Appeninn
Holding

APPENINN HOLDING PLC.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

COMPILED IN LINE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

31 DECEMBER 2021

WITH THE COMPARATIVE PERIOD ENDING AS OF 31 DECEMBER 2020

Contents

Consolidated statement on the financial position Assets	Note	31 December 2021 EUR	31 December 2020 amended (Note No. 48) EUR	01 January 2020 amended (Note No. 48) EUR
Revenue-generating investment properties	17	185 662 961	165 740 000	140 970 000
Tangible assets	18	223 035	199 980	177 664
Right-of-use asset	19	3 530 247	3 460 822	1 952 433
Deferred tax assets	20	756 071	217 138	92 693
Goodwill	21	4 353 991	4 353 991	0
Equity in affiliate enterprise	22	39 701	39 701	0
Over-the-year receivables	23	346 982	557 486	0
Invested assets in total		**194 912 988**	**174 569 118**	**143 192 790**
Inventories	24	7 934 901	10 118 606	160 040
Trade receivables	25	492 449	811 322	409 083
Other short-term receivables	26	6 040 096	894 691	442 390
Affiliated receivables	27	1 154 916	1 578	0
Short-term loans granted	28	6 089	6 153	49 537
Accruals	29	741 635	331 266	255 653
Income tax receivables	30	23 729	92 767	296 583
Cash and cash equivalents	31	24 857 395	22 063 065	40 991 952
Current assets in total		**41 251 210**	**34 319 448**	**42 605 238**
Assets in total		**236 164 198**	**208 888 566**	**185 798 028**
Equity and liabilities				
Issued share capital	32	15 217 006	15 217 006	15 217 006
Repurchased own shares	33	(1 171)	(1 171)	(1 171)
Capital reserve	34	25 645 230	25 645 230	25 645 230
Conversion reserve	35	(11 151 490)	(10 876 235)	(2 852 372)
Retained earnings	36	44 355 386	47 358 839	34 925 192
Equity per shareholders of the Company		**74 064 961**	**77 343 669**	**72 933 885**
Non-controlling interests	37	112 307	2 888 383	730 936
Equity and reserves in total		**74 177 268**	**80 232 052**	**73 664 821**
Long-term bank credits and leasing liabilities	38	48 007 602	34 360 682	27 145 536
Corporate bonds debt	39	54 557 445	55 179 933	60 940 494
Tenant deposits	40	1 286 727	1 430 940	301 775
Long-term affiliated liabilities	41	4 603 285	4 503 061	10 503 256
Deferred tax liabilities	42	5 472 228	4 714 789	3 565 003
Long-term liabilities in total		**113 927 287**	**100 189 405**	**102 456 064**
Short-term bank credits and leasing liabilities	38	932 373	2 159 141	7 139 967
Other short-term liabilities	43	21 266 227	19 188 242	614 028
Short-term affiliated liabilities	44	955 566	994 102	36 003
Liabilities for trade creditors and other accounts	45	9 812 260	4 552 000	993 818
Taxes and duties liabilities	46	486 513	404 555	398 513
Iincome tax liabilities	30	229 225	39 106	140 089
Accrued liabilities	47	14 377 479	1 129 963	354 725
Short-term liabilities in total		**48 059 643**	**28 467 109**	**9 677 143**
Liabilities in total		**161 986 930**	**128 656 514**	**112 133 207**
Equity and liabilities in total		**236 164 198**	**208 888 566**	**185 798 028**

Annexes disclosed on pages 9 to 90 form an inseparable part of the herein consolidated report

Consolidated comprehensive income statement	**Note**	**For the business year ending on 31 December 2021 EUR**	**For the business year ending on 31 December 2020 amended (Note No. 48) EUR**
Property rental revenue	3	7 474 392	7 536 560
Direct costs of property rental	4	(1 067 062)	(1 317 573)
Direct contribution from rental activities		**6 407 330**	**6 218 987**
Administration costs	5	(1 789 189)	(974 838)
Staff costs	6	(1 695 446)	(1 181 590)
Other revenues / (expenditures)	7	624 293	(11 503)
Profit (and loss) on sale of subsidiaries and investments profit (and loss) on sale of subsidiaries and investments	8	0	305 220
Profit and loss of investment properties sale	9	(503 071)	0
Profit and loss of fair value evaluation of revenue-generating investment properties	10	(4 679 678)	15 912 830
Profit and loss before taxation, interests and depreciation		**(1 635 761)**	**20 269 106**
Depreciation and amortisation	11	(248 217)	(261 540)
Other (expenditure) / revenue of financial transactions	12	(252 303)	(2 726 838)
Balance of interest revenues and (expenditures)	13	(2 860 223)	(2 516 060)
Lease interests	13	(48 544)	(102 936)
Profit before taxation		**(5 045 048)**	**14 661 732**
Income taxes	14	(734 669)	(1 460 061)
Profits in the current year		**(5 779 717)**	**13 201 671**
Other comprehensive income			
Other comprehensive income accountable in the consolidated profit and loss statement in the following period:			
Exchange rate differences arisen from currency translation of activities	35	(275 255)	(8 023 863)
Other comprehensive income of the current year, less with taxation		**(275 255)**	**(8 023 863)**
COMPREHENSIVE INCOME OF THE CURRENT YEAR IN TOTAL		**(6 054 972)**	**5 177 808**
From profit after tax:			
For non-controlling interests		(2 776 264)	907 910
For the owners of the Company		(3 003 453)	12 293 761
From total comprehensive income:			
For non-controlling interests		(2 776 264)	907 910
For the owners of the Company		(3 278 708)	4 269 898
Base earnings per share in EUR cent	15	**(12.20)**	**(27.87)**

Diluted earnings per share in EUR cent	16	**(12.20)**	**(27.87)**

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Consolidated own equity changes(data in EUR)	notes	Issued Share Capital	Capital reserve	Repurchased own shares	Conversion reserve	Retained earnings	For the owners of the parent company	Non-controlling interests	Own equity in total
Balance on 01 January 2020 originallí disclosed		**15 217 006**	**25 645 230**	**(1 171)**	**(2 710 880)**	**34 925 192**	**73 075 377**	**730 936**	**73 806 313**
Correction (see Note No. 48)					**(141 492)**		**(141 492)**		**(141 492)**
Balance on 01 January 2020 amended		**15 217 006**	**25 645 230**	**(1 171)**	**(2 852 372)**	**34 925 192**	**72 933 885**	**730 936**	**73 664 821**
Comprehensive income of the current year									
Comprehensive income of the current year	**37**				**(8 023 863)**	**12 293 761**	**4 269 898**	**907 910**	**5 177 808**
Transactions with owners		**0**	**0**	**0**	**0**	**139 886**	**139 886**	**1 249 537**	**1 389 423**
Transaction with non-controlling interest upon controlling	37,38					139 886	139 886	696 674	836 560
Acquisition of subsidiary	38							552 863	552 863
Balance on 31 December 2020 amended		**15 217 006**	**25 645 230**	**(1 171)**	**(10 876 235)**	**47 358 839**	**77 343 669**	**2 888 383**	**80 232 052**
Balance on 01 January 2021		**15 217 006**	**25 645 230**	**(1 171)**	**(10 876 235)**	**47 358 839**	**77 343 669**	**2 888 383**	**80 232 052**
Comprehensive income of the current year									
Comprehensive income of the current year	37				**(275 255)**	**(3 003 453)**	**(3 278 708)**	**(2 776 264)**	**(6 054 972)**
Transactions with owners		**0**	**0**	**0**	**0**	**0**	**0**	**188**	**188**
Acquisition of subsidiary	38							188	188
Balance on 31 December 2021		**15 217 006**	**25 645 230**	**(1 171)**	**(11 151 490)**	**44 355 386**	**74 064 961**	**112 307**	**74 177 268**

Annexes disclosed on pages 9 to 90 form an inseparable part of the herein consolidated report

Consolidated Cash Flow statement	Note	For the business year ending on 31 December 2021 EUR	For the business year ending on 31 December 2020 amended (Note No. 48) EUR
Profit before taxation		**(5 045 048)**	**14 661 732**
Profit and loss of fair value evaluation of revenue-generating investment properties	10	4 679 678	(15 933 455)
Profit and loss of real estate property sale	9	503 071	0
Depreciation	12	248 217	261 540
Negative goodwill	13	0	(199 106)
Profit / (loss) of subsidiaries sale	8	0	(305 220)
Interest revenues	14	(67 429)	(122 832)
Interest expenses	14	2 976 196	2 741 828
Changes in receivables and other current assets	26-28	(4 545 412)	(2 344 181)
Change in accrued and deferred assets	30	(410 369)	(75 613)
Change in inventories	25	2 183 705	(9 958 566)
Change in liabilities and accruals	44-48	18 000 830	17 748 093
Change in tenant deposits	41	(144 213)	(1 129 165)
Income tax paid	15	(461 224)	(324 025)
Net cash flow from business activity		**17 918 002**	**5 021 030**
Revenue of sale and purchase of tangible assets	19	-	-
Cost of maintenance performed on real estate properties	10	(28 702 639)	(20 625)
Acquisition of subsidiary	2.4.	0	(8 115 033)
Purchase of tangible assets	19	(2 108 062)	(1 956 688)
Change in loans granted	29	(1 154 852)	43 384
Interests received	14	67 429	122 832
Purchase of investment properties	18	0	-
Realised revenue of properties sale	9	10 296 929	-
Net cash flow from investment activities		**(21 601 195)**	**(9 926 130)**
Borrowing credits, leases and loans	39	9 728 974	-
Payment of credits	39	-	(3 258 096)
Interests paid	14	(2 976 196)	(2 741 828)
Net cash flow from financial activities		**6 752 778**	**(5 999 924)**
Impacts of exchange rate fluctuation:	**36**	(275 255)	(8 023 863)
Change in liquid assets	**32**	**2 794 330**	**(18 928 887)**
Liquid assets balances:			
Liquid assets at the beginning of the year	32	22 063 065	40 991 952
Yearend liquid assets	32	24 857 395	22 063 065

Annexes disclosed on pages 9 to 90 form an inseparable part of the herein consolidated report

1. General Information

1.1 Presentation of the Company

Appeninn Vagyonkezelő Holding Nyrt. (in English: Appeninn Asset Management Plc.) (hereinafter referred to as: the "Company") was established on 1 December 2009. The Company was registered under the company registration number of 01-10-046538 by Cégbíróság (in English: Company Registry Court) on 07 December 2009. In the course of the merger, Rotux Zrt. (company registration number: 01-10-045553) was merged into Appeninn Nyrt. on 19 May 2011.

Appeninn Vagyonkezelő Holding Nyrt. is one of Hungary's fastest growing real estate investment and asset management companies. The Company is continuously expanding its real estate portfolio in Grade A office, retail and tourism properties in Hungary and the Central and Eastern European region through acquisitions and own developments. Founded in 2009 and listed on the Budapest Stock Exchange in 2010, the Company has an almost fully occupied portfolio of Grade B office and logistics properties.

The Company's registered office is located in 1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. 1. The primary country of operation is Hungary.

Shareholding of the Company exceeding 5% on 31 December 2021 as follows:

Owner's name	**Quantity of shares**	**Equity (%)**
Avellino Zrt.	11 369 141	24.00%
Zinventive Zrt.	8 684 268	18.33%
OTP Ingatlanbefektetési Alap (in English: OTP Property Investment Fund)	2 410 372	5.09%
Free float	27 076 638	52.58%
Total	**47 371 419**	**100.00%**

1.2 The basis for balance sheet compilation

i.) Adoption and statement of compliance with the International Financial Reporting Standards

From the point of the management of the Corporate Group, the consolidated financial statements were compiled in accordance with the principle of continuity. The consolidated financial statements were adopted by the Board of Directors on 8 April 2022. The consolidated financial statements have been prepared in accordance with the International Financial Accounting Standards, and the standards adopted and published in the Official Journal of the European Union (EU) in the legal form of regulation. The IFRS comprises the standards and interpretations formulated by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The data provided in the consolidated financial statements in respect to the Corporate Group shall be interpreted in euro (EUR). Each and all sum(s)included in the statements are rounded to the nearest euro amount.

ii) The basis of reporting

The consolidated financial statements are made in compliance with the standards issued on the year ending as at 31 December 2021 and as well as with the IFRIC Interpretations.

The herein financial year equals with the calendar year.

iii) The basis of evaluation

The preparation of IFRS-compliant financial statements requires the company's management to apply professional judgment, estimations, and assumptions that influence the accounting policy, as well as the values of assets, liabilities, revenues, and expenditures listed in the financial report. The estimations and the related assumptions are based on past experiences and numerous other factors that are considered reasonable under the given circumstances, and the result of which serves as a basis to the evaluation of the book value of assets and liabilities, the value of which cannot be determined from other sources unambiguously. Actual results may differ from the estimations.

The estimations and the base assumptions are revised on a regular basis. The modifications of accounting estimations are displayed in the period of the modification of the estimation if it affects the given year only, while, if a modification affects the current and the upcoming years as well, it's displayed both in the period of the modification and the future periods.

2. Accounting Policy

The major accounting policies applied in the preparation of the consolidated financial statements are presented hereunder, as follows. The accounting policies are applied consistently to the periods covered by the present consolidated financial statements. The major accounting principles applied in the compilation of the financial statements are the following:

2.1 Material Elements of the Accounting Policy

2.1.1 The basis of consolidation

Subsidiaries

The consolidated annual financial statements include Appeninn Plc. and its controlled subsidiaries. Control is generally defined if the Corporate Group has, directly or indirectly, more than 50% of the voting rights of the company in question and it benefits from the company's activities through the influence over its financial and operating activities.

The Corporate Group exercises control over an investee when it is exposed to, or has rights to, variable returns from its involvement in the investee and has the power to affect those returns through its influence over the investee.
Accordingly, the Corporate Group controls the investee if, and only if, the investor has all of the following:
(a) power over the investee;
(b) exposure to, or rights to, variable returns arising from its interest in the investee; and
(c) the ability to use its power over the investee to influence the amount of returns to which the investor is exposed.

The acquisition accounting method is applied to acquired business shares, which is based on the value at the time of acquisition, based on the market value of the assets and liabilities at the acquisition date, that is, the date of acquisition of control. The cost of an acquisition is the sum of the consideration and the non-controlling interest in the acquired business. Companies acquired or sold during the year are included in the consolidated financial statements from the date of the transaction until the date of the transaction.

Transactions, balances and results between companies included in the consolidation, as well as unrealized results, are eliminated. In preparing the consolidated financial statements, similar transactions and events are recorded in accordance with uniform accounting principles by the Company.

