%
Budapest ONE Phase 1	14.0%
Budapest ONE Phase 2	11.3%
Budapest ONE Phase 3	9.7%
Corvin Innovation Campus Phase 1	25.3%
HelloParks Maglód MGI	4.1%
HelloParks Maglód MG3	2.4%
HelloParks Fót FT1	19.8%
HelloParks Fót FT2	9.5%
HelloParks Fót FT6	19.7%
HelloParks Páty PT1	3.2%

*Percentage of calculated primary energy demand



Sustainability

Progress for a more liveable planet

The Sustainable Development Goals were formulated in 2015 by the United Nations General Assembly. The SDGs are a collection of seventeen interlinked objectives designed to serve as a shared blueprint for peace and prosperity for people and the planet, now and into the future.



Creating healthy and human-centered environment



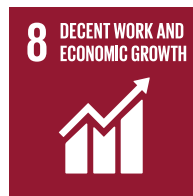
Cultivating diversity and equality



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

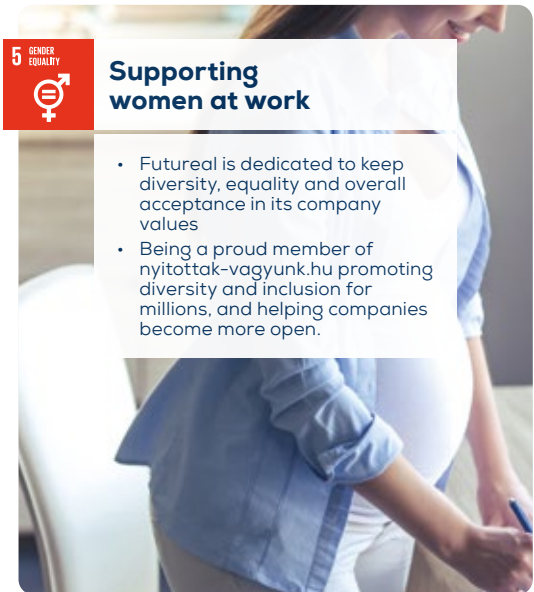
What makes our developments sustainable?



3 GOOD HEALTH AND WELL-BEING

Health and wellbeing

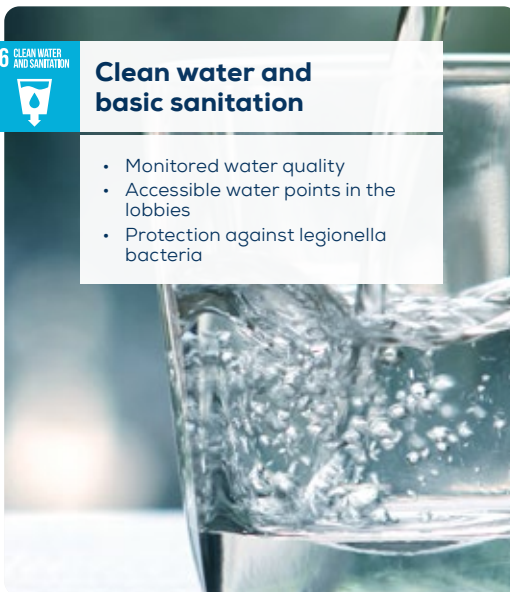
- Monitored air quality
- Reduction of number of contacts in common areas
- Highly adjustable, glare-free lighting
- Careful design of acoustic and thermal comfort
- Accessible environment that complies with the principles of universal design
- Biophilic design
- Soothing wall colours
- Multifunctional "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

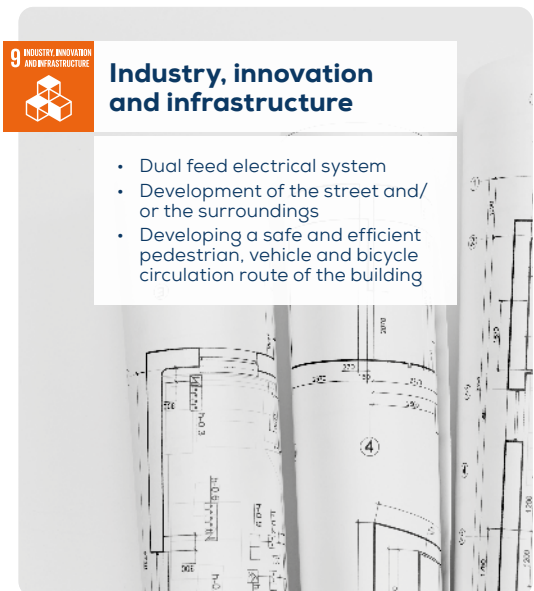
- 0% local CO₂ emission through district heating and/or heat pump
- The electricity needs of the office buildings are partly provided by solar panel system
- Heat recovery ventilation system
- Advanced building automation system
- Strive to use renewable energy sources whenever possible
- Low-energy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



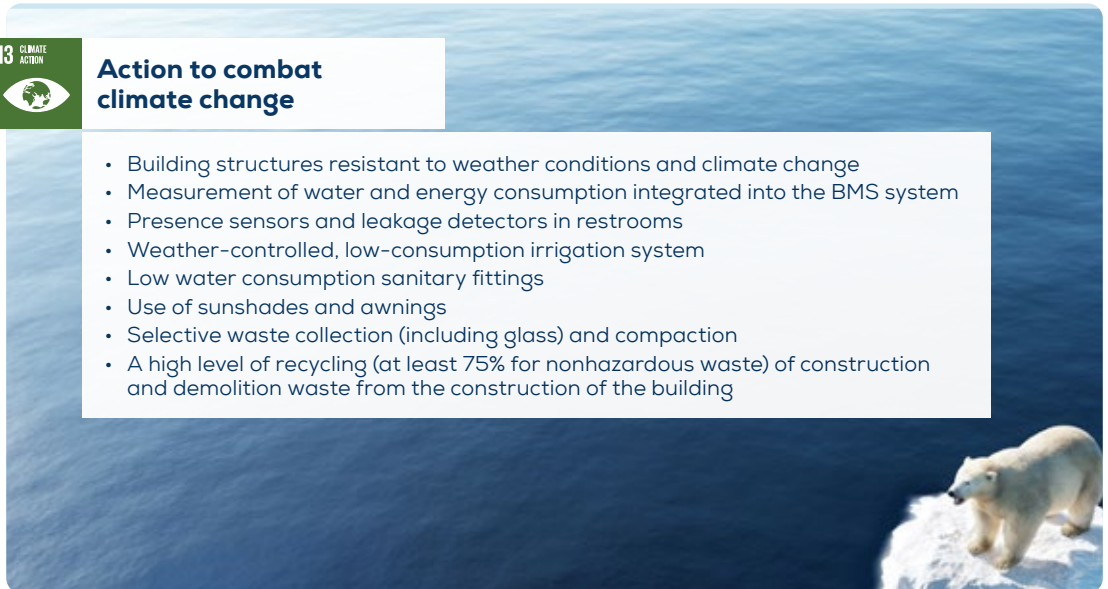
Sustainable consumption and production patterns

- 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



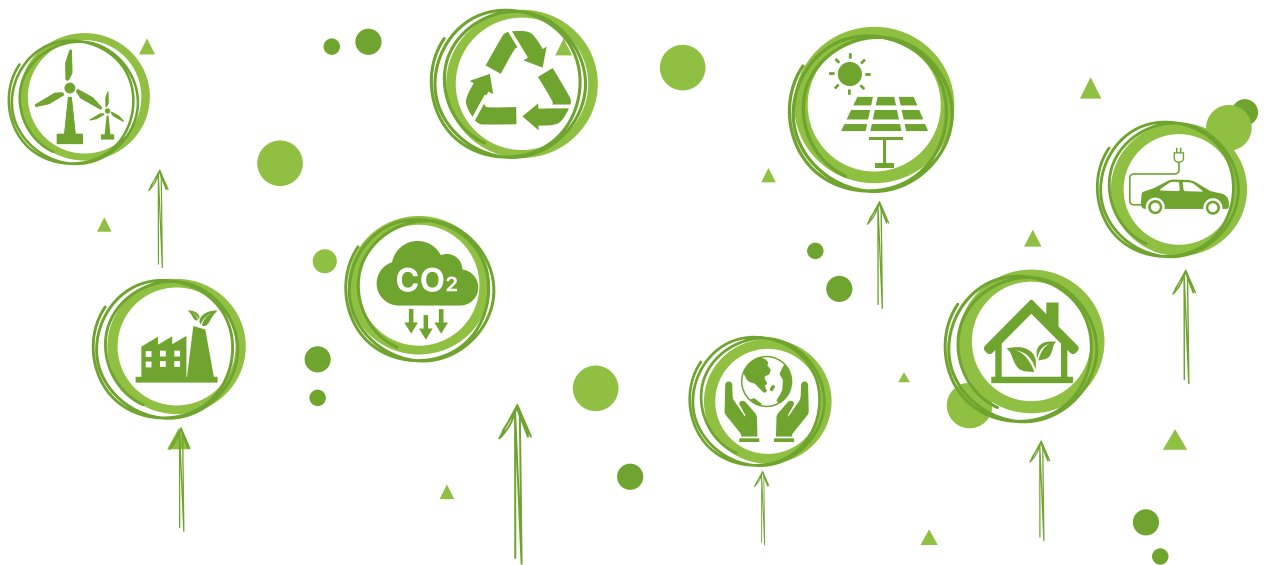
Partnership to achieve objectives

- 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.

All of our developments aim to achieve the highest ranking of Acces4you certification.

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 Final Stage

July 2023



Budapest ONE, Phase III.

BREEAM New Construction
Excellent at Final Stage

June 2023



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 MG3

BREEAM New Construction
Outstanding at Final stage

December 2023



HelloParks Fót FT1

BREEAM New Construction
Excellent at Design stage

December 2023



HelloParks Páty PT1

BREEAM New Construction
Outstanding at Design stage

December 2023



Etele Plaza

BREEAM New Construction
Very good at Final Stage

December 2022



Wratislavia Tower

BREEAM International In-Use
Excellent

April 2024



Budapest ONE, Phase I.

WELL CORE Platinum
Certification

October 2022



Advance Tower, Phase I. and Phase II.

WELL CORE Gold
Certification

July 2022
(No longer owned by Futureal Group)



Corvin Innovation Campus, Phase I.

WELL CORE Platinum
Precertification

April 2021



Budapest ONE, Phase I.

WELL Health-Safety Rated

February 2022 -
February 2023



Budapest ONE, Phase I.

Acces4You
Certified

2023



Corvin Technology Park Phase I.

WELL CORE Gold
Certification

July 2021
(No longer owned by Futureal Group)



Budapest ONE, Phase III.

Acces4You
Bronze

2023



Budapest ONE, Phase II.

Acces4You
Bronze

2023



Etele Plaza

Acces4You
Gold

2021



Corvin Innovation Campus Phase I.

Acces4You
Gold

2023

*The certificate does not cover part of the project that is under renovation.



9

Giving Back

Futureal Holding ensures that its projects create lasting value, enhance local identity and improve quality of life of communities in locations where Futureal Holding is active. Futureal Holding, as part of its operations, takes broader social responsibility for the well-being of those in need.

Futureal Group – CSR and charity activities

Over the last two decades, Futureal Holding has actively participated in numerous charity activities, supporting various communities, and creating lasting value. The company utilizes its broad knowledge, tools, and resources to enhance the quality of life for communities and help them achieve their aspirations.

By leveraging the synergy of group members, Futureal Holding has developed green and recreational public spaces, such as the Corvin Promenade adorned with inspiring sculptures. In 2023, Futureal Holding officially opened Irén Psota Memorial Park for the public at the entrance of Corvin Innovation Campus, its latest office development extending the promenade. The exceptional community space honours Irén Psota, one of Hungary's most renowned actresses, and serves as a dynamic venue for cultural activities and events. The sustainable and liveable environment further elevates the quality of life for district residents. As part of its ESG initiative, Futureal Holding group members plant a tree for every ten employees of the tenants moving into the company's office buildings. As a result, Futureal Holding have already planted hundreds of trees in different locations.

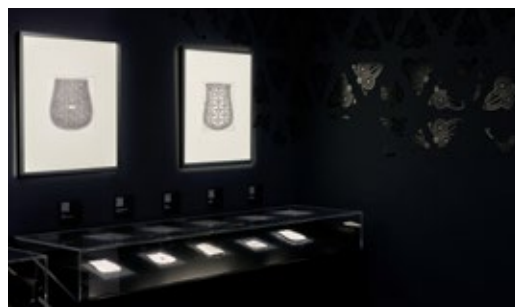


HelloParks' industrial projects positively impact local societies where HelloParks operates. In Fót HelloParks support HelloTerrace organised by ÚMT Sport Management and its cultural and sport events including go-kart, basketball, table tennis and darts competitions.

HelloParks are also a proud sponsor of Fóti-Futi running competition held by Impulzus sport and cultural association. In Maglód local government and citizens organised a Family Day with HelloParks' contribution, where folklore games, colourful programmes and a bouncy castle provided by HelloParks made the event memorable.



In Páty HelloParks play a pivotal role in fostering a vibrant environment by backing the House of Culture, Ferenczy Museum Centrum and its archaeological excavations, the local sport and cultural association, and the Páty School Foundation. Additionally, HelloParks has established a streetball field in Páty.



Futureal Holding's commercial developments, such as Etele Plaza, function as cultural hubs for the public, hosting complimentary exhibitions such as the Museum of World Athletics (MOWA) and Hungary's biggest fine art talent contest in 2023. Etele Plaza also offers platform for organizing fundraisers for various noble causes, including animal protection.

Futureal Holding places a strong emphasis on encouraging its employees to actively contribute to the company charitable endeavours. Every year, the team engages in numerous social initiatives, from painting schools and participating in charity runs to organizing tombola.



10 Risk Management

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



Dan Harverd
CRO, Futureal Group

Risk Management

During the course of 2023 the changing interest rate environment highlighted the necessity for a robust risk management framework that places an emphasis on monitoring macroeconomic developments, assessing the potential risk impacts on Futureal Holding's business across multiple vectors and implementing mitigating measures.

The five-year swap rate reached a peak of 3.5% during H2, its highest level since the Great Financial Crisis as incoming data indicated the presence of 'sticky' high inflation. Yet the swap rate ended the year below 2.5% as inflation data improved. This higher level of volatility can transmit itself to balance sheet and financial results through property valuations, financing costs, development costs and transaction volumes. Futureal Holding consistently assesses risk exposures and the management team takes appropriate steps to ensure both the long-term durability and flexibility of the business.

In 2023 Futureal Holding continued to integrate risk monitoring, assessment and management into the processes of functions throughout the company including financing, treasury, leasing, investment, development, property and asset management, legal, IT and structuring. Futureal Holding's risk management framework aims to facilitate the achievement of strategic business objectives such as growth, value creation, and sustainable development while safeguarding long-term liquidity and solvency even in risk scenarios.

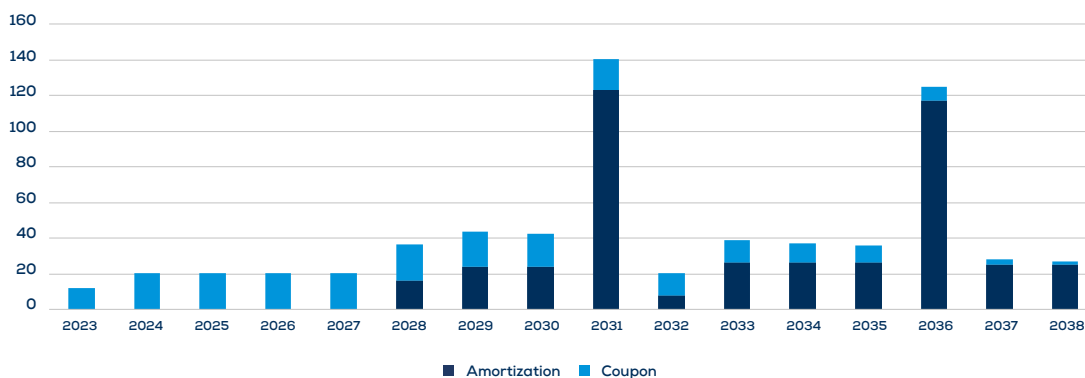
Central to Futureal Holding's approach is to quantify the impact of different risk scenar-

ios on the company's future cash flow and make sure that the appropriate hedging or liquidity reserves are in place. This is an integral part of the decision-making process when formulating, analyzing and approving new project business plans and remains fundamental through the various aspects and stages of development and operations.