The share in the capital and in the profit due to the shareholders without controlling interest are indicated in different rows in the balance sheet and the profit and loss statement as well. In respect to business combinations, the value of shareholdings without controlling interest is set at either their fair values or as the share in the net asset value of the acquired Company due to the shareholders without controlling interest. The evaluation method is selected individually in respect to each business combination. Following the acquisition, the share of the shareholders without controlling interest has the value as being set originally, amended by the value of changes in the capital of the acquired Company, vested on the shareholder without controlling interest proportionally. The shareholders without controlling interest shall bear their shares in the given period’s accumulative revenue if that results in a negative balance on their sides.

The changes in the Corporate Group's shareholding in the affiliates that do not result in the loss of control are accounted for as capital transactions. The shareholding of the Corporate Group and the shareholders without controlling interest shall be amended in a way to reflect the changes in their shareholdings in the subsidiaries. The difference between the value amending the shareholding of shareholders without controlling interest and the paid or received consideration is accounted for in the capital, as a value due to the Company's shareholders.

2.1.2 **Reporting Currency and Foreign Currency Balances**

In view of the substance and circumstances of the underlying economic events, the functional currency of the parent company and of all members of the Group is the forint, and the presentation currency is the euro, due to the euro-based revenue structure of the real estate rental business.

Originally, the foreign currency transactions are booked at their HUF equivalent upon the foreign currency exchange value valid on the day of the execution of the given transaction. Receivables and liabilities denominated in foreign currency are converted to Hungarian Forint on the exchange value valid on the balance sheet date. The differences arising from the currency conversion are booked as either revenue from or expenditures on financial transactions in the profit and loss account.

The Corporate Group revaluates its foreign currency assets and liabilities at the foreign currency exchange rate published by Magyar Nemzeti Bank (in English: Hungarian National Bank) on the balance sheet date. Foreign exchange gains and losses arising from revaluation are recognized on a net basis in the profit and loss account of the currency year under other revenue / expenditure of financial transactions.

The transactions performed in any foreign currency other than the Hungarian Forints are shown converted by using the foreign exchange rate between the given foreign currency and the reporting currency valid as of the date of the transaction. In the comprehensive income statement, the exchange rate differences that arise upon the settlement of monetary items, the period-opening initial display or from the use of a foreign exchange rate that differs from the exchange rate applied in the previous financial statements, are shown as either financial income or expenses in the period of the thereof arising. The monetary assets and liabilities denominated in any foreign currency are converted by using the currency exchange rate valid at the end of the reporting period. The fair value of items denominated in any foreign currency is converted to the functional currency by using the exchange rate applicable at the date of establishment of the fair value. The foreign exchange differences are shown as either revenue from or expenditures on financial transactions.

The balance sheet data in the annual financial statements of the companies denominated in HUF are translated into Euro at the exchange rate valid on the balance sheet date (presentation currency). Data in the profit and loss account are translated at the average exchange rate during the reporting period. Individual equity values are converted at historical exchange rates. Exchange differences arising from the conversion of the individual companies' financial statements into euros are shown in the Conversion Reserve (Own Equity) and are eliminated against profit or loss on disposal of the subsidiary.

2.1.3 **Sales Revenue**

Sales revenue from sales transactions is recognized upon the appropriate performance of the contractual terms. Sales revenue does not include value added tax. All revenue and expenditures are recognised on the basis of the principle of matching over the relevant period.

Revenue is recognised to the extent that reflects the consideration that the Corporate Group is expected to be entitled to in return for the products or services. Sales revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount thereof can be measured reliably. Sales revenue is accounted when control of the goods and services passes to the customer.

Performance Obligations
When concluding the contract, the Corporate Group must identify which goods or services it has promised to provide to the buyer, namely, what performance obligation it has undertaken. The Corporate Group may recognise the income when it has fulfilled its performance obligations by delivering the promised goods or performing the promised service. We can speak of performance when the buyer has acquired control of the asset (service), the signs of which are as follows:

- The Corporate Group has an existing right to receive consideration for the asset,
- The legal title of ownership has passed to the buyer,
- The Corporate Group has physically delivered the asset,
- The buyer has significant risk and reward of ownership from possession of the asset,
- The buyer has accepted the asset.

Determining Transaction Price
When the performance of the contract takes place, the Corporate Group is required to recognize the income related to the performance, which is nothing more than the transaction price assigned to the performance obligation. The transaction price is the amount the Corporate Group is expected to receive in exchange for the sale of goods and services. When determining the transaction price, the amounts of the variable consideration elements (rebates, discounts) are also taken into account. An expectable value is calculated to estimate variable consideration, which is weighted by the Corporate Group using probability factors.

The main components of the Corporate Group’s revenue are as follows:

- Rental revenue from real estate: the Company’s main source of income, which is mostly invoiced to its tenants on a monthly basis, based on the rate of the rental fee agreed in the lease contract, in accordance with the provisions of IFRS 16.
- Operating fees: The Company invoices tenants for operating fees in addition to the thereof rent. Operating fees include cleaning and security costs, management fees and overheads, in accordance with the provisions of IFRS 15.

Property rental revenue: Rental revenue is derived from operating leases and is recognised as revenue on a straight-line basis over the lease term in accordance with IFRS 16. The Corporate Group realizes its revenues from the sale of real estate properties by renting office and logistics properties. Sales revenue is recognised in a time-proportionate manner, from the time the right to collect rents opens by releasing the real estate properties into use.

Operating fees: The Corporate Group has two types of contracts and recognises its income accordingly in accordance with IFRS 15:

- The Corporate Group acts as an agent for some of its lease contracts. In this case, the operating charges to the tenants are clearly identifiable and the overheads are invoiced directly to the tenants through the Corporate Group. The Corporate Group recognises the costs and the related revenues in the financial statements in the same amount on a net basis, as the Corporate Group acts as agent in these transactions.
- For other lease contracts, the Corporate Group acts as principal. In these cases, the Corporate Group invoices its tenants for operating fees based on the flat rates included in the contracts. The Corporate Group has control over the devices - mechanical equipment - built into the real estate properties. The mechanical equipment - such as power supply, network consumption points, distribution points, water network points of use (kitchens, washrooms), heating network and boiler systems are the controlled assets of the subsidiaries. The Corporate Group establishes the right to use its controlled assets for the tenants, and the tenants reimburse the contribution of the use of these assets to the Group on the basis of use. The Corporate Group considers the purchased energy (gas, water, electricity) used for the equipment as a service procured in connection with the equipment and not as materials sold independently. The Corporate Group does not sell energy products to any customer on its own, without the use of real estate properties. The Company, through its subsidiary company, has all the knowledge, tools and management system necessary to perform the task of operating the real estate property, therefore it considers the operating income to be the Corporate Group's own income and performance. Revenues from real estate property operating costs are recognised by the Corporate Group in the period in which the Corporate Group's real estate property maintenance expenses are incurred.

  The Corporate Group accounts for these transactions on a gross basis in its financial statements as it acts as principal in these cases.

Dividend and Interest Revenues

Dividend on investments is recognised when the owner's right to receive payment is established (provided that it is probable that the benefits will flow to the Corporate Group and the amount of revenue can be measured reliably).

Realised Revenues from other Financial Assets

Interest revenue from a financial asset is recognised when it is probable that the economic benefits will flow to the Corporate Group and the amount of the revenue can be measured reliably. Interest revenue is recognised in a time-proportionate manner, by taking into account the principal amount outstanding, using the effective interest method, which is the interest rate that exactly discounts estimated future cash revenues through the expected life of the financial asset to the net registered value at the date of initial recognition.

2.1.4 Land and Buildings, Machinery and Equipment

The tangible assets are shown at their historical value, reduced by the accumulated depreciation. The accumulated depreciation includes the costs accounted for ordinary depreciation (that results from the continuous use and operation of the asset) and impairment (that results from the unexpected, material damage, or injury of the asset, caused by an unforeseen, extraordinary event).

The costs of tangible assets consist of the historical value of the asset or, in the case of own investment, the material-type costs, the wages, and salaries as well as other direct costs. The interest paid upon a credit taken out for the tangible asset investment shall increase the historical value of the given asset until it is brought to a condition when it is fit for its intended purpose.

The book values of tangible assets are revised on a yearly basis in order to establish if the book value of any tangible asset exceeds the actual market value thereof. Should such a case occur, the difference (the amount on top of the actual market value) shall be accounted as impairment. The actual market value of an asset equals the higher amount of the asset’s sales price and useful value. The useful value of an asset equals the discounted value of the future cash flows generated by the asset.

The discount rate consists of the interest rate before corporate income tax, considering the time-value of money and the effects of other risk factors related to the given asset as well. If no future cash flow can be assigned to a given asset, the cash flow generated by the unit of which the asset is a part shall be taken into consideration. The impairment determined pursuant to the hereinabove shall be shown in the profit and loss account.

The costs of repair, maintenance, and replacement of spare parts of tangible assets shall be accounted for on the costs of repair and maintenance. The value-adding investments and renovations shall be capitalized. The historical value and the accumulated depreciation in respect of the assets sold is delisted. Any profit or loss resulting from the above shall be shown in the current year’s profit or loss.

The Corporate Group uses the linear depreciation method to depreciate the value of its assets during the useful life thereof. The term of the useful life is the following in the different asset groups:

Type of Assets	Useful life
Machinery and equipment	3-7 years
Leased technical machinery	5 years
Office furniture, fixtures and fittings	3-7 years

The useful lives and the depreciation methods are revised on a yearly basis at least, on the basis of the actual economic benefits gained from a given asset. If necessary, modifications are measured to the current year’s profit or loss.

2.1.5 **Investment Properties**

Investment properties are properties held for rents and / or value-added purposes (including investment properties under development). Investment properties are initially valued at historical value, including transaction costs. Subsequent to initial recognition, investment properties are assessed at fair value. Gains or losses arising from changes in the fair value of investment properties are recognized in the profit or loss of the relevant period in which they arise, in the row of profit or loss of the fair value of revenue-generating investment properties.

To the extent that the investment property is transferred to an owner-occupied property then the thereof is to be reclassified to land and buildings, machinery and equipment. Investment properties are derecognised upon sale or when the investment property is permanently withdrawn from circulation and no future benefits are expected from its sale. The profit or loss on de-recognition of the property (defined as the difference between the consideration for the sale and the registered value of the asset) is recognized in the profit or loss of the sale of investment properties in the period in which the property is delisted.

The criteria used in determining the fair value related to the assessment of investment properties are set out in Section 2.3.

2.1.6 **Impairment of Non-monetary Assets**

At the end of each reporting period, the Corporate Group shall examine if there are changes that imply the impairment in respect of any assets. To the extent that such a change is identified, the Corporate Group shall estimate the expected rate of return of the concerned asset. The expected rate of return of an asset or cash-generating unit equals to the higher amount of the fair value minus sales costs and the useful value. The Corporate Group accounts impairment against the profit or loss, if the expectable rate of return of the asset is lower than its book value. The Corporate Group’s calculations are based on the appropriate discounting of the future cash flow plans.

2.1.7 **Goodwill**

Goodwill is the positive difference between the procurement cost and the fair value of the identified net assets of an acquired subsidiary, associated company or entity under joint control, as of the day of acquisition. Goodwill is not depreciated, but the Corporate Group shall revise on a yearly basis whether there are any signs that imply the unlikelihood of the return of the book value. Goodwill is shown with the historical value, reduced by the impairment, if applicable.

Business combinations are accounted for using the acquisition method. In the case of an acquisition, it should be examined whether a business combination has taken place or whether only assets have been acquired. Goodwill can only arise if there has been a business combination. The cost of the acquisition is calculated as the sum of the consideration transferred, evaluated at fair value at the acquisition date, and the non-controlling interests in the acquired company. The Corporate Group elects for each business combination whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and are included in administrative expenses.

When the Corporate Group acquires a business, it evaluates financial assets and liabilities at the acquisition date in accordance with the contractual terms, economic conditions and relevant terms and conditions for the appropriate classification and purpose. This includes the unbundling of embedded derivatives in the host contracts by the acquiree.

The contingent consideration to be transferred by the acquirer shall be evaluated at fair value at the acquisition date. Contingent consideration classified as equity is not re-evaluated and subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability classified as a financial asset or liability and contingent consideration within the scope of IFRS 9 Financial Instruments shall be evaluated at fair value in the income statement at fair value as determined in accordance with IFRS 9. Other contingent consideration not within the scope of IFRS 9 shall be measured at fair value through profit or loss at each reporting date.

Goodwill is initially evaluated at cost (the excess of the aggregate of the consideration transferred and the non-controlling interests plus the aggregate of the net identifiable assets acquired and any previous interest and assumed liabilities). If the fair value of the net assets acquired exceeds the aggregate consideration transferred, the Corporate Group reassesses whether it has correctly identified all the assets acquired and all the assumed liabilities and revises the procedures used to measure the amounts to be recognised at the acquisition date. If the re-evaluation continues to exceed the fair value of the net assets acquired for the aggregate consideration transferred, the gain is recognised in profit or loss.

After the initial calculation, goodwill is evaluated at its value less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Corporate Group's cash-generating units (CGUs) expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If goodwill has been allocated to a CGU and part of it is disposed of within that CGU, the goodwill associated with the operation disposed of shall be included in the book value of the unit disposed of in determining the gain or loss on disposal. Goodwill disposed of in such circumstances shall be evaluated on the basis of the relative values of the disposed entity and the portion of the CGU.

2.1.8 **Financial Assets**

The consolidated statement on the financial position of the Corporate Group includes the following financial assets: trade receivables, loans granted, cash and cash equivalents. The financial assets falling in the scope of IFRS 9 standard are divided to three different evaluation categories: assets to be shown after the recognition at the depreciated cost, assets to be shown after the recognition at fair value through other comprehensive income (FVOCI) and the assets to be shown after the recognition at fair value through profit and loss (FVTPL).

The Corporate Group's financial assets are classified on initial assessment according to their nature and purpose. To determine the category of a financial asset, it must first be clarified whether the financial asset is a debt instrument or equity investment. Equity investments shall be measured at fair value through profit or loss, however, at initial recognition, an enterprise may elect to measure non-commercial equity investments at fair value through other comprehensive profit or loss. If the financial asset is a debt instrument, the following points shall be taken into account in determining the classification.

Depreciated Historical Value
Those debt instruments are evaluated at depreciated historical value that are held based on a business model designed to hold financial assets to collect contractual cash flows, and the contractual terms of the financial asset at certain times result in cash flows that are payments of interest solely on the principal and the amount of principal outstanding.