In addition to assessment of project level risk, Futureal Holding has a structured process to continuously update a company level cash flow forecast over the short, medium and long-term taking into account all corporate-level assets and liabilities as well as associated cash flows and currency exposures, and a conservative view of the macro environment. Futureal Holding's management team meets on a regular basis to analyze potential risks and opportunities to cash flow and quantify their impact. Futureal Holding has adopted an internal policy of maintaining a high level of liquidity to ensure adequate resources are available for both growth and tougher market scenarios.

Futureal Holding manages currency exposure by considering the company's functional currency, future investment plans, current assets, short and long-term liabilities, payment schedules, and market volatility. To mitigate risks and enhance the predictability of future cash flows, the company employs foreign exchange hedging as well as interest rate swaps. Futureal Holding's bond liabilities have very long maturity profiles and fixed interest rates, nevertheless Futureal Holding manages its assets on the basis of full debt repayment.

Bonds Repayment Schedule
(in EUR million)



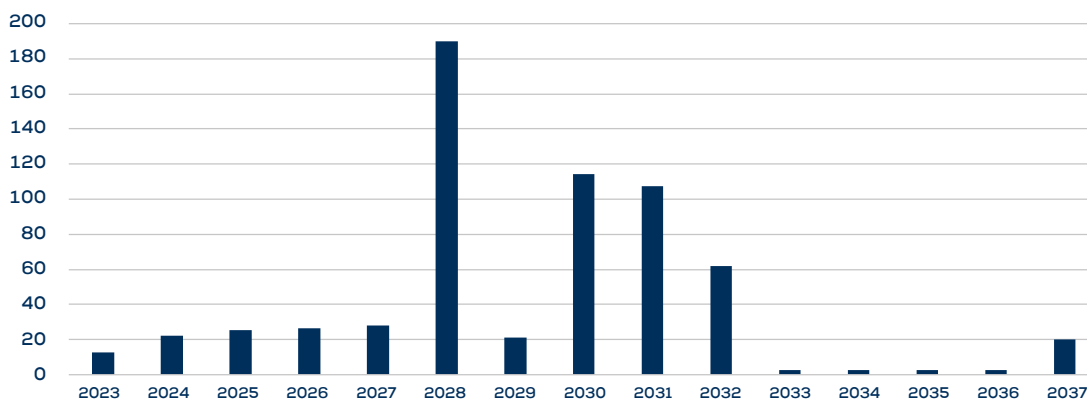
Risk Management

While higher interest rates have increased financing costs and the level of risk in the real estate sector, they have also created opportunities to generate positive returns on cash resources following a number of years of zero or even negative rates. Futureal Holding plans its cash management to optimize risk adjusted returns taking into account planned cash outflows and the internal liquidity policy. Futureal Holding's interest rate hedging policy has led to the vast majority of the interest rate risk being mitigated through interest rate swaps.

projects are designed and developed with environmental sustainability as a core value and target.

Investment strategy – analysis of risk factors is integrated into the investment decision-making process to ensure that a thorough risk assessment is implemented prior to commitment of capital into new development or investment 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.

Loan Repayment Schedule
(in EUR million, principal amount only)



Internal risk assessment concentrates on four key areas: development strategy, investment strategy, capital strategy, and financial strategy.

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

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

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

Risk Management

The main risks relevant for 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
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 feedbacks; 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 subcontractor activity payments and performances under the general contractor, two-fold performance/quality/contract management of the contractors, including internal experts and third-party quantity surveyors, selecting contractors with proper references and in good financial status
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)

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

Risk Management

RISK	RISK MITIGATION
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 W&I 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 demanding projects, strengthened investment approval process
IT Security / Cyber risk	Futureal Holding has partnered with reputable IT security service provider (White Hat IT Security Ltd.) to ensure 24/7 human-led security monitoring for incident detection and response. Implemented Microsoft's Security Information and Event Management platform to allow centralized security data consolidation and analysis (Microsoft Sentinel). Continued investments into security tools to continuously increase security level for business accounts, users and endpoints (Microsoft Defender for Office 365 P2, Microsoft Defender for Endpoint, etc.).

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

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 and applicable over 2023 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 pro-

cess 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. The company Code of Ethics confirms the governance, values and ethical principles of Futureal Holding. All employees are requested to acknowledge their acquaintance with the Code of Ethics in writing on annual basis. Those confirmations are documented. Acknowledgement of Code of Ethics is also part of on-boarding of any new employee. During 2023 period there were no incidents in relation to fraud or integrity.

Geopolitical situation (Russia-Ukraine and Israel-Palestine conflict)

The impact of the Russia-Ukraine conflict which started at the end of February 2022 and escalation in Middle East conflict are further un-stabilizing global geopolitical situation. Overall impact of those conflicts is considered in presented financials at the reporting date. Futureal Holding has no direct exposure in any of the involved countries. The conflicts 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 Future Outlook and Subsequent Events

Future outlook and expected business development

Futureal Holding expects further growth and profitable operation in its activity in the upcoming years. For Futureal Holding's Hungarian teams the main focus will be on high quality asset management of its existing portfolio of office and retail projects. At Central European and European level Futureal Holding will continue pursuing opportunities fitting into its strategy of commercial property retrofit and redevelopments.

Futureal Holding's logistic platform, HelloParks, will keep expanding its Budapest locations as

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

Given the current uncertainty on the markets 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

- On March 7, 2024 Futureal Holding, via its opportunistic & value add platform, Futureal Investment Partners successfully closed divestment of 2 out of the 4 buildings of Lipowy Park complex in Warsaw (Poland).
- On March 18, 2024 FR Investments Wrocław Sp. z o.o. concluded investment and revolving loan agreements with Alior Bank S.A. to finance the modernization of Wratislavia Tower office building in Wrocław (Poland). As of the date of this report, the loan have not been utilized.
- During Q1_2024 Futureal Holding divested in total 7 units from its Budapest High Street Retail portfolio.



Futureal Holding BV

Consolidated Financial Statements 31 December 2023

Futureal Holding BV
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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>	2023	2022
Sales revenue from sale of real estate		800 000	254 708
Rental revenue		48 851 673	34 211 948
Service revenue		30 577 020	21 900 122
Revenue	<i>7</i>	80 228 693	56 366 778
Cost of goods sold and services rendered		-790 086	-48 135
Direct costs of rental and operation		-35 550 719	-25 541 126
Other property related costs		-2 605 170	-2 570 707
Cost of sales	<i>8</i>	-38 945 975	-28 159 968
Gross profit		41 282 718	28 206 810
Selling and marketing expenses	<i>9</i>	-311 459	-532 344
Administrative expenses	<i>10</i>	-8 539 321	-10 979 899
Net gain from fair valuation of investment and development properties	<i>16(b)</i>	10 562 588	49 093 992
Net gain/(loss) on sale of investment properties	<i>16(b)</i>	3 941 102	2 095 538
Other income	<i>12</i>	3 090 325	1 727 292
Other expenses	<i>13</i>	-5 268 444	-1 997 981
Operating profit		44 757 509	67 613 408
Interest income	<i>14</i>	9 168 284	8 656 318
Other financial income	<i>14</i>	34 430 934	37 407 767
Interest expense	<i>14</i>	-37 302 409	-20 903 114
Other financial expense	<i>14</i>	-28 770 959	-39 439 040
Net finance profit/(loss)		-22 474 150	-14 278 069
Share of profit/(loss) in joint ventures and associates	<i>17(o)</i>	0	67 161
Profit before taxation		22 283 359	53 402 500
Income tax expense	<i>15</i>	-1 164 711	-1 550 788
Profit for the period		21 118 648	51 851 712

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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)	-26 185 748	62 778 621
Exchange differences on translating foreign operations		-6 401 375	-90 954
Other comprehensive income/(loss) net of tax		-32 587 123	62 687 667
Total comprehensive income for the period		-11 468 475	114 539 379
Total profit/(loss) for the period attributable to:			
owners of the parent		12 977 693	30 283 746
non-controlling interests	18(d)	4 524 614	17 985 415
non-controlling investment unit holders	18(e)	3 616 341	3 582 551
Total profit/(loss) for the period		21 118 648	51 851 712
Total comprehensive income attributable to:			
owners of the parent		-16 409 604	86 374 173
non-controlling interests	18(d)	1 324 788	24 582 655
non-controlling investment unit holders	18(e)	3 616 341	3 582 551
Total comprehensive income for the period		-11 468 475	-114 539 379

The notes on pages 11 to 86 are an integral part of these IFRS consolidated financial statements.

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Consolidated Statement of Financial Position

<i>In EUR</i>	<i>Note</i>	31.12.2023	31.12.2022
Assets			
Non-current assets			
Intangible assets	<i>16(a)</i>	5 753	7 769
Investment and development property	<i>16(b)</i>	1 061 382 141	969 111 173
Property, plant and equipment	<i>16(c)</i>	154 971	569 936
Investments in subsidiary		0	10 200
Investments in Joint Ventures and Associates	<i>17(o)</i>	61 774	61 774
Other long-term assets		0	0
Other long-term financial assets	<i>16(e),17(d)</i>	101 234 649	53 385 854
Long-term derivative financial assets	<i>17(d,m)</i>	3 434 479	12 490 230
Total non-current assets		1 166 273 767	1 035 636 936
Current assets			
Inventory	<i>16(d)</i>	30 911 628	812 514
Trade and other receivables	<i>17(c)</i>	53 100 829	31 909 297
Short-term receivables from related parties	<i>17(a)</i>	2 085 220	5 678 156
Short-term receivables from third parties	<i>17(b)</i>	28 552 190	11 768 965
Income tax receivable		194 994	37 702
Other short-term assets	<i>16(e)</i>	1 466 399	4 681 381
Short-term VAT receivables	<i>16(g)</i>	5 762 082	7 098 902
Restricted cash	<i>17(f)</i>	79 701 611	66 599 817
Cash and cash equivalents	<i>17(e)</i>	131 458 503	242 424 467
Other short-term financial assets	<i>17(d)</i>	31 662 049	32 678 385
Short-term derivative financial assets	<i>17(d),17(m)</i>	4 204 803	3 182 952
Total current assets		369 100 308	406 872 538
Non-current assets classified as held for sale	<i>19</i>	9 591 000	7 244 461
Total assets		1 544 965 075	1 449 753 935

The notes on pages 11 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>	31.12.2023	31.12.2022
Equity			
Shareholders' equity			
Share capital	18(a)	240 255 000	311 647 500
Currency translation reserve		-13 838 318	-7 772 291
Other reserves	18(b)	34 805 833	58 039 825
Retained earnings	18(c)	59 795 773	47 038 343
Equity attributable to equity holders of the parent		321 018 288	408 953 377
Non-controlling interests	18(d)	84 350 811	79 617 463
Total equity		405 369 099	488 570 840
Net assets attributable to non-controlling investment unit holders			
	18(e)	85 373 054	59 567 950
Long-term liabilities to related parties	17(i)	0	2 436
Loans and borrowings	17(g)	492 797 598	439 035 410
Bonds	17(h)	425 786 903	284 859 233
Tenant deposits	17(k)	7 417 440	5 679 835
Provisions	16(j)	854 254	1 122 111
Deferred tax liability	16(f)	944 996	488 216
Amounts withheld for guarantees	17(l)	2 204 252	4 982 766
Lease liabilities	16(h)	3 827 081	1 310 589
Derivative financial liabilities	17(n)	4 268 698	0
Total non-current liabilities (excluding net assets attributable to non-controlling investment unit holders)		938 101 222	737 480 596
Short-term liabilities to related parties	17(i)	6 476 732	4 010 380
Loans and borrowings	17(g)	20 944 566	22 613 838
Bonds short-term	17(h)	20 087 377	14 510 115
Tenant deposits	16(i), 17(k)	133 578	42 766
Trade and other payables	17(j)	62 181 493	112 803 221
Customer advances	16(i)	655 397	1 424 831
Provisions	16(j)	0	930 287
Income tax liabilities	15	162 296	768 826
Other tax liabilities	16(k)	4 216 735	2 481 915
Lease liabilities	16(h)	46 870	58 321
Derivative financial liabilities	17(n)	1 216 656	810 781
Total current liabilities		116 121 700	160 455 281
Liabilities directly associated with non-current assets classified as held for sale	19	0	3 679 268
Total liabilities (excluding net assets attributable to non-controlling investment unit holders)		1 054 222 922	901 615 145
Total equity and liabilities		1 544 965 075	1 449 753 935

The notes on pages 11 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>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 2023	311 647 500	-7 772 291	58 039 825	47 038 343	408 953 377	79 617 463	488 570 840
Profit/(loss) for the period	0	0	0	12 977 693	12 977 693	4 524 614	17 502 307
Other comprehensive income/(loss)	0	-6 153 305	-23 233 992	0	-29 387 297	-3 199 826	-32 587 123
Capital decrease	-71 392 500	0	0	0	-71 392 500	0	-71 392 500
Dividend paid	0	0	0	0	0	-4 241 820	-4 241 820
Sale of subsidiary from the group	0	87 278	0	-86 263	1 015	0	1 015
Purchase from non-controlling interest	0	0	0	-134 000	-134 000	-125 000	-259 000
Transaction with non-controlling interest	0	0	0	0	0	7 775 380	7 775 380
Transactions with owners:	-71 392 500	87 278	0	-220 263	-71 525 485	3 408 560	-68 116 925
Balance at 31 December 2023	240 255 000	-13 838 318	34 805 833	59 795 773	321 018 288	84 350 811	405 369 099

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<i>In EUR</i>	<u>Share capital</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	-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	30 283 746	30 283 746	17 985 415	48 269 161
Other comprehensive income/(loss)	0	-166 341	56 256 768	0	56 090 427	6 597 240	62 687 667
Capital decrease	-30 352 500	0	0	0	-30 352 500	0	-30 352 500
Dividend paid	0	0	0	0	0	-798 660	-798 660
Sale of subsidiary from the group	0	-1 156	0	24 700	23 544	1 348	24 892
Sale of subsidiary to non-controlling interest	0	0	0	480 098	480 098	14 354 555	14 834 653
Transactions with owners:	-30 352 500	-1 156	0	504 798	-29 848 858	13 557 243	-16 291 615
Balance at 31 December 2022	311 647 500	-7 772 291	58 039 825	47 038 343	408 953 377	79 617 463	488 570 840

The significant movements in the equity items presented above are explained in detail in Note 18.
The notes on pages 11 to 86 are an integral part of these IFRS consolidated financial statements.