Fair value through other comprehensive profit or loss
Assets at fair value through other comprehensive profit or loss are the financial assets that are held in accordance with a business model that achieves its objective by collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset at certain times result in cash flows that are payments of interest solely on the principal and the amount of principal outstanding.

Fair value through profit or loss
The category of financial assets at fair value through profit or loss includes financial assets that do not fall into either of the above two categories of financial assets or have been designated as at fair value through profit or loss on initial recognition.

When the SPPI requirement is met, the Corporate Group examines in the denominated currency of the financial asset whether the cash flows arising from the contract are consistent with the underlying loan agreements.

To determine whether the contractual cash flows contain only principal and interest, the Corporate Group examines the contractual terms of the financial instrument. The examination also covers whether the financial asset contains contractual terms that would cause the amount or timing of the contractual cash flows to change so that the financial asset no longer meets the SPPI requirement.

All other debt instruments are assessed at fair value through profit or loss (FVTPL).

All equity instruments shall be assessed at fair value in the balance sheet, and the effect of the change in fair value shall be recognized directly in profit or loss account, except for equity instruments where the enterprise has selected the Other Comprehensive Income (FVOCI) option. The Corporate Group does not exercise the FVOCI option.

The Corporate Group accounts financial assets and financial liabilities and recognizes their net amount in the balance sheet if, and only if, the Company has a legally enforceable right to set off the amounts and intends to net them or realize the asset and cash at the same time and fulfil the obligation.

2.1.9 **Impairment of Receivables**

The receivables shall be shown in the books at the nominal value minus the amount of depreciation allotted for the estimated losses. The simplified impairment model is applied for the impairment accounted for receivables by the Corporate Group. The simplified impairment model is a provisioning matrix that takes into account the past 2 years of non-payment experience rates and calculates impairment prospectively. Determination of further impairment shall take place, for example, the likelihood of insolvency or the significant financial difficulties of the debtor leading us to the conclusion that the Corporate Group will not be able to recover the full amount in accordance with the original conditions regarding the invoice. Delisting of the depreciated receivables shall be performed upon accounting the thereof unenforceable.

In case of accounting the impairment of receivables the Company employees the hereinunder accounting policy as follows:

Days of late payment	Definitions	Percentage of impairment
0-180 days	The Partner is reliable and there did not occur non-payment in the past. All affiliated parties are classified as performing.	no impairment
180-360 days	Material late performance in case of external partner	50%
over 360 days late performance	over 360 days no payment	100%

2.1.10 **Financial Liabilities**

The consolidated financial statement on the financial status of the Corporate Group presents the following financial liabilities: trade creditors and other short-term liabilities, loans, credits, self-issued bonds, and bank overdrafts. These liabilities are described and evaluated in the relevant parts of notes to the financial statements attached to the report, as follows:

Upon the initial recognition, the Corporate Group shall evaluate each financial liability at fair value. In the evaluation of credits and the issued corporate bonds, the transaction costs directly related to the obtaining of the financial liability shall also be taken into consideration.

The financial liabilities falling in the scope of IFRS 9 are divided to two different evaluation categories: assets to be shown after the recognition at the depreciated cost, and the assets to be shown after the recognition at fair value through profit and loss (FVTPL). Each financial liability shall be classified according to the above by the Corporate Group when obtained. The Corporate Group did not employ the FVTPL evaluation.

Loans and credits, and the issued corporate bonds are shown in the statement on the financial status at depreciated historical value, calculated with the effective interest rate method. Profit and loss related to loans, credits and bonds are accounted for in the profit and loss statement as depreciated calculated with the effective interest rate method and upon the derecognition of the financial liability. The repayment is accounted for as a reduction of the financial liability, while the interest written off is recorded as a financial expenditure in the profit and loss statement.

2.1.11 **Fair value**

Fair value evaluation refers to an asset or liability. In determining fair value, the Corporate Group considers the characteristics of the asset or liability if market participants would take those characteristics into account in pricing the asset or liability at the date of evaluation. The unit of accounting for the asset or liability shall be determined in accordance with the IFRS that requires or permits fair value evaluation.

Fair value is the price that would be received if the asset was to be sold or paid if a liability was to be transferred in an orderly transaction between market participants at the time of evaluation, whether that price is observable directly or has been estimated using other valuation techniques.

Fair value hierarchy

Financial instruments evaluated at fair value are classified into a three-level fair value hierarchy for disclosure purposes. The levels within the hierarchy reflect the significance of the inputs used in evaluating fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1, inputs that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs based on unobservable market data

The Corporate Group uses Level 3 for fair value evaluations.

Among financial assets, the Corporate Group evaluates loans and receivables and financial liabilities at amortised cost, but also discloses their fair value in the notes to the financial statements. The fair value of these assets and liabilities is determined based on Level 3 information. The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques, typically the discounted cash flow method.

Financial liabilities are evaluated at depreciated historical value and their book value approximates fair value.

2.1.12 **Affiliated Parties**

An enterprise is affiliated if it is a subsidiary, associate, joint venture, a key manager of the enterprise or parent company, a close relative of any of the above individuals, a subsidiary, associate, joint venture owned by the individual or his/her close relative.

Related party transactions are any transactions between related parties, whether or not a price is charged.

The Corporate Group identifies related parties in preparing its financial statements for each reporting date, which it reviews on 1 January each year. It identifies the receivables from and payables to identified related parties in its records and discloses them in the notes to the financial statements.

2.1.13 **Provisions**

The Corporate Group forms provisions for the (lawful or presumed) liabilities arising from past events that the Corporate Group is likely to be obliged to pay, provided that the amount of such liability can be accurately measured.

The amount of the provision equals the best possible estimation of the expenditure required to settle the liability as of the balance sheet day, also considering the risks and uncertainties related to the liability. If the provision is evaluated on the basis of the cash flow expectably required to settle the liability, the book value of the provision shall be equal to the present value of such cash flow amount.

If the expenditures required to settle the liability is expected to be reimbursed either in full or in part by the other party, the liability may be presented as an asset if the receipt of the reimbursement by the economic entity is basically assured and the amount of it is accurately measurable.

The current liabilities resulting from onerous contracts are accounted as reserves. A contract is classified onerous by the Corporate Group if the inevitable costs of performance of the Company's contractual obligations exceed the economic benefits expectedly gained from the same contract.

Restructuring provisions shall be shown if the Corporate Group has a detailed, formal restructuring plan prepared and either by the commencement of the execution of the plan or by the disclosure of the main elements of the plan to the concerned parties raised reasonable expectations concerning the realization of the restructuring. The restructuring provisions shall cover only the direct costs of restructuring that are inevitably related to the restructuring and not related in any form to the continuing business operation of the economic entity.

2.1.14 **Income Taxes**

The amount of the corporate income tax is based on tax payment obligation set forth in the Act on the Corporate Income Tax and Dividend Tax and the Act on Local Taxes concerning the local business tax, to be modified by deferred taxes. The Corporate Group has identified corporate tax, local business tax and innovation levy as income taxes based on a taxable profit. The corporate income tax payment obligation covers tax obligations from the current year and deferred tax elements as well.

The payment obligation for the current year is calculated upon the taxable profit gained in the given year. The amount of the taxable profit differs from the profit and loss before taxation shown in the consolidated report; the difference arises from the non-taxable profits and losses, as well as items allotted to the taxable profit of other years. The current tax payment obligation of the Corporate Group is calculated upon the tax rate valid and effective (or officially announced, if the date thereof is the effective date of the respective law) on or before the balance sheet day. The amount of the deferred tax is calculated upon the liability method.

If a financial item is accounted for in the annual financial statements and the tax report at different times, deferred tax obligation arises. The amount of the deferred tax assets and liabilities is calculated with the tax rates applicable to the taxable income of the year when the time-related difference is expected to be recovered. The amount of the deferred tax assets and liabilities reflects the Corporate Group's estimations concerning the method of realization of the tax assets and liabilities as of the balance sheet day.

Deferred tax assets arising from deductible time-related differences, rolling tax allowances, and negative tax base may only be included in the balance sheet if the realization of a taxable profit (against which the deferred tax assets can be settled) by the Corporate Group in the future is expectable.

On every balance sheet day, the Corporate Group shall revise the not recognized deferred tax assets included in the balance sheet and the book value of the recognized tax assets. The Corporate Group shall enter the former off-balance sheet receivables that are expected to be recovered to the stock, in order to reduce the amount of the future corporate income tax. On the contrary, the Corporate Group shall reduce the deferred tax receivables with the amount the recovery of which is expectably not covered by after-tax profit resources.

The current and the deferred tax obligations are measured directly to the own equity, if the tax base is or was measured to the equity also either in the current or in a former reporting period.

The deferred tax assets and liabilities may be settled against each other if a said Company is legally allowed to set off the tax obligations and the tax claims it has against the same tax authority, and the Corporate Group intends to have a net accounting of these assets and liabilities.

2.1.15 **Lease Transactions**

The Corporate Group as a Lessee

A contract is a lease contract (or contains a lease) if it provides the right to manage the use of an underlying asset for a specified period of time for a consideration. IFRS 16 contains recognition exceptions for lessees for short-term leases and leases of low-value assets. At the Corporate Group's option, it applies the short-term recognition exceptions to lease contracts. Such very short-term leases and related asset classes are expensed as incurred.
Estimates of the lease term at the inception date are based on the period for which the Corporate Group has a reasonable certainty of continuing the lease under the terms originally agreed. The initial lease term is determined at the commencement date of the lease. In determining the lease term, the shortest reasonable and justifiable lease term possible shall always be used in case of doubt. The determination of the lease term is essentially a matter of management judgement, and the Corporate Group generally uses estimates or assumptions at the asset-group level (in particular for options and indefinite term arrangements).

The commencement date of a lease is the date on which the lessor makes a specific asset (e.g. the leased property, plant or equipment) available for use by the lessee. The commencement date is the date on which the lease term commences and the lease obligation and right-of-use the asset are recognised. In determining whether a lessee is reasonably certain whether to exercise its option to extend a lease or not to exercise its option to terminate a lease, lessees and lessors consider all relevant facts and circumstances that may create an economic interest in the lessee and that provide a basis for exercising the option to extend the lease or not to exercise the option to terminate the lease.
The definition of lease payments is the same for both lessee and lessor. Lease payments are payments made by the lessee to the lessor in exchange for the right-of-use of a specified asset during the lease term.

A modification of a lease is a change in the scope of the lease or in the lease consideration that was not included in the original lease terms (for example, the addition or termination of the right to use one or more underlying assets or an extension or shortening of the contractual lease term). A modification may result only from a change in the consideration. The effective date of the modification is the date on which both parties accept the lease modification.

The lessee shall account for the lease modification as a separate lease if both of the following conditions are met: the modification extends the scope of the lease by adding the right to use one or more underlying assets and the lease consideration is increased by an amount equal to the specific price of the extension of scope or by any appropriate adjustment to the specific price, as specified in the terms of the specific agreement. If these conditions are met, the modification shall be considered a new lease separate from the original lease. An arrangement for the right to use one or more additional assets is accounted for as a separate lease (or leases) for which the requirements of IFRS 16 apply, irrespective of the original lease.

When a lease transaction is modified, revised lease payments are always discounted using a revised discount rate.

At the Corporate Group's option, the right-of-use asset is recognised as a separate row item in the statement of the consolidated financial status.

Subleases
A sublease is a transaction in which an underlying asset is subleased by the lessee (as an intermediate lessor) to a third party while the existing lease between the lessor and lessee ('the main lease') remains in force. The Corporate Group, as an intermediate lessor, classifies subleases as finance or operating leases in a manner similar to that for any other lease under IFRS 16.61. At the commencement date of the sublease, if the Corporate Group cannot clearly determine the implicit interest rate for the sublease, the discount rate applied to the principal lease is used in accounting for the sublease, adjusted for any direct costs associated with the sublease.

The Corporate Group as a lessor

Financial lease
A finance lease is a transaction that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. The nature of a finance lease is similar to the financing of the sale of an asset. Its recognition in the financial statements is not based on the legal form of the transaction but on its true economic substance (i.e. as if the underlying asset were sold by the lessor to the lessee).

Operating lease
An operating lease is a transaction that does not transfer substantially all the risks and rewards of ownership of the subjected asset. It is generally a simple short-term rental arrangement

(operating lease) where the rental income is recognised in the income statement and its primary balance sheet impact is related to the timing of lease payments.

Subleases
A sublease, in accordance with its definition, is a transaction in which an underlying asset is subleased by the lessee (as an intermediate lessor) to a third party while the existing lease between the lessor and lessee ('the main lease') remains in force. The Corporate Group, as an intermediate lessor, classifies subleases as finance or operating leases in a manner similar to that for any other lease. At the commencement date of the sublease, if the Corporate Group cannot clearly determine the implicit interest rate for the sublease, the discount rate applied to the principal lease is used in accounting for the sublease, adjusted for any direct costs associated with the sublease.

Recognition and disclosure of subleases

For subleases, there are no specific provisions governing the disclosure of subleases in the balance sheet and income statement. The Corporate Group applies the disclosure rules that apply to other finance and operating leases. The Corporate Group does not offset assets and liabilities arising from a main lease or a sublease on the same underlying asset unless the requirements for offsetting financial instruments are met. The same applies to lease revenue and lease expense arising from a finance lease and a sublease on the same underlying asset unless the offsetting criteria in IAS 1 are met.
Under IFRS 16, a finance lease and a sublease are two separate contracts accounted for under the lessee and lessor models respectively. The general disclosure rules apply to both the principal and subleases and to lessors of finance or operating subleases.

The Corporate Group holds real estate property lease.

2.1.16 **Earnings Per Share (EPS)**

The earning per share is calculated by considering the Corporate Group's result and the share stock, reduced by the average number of own shares repurchased in the given reporting period.

The value of the diluted earnings per share is calculated similarly to the earning per share calculation. However, in this calculation all dilutable shares on the market are taken into consideration, increasing the profit distributable on the ordinary shares by the output and dividend payable on the convertible shares in the given period, amending the value by the conversion revenues and expenditures, increasing the weighted average number of the shares on the market by the weighted average number of the shares which were on the market if all convertible shares were converted. There were no such transactions which would dilute the value of EPS rate, nor in the year ending as of 31 December 2020 or as of 31 December 2021.

2.1.17 Tenant Deposits

Deposits from tenants are accounted at initial fair value and are subsequently assessed at depreciated historical value using the effective interest method. Those tenant deposits which are related to over-the-year lease contracts are accounted for the items of long-term liabilities, and the remaining tenant deposits are calculated for the other liabilities in the consolidated financial status statement.