Futureal Holding BV
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Consolidated Statement of Cash Flows

For the periods ended 31 December 2022 and 31 December 2023

<i>In EUR</i>	<i>Note</i>	2023.01.01-2023.12.31	2022.01.01-2022.12.31
Cash flows from/(used in) operating activities			
Profit/(loss) before taxation for the period		22 283 359	53 402 500
<i>Adjustments to reconcile profit before for taxation to net cash used in operating activities:</i>			
Depreciation and amortization	<i>16(a), 16(c)</i>	28 599	1 418 765
Impairment on securities	<i>17(d)</i>	0	5 999 245
Provisions	<i>16(j)</i>	-1 198 144	-746 346
Bond related foreign exchange difference and premium amortisation	<i>17(h)</i>	31 251 811	-16 071 777
Other non-cash movements		- 3 895 294	2 061 373
(Profit)/loss on disposal of subsidiaries, associates and joint ventures		1 015	24 892
(Profit)/loss on sale of investment properties and assets held for sale	<i>16(b)</i>	-3 416 177	-2 095 538
Proceeds from sale of current asset	<i>16(d)</i>	800 000	254 708
Net (gain)/loss from valuation of investment and development property	<i>16(b)</i>	-10 562 588	-49 093 992
Decrease/(increase) in inventory	<i>16(d)</i>	-30 899 114	1 798 075
Share of loss/(profit) in joint venture	<i>17(o)</i>	0	-67 161
Decrease/(increase) in short-term receivables	<i>17(a), 17(b)</i>	-13 190 289	10 717 083
Decrease/(increase) in trade and other receivables	<i>17(c)</i>	-19 697 226	-6 265 371
Decrease/(increase) in restricted cash and other assets	<i>17(e), 17(f)</i>	-8 549 992	38 802 002
Increase/(decrease) in short-term liabilities	<i>17(i)</i>	3 522 550	894 140
Increase/(decrease) in trade and other payables	<i>17(j)</i>	-75 805 271	26 729 860
(Decrease)/increase in other liabilities	<i>17(i), 17(j)</i>	-1 040 909	1 687 947
Income tax paid	<i>15</i>	-1 471 753	-638 501
Net cash from/(used in) operating activities		-111 839 423	67 123 957
Cash flows from/(used in) investing activities			
Proceeds from sale of investment property	<i>16(b)</i>	7 410 386	3 813 676
Acquisitions of investment and development property	<i>16(b)</i>	-64 252 228	-167 159 673
Advance payment for investments	<i>16(e)</i>	0	-3 994 494
Acquisitions of property, plant and equipment as well as intangible assets	<i>16(a), 16(c)</i>	0	-795 929
Sale of property, plant and equipment as well as intangible assets	<i>16(a), 16(c)</i>	0	2 546
Investing in long-term financial assets	<i>17(d)</i>	-46 822 259	-53 146 412
Investing in short-term financial and other assets	<i>17(d)</i>	0	-38 677 630
Interest received	<i>14</i>	9 168 284	8 608 670
Paid borrowing cost capitalized		-2 855 193	-5 585 216
Sale of non-controlling shares and investment notes	<i>18(d)</i>	0	14 834 653
Net cash from/(used in) investing activities		-97 351 010	-242 099 809
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	<i>17(g)</i>	75 818 611	166 621 104
Repayment of loans and borrowings	<i>17(g)</i>	-24 004 176	-11 255 043
Proceeds from bond issue net of issuance costs	<i>17(h)</i>	124 876 151	18 536 095
Capital decrease	<i>18(a)</i>	-71 392 500	-30 352 500
Proceeds from non-controlling investment unit holders	<i>18(e)</i>	22 188 763	13 830 587
Interest paid	<i>14</i>	-26 393 012	-17 385 129
Dividend paid to non-controlling interest	<i>18(d)</i>	-4 241 820	-798 660
Repayment of lease liabilities	<i>16(h)</i>	-44 354	-996 126
Net cash from financing activities		96 807 663	139 888 275
Net change in cash and cash equivalents		-112 382 770	- 35 087 577
Cash and cash equivalents at the beginning of the period		242 424 467	290 262 369
Exchange differences		1 416 806	- 12 750 325
Cash and cash equivalents at the end of the period	<i>17(e)</i>	131 458 503	242 424 467

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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 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)

As at 31 December 2023 the Company had the following ownership structure:

- Futureal Group B.V – 99,16% (place of business: Amsterdam, Netherlands)
- Finext Consultants Ltd. – 0,22% (place of business: Malta)
- Private person shareholders – 0,62%

The ultimate controlling party is Gábor András Futó in both years.

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	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
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	69,60%	70%	Subsidiary	Subsidiary
HelloParks Hungary B.V.	Netherlands	68,60%	68,60%	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 Management Kft.	Hungary	68,60%	68,60%	Subsidiary	Subsidiary
Hello Parks One Alpha Real Estate Fund Ingatlanfejlesztő Alap	Hungary	68,60%	68,60%	Subsidiary	Subsidiary
Hello Parks Two Real Estate Fund Ingatlanbefektetési Alap	Hungary	68,60%	68,60%	Subsidiary	Subsidiary
Hello Parks Three Real Estate Fund Ingatlanbefektetési Alap	Hungary	68,60%	68,60%	Subsidiary	Subsidiary
Hello Parks Four Real Estate Fund Ingatlanbefektetési Alap	Hungary	68,60%	68,60%	Subsidiary	Subsidiary
HelloParks Global 1 Ingatlanfejlesztő Alap	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%	99,90%	Subsidiary	Subsidiary
QED Magyarország Kft	Hungary	0,00%	99,90%	Not in the group	Subsidiary
FR UK Holdco 1 Limited	UK	99,90%	99,90%	Subsidiary	Subsidiary
Spectrum Glasgow Spv Limited	UK	99,90%	99,90%	Subsidiary	Subsidiary
Spectrum Lettings Limited	UK	99,90%	n/a	Subsidiary	Not in the group
Futureal 1 Ingatlanbefektetési Alap	Hungary	0,00%	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 PARTNERS TWO Alapok Alapja	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal Prime Properties Részalap 6	Hungary	99,90%	n/a	Subsidiary	Not in the group
Finext Vagyonkezelő 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 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
Evern Invest Kft.	Hungary	73,90%	73,90%	Subsidiary	Subsidiary

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FR Investments BV	Netherlands	100%	100%	Subsidiary	Subsidiary
Futureal Development 7 Sp. z o.o.	Poland	100,00%	73,90%	Subsidiary	Subsidiary
FIP Gdańsk Retail Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
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 Vagyonekzelelo Kft.	Hungary	n/a	100%	Not in the group	Subsidiary
FR Investments Logistic Poland I	Poland	100%	100%	Subsidiary	Subsidiary
FR Investments Zabrze	Poland	75%	75%	Subsidiary	Subsidiary
FIP Lipowy Park Sp.z.o.o.	Poland	100%	n/a	Subsidiary	Not in the group
Futureal Development Holding Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal Belváros Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal Management Kft	Hungary	100%	100%	Subsidiary	Subsidiary
FUTUREAL Munkavállalói Rész tulajdonosi Program	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal New Times Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
BP1 Második Ütem Zrt.	Hungary	100%	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 THREE Alapok Alapja	Hungary	100%	100%	Subsidiary	Subsidiary
Futureal Residential One S.á.r.l.	Luxembourg	100%	100%	Subsidiary	Subsidiary
Futureal Management Ltd	Cyprus	40%	40%	Associate	Associate

Please also refer to Note 4 and Note 5 about critical judgments and material 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 2024.

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

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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, Luxembourg or UK accounting standards are different from IFRS. These IFRS consolidated financial statements include a number of adjustments not included in the books of account of the Futureal Holding entities, which were made in order to bring the financial information of those entities to conformity with IFRS.

The preparation of the IFRS consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Futureal Holding’s accounting policies. Changes in assumptions may have a significant impact on the IFRS consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas 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 2023. 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.

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If Futureal Holding loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Such transactions or events do not give rise to goodwill. As these transactions meet the exception definition as of IAS 12.15.b deferred tax related to the acquisition is not recognized at the transaction date. In case the business combination is between parties under common control the difference between the fair value of the assets and liabilities acquired and the consideration paid is accounted for in the other capital if it arose from a transaction with owners in their capacity as owners based on the analysis of the substance.

Futureal Holding recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Any contingent consideration to be transferred by Futureal Holding is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized

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in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Changes in Futureal Holding structure

The details of the entities whose financial statements have been included in these IFRS consolidated financial statements, the percentage of economic ownership held by the owners of the parent Company and the classification of investments as at 31 December 2023 and 31 December 2022 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 2023:

Newly established entities	Date of establishment
HelloParks Global 1 Real Estate Fund	26.07.2023
Futureal Prime Properties Six Real Estate Subfund	15.05.2023

Futureal Holding established the following entities in 2022:

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

Futureal Holding acquired the following entities in 2023:

Newly acquired entities	Date of acquisition
FIP Lipowy Park Sp.z.o.o.	05.10.2023
Spectrum Lettings Ltd.	09.02.2023

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

In line with the accounting policy of Futureal Holding, all the acquisitions in 2023 and 2022 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 2023:

Disposed entities	Date of disposal
FR Investments Finance Vagyonkezelő Kft.	17.11.2023
QED Magyarország Kft	11.08.2023

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Futureal Holding disposed the following entities in 2022:

Disposed entities	Date of disposal
FPP Kertész Projekt Kft.	30.09.2022

All the disposed entities in 2023 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. Material accounting policies

(a) Basis of measurement

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. Due to the Amendments to IAS 1 and IFRS practice Statement 2: Disclosure of Accounting Policies only the material accounting policies are presented below from 2023.

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.

(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.

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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.

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. Futureal Holding has not made any contract including significant financing component and variable considerations during 2023 and 2022 and the same method is expected in the future.

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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).
- 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).

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 contain 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

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contractual term of the financial asset gives rise to cash flows that pass the SPPI test and also contain debt instruments measured at FVTPL.

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 forward exchange rate agreements with banks, which are measured at FVTPL, as well as interest rate swaps that are measured at FVTOCI. Futureal Holding also holds debt securities measured at FVTPL.

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.

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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).

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.

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.

(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.

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(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.

(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.

(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.

(q) Leases

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.

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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.

Futureal Holding acts as principal, therefore the gross income is recorded as revenue, because Futureal Holding takes on the risks and enjoys the economic benefits.

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

(r) Inventories

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

Project construction costs include:

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

(s) Impairment of non-financial assets

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

(v) Borrowing costs

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

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

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

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

(w) Interest income and expense

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

(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.

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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.

Futureal Holding develops and operates its properties mainly in development funds and sub-funds or REIT which are either not subject to income tax or has a zero income tax rate under the current laws and regulations, therefore Futureal Holding's effective tax rate is low (please see effective tax reconciliation in Note 15)."

(y) Fair Value

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

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

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

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

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

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

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

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

Level 1 and Level 2 hierarchy data is usually used to determine the fair value of the financial assets and financial liabilities measured at fair value. Level 3 hierarchy data is used to determine the fair value of Investment Properties.

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.

(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.

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

As of 31 December 2023, 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.

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).

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5.(b) Critical judgments

Futureal Holding's assessments of Climate and Sustainability

The Futureal Holding's main goals in relation to its sustainable operation are the followings:

- Buildings designed with sustainability in mind
- Focus on environmental protection
- Thinking WELL – For human-centred developments
- Stay Safe – A new level of healthy working environments

The Futureal Holding's main goals in relation to the achieve the climate neutrality defined by the United Nations are the followings:

- 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

Please find more details about these above in the Management report of Futureal Holding as at 31 December 2023.

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.

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

A number of new or amended standards became applicable for the current reporting period:

- IFRS 17 Insurance Contracts effective from 1 January 2023
- Amendments to IAS 1 and IFRS practice Statement 2: Disclosure of Accounting Policies effective from 1 January 2023
- Amendments to IAS 8: Definition of Accounting Estimates effective from 1 January 2023
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12: International tax reform – pillar two model rules

The above amendments and improvements to IFRSs - with the exception of IAS 1 - do not have a material impact on the consolidated financial statements of the Futureal Holding.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 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 1 January 2022, but their effective date was delayed to 1 January 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. Futureal Holding does not expect significant impact on its financial statements due to this change.

- Amendments to IFRS 16: Lease liability in sale and leaseback

Effective from 1 January 2024. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s interests in the associate or joint venture. The amendments apply prospectively. The amendments are available to be adopted, but the IASB has deferred the mandatory effective date indefinitely.

- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

These amendments are effective from 1 January 2024 with transitional reliefs in the first year. They require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to investors that said they urgently need more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

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- Amendments to IAS 21 – Lack of exchangeability

The IASB issued Lack of Exchangeability to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments are effective from 1 January 2025.

- IFRS S1 ‘General requirements for disclosure of sustainability-related financial information’

Effective from 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across the entity’s value chain.

- IFRS S2 ‘Climate-related disclosures’

Effective from 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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:	2023	2022
<i>In EUR</i>		
Revenue from sale of real estate	800 000	254 708
Total Sales revenue	800 000	254 708

In 2023 a land plot was sold by Futureal New Ages Kft to a related party investment fund in the amount of EUR 800 000. In 2022 the major item is one sold warehouse building in Gödöllő in the amount of EUR 253 223.

For the year ended 31 December:	2023	2022
<i>In EUR</i>		
Rental income	46 345 273	32 972 243
Parking income	2 435 355	1 210 861
Other rental income	71 045	28 844
Total Rental revenue	48 851 673	34 211 948

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 2023 compared to 2022 is primarily driven by:

- The rental incomes of our projects increased generally in 2023 compared to 2022;
- Full year operation of BudapestOne Phase 2 and Phase 3 compared to 2022 when they did not operate whole year;
- Rental fees from operation of new warehouse project phases in Maglód and Fót.

For the year ended 31 December:	2023	2022
<i>In EUR</i>		
Management fee	147 243	854 938
Income from intermediary service charges	26 487 387	19 306 494
Advisory fee	0	561 261
Fit-out	3 269 187	778 826
Other revenue	673 203	398 603
Total Service revenue	30 577 020	21 900 122
Total revenue	80 228 693	56 366 778

Compared to 2022 the incomes from intermediary services increased in 2023 due to the below reasons:

- The full year operation of BudapestOne Phase 2 and Phase 3 compared to 2022 and the new warehouse project phases in Maglód and Fót in 2023 generated higher service charge revenue than in 2022.
- The management fee revenue decreased in 2023 compared to 2022 as from 1st January 2023 the majority of the management activities were taken over by related party companies out of the Futureal Holding group such as Futureal Shared Services Partnership C.V. and HelloParks Partnership C.V.

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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 2023

<i>In EUR</i>	Within 1 year	Between 1 and 3 years	Between 3 and 5 years	After 5	Total
Total	59 467 947	169 107 809	163 109 513	91 646 380	483 331 649

Timing of revenue recognition under IFRS 15 and IFRS 16:

For the year ended 31 December	2023	2022
<i>In EUR</i>		
Point in time	800 000	254 708
Over time	79 428 693	56 112 070
Total	80 228 693	56 366 778

8. Cost of sales

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Costs of goods sold	790 086	48 135
Total cost of goods sold and services provided	790 086	48 135

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Intermediary services charged to customer	24 385 919	17 840 794
Consultancy fees	1 115 348	1 110 403
Taxes	3 208 881	2 478 650
External services - rent related	837 009	858 395
Fit-out compensation	971 988	682 494
Management fee	2 141 109	383 405
Utilities	204 839	391 479
External services other	1 666 184	709 572
Materials and energy	846 632	729 363
Contribution to local authority	21 124	230 656
Insurances, duties, other authority charges	151 686	125 915
Total direct costs of rental and operation	35 550 719	25 541 126

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.

As from 1st January 2023 the majority of the management activities were taken over by related party companies out of the Futureal Holding group such as Futureal Shared Services Partnership C.V. and HelloParks Partnership C.V., the management fee costs of the group increased significantly in 2023 compared to 2022.