2.1.18 Inventories

Inventories are stated at the lower of historical value and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.1.19 State subsidy

The state subsidies are recognized when the amount of the subsidy is likely to be received, and the criteria of disbursement are met. When the subsidy is intended to cover costs and expenses, it shall be accounted for among the revenues (in row 'other revenues') in the period when the relevant costs and expenses occur. When the subsidy is intended to cover the purchase price of assets, it shall be shown as deferred income and credited to the profit in equal amounts during the purchased asset's useful life.

2.1.20 Off-balance Sheet Items

Off-balance sheet items are not included in the parts of consolidated annual financial statement, in the balance sheet and the profit and loss account, unless acquired upon business combinations. The off-balance sheet items are presented in the notes to the financial statements, except if the possibility of an outflow of the sources of economic benefit is minimal. Off-balance sheet items are not included in the consolidated financial statements but may be presented in the notes to the financial statements if the inflow of economic benefits is likely.

2.1.21 Repurchased Own Shares

The value of repurchased own shares is deducted from equity. The difference between nominal value and historical value is recognized directly in the accumulated profit reserve on sale.

2.1.22 Dividend

The amount of dividend is accounted by the Corporate Group for the year when it is approved by the shareholders.

2.1.23 Profit and Loss of Financial Transactions

The financial profit and loss consists of income from interests calculated by the effective interest rate method and dividends, the amount of negative goodwill, payable interests calculated by the effective interest rate method, and other financial expenditures; the profit gained/loss suffered from the fair evaluation of financial instruments, and the realized and unrealized exchange rate differences.

2.1.24 Events after the Balance Sheet Day

The events that provide additional information concerning the circumstances at the end of the Corporate Group's reporting period shall be included in the financial report, even if such events occur after the end of the reporting period. The post reporting period events that do not modify the data of the financial report are included in the notes to the financial statements, to the extent that the thereof are substantial.

2.2 Changes in the Accounting Policy

The Company's financial report relevant to the reporting period ending on 31 December 2021 is compiled in accordance with the standards and interpretations entered into force.

The accounting policy of the Corporate Group is in consistent with that of the previous years'.

The impact of the amendments to IFRSs effective from 1 January 2021 and the introduction of new standards on the financial statements:

Reference Interest Rate Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in the Reference Rate Reform – Phase 2 – provide temporary relief to address the financial reporting implications of replacing the interbank offered rate (IBOR) with an alternative, near-risk-free rate (RFR). The amendments have the following practical objectives:

- Contractual changes or changes in cash flows directly required by the reform are treated as changes in the variable rate, which is equivalent to a change in the market rate.
- IBOR reform for hedge designations and hedge documentation without breaking the hedging relationship
- Provide entities with a temporary exemption from meeting a separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments require disclosure of IBOR exposures pending transition to RFR.

Lease concessions related to Covid-19 beyond 30 June 2021: Amendments to IFRS 16 (effective from 1 April 2021)

The amendment applies to annual reporting periods beginning on or after 1 April 2021.

Because the amendments to IFRS 16 described above do not apply to lessors, lessor accounting is based on the current guidance in IFRS 16.

As lessors, real estate owners have identified the following issues in applying the guidance to current circumstances:

- Collectability: many lessees may face financial difficulties as a result of government-imposed business closures. This could cause a significant deterioration in the recoverability of lease payments from some lessees. IFRS 16 does not refer to collectability to determine whether (and when) lease income should be recognised.
- Waiving past lease payments: the interaction between the impairment and derecognition requirements for lease receivables under IFRS 9 and the guidance in IFRS 16.

The aforementioned standards and amendments did not have a material impact on the Corporate Group’s consolidated results.

New and amended standards and interpretations issued by IASB and adopted by the EU but not yet effective

IFRS 17 Insurance Contracts (issued on 18 May 2017, the EU has endorsed the new standard)

References of the framework for the Preparation and Presentation of Financial Statements - Amendments to IFRS 3 Business Combinations (issued on 14 May 2020, effective for financial years starting from 1 January 2022, the EU has endorsed the amendments)

Treatment of yields arising before proceeds before intended use - Amendment to IAS 16 (issued on 14 May 2020, effective for financial years starting from 1 January 2022, the EU has endorsed the amendments)

Onerous Contracts: Cost of Fulfilling a Contract - Amendments to IAS 37 (issued on 14 May 2020, effective for financial years starting from 1 January 2022, the EU has endorsed the amendments)

Annual Improvements to IFRSs - 2018-2020 (issued on 14 May 2020, effective for financial years starting from 1 January 2022, the EU has endorsed the amendments)

The adoption of the above amendments will not have a material impact on the Corporate Group’ consolidated financial statements.

In respect of 2021, the Corporate Group has applied every IFRS standard, amendment, and the interpretations prevailing as of 1 January 2021, that are relevant from the aspect of the Corporate Group’s operation.

2.3 Substantial Accounting Estimations and Assumptions

The application of the accounting policy described in Section 2.1. herein requires the application of estimations and assumptions in the determination of the value on any given day of those assets and liabilities, the values of which are not identifiable from other sources. The estimation process considers the relevant factors and decisions based on available information. These significant estimations and assumptions influence the values of the assets and liabilities, revenues, and expenditures presented in the financial statements, and the presentation of the pending assets and liabilities in the notes to the financial statements. Actual results may differ from the estimated data.

The estimation processes are continuously updated. Any change in the accounting estimations shall be considered in the time period when such change occurred if that affects the given period only. If such change affects the current and future reporting periods as well, it shall be considered in the period when the change occurred and in the future reporting periods as well.

The main areas of critical decisions adopted in relation to uncertainties in estimations and the accounting policy that have the most significant effect on the amounts presented in the consolidated financial statements are the following:

2.3.1 Functional Currency and Presentation Currency

Based on the economic events and circumstances specific to the Corporate Group's operations, the functional currency is the Hungarian Forint and the reporting currency is the euro. As a result, the figures in the consolidated financial statements are presented in euros, unless other relevant information is provided. The following MNB HUF - EUR exchange rates were applied to the 2021 financial statements when converting the non-euro accounting data of the group members with respect to the balance sheet date:

Exchange rate type	31 December 2021	31 DECEMBER 2020	31 DECEMBER 2019
Closing	369	365.13	330.52
Average	358.52	351.17	321.51
Difference between closing and average	10.48	13.96	5.17

2.3.2 Classification of Real Estate Properties

Upon acquisition, the properties owned by the Corporate Group are classified as investment properties and development properties as follows:

- Those are classified as investment properties that are typically purchased by the Corporate Group for the purpose of benefiting from leasing and increase in value of the property. The Company do not use these properties (typically office buildings, warehouses and factory buildings) for its own purposes.
- Development properties include properties in which the Corporate Group intends to invest and develop and then sell in the near future.

- Property, plant and equipment used by the Corporate Group for its own purposes are classified as tangible assets.

2.3.3 Fair Value of Investment Properties

The determination of the fair value of investment properties is largely based on estimates and assumptions, therefore the actual value may differ materially from the value obtained as a result of the estimation. The fair value of investment properties has been determined based on the Corporate Group's own evaluations and valuations performed by independent appraisers. The evaluation principles and parameters used are set out in Note No. 10.

2.3.4 Depreciation and Amortisation

The lands and buildings, machinery, and equipment, right-of-use asset as well as the intangible assets, are recognized at their historical value and their applied depreciation method is linear depreciation throughout the useful life of the assets. The useful life of the assets is determined on the basis of past experience in respect of similar assets, the expectable development of technology, and the expectable changes affecting the wider economic or industrial factors. The estimations concerning the useful lives are revised on a yearly basis.

2.3.5 Business Combinations

In addition to the above, there were several business combinations or asset acquisitions in acquisition transactions in 2021 and 2020, where management also used significant estimates in the purchase price allocation. The management's judgment includes assessing whether a particular acquisition is a business combination or an acquisition of assets. Management performs the optional concentration test for new acquisitions in order to identify a business combination or asset acquisition.

2.4 Details of the business combination, the enterprises included in the consolidation

The Corporate Group has equity in the hereinunder subsidiaries (voting and ownership rights) as follows:

Name of the subsidiary	Parent company	Capital ownership and voting ratio 2021	2020	Address
Appeninn BLT Kft.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Appeninn E-Office Vagyonkezelő Zrt.	Appeninn Plc.	100%	100%	1026 Budapest, Pasaréti út 122-124.
Hellnarik Hospitality Kft.	Appeninn Plc.	24%	24%	1025 Budapest, Csévi út 11/B.
Appeninn Project-EGRV Kft.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Appeninn Project-MSKC Kft.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Appeninn Property Vagyonkezelő Zrt. (in English: Appeninn Property Asset Management Private Limited Company)	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Appeninn Üzemeltető Zrt. (in English: Appeninn Maintenance Private Limited Company)	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Appeninn-Bp 1047 Zrt.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Appen-Retail Kft.	Appeninn Property Vagyonkezelő Zrt. (in English: Appeninn Property Asset Management Private Limited Company)	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Bertex Ingatlanforgalmazó Zrt.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Curlington Ingatlanfejlesztési Kft.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Felhévíz-Appen Kft.	Appeninn Property Vagyonkezelő Zrt. (in English: Appeninn Property Asset Management Private Limited Company)	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Sectura Ingatlankezelő Kft. (in English: Secture Real Property Management Private Limited Liability Company)	Szent László téri Szolgáltatóház Kft.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Szent László Téri Szolgáltató Ház Kft.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
PRO-MOT Hungária Ingatlanfejlesztő Kft. (in English: PRO-MOT Hungária Property	Appeninn BLT Kft.	74.99%	74.99%	8171 Balatonvilágos, Aligai utca 1.

Developer Private Limited Liability Company)				
Alagút Investment Kft.	Appeninn Plc.	100%	100%	1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. (floor) 1.
Solum-Invest Kft.	Appeninn Plc.	51%	51%	8230 Lake Balaton, Zákonyi Ferenc utca 8.
Dreamland Holding Zrt.	Appeninn Plc.	75%	75%	1022 Budapest, Bimbó út 7. fszt. 02.
DLHG Invest Zrt.	Dreamland Holding Zrt.	75%	75%	1022 Budapest, Bimbó út 7. fszt. 02.
Szántód BalaLand Family Kft.	DLHG Invest Zrt.	75%	75%	1022 Budapest, Bimbó út 7. fszt. 02.
Tokaj Csurgó Völgy Kft.	DLHG Invest Zrt.	75%	75%	1022 Budapest, Bimbó út 7. fszt. 02.
Tokaj Kelep Zrt.	TATK Kft.	75%	-	1022 Budapest, Bimbó út 7. fszt. 02..
SZRH Kft.	DLHG Invest Zrt.	75%	75%	1022 Budapest, Bimbó út 7. fszt. 02..
TATK Kft.	DLHG Invest Zrt.	75%	75%	1022 Budapest, Bimbó út 7. fszt. 02..
Visegrád Lepence Völgy Strandfürdő Kft.	DLHG Invest Zrt.	75%	75%	1022 Budapest, Bimbó út 7. fszt. 02..

Changes in the members of the Corporate Group **in 2021:**

- In 2021, TATK Kft. (in English: TATK Ltd.) acquired 100% stake in Tokaj Kelep Zrt. The Corporate Group assessed the transaction and evaluated it as an asset acquisition, as the acquisition of the stake did not qualify as a business combination.
- In 2021, Bertex Zrt. (in English: Bertex Plc.) transferred its real estate to M2C Kft. (in English: M2C Ltd.), in which it acquired a 100% stake. After the transfer, its interest in M2C Ltd. was sold.

Changes in the members of the Corporate Group **in 2020:**

- In 2020, the business shares of Appeninn A59 Kft. and Appeninn 105 Realty Project Kft. were sold.
- During 2020, the 76% share in Hellnarik Hospitality Ingatlankezelő és Ingatlanforgalmazó Kft. was sold.
- On 9 January 2020, the Company acquired a 76% of business shares in Solumn-Invest Kft., of which a 25% of business shares was sold in the first half of 2020.
- In June 2020, the Company acquired 75% of the block of shares in Dreamland Holding Zrt., 100% of the business shares in Alagút Investment Kft.

The acquisition of Tokaj Kelep Zrt.

On 20 October 2021, the Group acquired the 75% stake in Tokaj Kelep Zrt. A significant property was acquired in the acquired company, however, there are no existing management functions and related processes, therefore the Group has assessed the transaction and identified it as an asset purchase, which was evaluated by performing a concentration test.

Information related to the acquisition of Tokaj Kelep Zrt.:

data in EUR	Fair value upon the day of acquisition
Assets	
Revenue-generating real estate properties	862 961
Cash and cash equivalents	2 205
Deferred tax assets	39 123
Other assets	1 951
Assets in total	**906 240**
Liabilities	
Credits and financial liabilities	154 664
Liabilities in total	**154 664**
Fair value of identifiable net assets	**751 576**
Non-controlling interest	187 894
Loss on acquisition (accounted in profit and loss)	273 802
Purchase consideration	**813 008**

Acquisition of Alagút Investments Kft.

On 28 February 2020, the Corporate Group acquired 100% of the shares of Alagút Investment Kft. (in English: Alagút Investment Ltd.). Alagút Investment Kft. is engaged in the rental of office space. Together with the property, the existing management functions and related processes were acquired, therefore the Corporate Group has reviewed the transaction and identified it as a business combination.

Information related to the acquisition of Alagút Investment Kft.:

data in EUR	Fair value upon the day of acquisition
Assets	
Revenue-generating real estate properties	1 506 136
Cash and cash equivalents	228 084
Other assets	434
Assets in total	**1 734 654**
Liabilities	

Credits and financial liabilities	541 559
Deferred tax liabilities	26 507
Other liabilities	955 071
Liabilities in total	**663 475**
Fair value of identifiable net assets	**1 071 178**
Non-controlling interest	-
Negative goodwill upon acquisition	(199 106)
Purchase consideration	**811 766**

The consideration given for the acquired company amounted to 811,766,-EUR and the net cash flow paid amounted to 583,682,-EUR.

At the acquisition of Alagút Investment Kft., the Company converted the net assets to fair value. The fair value adjustment is related to the property acquired by the Corporate Group. The business combination generated negative goodwill of 199,106,-EUR which was recognized in revenue from financial transactions.

The Acquisition of Dreamland Group

In June 2020, the Corporate Group acquired 75% business share of Dreamland Holding Zrt. The direct and indirect subsidiaries of Dreamland Holding Zrt. (hereinafter referred to as: the "Dreamland Group") are DLHG Invest Kft. (in English: DLHG Invest Ltd.), Szántód Balaland Family Kft. (Szántód Balaland Family Ltd.), Tokaj Csurgó Völgy Kft., SZRH Kft. (in English: SZRH Ltd.), TATK Kft. (in English: TATK Ltd.) and Visegrád Lepence Völgy Strandfürdő Kft. (in English: Visegrád Lepence Völgy Strandfürdő Ltd.). The companies of Dreamland Group carry out tourism investments on the property they own. Together with the properties, the existing management functions and related processes were acquired and therefore the Corporate Group has identified the transaction as a business combination.

Information related to the acquisition of Dreamland Group:

data in EUR	Fair value upon the day of acquisition
Assets	
Revenue-generating real estate properties	19 651 979
Cash and cash equivalents	6 572 201
Deferred tax receivables	103 560
Other assets	1 428 049
Assets in total	**27 755 789**
Liabilities	
Credits and financial liabilities	3 628 845
Long-term affiliated liabilities	11 128 204
Deferred tax liabilities	622 341
Other liabilities	12 424 156
Liabilities in total	**27 803 546**
Fair value of identifiable net assets	**(47 757)**
Non-controlling interest	11 939
Goodwill for acquisition	4 280 881
Purchase consideration	**4 245 063**

The consideration given for the acquired company amounts to 4 245 063,- EUR and the net cash inflow is 2 327 138,- EUR.

Upon the acquisition of Dreamland Holding Zrt., the Corporate Group converted the net assets to fair value. The fair value adjustment is related to the properties acquired by the Corporate Group. The business combination generated goodwill of 4,280,881,-EUR. Detailed notes on this are provided in Note No. 21 Goodwill.

The Acquisition of Solum-Invest Kft.

In February 2020, the Corporate Group acquired a 76% stake in Solum-Invest Kft. (in English: Solum-Invest Ltd.), which also invests in tourism. Together with the property, the existing management functions and related processes were acquired and therefore the Corporate Group has identified the transaction as a business combination.

Information related to the acquisition of Solum-Invest Kft.:

data in EUR	Fair value upon the day of acquisition
Assets	
Revenue-generating real estate properties	3 128 329
Cash and cash equivalents	47 243
Other assets	52 894
Assets in total	**3 228 466**
Liabilities	
Deferred tax liabilities	231 051
Other liabilities	210 717
Liabilities in total	**441 768**
Fair value of identifiable net assets	**2 786 698**
Non-controlling interest	(668 808)
Goodwill for acquisition	73 110
Purchase consideration	**2 191 000**

The consideration for the acquired company amounts 2,191,000,-EUR, and the net cash flow paid measures 2,143,757,-EUR.

Upon the acquisition of Solum-Invest Kft., the Corporate Group converted the net assets to fair value. The fair value adjustment is related to the properties acquired by the Corporate Group. The business combination generated goodwill of 73,110,-EUR. Detailed notes on this are provided in Note No. 21 Goodwill.

During the year, the Corporate Group sold a 25% stake in this business, the proceeds of which were recognised in the profit and loss reserve in the amount of 139,886,-EUR as control was retained.

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Notes to the Consolidated Comprehensive Income Statement

3. Sales Revenue from Leased Property

The Corporate Group realizes its income from the sale of real estate properties by renting office, logistics and commercial properties and related maintenance services. The Corporate Group's properties are characterized by short tenant-vacancy times and, due to the good positioning of the properties, the high-quality - solvent - tenant portfolio.

Turnover was accounted for the following activities:

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Income from office area rental	1 119 029	3 062 558
Logistics properties rental	4 521 036	2 601 272
Commercial real estate rental	1 834 327	1 872 730
Total	**7 474 392**	**7 536 560**

In 2020, office rental revenue includes 593,300,- HUF in thousands of revenue from finance leases.

The Company has no contractual assets or contractual obligations.

The future minimum rents related to the lease contracts for a specified term for the following 31 December 2021:

Data in EUR	for the year ending on 31 December 2021	for the year ending on 31 December 2020
Withing-the-year	3 054 555	2 266 145
Within 1-5 year	1 075 778	3 007 573
due over 5 years	3 750 050	2 482 433
Total	**7 880 383**	**7 756 151**

4. Direct Costs of Property Rental

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Property maintenance charges	(202 301)	(754 087)
Taxes on buildings and land	(511 303)	(438 840)
Repair and maintenance	(156 285)	(50 107)
Expenses of properties insurance	(37 531)	(27 106)
Guarding and protection	(159 642)	(47 433)
Total	**(1 067 062)**	**(1 317 573)**

5. Administration costs

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Fees of accounting and auditing	(306 182)	(249 737)
Bank charges	(415 732)	(161 360)
Attorney-at-law and legal expenses	(164 055)	(284 444)
Business consultancy and PR	(248 323)	(97 084)
Properties appraisal and evaluation	(71 109)	(52 960)
Stock exchange fees of publicly listed company	(24 311)	(29 128)
IT services	(25 671)	(20 934)
Telephone and Internet charges	(18 514)	(15 793)
Charges and duties payable to authorities	(17 765)	(44 328)
Stationery and material costs	(5 607)	(19 070)
Maintenance costs	(27 940)	0
Other expenses	(463 981)	0
Total	**(1 789 189)**	**(974 838)**

6. Staff costs

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Wages and salaries	(1 363 764)	(959 664)
Contributions on wages and salaries	(214 724)	(177 952)
Other staff benefits	(116 958)	(43 974)

Total	**(1 695 446)**	**(1 181 590)**

Data on the number of employees	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
Average statistical number of employees (person)	**59.00**	**37.00**
Closing number of employees (person)	**59.00**	**37.00**
of which:		
Appeninn Üzemeltető Zrt. (in English: Appeninn Maintenance Private Limited Company)	32.00	20.00
Appeninn Vagyonkezelő Holding Nyrt.	13.00	8.00
Solumn-Invest Kft.	8.00	-
Dreamland Holding Zrt.	6.00	9.00

7. Other operation expenditures and revenues

The Corporate Group presents other income, that is, revenue not from the rental and operation of real estate properties, as other revenues (as expenditures). If an item was outstandingly high in the profit or loss for the period, it was of a value or type that determined the total profit for the period, then that item (or items) is (or are) presented separately in the main statement. Items not elsewhere classified or excluded from other types of revenue are presented in this section. The sale of PRO-MOT stock to Hellnarik Hospitality was performed during 2021.

data in EUR	**for the business year ending 31 December 2021**	**for the business year ending 31 December 2020**
Other revenues		
Default interest received	195	70
Revenue related to loss event	13 975	374
Other revenues	137 271	83 851
Pro-mot Kft. stocks sale income	2 942 254	-
Pro-mot Kft. stocks sale overhead	(2 138 930)	
	954 765	**84 295**
Other expenditures		
Penalty and liquidated damage	(13 139)	(5 030)
Debt consolidation profit and loss	-	(18 583)
Profit and loss of Tokaj Kelep Zrt. acquisition	(273 082)	
Other expenditures	(44 251)	(72 185)
	(330 472)	**(95 798)**
Other revenues / (expenditures) in total	**624 293**	**(11 503)**

8. Profit (and loss) on sale of subsidiaries and investments

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Appeninn 105 Realty Project Kft. – 100% of business shares	-	(505 499)
Appeninn A59 Kft. – 100% of business shares	-	712 437
VCT78 Kft. – 100% of business shares	-	212 256
Hellnarik Hospitality Kft – 76% of business shares	-	(113 974)
Total	**-**	**305 220**

The detailed presentation of the business combinations is included in Section 2.4.

9. Profit and loss on sale of investment properties

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Price of investment properties sale	10 296 929	1 247 285
Derecognition of investment properties fair value	(10 800 000)	(1 100 000)
Total	**(503 071)**	**147 285**

In 2021, the Corporate Group sold its real estate property located at 1037 Budapest, Montevideo út 2/C., on which accounted 503,071,-EUR profit. Prior to the sale, the Group had contributed the property to a company which it sold, so in substance a sale of property has taken place and the result is recognised on this line.

10. Profit and loss from fair value evaluation of revenue-generating investment properties

The fair values of the Corporate Group's assets are assessed annually. Based on fair valuations, the Corporate Group recognized all changes through profit or loss. Option rights established on real estate properties, if they remain below the fair value and the title holder has paid the owner the charges of the option right, the lower of the fair value and the purchase price belonging to the option right is the value recognised in the Corporate Group's balance sheet.

The Corporate Group prepares the definition of the fair value of the real estate properties each year. In addition to the value assessment prepared by the Corporate Group, the Corporate Group also had the value of its real estate properties portfolio reviewed by an independent appraiser. The value determined by the independent appraiser is in line with the values in the financial statements. The independent expert appointed to perform the evaluation from 2014 to 2021 was Jones Lang LaSalle Kft. (Széchenyi tér 7-8., 1051 Budapest, hereinafter referred to as: "JLL Kft."). The analyses prepared by JLL Kft. is as follows:

- the valuation methods used and their application correspond to the approaches commonly used in national and international practice
- the rents applied correspond to actual market rents
- the investor's "return expectation" of each real estate property - the Rates included in the Capitalization Rate and Discount Rate valuation are in line with the publicly published data on the investment transactions made in the last 12 months for each type of real estate property.

Assessment Principles:
For completed investment properties and for investment properties under development where fair value can be measured accurately fair value is determined based on a market-based valuation. For investment properties under development where fair value cannot be measured reliably (due to low readiness, the individual nature of the property and / or the complete absence of market transactions), the book value is the historical value less with any impairment.

Assessment Methods:

Valuations are made using the income approach (the discounted cash flow method) and the comparative (market) method. The income approach method is based on the estimation of periodic cash flows from real estate properties. The present value of cash flows from real estate is determined using a market-based discount rate that reflects the expectations of investors. Periodic cash flow is income without unused land less with costs associated with operating and maintaining the property. The amount of periodic cash flows and the residual value determined at the end of the assessment period discounted to present value is the fair value of the property.
The variables used in the evaluations based on the market method approach in 2020 and 2021 were average rent, market rent, occupancy, "exit Yield", and discount rate. These values are based on market observations, which are adjusted for the local situation of the real estate property. Due to these corrections, all variables used are classified as "level 3".

The evaluation methods remained unchanged compared to 2020-2021. The valuation methodology used complied with the valuation techniques described in IFRS 13.

The assessment covered the determination of spot market prices, which were reported as "Comparative" prices.

Sensitivity Test:

The values per real estate property took the defined value based on the variables presented in the previous table. The displacement of the model variables was tested. The summation of the DCF model variables ends in the exit yield. Another sensitive variable in model value is the annual rent. The effect of the negative 5% and positive 5% displacement of the model variables on real assessment, and fair value per real estate property is presented from the matrix of the displacement of these two model variables.

data in EUR	**2021**	**2020**
+5%	194 652 109	174 027 000
-5%	176 113 813	157 530 000

Revaluation of 2021

data in EUR	Fair value increase	Fair value decrease
1149 Budapest, Várna u. 12-14.		(5 302)
1047 Budapest, Schweidel utca 3.	100 000	
1023 Budapest, Bég u. 3-5.	287 502	
1022 Budapest, Bég u. 4. (Törökvész u. 30.)		(146 224)
1094 Budapest, Páva utca 8.		(10 392)
1118 Budapest, Kelenhegyi út 43.		(357 296)
1133 Budapest, Visegrád u. 110-112.	197 629	
18 SPAR üzlet	280 000	
6000 Kecskemét, Kiskőrösi utca 30.	100 000	
1082 Budapest, Üllői út 48.	100 000	
1147 Budapest, Egyenes u. 4.		(101 135)
1105 Budapest, Bánya utca	100 000	
1023 Budapest, Felhévízi u. 24.	100 000	
1139 Budapest, Frangepán u. 19.	77 686	
1105 Budapest, Bánya utca		(20 000)
3525 Miskolc, Szűcs Sámuel u. 5.	100 000	
H-8171 Balatonvilágos, Aligai út 1.		(2 276 871)
1013 Budapest, Pauler utca 2.	100 000	
Lepence, Strandfürdő Visegrád		(159 909)
Port and Hotel Balatonfüred		(3 446 582)
Grand Hotel Tokaj, Tokaj Csurgó-völgy		(3 133 127)
Active Tourist Center, Tokaj Csurgó-völgy	44 826	
BALALAND Family Hotel & Resort and Familypark, Szántód		(669 974)
Csárda és Rév Szántód	100 790	
Change in fair value in total	**1 688 433**	**(10 392 337)**
Exchange rate fluctuations in total		**4 024 226**
Change in fair value in total		**(4 679 678)**

Revaluation of 2020

data in EUR	Fair value increase	Fair value decrease
1047 Budapest, Schweidel utca 3.	200 000	
1015 Budapest, Hattyú utca 14.		(1 800 000)
1118 Budapest, Kelenhegyi út 43.		(400 000)
1133 Budapest, Visegrád u. 110-112.		(400 000)
18 SPAR üzlet	2 000 000	
6000 Kecskemét, Kiskőrösi utca 30.	200 000	
1082 Budapest, Üllői út 48.		(2 400 000)
1037 Budapest, Montevideo út 2/C.	2 180 534	
1147 Budapest, Egyenes u. 4.		(100 000)
1105 Budapest, Bánya utca		(10 000)
3525 Miskolc, Szűcs Sámuel u. 5.	100 000	
H-8171 Balatonvilágos, Aligai út 1.	2 918 606	
1013 Budapest, Pauler utca 2.	100 000	
Lepence, Strandfürdő Visegrád	33 107	
Port and Hotel Balatonfüred	27 222	
Grand Hotel Tokaj, Tokaj Csurgó-völgy	88 442	
Active Tourist Center, Tokaj Csurgó-völgy	4 828	
BALALAND Family Hotel & Resort and Familypark, Szántód	123 470	
Csárda és Rév Szántód		(7 267)
Change in fair value in total	**7 976 209**	**(5 117 267)**
Exchange rate fluctuations in total		**13 053 888**
Change in fair value in total		**15 912 830**