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For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Materials and energy	29 226	43 934
External services	2 521 510	1 496 591
Fit-out contribution	3 825	441 047
Service charge	43 965	528 596
Other admin cost	5 922	16 630
Depreciation and amortisation	722	43 909
Total other property related costs	2 605 170	2 570 707
Total cost of sales	38 945 975	28 159 968

9. Selling and marketing expenses

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Advertising	37 115	46 948
Marketing	170 027	167 293
Sales cost	104 317	318 103
Total selling and marketing expenses	311 459	532 344

10. Administrative expenses

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Personnel expenses and external services	885 618	4 326 107
External services	5 581 721	3 222 231
Depreciation and amortisation	28 599	1 329 882
Accounting and audit fees	1 012 287	771 943
Professional services	443 944	178 563
Other administrative expenses	587 152	1 151 173
Total administrative expenses	8 539 321	10 979 899

In 2022 the majority of the personnel expenses were related to staff of two of the Hungarian management companies, Futureal Management Kft and HelloParks Management Kft. However as from 1st January 2023 the majority of the management activities were taken over by related party companies out of the Futureal Holding group such as Futureal Shared Services Partnership C.V. and HelloParks Partnership C.V., the personnel expenses of the group decreased significantly in 2023 compared to 2022.

Also when the management activities were given out of the group the right of use assets connecting to IFRS16 leasing in Futureal Management Kft were transferred out of the group and consequently the depreciation and amortization costs also decreased in 2023 due to that missing depreciation of those assets.

The group audit fee in 2023 is EUR 343 163 (2022: EUR 328 894).

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11. Breakdown of expenses by nature

For the year period 31 December:	2023	2022
<i>In EUR</i>		
Material type expenditures	46 838 770	33 761 911
Employee benefits expenses	928 664	4 536 509
Depreciation & amortisation	29 321	1 373 791
Total	47 796 755	39 672 211

Both in 2023 and 2022 the costs are mainly related to the operating expenses of Futureal Holding properties.

12. Other income

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Net gain (loss) on non-current assets sold	1 584	8 530
Reversal of impairment losses	0	2 395
Gain on sale of management activities	1 671 283	0
Provision release	51 338	0
Other income	1 366 120	1 716 367
Total other income	3 090 325	1 727 292

13. Other expenses

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Non-income taxes	429 038	236 891
Taxes	11 292	15 047
Impairment losses	853 526	149 745
Loss on subsidiary	734 255	430 148
Provision	0	360 324
Penalties, fines	1 972 938	521 970
Donations	573 509	263 741
Other Expense	693 886	20 115
Total other expense	5 268 444	1 997 981

Both in 2023 and 2022 Futureal Holding continued its strong charitable efforts. Similarly, as in 2022 the donations in 2023 were provided to hospitals, and other non-profit organizations to support their work. In 2022 the charity activities of Futureal Holding were focused on helping people impacted by the Russia-Ukraine war while in 2023 it was focused on health and wellbeing related helping organizations.

On penalties and fines there are the costs incurred related to a non-realized real estate development project

In 2022 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 (Corvin 5-6 buildings) divested to OTP in 2019 and 2020.

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14. Finance income and expense

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Interest income	9 168 284	8 656 318
Realised exchange difference	8 267 057	5 645 182
Unrealised exchange difference	10 194 604	26 267 898
Premium amortization on bond	3 010 445	2 897 218
Fair value gain on securities including shares, fund units and treasury bonds	8 505 536	0
Derivative financial gains	3 831 915	2 040 091
Dividend income	124 045	85 593
Other	497 332	471 785
Other financial income	34 430 934	37 407 767
Total financial income	43 599 218	46 064 085
Interest expense	16 769 981	8 951 772
Interest on lease liabilities	217 206	222 471
Bond related interest expense	20 315 222	11 728 871
Interest expense	37 302 409	20 903 114
Bank charges	1 365 354	1 254 283
Realised exchange difference	6 803 872	22 952 215
Unrealised exchange difference	15 029 256	6 603 226
Derivative financial expenses	-	1 853 932
Impairment on financial assets	5 528 033	6 714 880
Other	44 444	60 504
Other financial expense	28 770 959	39 439 040
Financial expense	66 073 368	60 342 154
Net finance income / (expense)	-22 474 150	-14 278 069

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, Note 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:	2023	2022
<i>In EUR</i>		
Corporate income tax	419 382	1 013 224
Local business tax	105 419	295 183
Innovation contribution	39 838	57 204
Other	199 901	34 290
Total current tax expense / (benefit)	764 540	1 399 901
Deferred tax	400 171	150 887
Total deferred tax expense / (benefit)	400 171	150 887
Total income tax expense / (benefit)	1 164 711	1 550 788

Reconciliation of effective tax rate

For the period ended 31 December:	2023	2022
<i>In EUR</i>		
Profit / (loss) for the period	21 118 648	51 851 712
Total income tax expense / (benefit)	1 164 711	1 550 788
Profit / (loss) before income tax	22 283 359	53 402 500
Expected income tax using the local tax rate	2 005 502	4 806 225
<i>Tax effect of:</i>		
Not recognized deferred tax asset for tax loss carried forward a)	4 118 016	2 329 309
Difference in tax rates b)	-418 381	-304 964
Difference due to investment funds and entities under Real Estate Investment Trust c)	-3 992 757	-5 481 634
Not recognized tax loss carried forward in earlier period d)	-48 411	-980 128
Other income tax e)	-142 355	1 053 970
Other f)	-356 903	128 010
Tax expense for the period	1 164 711	1 550 788
Effective tax rate	5,23%	2,90%

- 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).

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- c) Hungarian investments funds are not subject to income tax. Finext Nyrt. and its subsidiaries are registered as entities qualifying for the Real Estate Investment Trust (“REIT”) status under the Hungarian regulations and are entitled for a reduced taxation scheme.
- d) This 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 16I)
- 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))

16.(a) Intangible assets

The intangible assets of the Futureal Holding are intellectual properties and rights and their carrying amount was EUR 5 753 at 31 December 2023 and EUR 7 769 at 31 December 2022.

16.(b) Investment and development property

For the period 1 January 2023- 31 December 2023:

In EUR

Fair value at 1 January	969 111 173
Additions	89 843 875
Disposal	-1 889 321
Borrowing cost capitalized	2 855 193
Net gain/loss from fair valuation	10 562 588
Increase / Decrease – RoU assets – IFRS16	561 253
Scrapping	-987 378
Reclassification to assets held for sale	-9 625 001
Translation differences	949 759
Fair value at 31 December	1 061 382 141

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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

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

Futureal Holding did not acquire investment property neither in 2023 nor 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 973 645 052 as at 31 December 2023 (EUR 869 350 127 as at 31 December 2022), remaining properties with a fair value of EUR 108 561 033 (EUR 108 677 574 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 9 669 427 EUR as at 31 December 2023 (7 336 693 EUR as at 31 December 2022).

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

in EUR

31.12.2023	Valuation method	Fair value	Area (m2)	Sensitivity for yield		Sensitivity for rental fees	
				+0.25%	-0.25%	+5%	-5%
Retail	Discounted cashflow method	360 954 440	120 601 m2	-8 343 989	8 786 138	5 453 786	-5 353 784
Offices	Residual amount/Discounted cashflow method/Comparable price method	378 974 020	144 424 m2	-8 495 205	8 683 733	13 131 845	-13 131 845
Logistics	Residual amount/Discounted cashflow method/ Comparable price method/ Sales and purchase price method	334 359 465	308 901 m2	-5 590 000	5 790 000	11 080 000	-10 980 000
Other	Comparable price method	7 918 160	2 251 m2	n/a	n/a	n/a	n/a

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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

	Intervals 31.12.2023	Intervals 31.12.2022
Yield	5,44-10,38%	5,90-11,28%
Office ERV	10,00-18,50	8,73-18,50
Office rental fee (€/m²)	10,00-18,50	8,73-18,50
Store space rental fee (€/m²)	5,00-80,00	5,46-130,00
Warehouse rental fee (€/m²)	5,00-15,00	4,00-15,00

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>	2023	2022
Rental income from operating lease	48 851 673	34 211 948
Direct operating expenses	-35 550 719	-25 541 126
Fair value gain recognised	10 562 588	49 093 992
Lease interest	217 206	222 471
Profit from sale of investment and development property	3 941 102	2 095 538
Amounts recognised in PL for investment and development properties	28 021 850	60 082 823

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 2023	Rights of perpetual usufruct of land
<i>In EUR</i>	
Balance at 1 January	1 368 910
Additions to right of use assets	561 253
Fair value change	55 560
Currency translation difference	51 407
Closing balance	2 037 130

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For the year ended 31 December 2022	Rights of perpetual usufruct of land
<i>In EUR</i>	
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

16.(c) Property, plant and equipment

The property, plant and equipment of Futureal Holding are IT machinery and vehicles at the end of 2023 and their carrying amount was EUR 154 971 at 31 December 2023 and EUR 569 936 at 31 December 2022.

In 2022 the majority of the property, plant and equipment were related to two of the Hungarian management companies, Futureal Management Kft and HelloParks Management Kft, however as from 1st January 2023 the main management activities were taken over by related party companies out of the Futureal Holding group, and consequently the majority of the property, plant and equipment were also sold from the Group.

16.(d) Inventory

For the year ended 31 December 2022	31.12.2023	31.12.2022
<i>In EUR</i>		
Total inventories at the lower of cost or net realizable value	30 911 628	812 514

For 31 December 2023 FIP Lipowy Park Sp.z.o.o. recognized office buildings (consisting four separate buildings) purchased for selling in the near future as inventory (the value of the buildings was EUR 30 887 354 at 31 December 2023). Two buildings of the four are already signed for selling in 2024 and the remaining two are also planned for selling in the near future. Besides there are two parking places recognized as inventory in an amount of EUR 24 274.

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.

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 2023 and 31 December 2022 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.

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16.(e) Other assets

<i>In EUR</i>	31.12.2023	31.12.2022
Advances and prepayments made for investments	682 505	3 994 494
Advances and prepayments made for services	405 413	314 224
Advances and prepayments made for inventories	7 517	114 708
Prepaid expenses	350 106	90 558
Deposits	14 093	133 211
Other	6 765	34 185
Total closing balance	1 466 399	4 681 381
Closing balance includes:		
Other long-term assets	0	0
Other short-term assets	1 466 399	4 681 381
Total closing balance	1 466 399	4 681 381

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 (EUR 2 million for FIP Lipowy Park Sp.z.o.o, and EUR 490 thousand for warehouse land plot in Alsónémedi), and the remaining EUR 1 500 818 are advances paid for development work in progress.

As of 31 December 2023 the Advances and prepayments made for investments line includes also land plots for further warehouse projects in Maglód.

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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 01.01.2023	Acquisition	Recognized in the income statement	Currency translation adjustmen t	Closing balance 31.12.2023
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	-739 652	0	-323 689	-71 263	-1 134 603
Loans	72 039	0	-77 563	5 524	0
Tax loss carry forward	180 151	0	-18 939	19 676	180 888
Provision	0	0	1 592	0	1 592
Other liabilities	-754	0	187	7 694	7 127
Measurement	0	-62 520	62 520	0	0
SCH reconciliation	0	-1 323	1 323	0	0
Currency translation adjustment	0	0	-45 602	45 602	0
Total deferred tax liability	-488 216	-63 843	-400 171	7 233	-944 996
Total deferred tax asset/(liability)	-488 216	-63 843	-400 171	7 233	-944 996

<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	180 150
Other liabilities	12 905	0	-6 470	-7 188	-753
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>	31.12.2023	31.12.2022
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	-944 996	-488 216
Deferred tax liabilities to be recovered within 12 months	0	0
Total deferred tax liabilities:	-944 996	-488 216

Realization of deferred tax assets

The net deferred tax liability of Futureal Holding as at 31 December 2023 and 31 December 2022 includes a deferred tax liability deriving from the difference from book value and tax value of the liabilities.

Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

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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>	31.12.2023	31.12.2022
Short-term VAT receivables	5 762 082	7 098 902
Total closing balance	5 762 082	7 098 902

VAT receivables mainly contain VAT receivable relating to development properties. Management's expectation is that these amounts will be realized within the normal operating cycle, therefore these balances are presented under current asset as at 31 December 2023 and 31 December 2022.

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>	2023	2022
Opening balance	1 368 910	5 767 164
Acquisition	1 824 910	0
Lease modification	561 188	156 131
Interest expense	43 825	174 005
Currency translation adjustment	107 561	-52 996
Reclassification to liability held for sale	0	-3 679 268
Repayment of lease liability	-44 354	-996 126
Recognition of new lease liability	11 911	0
Total closing balance	3 873 951	1 368 910

Closing balance includes:

Short-term lease liabilities	46 870	58 321
Long-term lease liabilities	3 827 081	1 310 589
Total closing balance	3 873 951	1 368 910

The total cash outflow for leases in 2023 was 44 354 EUR. The total cash outflow for leases in 2022 was 996 126 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>		31.12.2023	31.12.2022
Entity	Project		
Finext Global 2 Részalap	HelloParks East (Fót)	0	184 032
HelloParks Three Alpha Ingatlanbefektetési részalap	HelloParks East (Fót)	495 001	495 001
Futureal 1 Ingatlanbefektetési Alap	Street retail project	160 396	745 798
Total customer advances received		655 397	1 424 831

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For the year ended 31 December:

<i>In EUR</i>	2023.12.31	2022.12.31
Opening balance of customer advances received	1 424 831	1 117 072
Increase in contract liabilities from customer advances received for not completed performance obligations	90 097	1 240 799
Revenue recognised that was included in the contract liability balance at the beginning of the period	-675 499	0
Revenue recognised that was included in the contract liability/ customer advance balance at the beginning of the period	-184 032	0
Decrease in contract liab. from customer adv.-s received - for other reason than sales (revenue recognized)	0	-933 040
Closing balance of customer advances received	655 397	1 424 831
Non-current customer advances received	0	0
Current customer advances received	655 397	1 424 831

16.(j) Provisions

For the period ended 31 December 2023

<i>In EUR</i>	Rental guarantee	Total
Balance at 1 January	2 052 398	2 052 398
Additional provision charged	0	0
Amounts used during the year	-930 287	-930 287
Unused amounts reversed	0	0
Revaluation at year end	-356 045	-356 045
Currency translation adjustment	88 188	88 188
Closing balance	854 254	854 254

For the year 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 period ended:

<i>In EUR</i>	31.12.2023	31.12.2022
Non-current provision	854 254	1 122 111
Current provision	0	930 287
Total closing balance	854 254	2 052 398

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

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a provision which has a balance of EUR 930 287 (only long-term) at 31 December 2022 and EUR 0 at 31 December 2023 as the agreement was terminated during 2023.

Other than the above at the end of 2021 a provision of EUR 2 178 995 was recognised related to future reimbursement for outlays in new Polish project companies of Futureal Holding which was initially due in 2044. Due to the maturity date, the amount of the liability was discounted.

In 2023 the discount of this provision liability was recalculated reflecting the updated lower value of the outlays and shorter maturity of the liability, as a result the value of this provision liability in the balance sheet decreased to EUR 854 254.

16.(k) Other tax liabilities

<i>In EUR</i>	31.12.2023	31.12.2022
VAT liability	3 993 740	1 498 102
Stam duty liability	68 423	501 569
Social Security liabilities	29 442	275 819
Personal income tax liabilities	27 030	145 090
Other misc. tax liabilities	98 100	61 335
Total closing balance	4 216 735	2 481 915
Closing balance includes:		
Long-term tax liabilities	0	0
Short-term tax liabilities	4 216 735	2 481 915
Total closing balance	4 216 735	2 481 915

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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 2023

<i>In EUR</i>	Financial assets at FV through P/L	Financial assets at amortized cost	Hedging derivatives	Total
Non-current financial assets	101 234 649	0	3 434 479	104 669 128
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	101 234 649	0	0	101 234 649
Restricted Cash	0	0	0	0
Long-term derivative financial assets	0	0	3 434 479	3 434 479
Current financial assets	33 937 554	294 898 353	1 929 298	330 765 205
Trade and other receivables	0	53 100 829	0	53 100 829
Short-term receivables from related parties	0	2 085 220	0	2 085 220
Short-term receivables from third parties	0	28 552 190	0	28 552 190
Cash and cash equivalents	0	131 458 503	0	131 458 503
Restricted Cash	0	79 701 611	0	79 701 611
Other short-term financial assets	31 662 049	0	0	31 662 049
Short-term derivative financial assets	2 275 505	0	1 929 298	4 204 803
Total financial assets	135 172 203	294 898 353	5 363 777	435 434 333

As at 31 December 2023

<i>In EUR</i>	Financial liabilities at FV through P/L	Financial liabilities at amortized cost	Hedging derivatives	Total
Non-current financial liabilities	0	928 206 193	4 268 698	932 474 891
Long-term liabilities to related parties	0	0	0	0
Loans and borrowings	0	492 797 598	0	492 797 598
Bonds	0	425 786 903	0	425 786 903
Tenant deposits	0	7 417 440	0	7 417 440
Amounts withheld for guarantees	0	2 204 252	0	2 204 252
Derivative financial liabilities	0	0	4 268 698	4 268 698
Current financial liabilities	0	110 479 143	1 216 656	111 695 799
Short-term liabilities to related parties	0	6 476 732	0	6 476 732
Loans and borrowings	0	20 944 566	0	20 944 566
Bonds short-term	0	20 087 377	0	20 087 377
Tenant deposits	0	133 578	0	133 578
Trade and other payables	0	62 181 493	0	62 181 493
Customer advances	0	655 397	0	655 397
Derivative financial liabilities	0	0	1 216 656	1 216 656
Total financial liabilities	0	1 038 685 336	5 485 354	1 044 170 690

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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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17. (a) Receivables from related parties

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

<i>In EUR</i>	31.12.2023	31.12.2022
Loans granted	70 000	-
Trade receivables	420 617	1 117 999
Accrued revenue	368 246	4 341 894
Accrued interest receivables	1 165	-
Other receivables	1 225 167	218 254
Unpaid share capital (Hello Parks Group B.V. from QED B.V.)	25	-
Total closing balance	2 085 220	5 678 147

Closing balance includes:

Non-current assets	0	0
Current assets	2 085 220	5 678 147
Total closing balance	2 085 220	5 678 147

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

<i>In EUR</i>	31.12.2023	31.12.2022
EUR	672 066	985 547
HUF	1 195 800	4 342 094
PLN	138 246	132 262
GBP	71 282	172 168
RON	7 826	46 085
Total closing balance	2 085 220	5 678 156

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

As of 31 December 2023

<i>In EUR</i>	Balance	Maturity	Interest rate	Currency
HelloParks Partnership C.V. Magyarországi Fióktelepe	840 392	within one year	N/A	HUF
FR Management Partnership C.V. Magyarországi Fióktelepe	368 707	within one year	N/A	EUR/HUF
Cordia Management Poland sp. z o.o.	227 011	within one year	N/A	EUR
Cordia Homes Holding Limited	221 473	within one year	N/A	HUF
QED Magyarország Kft	71 165	within one year	N/A	EUR
Other related parties (individually not significant)	356 472	within one year	N/A	EUR/HUF
Total	2 085 220			

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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			

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 31.12.2024. 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:

In EUR

	2023	2022
Opening balance	11 768 965	19 627 933
Loans granted	54 932 957	182 272 242
Loans repaid	-38 681 602	-190 589 925
Currency translation adjustment	531 870	458 715
Total closing balance	28 552 190	11 768 965

	31.12.2023	31.12.2022
Closing balance includes:		
Non-current assets	0	0
Current assets	28 552 190	11 768 965
Total closing balance	28 552 190	11 768 965

<i>In EUR</i>	31.12.2023	31.12.2022
EUR	28 552 190	11 768 965
HUF	0	0
Total closing balance	28 552 190	11 768 965

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

As of 31 December 2023

In EUR

Counterparty	Balance	Maturity	Interest rate	Currency
Pedrano Commercial Építőipari Kft.	19 787 802	within one year	5,35%	EUR
Pedrano Construction Hungary Építőipari Kft.	8 764 388	within one year	0%	EUR

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

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.

17.(c) Trade and other receivables

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

<i>In EUR</i>	31.12.2023	31.12.2022
Gross trade receivables	12 665 347	15 485 079
Decreased by impairment	-320 090	-119 252
Net trade receivables	12 345 257	15 365 827
Lease incentives	18 551 959	14 355 170
Accrued revenue	4 650 111	846 825
Prepaid expenses	1 764 993	746 911
Vendor overpayment	16 044	0
Given deposits	276 696	22 369
Paid purchase price for securities which were transferred only in 2024	15 000 000	0
Other receivables	495 769	572 195
Total trade and other receivables	53 100 829	31 909 297

Among the receivables as at 31 December 2023 there is an EUR 15 million advance due to a year-end payment for purchasing investment funds securities which securities were transferred to Futureal Holding only in January 2024.

The rental income is invoiced in advance and Futureal Holding teams follow strict rental income collection procedures. As a result the amount of outstanding receivables is immaterial. Impairment recognized is due to an individual case and not material.

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17.(d) Other financial assets

<i>In EUR</i>	2023	2022
Securities	91 635	316 035
Other long-term financial assets	101 143 014	53 069 819
Long-term derivative financial assets	3 434 479	12 490 230
Short-term financial assets – government bonds	14 838 797	30 512 370
Short-term financial assets – other	16 823 252	2 166 015
Short-term derivative financial assets	4 204 803	3 182 952
Total closing balance	140 535 980	101 737 421

Closing balance includes:

Other long-term assets	104 669 128	65 876 084
Other short-term assets	35 866 852	35 861 337
Total closing balance	140 535 980	101 737 421

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

<i>In EUR</i>	31.12.2023	31.12.2022
Long term financial assets		
Investment in UK affordable housing	47 600 858	40 817 640
US investment funds	52 333 177	11 499 204
Other investments	1 300 614	1 069 010
Derivative assets	3 434 479	12 490 230
Total Long term financial assets	104 669 128	65 876 084

Short term financial assets

Hungarian state treasury bonds	14 845 325	30 512 370
Miscellaneous investments in investment funds	13 085 120	0
Hungarian listed shares	3 731 604	2 166 015
Derivative assets	4 204 803	3 182 952
Total short term financial assets	35 866 852	35 861 337

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

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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. As at 31 December 2023 Futureal Holding re-assessed the impact that changed economic environment has on the affordable housing business in UK and decided to write-off fully goodwill reflected in the net asset value of STAH SLP and in Auxesia SLP.

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 those treasury bonds was 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 3 731 604 at 31 December 2023 and EUR 2 166 015 at 31 December 2022.

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17.(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, and petty cash, short-term deposits or other highly liquid short-term financial instruments which are freely available for Futureal Holding. 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>	31.12.2023	31.12.2022
Cash at bank and petty cash	88 616 125	242 424 467
Money Market funds	34 245 584	0
Discount treasury bill	8 452 950	0
Petty cash	143 844	59 173
Total cash and cash equivalents	131 458 503	242 424 467

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

<i>In EUR</i>	31.12.2023	31.12.2022
EUR	67 443 228	185 830 434
HUF	60 876 966	36 028 221
USD	352 160	15 753 533
GBP	200 967	2 902 614
PLN	2 585 182	1 906 855
CZK	0	2 810
Total cash and cash equivalents	131 458 503	242 424 467

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

<i>In EUR</i>	31.12.2023	31.12.2022
A-	47 584 944	136 174 833
AAA	26 731 855	0
A+	15 399 574	47 431 211
BBB	13 352 287	47 661 176
BAA2	20 102 796	0
AA-	7 513 730	0
BBB-	355 111	554
BBB+	194 182	0
Petty cash	143 844	59 173
B+	0	10 938 089
A2	0	159 431
Bank rating is not publicly available	80 180	0
Total cash and cash equivalents	131 458 503	242 424 467

*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 and borrowings related cash deposits line consists of different types of bank loan related escrow accounts. The balances can be used for CAPEX expenditures, loan instalments, VAT payment obligations triggered by revenue invoices. Restricted derivative cash is a result of daily margining of interest rate swaps of Futureal Holding. The interest rate swaps are for hedging the costs of financing.

<i>In EUR</i>	31.12.2023	31.12.2022
Tenant deposits	7 522 006	5 647 081
Other deposits	1 536 328	1 712 478
Loans and borrowings related cash deposits	30 315 101	10 611 077
Restricted renovation fund	1 352 506	1 119 763
Restricted derivative cash	38 490 000	47 230 000
Other restricted cash	485 670	279 418
Total restricted cash and cash equivalents	79 701 611	66 599 817

Closing balance includes:

Current assets	79 701 611	55 690 071
Non-current assets	0	0
Total closing balance	79 701 611	55 690 071

<i>In EUR</i>	31.12.2023	31.12.2022
HUF	4 063 135	2 887 526
EUR	75 121 244	52 793 696
PLN	517 232	8 849
Total restricted cash and cash equivalents	79 701 611	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>	31.12.2023	31.12.2022
Opening balance	461 649 248	307 294 358
New bank loan drawdown	75 818 611	166 621 104
Loans repayments	-24 001 740	-11 143 527
Amortized transaction cost	-2 608 260	-464 735
Currency translation adjustment	2 885 042	-594 268
Revaluation (fx)	-737	-63 684
Total closing balance	513 742 164	461 649 248

<i>In EUR</i>	31.12.2023	31.12.2022
Closing balance includes:		
Non-current liabilities	492 797 598	439 035 410
Current liabilities	20 944 566	22 613 838
Total closing balance	513 742 164	461 649 248

<i>In EUR</i>	31.12.2023	31.12.2022
EUR	513 332 001	450 607 580
HUF	410 163	420 776
GBP	0	10 620 892
Total closing balance	513 742 164	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 es K&H 50-50%-ban	2028.06.30	EUR	65 947 500	65 947 500	0	0	3 month EURIBOR + margin	Yes	No	Investment and development loan
Futureal Prime Properties One Ingatlanfejlesztő Részalap	Unicredit Hungary, Eerste Group Bank Eerste Group Bank AG	2028.06.30	EUR	149 850 000	149 850 000	0	0	3 month EURIBOR + margin	Yes	No	Investment and development loan
Futureal I Ingatlanbefejezési Alap	MBH Bank	2030.12.31	EUR	30 000 000	30 000 000	0	0	3 month EURIBOR + margin	Yes	No	Investment loan
Futureal Prime Properties Three Ingatlanfejlesztő Részalap	Eerste Hungary, Eerste Group Bank AG	2032.12.31	EUR	60 000 000	52 000 000	0	8 000 000	3 month EURIBOR + margin	Yes	No	Investment and development loan
Futureal Prime Properties Two Ingatlanfejlesztő Részalap	Eerste Hungary	2023.12.31	HUF	522 493	0	0	0	3 months BUBOR + margin	Yes	No	VAT loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	MBH Bank	2037.12.31	EUR	49 773 400	40 781 791	0	8 991 609	3 month EURIBOR + margin	Yes	No	Investment and development loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	Unicredit Hungary	2024.06.30	HUF	653 117	653 117	0	-	3 months BUBOR + margin	Yes	No	VAT loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	Unicredit Hungary	2030.12.31	EUR	45 000 000	35 376 000	0	9 624 000	3 month EURIBOR + margin	Yes	No	Investment and development loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	Unicredit Hungary	2024.03.31	HUF	653 117	653 117	0	-	3 months BUBOR + margin	Yes	No	VAT loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	Eerste Hungary, Eerste Group Bank AG	2031.12.31	EUR	82 000 000	47 003 180	0	34 996 820	3 month EURIBOR + margin	Yes	No	Investment and development loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	Eerste Hungary, Eerste Group Bank AG	2023.12.31	HUF	391 870	78 772	0	313 098	3 months BUBOR + margin	Yes	No	VAT loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	Raiffeisen	2030.06.30	EUR	67 090 850	57 282 769	-	9 808 081	3 month EURIBOR + margin	Yes	No	Investment and development loan
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	Raiffeisen	2029.11.15	EUR	5 000 000	-	-	5 000 000	3 month EURIBOR + margin	Yes	No	Development loan

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	K&H	2031.12.31	EUR	38 000 000	24 570 110	-	13 429 890	24 570 110	3 month EURIBOR + margin	Yes	No	Development loan
	K&H	2024.06.27	HUF	261 247	-	-	261 247	-	3 months BUJBOR + margin	Yes	No	VAT loan
HellöParks Four Alpha Ingatlanalap	K&H	2032.12.31	EUR	23 000 000	-	-	23 000 000	-	3 month EURIBOR + margin	Yes	No	Development loan
	K&H	2025.06.30	HUF	261 247	-	-	261 247	-	3 months BUJBOR + margin	Yes	No	VAT loan
FR Investments Bemowo Sp. z o.o. FIP Retail Sp.k.	OTP	2031.12.31	EUR	19 500 000	19 500 000	-	-	17 430 825	3 month EURIBOR + margin	Yes	No	Investment loan
Sirius Investments Sp. z o.o. (FIP Gdańsk Retail Sp. z o.o.)	OTP	2031.12.31	EUR	16 500 000	16 500 000	-	-	14 848 707	3 month EURIBOR + margin	Yes	No	Investment loan
Total				654 404 840	540 196 356		113 685 992	513 742 164				

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31 December 2022

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 Properties 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 Ingatlanbefejtési 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 Properties 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
Futureal Prime Properties Two Ingatlanfejlesztő Részalap	Erste Hungary	2023.12.31	HUF	499 688	529 677	-29 989	85 654	3 months BUBOR + margin	Yes	No	VAT loan
Futureal Prime Properties Four 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
		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 Three Alpha 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 Bernowo 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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17.(h) Bonds

<i>In EUR</i>	2023	2022
Cash received	125 000 000	18 847 137
Bond face value	125 000 000	22 479 127
Accrued gain/(loss) on Bond issuance	0	- 3 631 990
Premium on Bond issuance	0	0
Capitalized costs of Bond issuance	123 849	311 042
Fair value of Bond related liabilities	424 245 501	323 874 483
Interest payment	-11 670 478	- 11 214 639
Effective interest rate of Bonds	22 360 375	14 510 115
Amortized Bond liability	434 935 398	327 169 959
Liability recorded for premium	-3 010 445	- 2 897 218
Other	-319 326	351 835
FX (gain)/loss	14 268 653	- 25 255 228
Total closing balance	445 874 280	299 369 348

<i>In EUR</i>	12.31.2023	12.31.2022
Closing balance includes:		
Current liabilities	20 087 377	14 510 115
Non-current liabilities	425 786 903	284 859 233
Total closing balance	445 874 280	299 369 348

<i>In EUR</i>	2023	2022
HUF	313 494 860	299 369 348
EUR	132 379 420	0
Total closing balance	445 874 280	299 369 348

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 2021 with financial settlement date on December 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.

In 2023 Futureal Holding has carried out again an additional bond issuance:

Issue No. 5 on January 31, 2023 with financial settlement date on January 31, 2023 and maturity on January 31, 2038. The offered volume was EUR 125 million at face value.

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Series number	Issuance date	Financial settlement date	Maturity	Issuance currency	Interest	Face value	Amount of funds raised
FUTURE2031	19.03.2021	23.03.2021	23.03.2031	HUF	4%	HUF 55 bn	HUF 57,32 bn
FUTURE2036	12.11.2021	16.11.2021	16.11.2036	HUF	3,50%	HUF 33,7 bn	HUF 32,15 bn
second tranche of FUTURE2036	09.12.2021	13.12.2021	16.11.2036	HUF	3,50%	HUF 24,25 bn	HUF 21,55 bn
second tranche of FUTURE2031	27.01.2022	31.01.2022	23.03.2031	HUF	4%	HUF 8,05 bn	HUF 6,75 bn
FUTURE2038	31.01.2023	31.01.2023	31.01.2038	EUR	6,56%	EUR 125 mn	EUR 125 mn

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 2022 November (and confirmed by monitoring review in 2023 February). 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 (with negative outlook) to the Issuer in December, 2023. 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 level 1 information in the fair value hierarchy.