			2021				Modell változó középértékek a DCF modellben		Kilépési hozam változás teszt: (-5%), Bérleti díj változás teszt (-5%)	Kilépési hozam változás teszt (+5%), Bérleti díj változás teszt (+5%)	Diszkontráta	Jelzálog
Ssz.		típus	Összehasonlító ár	DCF modell érték	Fordulónapi érték	Értékelési módszer	Kilépéskori hozam	Bérleti díj EUR/m2/hó,				
1	1149 Budapest, Várna u. 12-14.	iroda-üzem	2.500.000	2.200.000	2.200.000	DCF modell	8,00%	iroda: 7,5, raktár: 4	2.090.000	2.310.000	8,50%	van
2	1047 Schweidel utca 3.	raktár	2.800.000	3.500.000	2.800.000	összehasonlító	9,00%	raktár: 3,3	3.325.000	3.675.000	9,25%	nem
3	1023 Budapest, Bég u. 3-5.	iroda	10.000.000	10.600.000	10.600.000	DCF modell	7,25%	iroda: 12, raktár: 6	10.070.000	11.130.000	7,50%	van
4	1022 Budapest, Bég u. 4. (Törökvész u. 30.)	iroda	3.300.000	3.400.000	3.400.000	DCF modell	7,25%	iroda: 11	3.230.000	3.570.000	7,50%	van
5	1094 Budapest, Páva u. 8.	iroda	5.200.000	5.100.000	5.100.000	DCF modell	8,00%	iroda:: 9,5, raktár: 6	4.845.000	5.355.000	8,25%	van
6	1015 Budapest, Hattyú utca 14.	iroda	14.200.000	14.200.000	14.200.000	DCF modell	7,25%	iroda: 11,5, raktár: 6	13.490.000	14.910.000	7,50%	nem
7	1118 Budapest, Kelenhegyi út 43.	iroda-lakó	5.100.000	4.200.000	5.100.000	összehasonlító	12,50%	iroda: 12,5, lakás: 14	3.990.000	4.410.000	8,00%	van
8	1133 Budapest, Visegrádi u. 110-112.	iroda	5.400.000	5.100.000	5.100.000	DCF modell	7,40%	iroda: 10, raktár: 4,5	4.845.000	5.355.000	7,65%	van
9	18 SPAR üzlet	kereskedelmi	21.930.000	22.380.000	22.380.000	DCF modell			21.261.000	23.499.000	8,75%-10%	van
10	6000 Kecskemét, Kiskőrösi utca 30.	telephely	4.200.000	4.200.000	4.200.000	DCF modell	11,00%	iroda: 4, raktár: 2	3.990.000	4.410.000	11,50%	van
11	1082 Budapest, Üllői út 48.	iroda	20.300.000	20.400.000	20.400.000	DCF modell			19.380.000	21.420.000		van
12	1037 Budapest, Montevideo út 2/C.	iroda	-	-	-				-	-		
13	1147 Budapest, Egyenes u. 4.	műhely	1.000.000	700.000	700.000	DCF modell		raktár: 4,75	665.000	735.000		van
14	1105 Budapest, Bánya utca	vegyes	3.100.000	2.400.000	2.400.000	DCF modell	8,75%	iroda: 4, raktár: 3,5	2.280.000	2.520.000	9,00%	van
15	1023 Budapest, Felhévízi u. 24.	iroda	1.500.000	1.400.000	1.500.000	összehasonlító	8,00%	iroda: 10	1.330.000	1.470.000	8,25%	van
16	1139 Budapest, Frangepán u. 19.	iroda	3.400.000	3.100.000	3.100.000	DCF modell	8,00%	iroda: 7	2.945.000	3.255.000	8,50%	van
17	1105 Budapest, Bánya utca	iroda	310.000	340.000	340.000	DCF modell	9,25%	iroda: 6,5	323.000	357.000	9,75%	nincs
18	3525 Miskolc, Szűcs Sámuel u. 5.	iroda	2.200.000	2.600.000	2.600.000	DCF modell	8,00%	16,90	2.470.000	2.730.000	8,00%	nincs
19	8171 Balatonvilágos, Aligai út 1.	üdülő	12.730.000	12.730.000	12.730.000	DCF modell			12.093.500	13.366.500	7,00%	van
20	1013 Budapest, Pauler utca 2.	iroda	1.720.000	1.700.000	1.700.000	DCF modell			1.634.000	1.806.000		
21	Lepence, Strandfürdő Visegrád	üdülő			900.000	DCF és összehasonlító			855.000	945.000		
22	Kikötő és Szálloda Balatonfüred	üdülő			10.300.000	DCF és összehasonlító			9.785.000	10.815.000		
23	Grand Hotel Tokaj, Tokaj Csurgó-völgy	üdülő			16.300.000	DCF és összehasonlító			15.485.000	17.115.000		
24	Aktív Turisztikai Központ, Tokaj Csurgó-völgy	üdülő			1.400.000	DCF és összehasonlító			1.330.000	1.470.000		
25	BALALAND Family Hotel & Resort és Familypark, Szántód	üdülő			34.300.000	DCF és összehasonlító			32.585.000	36.015.000		
26	Csárda és Rév Szántód	üdülő			1.050.000	DCF és összehasonlító			997.500	1.102.500		
27	Tokaj Kelep	üdülő			862.961	DCF és összehasonlító			819.813	906.109		
					185.662.961							

Comparative data of 2020:

			2020				Modell változó középértékek a DCF modellben		Kilépési hozam változás teszt: (-5%), Bérleti díj változás teszt (-5%)	Kilépési hozam változás teszt (+5%), Bérleti díj változás teszt (+5%)	Diszkontráta	Jelzálog
Ssz.		típus	Összehasonlító ár	DCF modell érték	Fordulónapi érték	Értékelési módszer	Kilépéskori hozam	Bérleti díj EUR/m2/hó,				
1	1149 Budapest, Várna u. 12-14.	iroda-üzem	2.300.000	2.200.000	2.200.000	DCF modell	8,00%	iroda: 7,5, raktár: 4	2.090.000	2.310.000	8,50%	van
2	1047 Schweidel utca 3.	raktár	2.500.000	2.100.000	2.700.000	összehasonlító	9,00%	raktár: 3,3	1.995.000	2.205.000	9,25%	nem
3	1023 Budapest, Bég u. 3-5.	iroda	9.700.000	10.300.000	10.300.000	DCF modell	7,25%	iroda: 12, raktár: 6	9.785.000	10.815.000	7,50%	van
4	1022 Budapest, Bég u. 4. (Törökvész u. 30.)	iroda	3.000.000	3.300.000	3.300.000	DCF modell	7,25%	iroda: 11	3.135.000	3.465.000	7,50%	van
5	1094 Budapest, Páva u. 8.	iroda	5.500.000	5.100.000	5.100.000	DCF modell	8,00%	iroda:: 9,5, raktár: 6	4.845.000	5.355.000	8,25%	van
6	1015 Budapest, Hattyú utca 14.	iroda	15.600.000	14.200.000	14.200.000	DCF modell	7,25%	iroda: 11,5, raktár: 6	13.490.000	14.910.000	7,50%	nem
7	1118 Budapest, Kelenhegyi út 43.	iroda-lakó	5.300.000	4.300.000	5.300.000	összehasonlító	12,50%	iroda: 12,5, lakás: 14	4.085.000	4.515.000	8,00%	van
8	1133 Budapest, Visegrádi u. 110-112.	iroda	4.900.000	4.900.000	4.900.000	DCF modell	7,40%	iroda: 10, raktár: 4,5	4.655.000	5.145.000	7,65%	van
9	18 SPAR üzlet	kereskedelmi	20.600.000	22.100.000	22.100.000	DCF modell			20.995.000	23.205.000	8,75%-10%	van
10	6000 Kecskemét, Kiskőrösi utca 30.	telephely	3.900.000	4.100.000	4.100.000	DCF modell	11,00%	iroda: 4, raktár: 2	3.895.000	4.305.000	11,50%	van
11	1082 Budapest, Üllői út 48.	iroda	21.600.000	20.300.000	20.300.000	DCF modell			19.285.000	21.315.000		van
12	1037 Budapest, Montevideo út 2/C.	iroda	13.300.000	10.800.000	10.800.000				10.260.000	11.340.000		
13	1147 Budapest, Egyenes u. 4.	műhely	800.000	900.000	800.000	összehasonlító		raktár: 4,75	855.000	945.000		van
14	1105 Budapest, Bánya utca	vegyes	2.500.000	2.300.000	2.300.000	DCF modell	8,75%	iroda: 4, raktár: 3,5	2.185.000	2.415.000	9,00%	van
15	1023 Budapest, Felhévízi u. 24.	iroda	1.400.000	1.300.000	1.400.000	összehasonlító	8,00%	iroda: 10	1.235.000	1.365.000	8,25%	van
16	1139 Budapest, Frangepán u. 19.	iroda	3.200.000	3.000.000	3.000.000	DCF modell	8,00%	iroda: 7	2.850.000	3.150.000	8,50%	van
17	1105 Budapest, Bánya utca	iroda	330.000	360.000	360.000	összehasonlító	9,25%	iroda: 6,5	342.000	378.000	9,75%	nincs
18	3525 Miskolc, Szűcs Sámuel u. 5.	iroda	2.100.000	2.500.000	2.500.000	DCF modell	8,00%	16,90	2.375.000	2.625.000	8,00%	nincs
19	8171 Balatonvilágos, Aligai út 1.	üdülő	13.400.000	13.400.000	13.400.000	DCF modell			12.730.000	14.070.000	7,00%	van
20	1013 Budapest, Pauler utca 2.	iroda	1.730.000	1.600.000	1.600.000	DCF modell			1.643.500	1.816.500		
21	Lepence, Strandfürdő Visegrád	üdülő			680.000	DCF és összehasonlító			646.000	714.000		
22	Kikötő és Szálloda Balatonfüred	üdülő			5.800.000	DCF és összehasonlító			5.510.000	6.090.000		
23	Grand Hotel Tokaj, Tokaj Csurgó-völgy	üdülő			8.000.000	DCF és összehasonlító			7.600.000	8.400.000		
24	Aktív Turisztikai Központ, Tokaj Csurgó-völgy	üdülő			60.000	DCF és összehasonlító			57.000	63.000		
25	BALALAND Family Hotel & Resort és Familypark, Szántód	üdülő			19.620.000	DCF és összehasonlító			18.639.000	20.601.000		
26	Csárda és Rév Szántód	üdülő			920.000	DCF és összehasonlító			874.000	966.000		
					165.740.000							

11. Depreciation

data in thousands of Hungarian Forints	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Depreciation of tangible assets	(248 217)	(261 540)
Total	**(248 217)**	**(261 540)**

In 2021, small-value asset depreciation was 8 368,-HUF in thousands.

12. Other expenditure and revenue of financial transactions

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Exchange gain	1 952 647	2 129 871
Negative goodwill – Note 2.4	0	199 106
Loss on exchange	(2 204 950)	(5 055 815)
Total	**(252 303)**	**(2 726 838)**

In 2020, the Corporate Group recognised negative goodwill of 199,106,-EUR on the acquisition of Alagút Investment Kft.

13. Balance of interest revenues and expenditures

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Interest revenues		
Interests of deposit and interest-bearing deposits	55 050	7 637
Other interests received / due	12 379	115 195
	67 429	**122 832**
Interest expenses		
Interests of bank credits	(990 088)	(562 164)
Interest payable for Konzum PE	0	(66 860)
Self-issued and traded bond interests	(1 937 564)	(2 009 868)
	(2 927 652)	**(2 638 892)**
Balance of interest revenues and interest expenses	**(2 860 223)**	**(2 516 060)**

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Lease interests	(48 544)	(102 936)
Lease interests	**(48 544)**	**(102 936)**

14. Income Taxes

Expenditures related to income taxes include the following:

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Corporate income tax	(291 211)	(140 697)
Deferred tax liabilities	(273 445)	(1 136 036)
Business tax	(170 013)	(183 328)
Total	**(734 669)**	**(1 460 061)**

The tax breakdown was carried out as follows:

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Profit before taxation	(5 045 048)	14 661 732
Tax liability calculated on the basis of the current tax rate of 9%	454 054	(1 319 556)
Business tax	(170 013)	(183 816)
Delisting of deferred tax liabilities	(826 396)	-
Constant differences	(192 314)	43 310
Income taxes in total	**(734 669)**	**(1 460 061)**
Effective tax rate	**-14.56%**	**9.96%**

In 2019, the Corporate Group recognized the amounts of deferred tax assets from accrued and deferred loss, the recovery of which is ensured, as it is offset by the balance of deferred tax liabilities within a given subsidiary. As of 31 December 2021, 826,396,-EUR of Appeninn E-Office Zrt.'s accrued and deferred loss was delisted based on future tax plans.

Employed tax rates	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020

Local business tax	2%	2%
Corporate income tax	9%	9%

15. Earnings per Share

When calculating the earnings per share, the profit after tax distributable among the shareholders and the average annual number of ordinary shares issued shall be taken into consideration without own shares.

	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Profit after tax (EUR)	(5 779 717)	13 201 671
Weighted average number of the ordinary shares issued (quantity)	47 369 571	47 369 571
Earnings per share (base) (in EUR cent)	**(12.20)**	**(27.87)**

There are no factors existing at the Company which would dilute the profit and loss per share in 2020 or in 2021.

16. Net asset value per share

	for the business year ending 31 December 2021	for the business year ending 31 December 2020 amended
Net asset value	74 064 961	77 343 668
Quantity of ordinary shares on the reporting day (quantity)	47 369 571	47 369 571
Net asset value per share (EUR)	**1.56**	**1.63**

Consolidated comments on the financial position

17. Revenue-generating Investment Properties

Changes calculated with regard to the opening and closing value of investment properties of the Corporate Group were the hereinunder as follows (also see Notes No. 10):

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Opening value	**165 740 000**	**140 970 000**
annual changes:		
Reclassification for inventories:	0	**(10 118 04)**
H-8171 Balatonvilágos, Aligai út 1.	0	(10 118 604)
Derecognition of properties upon subsidiary sale	**(10 800 000)**	**(12 900 000)**
1062 Budapest, Andrássy út 105.	0	(3 900 000)
1044 Budapest, Váci út 76-80.	0	(2 000 000)
1062 Budapest, Andrássy út 59.	0	(7 000 000)
1037 Budapest, Montevideo út 2/C.	(10 800 000)	0
Properties purchased in the period under review	**862 961**	**44 929 664**
1037 Budapest, Montevideo út 2/C.	0	8 619 466
1013 Budapest, Pauler utca 2.	0	1 500 000
Lepence, Strandfürdő Visegrád	0	646 893
Port and Hotel Balatonfüred	0	5 772 779
Grand Hotel Tokaj, Tokaj Csurgó-völgy	0	7 911 558
Active Tourist Center, Tokaj Csurgó-völgy	0	55 172
BALALAND Family Hotel & Resort and Familypark, Szántód	0	19 496 530
Csárda és Rév Szántód	0	927 267
Tokaj Kelep	862 961	0
Recapitalisation of the period under review	**38 563 903**	**0**
1149 Budapest, Várna u. 12-14.	5 302	0
1023 Budapest, Bég u. 3-5.	12 498	0
1022 Budapest, Bég u. 4. (Törökvész u. 30.)	246 224	0
1094 Budapest, Páva utca 8.	10 392	0
1015 Budapest, Hattyú utca 14.	65 524	0
1118 Budapest, Kelenhegyi út 43.	157 296	0
1133 Budapest, Visegrád u. 110-112.	2 371	0
1147 Budapest, Egyenes u. 4.	1 135	0
1139 Budapest, Frangepán u. 19.	22 314	0
H-8171 Balatonvilágos, Aligai út 1.	1 606 871	0
Lepence, Strandfürdő Visegrád	379 909	0
Port and Hotel Balatonfüred	7 946 582	0
Grand Hotel Tokaj, Tokaj Csurgó-völgy	11 433 127	0
Active Tourist Center, Tokaj Csurgó-völgy	1 295 174	0
BALALAND Family Hotel & Resort and Familypark, Szántód	15 349 974	0
Csárda és Rév Szántód	29 210	0
Change of fair value	**(8 703 903)**	**2 858 942**
of which:		
Fair value inrease	1 688 433	7 976 209
Fair value decrease	(10 392 337)	(5 117 267)
Changes in total	***19 922 961***	***24 770 000***

Closing value	**185 662 961**	**165 740 000**

The derivation of the change in the real estate portfolio by real estate property compared to 31 December 2021 and 31 December 2020 is presented in the following tables:

	31 DECEMBER 2020	Recapitalisation	Acquisition	Sale	Market price increase	Market price decrease	31 December 2021
1149 Budapest, Várna u. 12-14.	2 200 000	5 302				(5 302)	2 200 000
1047 Budapest, Schweidel utca 3.	2 700 000				100 000		2 800 000
1023 Budapest, Bég u. 3-5.	10 300 000	12 498			287 502		10 600 000
1022 Budapest, Bég u. 4. (Törökvész u. 30.)	3 300 000	246 224				(146 224)	3 400 000
1094 Budapest, Páva utca 8.	5 100 000	10 392				(10 392)	5 100 000
1015 Budapest, Hattyú utca 14.	14 200 000	65 524				(65 524)	14 200 000
1118 Budapest, Kelenhegyi út 43.	5 300 000	157 296				(357 296)	5 100 000
1133 Budapest, Visegrád u. 110-112.	4 900 000	2 371			197 629		5 100 000
18 SPAR üzlet	22 100 000				280 000		22 380 000
6000 Kecskemét, Kiskőrösi utca 30.	4 100 000				100 000		4 200 000
1082 Budapest, Üllői út 48.	20 300 000				100 000		20 400 000
1037 Budapest, Montevideo út 2/C.	10 800 000			(10 800 000)			-
1147 Budapest, Egyenes u. 4.	800 000	1 135				(101 135)	700 000
1105 Budapest, Bánya utca	2 300 000				100 000		2 400 000
1023 Budapest, Felhévízi u. 24.	1 400 000				100 000		1 500 000
1139 Budapest, Frangepán u. 19.	3 000 000	22 314			77 686		3 100 000
1105 Budapest, Bánya utca	360 000					(20 000)	340 000
3525 Miskolc, Szűcs Sámuel u. 5.	2 500 000				100 000		2 600 000
H-8171 Balatonvilágos, Aligai út 1.	13 400 000	1 606 871				(2 276 871)	12 730 000
1013 Budapest, Pauler utca 2.	1 600 000				100 000		1 700 000
Lepence, Strandfürdő Visegrád	680 000	379 909				(159 909)	900 000
Port and Hotel Balatonfüred	5 800 000	7 946 582				(3 446 582)	10 300 000
Grand Hotel Tokaj, Tokaj Csurgó-völgy	8 000 000	11 433 127				(3 133 127)	16 300 000
Active Tourist Center, Tokaj Csurgó-völgy	60 000	1 295 174			44 826		1 400 000
BALALAND Family Hotel & Resort and Familypark, Szántód	19 620 000	15 349 974				(669 974)	34 300 000
Csárda és Rév Szántód	920 000	29 210			100 790		1 050 000
Tokaj Kelep			862 961				862 961

Total	**165 740 000**	**38 563 903**	**862 961**	**(10 800 000)**	**1 688 433**	**(10 392 337)**	**185 662 961**

The derivation of the change in the real estate portfolio by real estate property compared to 31 December 2020 and 31 December 2019 is presented in the following tables:

Amended	**31 DECEMBER 2019**	**Acquisition**	**Sale**	**Reclassification for sale**	**Market price increase**	**Market price decrease**	**31 DECEMBER 2020**
1149 Budapest, Várna u. 12-14.	2 200 000				-		2 200 000
1047 Budapest, Schweidel utca 3.	2 500 000				200 000		2 700 000
1023 Budapest, Bég u. 3-5.	10 300 000				-		10 300 000
1022 Budapest, Bég u. 4. (Törökvész u. 30.)	3 300 000				-		3 300 000
1094 Budapest, Páva utca 8.	5 100 000				-		5 100 000
1015 Budapest, Hattyú utca 14.	16 000 000				-	(1 800 000)	14 200 000
1118 Budapest, Kelenhegyi út 43.	5 700 000					(400 000)	5 300 000
1133 Budapest, Visegrád u. 110-112.	5 300 000					(400 000)	4 900 000
18 SPAR üzlet	20 100 000				2 000 000		22 100 000
6000 Kecskemét, Kiskőrösi utca 30.	3 900 000				200 000		4 100 000
1062 Budapest, Andrássy út 105.	3 900 000		(3 900 000)		-		-
1082 Budapest, Üllői út 48.	22 700 000				-	(2 400 000)	20 300 000
1037 Budapest, Montevideo út 2/C.	-	8 619 466			2 180 534		10 800 000
1147 Budapest, Egyenes u. 4.	900 000					(100 000)	800 000
1105 Budapest, Bánya utca	2 300 000				-		2 300 000
1023 Budapest, Felhévízi u. 24.	1 400 000				-		1 400 000
1139 Budapest, Frangepán u. 19.	3 000 000						3 000 000
1105 Budapest, Bánya utca	370 000					(10 000)	360 000
1044 Budapest, Váci út 76-80.	2 000 000		(2 000 000)			-	-
1062 Budapest, Andrássy út 59.	7 000 000		(7 000 000)				-
3525 Miskolc, Szűcs Sámuel u. 5.	2 400 000				100 000		2 500 000
H-8171 Balatonvilágos, Aligai út 1.	20 600 000			(10 118 606)	2 918 606		13 400 000
1013 Budapest, Pauler utca 2.		1 500 000			100 000		1 600 000
Lepence, Strandfürdő Visegrád		646 893			33 107		680 000
Port and Hotel Balatonfüred		5 772 779			27 221		5 800 000
Grand Hotel Tokaj, Tokaj Csurgó-völgy		7 911 558			88 442		8 000 000
Active Tourist Center, Tokaj Csurgó-völgy		55 172			4 828		60 000
BALALAND Family Hotel & Resort and Familypark, Szántód		19 496 530			123 470		19 620 000
Csárda és Rév Szántód		927 266				(7 266)	920 000
Total	**140 970 000**	**44 929 663**	**(23 018 606)**		**7 976 208**	**(5 117 266)**	**165 740 000**

18. Tangible assets

Tangible assets include the Corporate Group's own vehicles and office equipment purchased for the Corporate Group's operations. The Corporate Group's leased cars cover the obligations arising from the lease agreement.

data in EUR	**Total**
Gross value	
on 31 December 2019	**252 694**
Increase and reclassification	155 186
Decrease and reclassification	(86 099)
on 31 December 2020	**321 781**
Increase and reclassification	331 664
Decrease and reclassification	(243 134)
on 31 December 2021	**410 311**
Accrued depreciation	
on 31 December 2019	**75 030**
Depreciation in the current year	48 368
Decrease	(1 597)
on 31 December 2020	**121 801**
Depreciation in the current year	154 740
Decrease	(89 265)
on 31 December 2021	**187 276**
Net book value	
on 31 December 2019	**177 664**
on 31 December 2020	**199 980**
on 31 December 2021	**223 035**

The gross value of assets written off to zero as at 31 December 2021 and 2020 is 15,762,-EUR. No impairment was accounted for tangible assets. The Corporate Group has no intangible assets.

19. Right-of-use Asset

Right-of-use of land

In 2020, the Corporate Group included the right to use of the port of Balatonfüred of Solum-Invest Kft. among the right-of-use assets, which is calculated on the basis of an annuity based on the fee to be paid. The useful life of the asset cannot be defined, so the Corporate Group performs an annual impairment test.

Right-of-use of plot

In 2019, the Group retroactively corrected the right to use the land of Pro-mot Hungária Kft., including it in the right to use assets, which has a remaining useful life of 37 years.

Right-of-use of lakebed

Based on the agreement with the Hungarian State, SOLUM Invest Kft. has the right-of-use of lakebed with regard to the water surface areas of Lake Balaton connected to the port until 2037. After the transitional construction period, as soon as the new port building is completed and has received the permit for use, the Hungarian State may only terminate the contract in cases of force majeure, provided that it is used for its intended purpose. SOLUM Invest Kft. will record the lakebed right of use as an asset under IFRS 16 for the first time in 2021 at 12 months BUBOR and a general market interest rate of 2%.

Real estate property rental

In 2020, the Corporate Group entered into a property lease agreement, from which the right-of-use assets have been recognised. The Corporate Group has entered into a sublease agreement for the leased property, which has been identified as a financial lease and the related right of asset use has been derecognised. The lease expires on 16 March 2025.

data in EUR	Plot right-of-use	Land right-of-use	Lakebed right-of-use	Property rental	Total
Gross value modify					
on 31 December 2019	**1 952 433**	**0**	**0**	**0**	**1 952 433**
Increase and reclassification		1 311 022		1 187 252	2 498 274
Decrease and reclassification	(185 068)			(591 645)	(776 713)
on 31 December 2020	**1 767 365**	**1 311 022**	**0**	**595 607**	**3 673 994**
Increase and reclassification	9 033	29 060	126 164		164 257
Decrease and reclassification				(1 355)	(1 355)
on 31 December 2021	**1 776 398**	**1 340 082**	**126 164**	**594 252**	**3 836 896**
Accrued depreciation					
on 31 December 2019	**0**	**0**	**0**	**0**	**0**
Depreciation in the current year				213 172	213 172
Decrease					
on 31 December 2020	**0**	**0**	**0**	**213 172**	**213 172**
Depreciation in the current year				93 477	93 477
Decrease					
on 31 December 2021	**0**	**0**	**0**	**306 649**	**306 649**
Net book value					
on 31 December 2019	**1 952 433**	**0**	**0**	**0**	**1 952 433**
on 31 December 2020	**1 767 365**	**1 311 022**	**0**	**382 435**	**3 460 822**
on 31 December 2021	**1 776 398**	**1 340 082**	**126 164**	**287 603**	**3 530 247**

20. Deferred tax receivables

Upon calculating deferred tax, the Corporate Group compares the amount recognisable for tax purposes with the book value, per asset and liability. If the spread is a temporary difference, that is, the difference is settled within a reasonable time, deferred tax liability or asset is recognized, according to its sign. When the asset is taken into account, the return is examined separately by the Corporate Group.

The Corporate Group's accumulated deferred negative tax base as at 31 December 2021 was used to reduce the deferred tax liabilities to be recognized on investment properties in the deferred tax calculation. The possibility of using accrued negative tax bases according to the rule in force in the year of their occurrence, the order of utilization is FIFO. The deadline for the utilization of accrued and deferred loss is 31 December 2030.

Balance of accrued and deferred loss per company data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Appeninn Property Zrt.	217 341	179 333
Appeninn-Bp 1047 Zrt.	203 005	181 478
Appeninn E-Office Plc.	12 652 295	19 188 237
Appeninn Üzemeltető Zrt. (in English: Appeninn Maintenance Private Limited Company)	60 133	77 953
Appeninn Vagyonkezelő Holding Nyrt.	1 585 629	1 851 828
Curlington Kft.	229 396	140 104
Szent László Téri Szolgáltató Ház Kft.	222 946	125 591
Dreamland Holding Zrt.	500 404	0
Szántód BalaLand Family Kft.	15 564	0
Appeninn Retail Kft.	144 217	93 487
Sectura Ingatlankezelő Kft. (in English: Secture Real Property Management Private Limited Liability Company)	74 894	58 891
SZRH Kft.	166 328	0
TATK Kft.	5 816	0
Tokaj Csurgó Völgy Kft.	16 263	0
Visegrád Lepence Völgy Kft.	160 699	0
Appeninn Project-EGRV Kft.	77 680	76 621
Appeninn Project-MSKC Kft.	68 772	118 100
Base of deferred tax assets from accrued and deferred loss	**16 401 381**	**22 087 624**
The amount of deferred tax assets from accrued and deferred loss	**1 476 124**	**1 987 886**
Of which decreasing of deferred tax liabilities accounted in the balance sheet	**720 053**	**1 770 748**
Of which deferred tax assets accounted	**756 071**	**217 138**

As of 31 December 2021, 826,396,-EUR of Appeninn E-Office Zrt.'s accrued and deferred loss was impaired based on future tax plans.

21. Goodwill

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Dreamland Group acquisition (Point 2.4)	4 280 881	4 280 881
Solum-Invest Kft. (Point 2.4)	73 110	73 110

Total	**4 353 991**	**4 353 991**

Goodwill arose on the acquisition of Dreamland Group and Solum-Invest Kft. (see Note No. 2.4) and has been allocated to the relevant CGUs.

data in EUR	**for the business year ending 31 December 2021**	**for the business year ending 31 December 2020**
Balaland CGU	2 242 371	2 242 371
Tokaj CGU	1 478 888	1 478 888
Lepence CGU	559 622	559 622
Dreamland Corporate Group	**4 280 881**	**4 280 881**

As at 31 December 2021, the Corporate Group performed its annual impairment tests in accordance with the requirements of IAS 36 standard. The recoverable amount of the CGUs was determined based on value in use, which was determined based on 15-year cash flow projections and financial budgets forecast by senior management, which assume the realisation of current developments. The pre-tax discount rate applied to the CGUs for discounting cash flows is 10.4%. The recoverable amount exceeds the above book value and exceeds the carrying amount for each CGU. As a result of the goodwill impairment test and sensitivity analysis, the management concluded that no impairment should be recognised for CGUs.