Bonds are initially recognized 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 recognized in profit or loss over the period of the borrowings using the effective interest method. Based on IAS 23 the effective interest of EUR 22 360 374 was capitalized on qualifying assets.

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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 31, 2023 is over EUR 282 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
Budapest ONE Business Park Buildi.,g""1"	Operating building	Hungary	BREEAM International 2013 New Construction: Offices – Final certificate – Very Good level BREEAM In-Use (Registered)	Access4You Certified_2023, targeted to achieve Gold level in 2024	Certified at Platinum level Well Core Health-Safety Rating_from 16 February 2022 until 16 February 2023
Budapest ONE Business Park Buildi.,g""3"	Operating building	Hungary	BREEAM International 2013 New Construction: Offices – Final certificate _Excellent level	Access4You Certified_20–3 - Bronze level, targeted to achieve Gold level in 2024	No WELL certification yet. Not precertified but intended to be certified at Platinum level in Q3 2024.
Budapest ONE Business Park Buildi.,g""2"	Operating building	Hungary	BREEAM International 2013 New Construction: Offices – Final certificate _Excellent level	Access4You Certified_20–3 - Bronze level, targeted to achieve Gold level in 2024	No WELL certification yet. Not precertified but intended to be certified at Platinum level in Q3 2024.
Corvin Innovation Campus phase 1	Operating building	Hungary	Designed to be BREEAM excellent: International 2016 New Construction: Shell and Core_Office_Interim certificate: Design stage _Excellent level; targeted to achieve Excellent level Final Certificate in Q2 2024	Access4You Certified_20–3 - Gold level	Precertified, intended to be certified at Platinum level in Q4 2024
Corvin Innovation Campus phase 2	Under construction	Hungary	Designed to be BREEAM excellent: International 2016 New Construction: Shell and Core_Office_Interim certificate: Design stage _Excellent level BREEAM International 2009	-	-
Etele Plaza Shopping Centre	Operating building	Hungary	Europe Commercial: Retail_ Final certificate _Very Good level BREEAM In-Use (Registered)	Access4You Certified_20–1 - Gold level	-
Cinema Tower	Under construction	Poland	BREEAM In-Use International wi,,h "Excell"nt" rating targetted (In progress) PT1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Interim certificate: Design stage Outstanding level (Achieved)	-	-
HelloParks Páty (Budapest West)	Under construction	Hungary	PT1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (In progress) PT2: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (In progress)	-	-

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The Futureal 2038 bond in the total amount of EUR 125 mn qualifies as a green bond. Futureal Holding has allocated around 66% of 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 31, 2023 is over EUR 99 million, well above the allocated bond amount.

Green Bond The Eligible Green Assets Portfolio	Asset Class	Geographic distribution	BREEAM	Access4You	WELL CORE Certification according to WELL Building Standard v1
Cinema Tower	Under construction	Poland	BREEAM In-Use International with "Excellent" rating targeted (In progress) FT1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Interim certificate: Design stage Excellent level (Achieved) FT1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Excellent level (In progress)	-	-
HelloParks Fót (Budapest North)	Under construction	Hungary	FT2: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (In progress) FT6: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (In progress) MG1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Interim certificate: Design stage Excellent level (Achieved) MG1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (In progress)	-	-
HelloParks Maglód (Budapest Airport)	Under construction	Hungary	Industrial Category Shell&Core: Final certificate: Excellent level (Achieved) MG3: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (Achieved) PT1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Interim certificate: Design stage Outstanding level (Achieved) PT1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (In progress)	-	-
HelloParks Páty (Budapest West)	Under construction	Hungary	AN1: BREEAM International 2016 New Construction: Industrial Category Shell&Core: Final certificate: Outstanding level (In progress)	-	-
HelloParks Alsónémedi (Budapest South)	Under construction	Hungary	Industrial Category Shell&Core: Final certificate: Outstanding level (In progress)	-	-

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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 8 December 2023 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,

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,

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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).

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<i>In EUR</i>	<i>FUTURE2031& FUTURE2036</i>	<i>FUTURE2038/1 EUR Green</i>
<i>In EUR</i>	2023.12.31	2023.12.31
Consolidated Equity	405 369 099	405 369 099
<i>In EUR</i>	2023.12.31	2023.12.31
Bonds (non-current)	425 786 903	425 786 903
Bonds (current)	20 087 377	20 087 377
Issuer Bonds and Other Borrowings	445 874 280	445 874 280
Cash and cash equivalents	131 458 503	131 458 503
Treasury bills and government bonds	0	14 845 123
Total Net Issuer Bonds and Other Borrowings	314 415 777	299 570 654
Bond Debt to Equity Undertaking	0,78	0,74

As at December 31, 2023 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>	31.12.2023	31.12.2022
Trade payables	1 749 498	968 395
Deferred income	175 645	149 618
Accrued expenses	4 332 673	2 764 525
Other liabilities	218 916	130 278
Total closing balance	6 476 732	4 012 816

Closing balance includes:

Non-current liabilities	0	113 952
Current liabilities	6 476 732	4 367 069
Total closing balance	6 476 732	4 481 021

<i>In EUR</i>	31.12.2023	31.12.2022
HUF	1 830 498	1 926 467
EUR	4 386 975	1 699 071
GBP	224 206	213 204
PLN	35 053	174 074
Total closing balance	6 476 732	4 012 816

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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>	31.12.2023	31.12.2022
Trade payables	13 988 713	16 489 101
Deferred income	17 391 500	14 128 906
Accrued expenses	29 354 702	72 780 242
Payable purchase price of investments	0	8 180 062
Other payables	1 446 578	1 224 910
Closing balance	62 181 493	112 803 221

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>	31.12.2023	31.12.2022
HUF	8 449 152	3 432 865
EUR	51 097 529	100 454 986
GBP	881 373	6 944 187
PLN	1 698 740	1 206 929
USD	54 699	735 690
RON	0	1 270
AUD	0	27 294
Total closing balance	62 181 493	112 803 221

17.(k) Tenant deposits

Deposits received from tenants are denominated in the following currencies:

<i>In EUR</i>	31.12.2023	31.12.2022
EUR	6 333 109	4 770 651
HUF	694 043	475 992
PLN	523 866	475 958
Total closing balance	7 551 018	5 722 601

Closing balance includes:

Non-current liabilities	7 417 440	5 679 835
Current liabilities	133 578	42 766
Total closing balance	7 551 018	5 722 601

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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 2023 is EUR 2 204 252.

The balance of the long-term guarantees withheld as at 31 December 2022 is EUR 4 982 766.

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)(ii). Futureal Holding's hedging reserves are disclosed in Note 18(b) and Note 18(d).

<i>in EUR</i>	31.12.2023	31.12.2022
Closing balance includes:		
Long-term derivative assets	3 434 479	12 490 230
Short-term derivative assets	4 204 803	3 182 952
Total closing balance	7 639 282	15 673 182

Movements table	2023	2022
Opening balance as at 01 January	15 673 182	1 990 967
Parent share - Fair value change recorded in the other comprehensive income	-16 927 750	54 188 302
NCI share - Fair value change recorded in the other comprehensive income	- 2 121 653	6 423 745
Fair value change recorded in the profit and loss statement	2 275 503	300 168
Margin call amount	8 740 000	-47 230 000
Closing balance as at 31 December	7 639 282	15 673 182

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 2023. 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)(ii). Futureal Holding's hedging reserves are disclosed in Note 18(b) and Note 18(d).

<i>in EUR</i>	31.12.2023	31.12.2022
Closing balance includes:		
Long-term derivative liabilities	4 268 698	0
Short-term derivative liabilities	1 216 656	810 781
Total closing balance	5 485 354	810 781

Movements table	2023	2022
Opening balance as at 01 January	810 781	2 165 619
Parent share - Fair value change recorded in the other comprehensive income	4 412 837	-2 067 516
Fair value of foreign currency forward recorded in the profit and loss statement	-810 781	810 781
NCI share - Fair value change recorded in the other comprehensive income	1 072 517	-98 103
Closing balance as at 31 December	5 485 354	810 781

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 2023 and 31 December 2022. All joint ventures and associates are measured applying the equity method.

Entity name	Nature of relationship at	
	31.12.2023	31.12.2022
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(s) had the same % voting rights through the rights attached to the shares owned. At the end of 2023 and 2022 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	
	31.12.2023	31.12.2022
Futureal Management Ltd.	61 774	61 774

Reconciliation of the carrying amounts:

<i>In EUR</i>	2023	2022
Opening balance	61 774	400
Share of profit/ for the year	0	67 161
Late adjustment of value of joint venture (Futureal Management Ltd)	0	-5 787
Closing balance	61 774	61 774

Futureal Holding's interest in associates in 2023 and 2022 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 240 255 000 (in 2022: EUR 311 647 500) consisting of ordinary shares with nominal value of EUR 5, 62 (in 2022: EUR 7,29) in the number of 42 750 000 (in 2022: 42 750 000).

Company	31.12.2023	
	Nominal value of shares EUR	Ownership percentage
Futureal Group B.V.	240 255 000	99,16%
Total	240 255 000	

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

<i>In EUR</i>	2023	2022
Opening balance	311 647 500	342 000 000
Capital decrease	- 71 392 500	- 30 352 500
Closing balance	240 255 000	311 647 500

The share capital of the Company was decreased once in 2023 and twice in 2022: on 11 August 2023, on 29 September 2022 and on 4 November 2022. The company paid the liability to its owners via bank transfers during 2023 and 2022.

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 01.01.2023	58 039 825
Parent share - Change in fair value of hedging instrument recognised in OCI	-23 233 992
Closing balance at 31.12.2023	34 805 833

<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

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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>	2023	2022
Opening balance at 01 January	47 038 343	16 249 799
Dividend paid	0	0
Sale of subsidiary from the group	-86 263	0
Purchase of non-controlling interest	-134 000	
Transactions with non-controlling interests	0	504 798
Closing balance before profit appropriation	46 818 080	16 754 597
Profit/Loss of the year	12 977 693	30 283 746
Closing balance at 31 December after profit appropriation	59 795 773	47 038 343

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

18.(d) Non-controlling interests

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

The following entities in Futureal Holding has non-controlling interest.

<i>in EUR</i>	Principal place of business	Shares owned by NCI (%)	
		31.12.2023	31.12.2022
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 Real Estate Development Fund	Hungary	49%	49%
Hello Parks Hungary B.V. and its subsidiaries	Hungary	1,43%	2,00%
Hello Parks Group B.V. and its subsidiaries	Hungary	30,40%	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 2023 and 31 December 2022 are as follows:

<i>In EUR</i>	01.01.2023 -31.12.2023	01.01.2022 -31.12.2022
Opening balance	79 617 463	41 477 565
Profit/(loss) for the year a	4 524 614	17 985 415
Other comprehensive loss (CTA and hedge related) b	-3 199 826	6 597 240
Dividend paid c	-4 241 820	-798 660
Issue to non-controlling interests d	7 775 380	0
Purchase from non-controlling interest e	-125 000	0
Sale of subsidiary from the group f	0	1 348
Sale of subsidiary to a non-controlling interest g	0	14 354 555
Closing balance	84 350 811	79 617 463

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- **Line a-b)** The proportion of income, losses and items of other comprehensive income allocated to the non-controlling interests determined solely on the basis of present ownership interests. (IFRS 10.B89).
- **Line c)** The amount related to dividend payment to non-controlling interests.
- **Line d)** Shows the increase of non-controlling interest arising from capital increase by a non-controlling interest owner. In 2023 there was a EUR 25 million capital increase in Hello Parks Group B.V. of which EUR 7 516 380 were provided by minority shareholders.
- **Line e)** Shows the purchase of shares from non-controlling interest
- **Line f)** 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 g)** 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 2023 and 2022.

<i>In EUR</i>	01.01.2023 - 31.12.2023
Opening	59 567 950
Investment made by non-controlling investment unit holders	22 188 763
Annual Profit and Loss attributable to non-controlling investment unit holders	3 616 341
Redemption of investment units of non-controlling investment unit holders	0
Closing carrying amount	85 373 054

<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

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

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- After distributions equal to the invested capital to all unit holders, the potential profits are not distributed on prorata basis but in different proportions, with such proportions changing based on IRR achieved by the Class P unitholders versus pre-agreed IRR hurdles.

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

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

In 2023 Futureal Holding received additional funding from non-controlling investment unit holder, from Hungarian Development Bank related to the Corvin 8 project within Baross Gábor Program.

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

The assets and liabilities stated below in the 2022 columns 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 investment property in the value of EUR 9 591 000 in the 2023 column will be sold during 2024.

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>	31.12.2023	31.12.2022
Intangible asset	0	887 415
Investment property	9 591 000	2 056 000
Property plant and equipment	0	485 552
Right of use asset	0	3 530 564
Trade and other receivables	0	247 013
Other short-term receivables from third parties	0	2 601
Other short-term receivables from related parties	0	191
Other short-term assets	0	35 125
Total non-current assets held for sale	9 591 000	7 244 461

<i>In EUR</i>	31.12.2023	31.12.2022
Lease liability	0	3 679 268
Total liabilities held for sale	0	3 679 268

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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).

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 other long-term financial assets, other short-term financial assets and short-term derivative financial assets. The fair value of the assets is EUR 135 172 203 at 31 December 2023, and was EUR 45 717 734 at 31 December 2022 respectively.

Financial liabilities measured at fair value through profit or loss are foreign currency forward deals presented as derivative financial liabilities in amount of EUR 0 in 2023 and EUR 810 781 in 2022.

Derivative financial assets and liabilities 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	31.12.2023	31.12.2022
Futureal Prime Properties Subfund 6	Corvin 7 office building project	1 586 795	5 718 216
Futureal Prime Properties Subfund 4	Corvin 8 office building project	0	20 687 336
Futureal Prime Properties Subfund 3	BPOne2 office building project	1 297 762	3 433 463
Futureal Prime Properties Subfund 2	BPOne3 office building project	1 314 382	3 568 759
HelloParks Two Alpha Subfund	Maglód 1 logistics project	982 729	2 357 893
HelloParks Three Alpha Subfund	Fót1 logistics project	363 974	4 120 567
HelloParks Three Alpha Subfund	Fót 2 logistics project	0	8 544 690
HelloParks Three Alpha Subfund	Fót 6 logistics project	0	1 679 731
HelloParks Two Alpha Subfund	Maglód 3 logistics project	929 998	1 358 372
HelloParks Two Alpha Subfund	Maglód 4 logistics project	23 952 840	16 766 988
HelloParks One Alpha Subfund	Páty 1 logistics project	426 600	12 882 145
HelloParks One Alpha Subfund	Páty 2 logistics project	21 869 964	0
Evern Invest Hungary Kft	Páty 3 logistics project	22 045 116	0
Finext Global 2 Subfund	Alsónémedi 1 logistics project	28 779 987	0
Total		103 550 147	81 118 160

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 2023 and in 2022 there were 3 rounds of capital decrease of Futureal Holding through decrease of nominal value of the shares. 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>	2023	2022
Services:		
Rental of real estates	1 072 140	1 068 189
Intermediary services	790 813	2 184 306
IT support and other support revenue	123	1 121 367
Project Management fee	86 134	1 054 562
Sale of investment property	800 000	405 000
Consultancy	0	473 141
Other	918	77 356
Total	2 750 128	6 383 921

For the period ended December 31:

<i>(b) Purchase of products and services:</i>	2023	2022
Services:		
Management fee	660 884	7 127 195
Intermediary services	857 716	762 970
Marketing	19 818	228 778
Administrative costs	0	292 753
Consultancy	126 213	294 548
Fund management fee	546 889	466 373
Accounting cost	421 310	112 838
Intermediated expenses	11 780 398	1 763 424
IT service fee	0	5 682
Other	441 523	29 903
Total	14 854 751	11 084 464

The above transactions are with sister companies. The intermediated expenses contains electricity costs against Laming Thomson Kft. in amount of EUR 5 678 808. This service was provided by third party before. Also there are costs against FR Management Partnership C.V. Magyarországi Fióktelepe (EUR 2 319 606), Futureal Shared Services Partnership C.V. Magyarországi Fióktelepe (EUR 2 576 685), and HelloParks Partnership C.V. Magyarországi Fióktelepe (EUR 1 035 355). These services were provided within the group in 2022.

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For the period ended December 31:

<i>(c) Sale of subsidiaries:</i>	2023	2022
<i>Ultimate controlling parties:</i>		
Consideration received	0	0
<i>Sister companies:</i>		
Consideration received	37 718 315	55 000
Total	37 718 315	55 000

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>	31.12.2023	31.12.2022
Dividend	1 470 000	0
Total	1 470 000	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:	31.12.2023	31.12.2022
<i>In EUR</i>		
Salary and other short time benefit	115 038	37 290
Incentive plan linked to project results	712 775	1 084 851
Total	827 813	1 122 141

Loans to directors

As at 31 December 2023 and 31 December 2022 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.

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 2023 if the Hungarian forint weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 12 083 103 EUR higher / 13 355 009 EUR lower.

At 31 December 2023 if the Polish Zloty weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 116 857 EUR lower / 129 158 EUR higher.

At 31 December 2023 if the English GBP weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 25 573 EUR higher / 28 265 EUR lower.

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 13 246 771 EUR higher / 14 641 167 EUR lower.

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.

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(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)
+ 100 basis point – 01.01.2023. -31.12.2023.	- 4 876 960
+ 100 basis point – 01.01.2022. -31.12.2022.	- 3 288 330

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.

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>	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Carrying amount (long-term and short-term assets – note 17(m))	7 639 282	15 673 182
Carrying amount (long-term and current liabilities – note 17 (n))	5 485 354	810 781
Notional amount	497 571 642	400 720 590
Maturity date	2028-2037	2028-2037
Hedge ratio	100%	100%
Change in fair value of outstanding hedging instruments since 1 January	-26 185 748	62 778 621
Change in value of hedged item used to determine hedge effectiveness	-26 185 748	62 723 748

(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.

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(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 2023		
<i>In EUR</i>	Less than 1 year	Between 1 and 5 years
Loans and borrowings	20 944 566	492 797 598
Bonds	20 087 377	425 786 903
Trade and other payables	62 181 493	0
Liabilities to related parties	6 476 732	0
Amounts withheld for guarantees	0	2 204 252
Lease liabilities	46 870	3 827 081
Total	109 737 038	924 615 834

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

(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

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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 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>	31.12.2023	31.12.2022
Cash and cash equivalents	-131 458 503	- 242 424 467
Restricted cash	-79 701 611	- 66 599 817
Loans and borrowings	513 742 164	461 649 248
Bonds	445 874 280	299 369 348
Net debt	748 456 330	451 994 312

<i>in EUR</i>	Cash	Restricted cash	Loans and borrowings	Bonds	Total
Net debt as at 1 January 2023	-290 262 369	-71 795 663	461 649 248	299 369 350	398 960 566
Cash flow	158 803 866	-7 905 948	51 816 871	113 205 673	315 920 462
Lease modification	0	0	0	0	0
Interest	0	0	0	22 360 374	22 360 374
Acquisition	0	0	0	0	0
Foreign exchange adjustments	0	0	2 884 305	14 268 654	17 152 959
Premium on bond/capitalized cost/and other effect	0	0	0	-3 329 771	-3 329 771
Amortized transaction cost	0	0	-2 608 260	0	-2 608 260
Net debt as at 30 June 2023	-131 458 503	-79 701 611	513 742 164	445 874 280	748 456 330

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<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

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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, United Kingdom operations, USA operations, and other individually not significant operations such as Maltese, Dutch and Luxembourg 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 2023

Balance sheets (EUR)	Hungary	Poland	United Kingdom	USA	Other countries
<i>Assets</i>					
Intangible assets	5 753	0	0	0	0
Investment property	952 821 107	93 324 143	15 236 891	0	0
Property, plant and equipment	138 961	16 010	0	0	0
Long-term receivables from related parties	0	0	0	0	0
Long-term receivables from third parties	0	0	0	0	0
Investment in subsidiary	0	0	0	0	0
Investment in JV/Associate	61 774	0	0	0	0
Deferred tax assets	0	0	0	0	0
Long-term derivative financial assets	3 434 479	0	0	0	0
Other long-term financial assets	2 611 880	0	47 600 858	50 976 711	45 200
Non-current assets	959 073 954	93 340 153	62 837 749	50 976 711	45 200

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Inventory	24 275	30 887 353	0	0	0
Trade and other receivables	51 411 042	1 407 507	282 280	0	0
Short-term receivables from related parties	2 059 419	5 221	0	0	20 580
Short-term receivables from third parties	28 552 190	0	0	0	0
Income tax receivable	40 310	154 684	0	0	0
Cash and cash equivalents	112 584 421	3 645 849	173 415	14 965 274	89 544
Other short-term assets	776 012	690 387	0	0	0
Short-term VAT receivables	4 677 023	1 059 845	0	0	25 214
Restricted cash	77 259 318	2 442 293	0	0	0
Short-term financial assets	31 662 049	0	0	0	0
Short-term derivative financial assets	4 204 803	0	0	0	0
Current assets	313 250 862	40 293 139	455 695	14 965 274	135 338
Asset held for sale	9 591 000	0	0	0	0
Total assets	1 281 915 816	133 633 292	63 293 444	65 941 985	180 538

Liabilities

	Hungary	Poland	United Kingdom	USA	Other countries
Long-term liabilities to related parties	0	0	0	0	0
Loans and borrowings	462 497 357	30 300 241	0	0	0
Bonds	425 786 903	0	0	0	0
Tenant deposits	7 027 153	390 287	0	0	0
Deferred tax liabilities	0	944 996	0	0	0
Provisions	0	854 254	0	0	0
Other long-term liabilities	0	0	0	0	0
Amounts withheld for guarantees	2 077 204	127 048	0	0	0
Lease liabilities	0	3 827 081	0	0	0
Derivative financial liabilities long term	4 268 698	0	0	0	0
Non-current liabilities	901 657 315	36 443 907	0	0	0

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Short-term liabilities to related parties	5 182 829	902 576	200 012	0	191 315
Loans and borrowings	18 965 275	1 979 291	0	0	0
Bonds short term	20 087 377	0	0	0	0
Tenant deposits	0	133 578	0	0	0
Trade and other payables	59 437 081	1 704 836	867 571	75 427	96 578
Customer advances	655 397	0	0	0	0
Provisions	0	0	0	0	0
Income tax liabilities	125 087	20 673	0	16 536	0
Other tax liabilities	4 034 478	182 257	0	0	0
Lease liabilities	0	46 870	0	0	0
Derivative financial liabilities short term	1 216 656	0	0	0	0
Amounts withheld for guarantees	0	0	0	0	0
Current liabilities	109 704 180	4 970 081	1 067 583	91 963	287 893
Total liabilities	1 011 361 495	41 413 988	1 067 583	91 963	287 893

Profit and loss and other comprehensive income	Hungary	Poland	United Kingdom	USA	Other countries
Revenue	67 972 044	11 299 133	875 192	0	82 324
Gross profit	35 557 270	5 726 984	8 924	-89 972	79 512
Other Comprehensive Income	-24 771 160	-8 215 839	432 637	-32 761	0
Profit for the year	22 975 440	1 171 212	-9 413 204	8 648 024	-2 262 824
Dividend paid	0	0	0	0	0

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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	219 974 191	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	65 397 449	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
<i>Liabilities</i>				
	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

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Short-term liabilities to related parties	3 352 996	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	105 027 201	1 025 902	6 708 991	41 127
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	173 696
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

27. Subsequent events

Adjusting subsequent events

There has been no such event since the date of the balance sheet.

Non-adjusting subsequent events

On March 7, 2024 Futureal Holding, via its opportunistic & value add platform, Futureal Investment Partners successfully closed divestment of 2 out of the 4 buildings of Lipowy Park complex in Warsaw (Poland).

On March 18, 2024 FR Investments Wrocław Sp. z o.o. concluded investment and revolving loan agreements with Alior Bank S.A. to finance the modernization of Wratislavia Tower office building in Wrocław (Poland). As of the date of this report, the loan have not been utilized.

During Q1_2024 Futureal Holding divested in total 7 units from its Budapest High Street Retail portfolio.

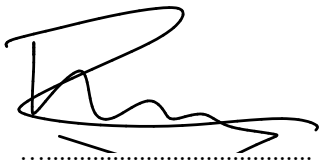
Board of Directors:



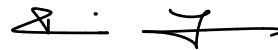
.....
Zsolt Balázsik



.....
Astrid van Groeningen



.....
Steven Melkman



.....
János Berki

Amsterdam, 26th April 2024

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Futureal Holding BV
Separate Financial Statements

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December			
<i>In EUR</i>	<i>Note</i>	2023	2022
Sales Revenue	4	143 333	0
Cost of sales		0	0
Gross profit		143 333	0
Administrative expenses	5	-460 480	-283 283
Other income	6	43 639	14 140 900
Other expenses	7	-13 596 265	-2 535 327
Operating profit/(loss)		-13 869 773	11 322 290
Interest income	8	8 731 012	2 609 027
Other financial income	8	447 293	19 447
Interest expense	9	-14 445 295	-5 248 426
Other financial expense	9	-106 510	-12 487
Net finance profit/(loss)		-5 373 500	-2 632 439
Share of profit/(loss) in joint ventures and associates		0	0
Profit/(loss) before taxation		-19 243 273	8 689 851
Income tax expense		0	0
Profit/(loss) for the period		-19 243 273	8 689 851

The financial statements should be read in conjunction with the accompanying notes on pages 93-111.

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Statement of Financial Position

<i>In EUR</i>	<i>Note</i>	31.12.2023	31.12.2022
Assets			
Non-current assets			
Long-term receivables from related parties	<i>12</i>	198 437 039	68 317 610
Investments in subsidiary	<i>10</i>	406 563 658	392 132 119
Total non-current assets		605 000 697	460 449 729
Current assets			
Trade and other receivables		0	0
Short-term receivables from related parties	<i>12</i>	6 813 218	3 445 205
Short-term VAT receivables		25 214	0
Cash and cash equivalents	<i>13</i>	91 831	45 840
Total current assets		6 930 263	3 491 045
Total assets		611 930 960	463 940 774
Equity			
Shareholders' equity			
Share capital	<i>17</i>	240 255 000	311 647 500
Retained earnings	<i>18</i>	-23 737 292	-4 494 019
Equity attributable to equity holders of the parent		216 517 708	307 153 481
Liabilities			
Non-current liabilities			
Long-term liabilities to related parties	<i>15</i>	348 552 450	138 675 158
Guarantees	<i>14</i>	8 258 026	6 872 328
Total non-current liabilities		356 810 476	145 547 486
Current liabilities			
Short-term liabilities to related parties	<i>15</i>	38 508 445	11 150 936
Trade and other payables	<i>16</i>	94 331	88 871
Total current liabilities		38 602 776	11 239 807
Total liabilities		395 413 252	156 787 293
Total equity and liabilities		611 930 960	463 940 774

The financial statements should be read in conjunction with the accompanying notes on pages 93-111.

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Statement of Changes in Equity

<i>In EUR</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2023	311 647 500	0	0	-4 494 019	307 153 481
Profit/(loss) for the period	0	0	0	-19 243 273	-19 243 273
Other comprehensive income/(loss)	0	0	0	0	0
Share capital decrease	-71 392 500	0	0	0	-71 392 500
Transactions with owners:	-71 392 500	0	0	0	-71 392 500
Balance at 31 December 2023	240 255 500	0	0	-23 737 292	216 517 708

<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

The financial statements should be read in conjunction with the accompanying notes on pages 93-111.

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Statement of Cash flows

For the years ended at 31 December 2023 and 31 December 2022

<i>In EUR</i>	<i>Note</i>	Year ended 31 December 2023	Year ended 31 December 2022
Profit before income tax		-19 243 273	8 689 851
<u>Adjustments for:</u>			
Impairment / (Reversal of impairment) of subsidiary	7	8 316 155	-14 140 900
Impairment of receivables	7	3 882 735	0
Guarantee for bond liabilities	7	1 385 698	2 535 327
Non cash movements		70 169	0
Increase/ (Decrease) in other assets		-25 214	0
Increase/ (Decrease) in trade and other payables	16	5 460	23 696
Decrease (+) / Increase (-) in receivables from related parties	12	- 4 705 464	-2 623 277
Increase (-) / Decrease (+) in liabilities to related parties	15	27 357 509	9 835 169
Net cash generated from operating activities		17 043 775	4 319 867
Acquisitions of subsidiaries and capital increase in subsidiaries	10	-23 223 074	-2 034
Disposal of shares in subsidiaries	10	475 380	0
Loans granted	12	-178 423 270	79 411 329
Repayment of long-term loan receivables	12	45 758 557	-42 013 999
Net cash used in investing activities		-155 412 407	-42 016 033
Capital decrease	17	-71 392 500	-30 352 500
Proceeds from borrowings	15	245 324 236	84 370 698
Repayment of borrowings	15	-35 517 113	-95 791 329
Net cash from financing activities		138 414 623	37 638 198
Net increase in cash and cash equivalents		45 991	-57 968
Cash and cash equivalents at the beginning of the year		45 840	103 808
Cash and cash equivalents at the end of the year	13	91 831	45 840

Notes to the financial statements

1. General information

The Company

Company name:	Futureal Holding B.V.
Headquarter:	1183AS Amstelveen, Laan van Kronenburg 14, the Netherlands
Company registration number (RSIN nr.):	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: 1183AS Amstelveen, Laan van Kronenburg 14, 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 2023 was: EUR 240 255 000 (EUR 311 647 500 as at 31 December 2022).

The Company is a holding company.

The owners of the Company as at	31.12.2023	31.12.2022
Futureal Group B.V.	99,16%	99,16%
Private persons	0,62%	0%
Finext Consultants Ltd.	0,22%	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 2024 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 10.

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2. Summary of material 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

A number of new or amended standards became applicable for the current reporting period:

- IFRS 17 Insurance Contracts effective from 1 January 2023
- Amendments to IAS 1 and IFRS practice Statement 2: Disclosure of Accounting Policies effective from 1 January 2023
- Amendments to IAS 8: Definition of Accounting Estimates effective from 1 January 2023
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12: International tax reform – pillar two model rules

The above amendments and improvements to IFRSs do not have a material impact on the standalone statutory financial statements of the Futureal Holding B.V.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 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 1 January 2022, but their effective date was delayed to 1 January 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. Futureal Holding B.V. does not expect significant impact on its financial statements due to this change.

- Amendments to IFRS 16: Lease liability in sale and leaseback

Effective from 1 January 2024. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use

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that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s interests in the associate or joint venture. The amendments apply prospectively. The amendments are available to be adopted, but the IASB has deferred the mandatory effective date indefinitely.

- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

These amendments are effective from 1 January 2024 with transitional reliefs in the first year. They require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to investors that said they urgently need more information about SFAs to be able to assess how these arrangements affect an entity’s liabilities, cash flows and liquidity risk.

- Amendments to IAS 21 – Lack of exchangeability

The IASB issued Lack of Exchangeability to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments are effective from 1 January 2025.

- IFRS S1 ‘General requirements for disclosure of sustainability-related financial information’

Effective from 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across the entity’s value chain.

- IFRS S2 ‘Climate-related disclosures’

Effective from 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

2.2 Foreign currency translation

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.

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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.

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.

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

Financial liabilities

Futureal Holding B.V. 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.

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

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

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

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

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

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

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2.5 Subsidiary companies

A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

2.6 Trade and other receivables

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

2.7 Cash and cash equivalents

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

2.8 Share capital

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

2.9 Trade and other payables

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

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

2.10 Borrowings

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

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

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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 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.

2.12 Interest income and expense

Interest income and expense are recognized within 'finance income' and 'finance expense' in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. 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.

2.13 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.

2.14 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.

2.15 Use of estimates and critical judgments

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

(a) Estimates

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

(b) Critical judgments

Functional currency

The Company determined functional currency considering the indicators in IAS 21.9-10. Presentation currency of the financial statements is also the Euro, as both users of the financial statements and market participants assess transactions in this currency, and this facilitates comparability with the financial statements of other companies in the industry.

Impairment

At the end of 2023 after the year-end impairment test of the subsidiaries the following impairment amounts had to be booked: EUR 3 139 701 for Futureal Development Holding Kft, EUR 5 116 108 for Futureal Resideantial One S.á.r.l, and EUR 60 347 for FRGP B.V. The impairment amounts were identified in the amount of the difference between the

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carrying value of these investments in Futureal Holding B.V.'s books and the 31.12.2023 Total Equity value of the subsidiaries.

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

Related to the receivables EUR 3 882 735 for Spectrum Glasgow Limited impairment was booked.

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.

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(b) 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 31.12.2023	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	94 331	0	0	0	0
Liabilities to subsidiaries	0	38 508 445	0	348 552 450	0
Total	94 331	38 508 445	0	348 552 450	0

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

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 8 258 026 at 31 December 2023 (it was EUR 6 872 328 at 31 December 2022). Within the next five years, in the highly unlikely scenario, in total EUR 19 133 643 of guarantee nominal value might materialize.

3.2 Financial instruments

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The management confirms that all of the Company's entities meets the capital criteria and the management takes all necessary decisions to provide adequate equity in case it is needed.

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4. Sales revenue

<i>In EUR</i>	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Company management fee revenue	143 333	0
Total administrative expenses	143 333	0

In 2023 the Company invoiced EUR 83 325 management fee towards a related party company (FR Management Partnership C.V. Magyarországi Fióktelepe) as well as booked an additional EUR 61 008 amount as late adjustment connecting to the previous year.

5. Administrative expenses

<i>In EUR</i>	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Audit and bookkeeping costs	166 988	155 040
Company management fee	147 027	77 205
Other administration costs	146 465	51 038
Total administrative expenses	460 480	283 283

In the 2023 and 2022 financial year, the following audit fees were charged by PricewaterhouseCoopers Könyvvizsgáló Kft and PricewaterhouseCoopers Accountants N.V. to the result in accordance with article 382a Title 9 Book 2 of the Dutch Civil Code.

	2023	2022
PricewaterhouseCoopers Accountants N.V.	EUR 58 450	EUR 64 530
PricewaterhouseCoopers Könyvvizsgáló Kft	EUR 108 538	EUR 90 510

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 and 2023 financial statements, regardless of whether the work was performed during the financial year.

No other services than audit services were provided in 2023 and 2022.

6. Other income

<i>In EUR</i>	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Partial reversal of prior year's impairment on investment in subsidiary	0	14 140 900
VAT refund	28 283	0
Other income	15 356	0
Total Other income	43 639	14 140 900

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

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7. Other expenses

<i>In EUR</i>	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Impairment on investment in subsidiaries	8 316 155	0
Guarantee expenses	1 385 698	2 535 327
Impairment on receivables from related party	3 882 735	0
Other	11 677	0
Finance expense	13 596 265	2 535 327

At the end of 2023 after the year-end impairment test of the subsidiaries the following impairment amounts had to be booked on three subsidiaries: EUR 3 139 701 for Futureal Development Holding Kft, EUR 5 116 108 for Futureal Resideantial One S.á.r.l, and EUR 60 347 for FRGP B.V. The impairment amounts were identified in the amount of the difference between the carrying value of these investments in Futureal Holding B.V.'s books and the 31.12.2023 Total Equity value of the subsidiaries.

The Company provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities to Futureal Development Holding Kft as well as to other related party companies for real estate project bank loans. 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 8 258 026 at 31 December 2023 and was EUR 6 872 328 at 31 December 2022. 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.

8. Finance income

<i>In EUR</i>	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Interest income	8 731 012	2 609 027
Income from disposal financial assets	395 045	0
Realized and unrealized exchange gain	52 248	19 447
Finance income	9 178 305	2 628 474

In 2023 and 2022 the interest income derived from related party loan receivables.

9. Finance costs

<i>In EUR</i>	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Bank charges	4 984	4 958
Interest expense	14 445 295	5 248 426
Realized and unrealized exchange loss	101 526	7 529
Total Finance costs	14 551 805	5 260 913

In 2023 and 2022 the interest expense derived from related party loan liabilities.

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10. Subsidiaries

The Company had the following subsidiaries as of 31.12.2023 and 31.12.2022:

Name	Incorporation and place of business activity	Direct shareholding of the parent (%) 31.12.2023	Direct shareholding of the parent (%) 31.12.2022
Futureal Real Estate Holding Limited	Malta	99.901%	99.903%
FRGP B.V.	Netherlands	100%	100%
Futureal Development Holding Kft.	Hungary	100%	100%
HelloParks Group B.V.	Netherlands	69,6%	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) 31.12.2023	Direct shareholding of the parent (EUR) 31.12.2022
Futureal Real Estate Holding Limited	192 600 000	192 584 644
FRGP B.V.	89 663	10
Futureal Development Holding Kft.	136 390 375	139 530 075
Hello Parks Group B.V.	52 483 620	35 000 000
Futureal Residential One S.á.r.l.	0	17 390
FR-Investments B.V.	25 000 000	25 000 000
Investments	406 563 658	392 132 119

In 2023 after the year-end impairment test of the subsidiaries the following impairment amounts had to be booked on three subsidiaries: EUR 3 139 701 for Futureal Development Holding Kft, EUR 5 116 108 for Futureal Resideantial One S.á.r.l, and EUR 60 347 for FRGP B.V. The impairment amounts were identified in the amount of the difference between the carrying value of these investments in Futureal Holding B.V.'s books and the 31.12.2023 Total Equity value of the subsidiaries.

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

Amounts in EUR	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Opening balance	392 132 119	377 989 185
Acquisition	274 356	2 034
Disposal	-475 413	0
Capital increase	22 948 751	0
Impairment (-) / Impairment reversal (+) of subsidiary	-8 316 155	14 140 900
Closing balance	406 563 658	392 132 119

In 2023 Futureal Holding B.V. purchased shares representing non-controlling parts of shareholding from a third party company in an amount of EUR 274 356. Also Futureal Holding B.V. sold shares to private persons in HelloParks Group B.V. in an amount of EUR 475 413 as well as increased equity in FRGP B.V. and HelloParks Group B.V. in an amount of EUR 22 948 751. Regarding the impairment of subsidiaries booked in 2023 please see the description below the above table.

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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.

11. Financial instruments

<i>In EUR</i>	Loans and other receivables 31.12.2023	Loans and other receivables 31.12.2022
Financial instruments		
Long term receivables from related parties	198 437 039	68 317 610
Short term receivables from related parties	6 813 218	3 445 205
Cash and cash equivalents	91 831	45 840
Total	205 342 088	71 808 655

As of 31 December 2023

<i>In EUR</i>				
Counterparty	Balance	Maturity	Interest rate	Currency
Futureal Real Estate Holding Ltd	89 495 301	within five year	5,8%	EUR
FR Investments B.V.	42 191 258	within five year	5,8%	EUR
Futureal Prime Properties One Ingatlanfejlesztő Részalap	26 034 717	within five year	5,8%	EUR
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	22 296 858	within five year	5,8%	EUR
Spectrum Glasgow SPV Limited	14 775 280	within five year	5,8%	EUR
Futureal Prime Properties Five Ingatlanfejlesztő Részalap	2 197 777	within five year	5,8%	EUR
Futureal Prime Properties Three Ingatlanfejlesztő Részalap	859 000	within five year	5,8%	EUR
HelloParks Three Alpha Ingatlanfejlesztő Részalap	300 000	within five year	5,8%	EUR
Futureal Prime Properties Two Ingatlanfejlesztő Részalap	240 000	within five year	5,8%	EUR
FR UK Holdco 1 Limited	46 848	within five year	5,8%	EUR
Total	198 437 039			

As of 31 December 2022

<i>In EUR</i>				
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			

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<i>In EUR</i>	Other financial liabilities – Amortised cost	Other financial liabilities – Amortised cost
Liabilities	31.12.2023	31.12.2022
Long term liabilities to related parties	348 552 450	138 675 158
Short term liabilities to related parties	38 508 445	11 150 936
Guarantees	8 258 026	6 872 328
Trade and other payables	94 331	88 871
Total	395 413 252	156 787 293

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

As of 31 December 2023

In EUR

Counterparty	Balance	Maturity	Interest rate	Currency
Futureal Development Holding Ingatlanforgalmazó Kft.	348 552 450	within five year	5,8%	EUR
Total	348 552 450			

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			

The Company's financial assets are related party 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.

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12. Receivables from related parties

<i>In EUR</i>	31.12.2023	31.12.2022
Loans granted	198 437 039	68 317 610
Accrued interest receivables	6 792 637	3 429 849
Trader receivables from related parties	20 581	15 356
Total closing balance	205 250 257	71 762 815

<i>In EUR</i>	2023	2022
Opening balance at 01 January	68 317 610	105 714 940
Loans granted	178 423 270	42 013 999
Repayment of long-term loan receivables	-45 758 557	- 79 411 329
Impairment	-2 545 284	0
Closing balance at 31 December	198 437 039	68 317 610

Closing balance includes:

Non-current assets	198 437 039	68 317 610
Current assets	6 813 218	3 445 205
Total closing balance	205 250 257	71 762 815

The Company provided in 2023 ten and in 2022 eight of its subsidiaries with interest bearing related party loans.

13. Cash and cash equivalents

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

<i>In EUR</i>	31.12.2023	31.12.2022
Cash at bank and in hand	91 831	45 840
Total cash and cash equivalents	91 831	45 840

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

<i>In EUR</i>	31.12.2023	31.12.2022
EUR	90 101	45 599
HUF	133	121
GBP	573	98
PLN	176	22
USD	848	0
Total cash and cash equivalents	91 831	45 840

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-.

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14. Long term liabilities

<i>In EUR</i>	31.12.2023	31.12.2022
Guarantees	8 258 026	6 872 328
Total closing balance	8 258 026	6 872 328

The Company provided guarantee (unilateral, independent, irrevocable and unconditional on demand payment obligation) for the bond liabilities to Futureal Development Holding Kft as well as to other related party companies for real estate project bank loans. Financial guarantee contracts that are accounted for as financial liabilities under IFRS 9 by the issuer are initially recognised at fair value.

15. Liabilities to related parties

(a) Commitments related to investments

There were no committed but not invoiced expenses related to investments neither in 2023, nor in 2022.

(b) Long and Short term liabilities to related parties

<i>In EUR</i>	31.12.2023	31.12.2022
Loans granted	348 552 450	143 675 158
Accrued interest liabilities	20 550 730	6 105 436
Liability for capital increase in subsidiaries	17 760 000	0
Other liabilities	197 715	45 500
Total closing balance	387 060 895	149 826 094

<i>In EUR</i>	2023	2022
Opening balance at 01 January	138 675 158	150 095 789
Proceeds from borrowings	245 324 236	84 370 698
Repayment of borrowings	-35 517 113	-95 791 329
Revaluation	70 169	0
Closing balance at 31 December	348 552 450	138 675 158

Closing balance includes:

Non-current liabilities	348 552 450	138 675 158
Current liabilities	38 508 445	11 150 936
Total closing balance	387 060 895	149 826 094

In 2023 and 2022 the short-term liabilities to related party balances mainly consist of received interest bearing related party loans as well as accruals against a related parties and in 2023 liability for capital increase in subsidiaries.

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16. Trade and other payables

<i>In EUR</i>	31.12.2023	31.12.2022
Trade payables	2 092	44 073
Accrued expenses	87 031	43 035
Other payables	5 208	1 763
Total closing balance	94 331	88 871

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

17. Share capital and capital reserve

	Share capital	Capital reserve
31.12.2021 / 01.01.2022	342 000 000	0
Share capital decrease	-30 352 500	0
31.12.2022 / 01.01.2023	311 647 500	0
Share capital decrease	-71 392 500	0
31.12.2023	240 255 000	0

The share capital of the Company was decreased in 2023: on 11 August 2023. The company paid the liability to its owners via bank transfer during 2023.

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

18. Accumulated deficit

	Retained earnings
31.12.2021 / 01.01.2022	-13 183 871
Current year result	8 689 852
31.12.2022 / 01.01.2023	-4 494 019
Current year result	-19 243 273
31.12.2023	- 23 737 292

The annual loss of EUR 19 243 273 (intercompany loan interest expense and impairment on subsidiaries) is subject to approval of the shareholder, allocated to the accumulated deficit.

19. Related parties

The Company had the following transactions with related parties:

(a) Services rendered

In 2023 there were management services fee rendered with related parties in an amount of EUR 143 333 (EUR 0 in 2022).

(b) Purchase of goods and services

The Company purchased administrative expenses from FR Group BV in 2023 in an amount of EUR 101 862 (EUR 0 in 2022).

(c) Sale of associate

In 2023 and 2022 there happened no such event in the company.

(d) Key management compensation

In 2023 the Company paid EUR 64 286 as key management compensation, while in 2022 the Company paid EUR 19 686 to key management personnel.

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(e) Interest incomes and expenses

<i>In EUR</i>	31.12.2023	31.12.2022
Futureal Real Estate Holding Ltd	3 551 339	474 083
Futureal Prime Properties One Ingatlanfejlesztő Részalap	1 596 247	1 048 919
Spectrum Glasgow SPV Limited	1 257 250	78 448
FR Investments B.V.	960 327	434 083
Futureal Prime Properties Two Ingatlanfejlesztő Részalap	741 030	0
Futureal Prime Properties Four Ingatlanfejlesztő Részalap	416 753	541 947
Futureal Prime Properties Five Ingatlanfejlesztő Részalap	160 041	31 353
HelloParks Three Alpha Ingatlanfejlesztő Részalap	28 310	0
Futureal Prime Properties Three Ingatlanfejlesztő Részalap	7 910	0
FR UK Holdco 1 Limited	3 644	194
Futureal Prime Properties Six Ingatlanfejlesztő Részalap	461	0
Total Interest income	8 723 312	2 609 027

<i>In EUR</i>	31.12.2023	31.12.2022
Futureal Development Holding Ingatlanforgalmazó Kft.	14 400 397	4 965 525
HelloParks Group B.V.	44 898	282 901
Total Interest expense	14 445 295	5 248 426

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

<i>In EUR</i>	31.12.2023	31.12.2022
Long-term related party receivables from subsidiaries	198 437 039	68 317 610
Short-term related party receivables from subsidiaries	6 813 218	3 445 205
Total	205 250 257	71 762 815

<i>In EUR</i>	31.12.2023	31.12.2022
Long-term related party liabilities to subsidiaries	348 552 450	138 675 158
Short-term related party liabilities to subsidiaries	38 508 445	11 150 936
Total	387 060 895	149 826 094

For further details on the related party balances as at the year-end please see Note 12 and 15.

(g) Dividend received from subsidiary

In 2023 and 2022 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. as well as to other related party companies for real estate project bank loans. 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 8 258 026 at 31 December 2023 (EUR 6 872 328 at 31 December 2022). 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.

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

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:



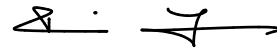
.....
Zsolt Balázsik



.....
Astrid van Groeningen



.....
Steven Melkman



.....
János Berki

Amsterdam, 26th April 2024

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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