22. Equity in affiliate enterprise

data in EUR	**for the business year ending 31 December 2021**	**for the business year ending 31 December 2020**
Hellnarik Hospitality Kft. 24% equity	39 701	39 701
Total	**39 701**	**39 701**

The equity in associated enterprise was accounted at historical value. Main data of the associated undertakings as of 31 December in 2020 and 2021 are as follows:

Data in EUR in thousands	31 December 2021	31 December 2020
Current assets	10 908	10 465
Invested assets	3 069	0
Own Equity	343	392
Long-term liabilities	3 664	-
Short-term liabilities	9 970	10 073
Sales Revenue	0	0
Profit after tax	(45)	(141)

23. Over-the-year receivables

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
G.B. Bohemia	0	60 252
Franklin Ház	0	1 849
BDPST Group	346 982	495 385
Total	**346 982**	**557 486**

24. Inventories

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Properties made for sale	7 934 901	10 118 606
Total	**7 934 901**	**10 118 606**

In 2020, the Corporate Group reclassified the Balatonaliga real estate properties for sale from revenue-generating properties to inventories. Inventory of 2 183 705,- EUR of properties held for sale was sold in 2021.

25. Trade receivables

data in EUR	**for the business year ending 31 December 2021**	**for the business year ending 31 December 2020**
Gross value of trade receivables	533 003	865 267
Opening balance of impairment of customers	(53 945)	(87 764)
Impairment accounted in the period under review	0	0
Impairment derecognized in the period under review	13 391	33 819
Closing balance of impairment of customers	(40 554)	(53 945)
Net trade receivables in total	**492 449**	**811 322**

The Corporate Group employed the expected impairment for trade impairment. Expected losses have been calculated from the average of the last two years' experience.

26. Other short-term receivables

data in EUR	**for the business year ending 31 December 2021**	**for the business year ending 31 December 2020**
Balance of tax receivables (VAT, local business taxes)	410 939	425 250
Advance payments	3 057 088	114 704
Tender receivables	1 812 848	0
Short term part of financial leasing claims	147 929	143 205
Other	611 292	211 532
Total	**6 040 096**	**894 691**

27. Short-term affiliated receivables

data in EUR	**for the business year ending 31 December 2021**	**for the business year ending 31 December 2020**
Hellnarik Hospitality KFt.	1 154 916	1 578
Total	**1 154 916**	**1 578**

28. Short-term loans granted

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Mikepércsi út 132 Kft.	105 827	105 827
Impairment of Mikepércsi út 132 Kft.	(105 827)	(105 827)
Hattyúház Társasház Közösség	6 089	6 153
Total	**6 089**	**6 153**

29. Accruals

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Accrual of non-invoiced, due rents income	274 353	-
Accrual of invoiced costs un-due in the current period	467 282	331 266
Total	**741 635**	**331 266**

30. income tax receivables and liabilities

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Iincome tax receivables	23 729	92 767
Iincome tax liabilities	229 225	39 106

31. Cash and cash equivalents

data in EUR	for the business year ending 31 December 2021	for the business year ending 31 December 2020
Cash on hand HUF	13 192	14 311
Bank account in HUF	9 650 326	19 592 342
Bank account in EUR	2 727 752	2 456 412
Fixed-term cash on deposit of short-term	12 466 125	-
Total	**24 857 395**	**22 063 065**

A short-term bank deposit is a deposit with a maturity of 1 month. The Group has undrawn credit lines of 17 024,- EUR in thousands at 31 December 2021. See also Note No. 53.
After the turnaround date, the situation at Sberbank was dealt with by the Dreamland Group through a set-off request. The Group's account balance with Sberbank prior to the suspension of the Bank's activities amounted to 4 242,- EUR in thousands, with a total repayment of 505 000,- EUR per entity before publication of the amount of 100,000,- EUR guaranteed by OBA (in English: the National Deposit Insurance Fund of Hungary). With regard to the remaining amount of money, assignments were made within the Group, where the Company requested the liquidator to set off against the loan of Tokaj Csurgó Völgy Kft. - as an entity credited by Sberbank - for 5 210,- EUR in thousands.

32. Issued Share Capital

The shares of Appeninn Vagyonkezelő Holding Nyrt. were initiated at Budapest Stock Exchange on 02 July 2010 upon public trading.

Appeninn Nyrt. share data	
nominal value	100
currency	HUF
ISIN identification number	HU0000102132
Place of trading	Budapest Stock Exchange share section
start of trading	02 July 2010
share register keeping	Board of Directors of Appeninn Nyrt., 1118 Budapest, Kelenhegyi út 43.
Number of shares kept in trading on 31 December 2021 (quantity)	47 371 419
Number of shares kept in trading on 31 December 2020 (quantity)	47 371 419

Issued Share Capital	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
Ordinary shares issued and paid by the owners at nominal value:		
Opening value on 01 January (EUR)	**15 217 006**	**15 217 006**
Closing issued capital value on 31 December (in EUR)	**15 217 006**	**15 217 006**
The quantity of shares issued at the nominal value of 100,-HUF (quantity):		
Opening value (quantity)	47 371 419	47 371 419
Issuance (quantity)	-	-
Closing value (quantity)	47 371 419	47 371 419
Translation for presentation currency:		
HUF-EUR exchange rates:		
Opening issued capital average exchange rate value:	311.32	311.32
Issuance	-	-
Closing issued capital average exchange rate value	311.32	311.32
Issued capital value in the foreign currency as of company registration (HUF in thousands)		
Opening value on 01 January:	4 737 142	4 737 142
Issuance	-	-
Closing value on 31 December:	4 737 142	4 737 142

The issued capital of the Company is 4,737,142,- HUF in thousands, which consists of 47,371,419,- quantity of shares with a nominal value of HUF 100,- HUF per each.

33. Repurchased Own Shares

	For the business year ending on 31 December 2021		**For the business year ending on 31 December 2020**	
	EUR	**quantity**	**EUR**	**quantity**
Opening value	1 171	1 848	1 171	1 848
Own share purchase				
Own share sale				
Closing value	**1 171**	**1 848**	**1 171**	**1 848**

34. Capital reserve

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Opening value of premium capital (ázsió) share issuance	25 645 230	25 645 230
Closing value	**25 645 230**	**25 645 230**

35. Conversion reserve

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020 amended
Opening value	**(10 876 235)**	**(2 852 372)**
annual changes:		
Other comprehensive income of the current year	(275 255)	(8 023 863)
Closing value	**(11 151 490)**	**(10 876 235)**

In 2020, the HUF/EUR exchange rates changed significantly, resulting in a significant increase in the “gap” between the value of the equity items held at the historical exchange rate and the equity items calculated at the exchange rate at the balance sheet date, and a decrease in the conversion reserve of 8,023,863,-EUR. The corrections of previous mistakes are shown in Note No. 48.

36. Retained earnings

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Opening value	**47 358 839**	**34 925 192**
annual changes:		
Profits in the current year	(3 003 453)	12 293 761
Transaction with non-controlling interest upon control keeping	0	139 886
Closing value	**44 355 386**	**47 358 839**

37. Non-controlling interest

The balance of non-controlling interests relates to the acquisition of Dreamland Group and Solum-Invest Ltd. in 2020 and Tokaj Kelep Zrt. in 2021, see Note No. 2.4.

data in EUR	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
Opening value	**2 888 383**	**730 936**
annual changes:		
Acquisition of new subsidiaries	188	552 863
Profit item in the current year	(2 776 264)	907 910
Transaction with non-controlling interest upon control keeping	0	696 674
Closing value	**112 307**	**2 888 383**

38. Long-term and short-term credits and lease transactions

Lease transactions

data in EUR	**Minimum value of leasing fees**		**Present value of leasing fees**	
	31 December 2021	**31 December 2020 amended**	**31 December 2021**	**31 December 2020 amended**
Due within one year	329 079	319 810	308 677	288 520
Due within two and five years	446 352	1 197 138	425 492	985 013
Due over five years	145 624	172 542	145 624	172 541
	921 055	**1 516 949**	**879 793**	**1 446 074**
Financing costs	(41 262)	(70 875)		
Present value	**879 793**	**1 446 074**	**879 793**	**1 446 074**
Presenetation in the balance sheet per liability:				
Short-term leasing liabilities			308 677	288 520
Long-term leasing liabilities			571 116	1 157 554
			879 793	**1 446 074**

The member company of the Corporate Group – Appeninn Üzemeltető Zrt. – acquired the vehicles necessary for its activities within the framework of a leasing contract. The term of the contracts shall not exceed five years. Appeninn Plc. is leasing an office building for a fixed term which is less than 5 years. In the case of both leased asset groups, the leased asset serves as collateral for the liabilities arising here from the lease.

The related right-of-use asset is depreciated on a straight-line basis over the lease term. The Company recognizes interest expense on the lease using the effective interest method.

The Company subleases part of the leased property. The related right-of-use asset has been derecognised, while the value of the lease liability continues to be recognised for the entire property.

data in EUR	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
Net value of leased vehicles	101 054	132 770
Current year depreciation of leased vehicles	31 716	31 716
Net value of leased properties	732 536	1 693 457
Current year depreciation of leased properties	238 089	213 172
Accounted lease transaction interest and loss on exchange	48 544	102 936
Loss on exchange	8 811	6 089

Long-term and short-term credits

On 17 December 2021, Appeninn E-Office Zrt. (in English: Appeninn E-Office Plc.), a subsidiary of Appeninn Nyrt., refinanced its previous Erste and Erste-MFB loan of 19 January 2018 in the amount of 24,068,776,-EUR and, moreover, Appeninn E-Office Zrt acquired Appeninn's subsidiary Alagút Investment Zrt. (in English: Alagút Investment Plc.) using a credit facility of 1,500,000,-EUR. The financing bank for both of these loans was MFB Zrt. (in English: MFB Plc.). The previous bullet-type short-term financing was replaced by an annuity-type financing structure with a 20-year maturity. Upon refinancing, until 31 December 2022, the amount of 15,000,000,-EUR uncommitted credit line was available for Appeninn E-Office to expand its domestic retail or office building portfolio.

The details of the credits and leases are presented in the following table:

Financing partners	Primary tax company	31 December 2021 due within-the-year EUR	31 December 2021 due over-the-year EUR	31 December 2020 due within-the-year EUR	31 December 2020 due over-the-year EUR	Financing foreign currency	Interest margin	Original expiration	Collaterals
Magyar Takarékszövetkezeti Bank Zrt.	Szent László Téri Szolgáltató Ház	0	0	40 090	59 530	HUF	3-month EURIBOR+RKV+1.9 %, 3-month BUBOR + 3%	17 May 2021 31 March 2021	Purchase right, mortgage (350 million), option right, claim-based lien, assignment contract, 6-month debt service, insurance, pledge, power-of-attorney, assignment
Magyar Takarékszövetkezeti Bank Zrt.	Szántód BalaLand Family Kft.	0	7 408 898	0	0				
Magyar Takarékszövetkezeti Bank Zrt.	Appeninn-Bp 1047 Zrt.	10 864	610 902	16 755	617 377	HUF	3-month EURIBOR + 2.5%	30 April 2033	Real estate lien in 1st rank; Prohibition of alienation and encumbrance; Pledge on claims on receivables from the utilization of collateral property; Right to collect on the debtor's bank accounts with another bank; Pledge agreement to establish a lien on claims; Security deposit block based on rental income; Top up 3 months DSRA on a blocked account; - exclusive account traffic
Magyar Takarékszövetkezeti Bank Zrt.	Appeninn Property Vagyonkezelő Zrt. (in English: Appeninn Property Asset Management Private Limited Company)	29 008	487 480	13 935	512 788	HUF		31 December 2032	
Magyar Takarékszövetkezeti Bank Zrt.	Appen-Retail Kft.	66 244	1 129 984	53 031	1 166 763	HUF		31 December 2032	
Magyar Takarékszövetkezeti Bank Zrt.	Curlington Kft.	3 805	60 507	3 681	60 940	HUF		31 December 2032	
Magyar Takarékszövetkezeti Bank Zrt.	Felhévíz-Appen Kft.	7 675	123 879	4 305	130 015	HUF		31 December 2032	
MFB-Erste consortium credit	Appeninn E-Office Plc.	506 100	25 062 686	1 741 305	22 327 471	EUR	3-month EURIBOR +2%	30 June 2025	Real estate mortgage; Right to purchase real estate; bail; Mortgages; Mortgage encumbering rights and claims; Appeninn Plc guarantee; Security deposit lock on rental income; Top up DSRA on a blocked account; - exclusive account traffic
Magyar Takarékszövetkezeti Bank Zrt.	Tokaj Csurgó Völgy Kft.	0	3 509 684	0	0	HUF			
Szepard Kft.	Dreamland Holding Zrt.	0	6 050 136	0	765 398	HUF		30 November 2030	
Sokorai István	Solumn-Invest Kft.	0	757 370	0	134 199	HUF	3.5%	25 June 2023	
DH Invest Kft.	Solumn-Invest Kft.	0	757 370	40 090	59 530	HUF			
Bank credits in total		**623 696**	**45 958 896**	**1 870 621**	**31 892 106**				
Telekadó - Visegrád		0	11 343	0	0				
Lease liability in total		308 677	571 116	288 520	1 157 554				
Solumn Invest Kft. lease liability	Solum-Invest Kft.	0	1 466 246	0	1 311 022				
Total		**932 373**	**48 007 602**	**2 159 141**	**34 360 682**				

39. Self-issued Corporate Bonds Debts

On 22 November 2019, the Company issued bonds in the quantity of 60,510,710,-EUR (20,000,000,-HUF in thousands) through the Növekedési Kötvényprogram (in English: Growth Debenture Programme) launched by Magyar Nemzeti Bank (in English: Hungarian National Bank), which was subscribed for at an additional exchange gain in the value of 327,100,-EUR (108,113,-HUF in thousands). The consideration for the bond was paid to the Company. The maturity date of the bond is 22 November 2029, when the principal amount of the bond (20,000,000,-HUF in thousands) is payable in one amount. A fixed annual interest rate of 3.5% is payable on the bond. The bond was registered at depreciated historical value, with an effective interest rate of 3.459%.

40. Tenant Deposits

data in EUR	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
Opening	1 430 940	301 775
New rental event / new subsidiary		1 129 165
Reclassification for short-term liabilities		0
Items accounted by rental relationship cessation	(144 213)	0
Closing value	**1 286 727**	**1 430 940**

41. Long-term and short-term liabilities through affiliated parties

data in EUR	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
	EUR	**EUR**
Lexan Aliga Kft.	4 603 285	4 503 061
Affiliated long-term liabilities in total	**4 603 285**	**4 503 061**
Hellnarik Hospitality Kft.	0	390 016
Lexan Aliga Kft.	578 323	467 376
Szepard Kft.	346 153	104 224
Dividend liability	29 851	31 233
Appeninn Credit Zrt.	1 239	1 253
Affiliated short-term liabilities in total	**955 566**	**994 102**

By acquiring the majority ownership of PRO-MOT Hungária Kft., the Corporate Group has undertaken the value of the long-term liability payable to Lexan Aliga Kft.

42. Deferred tax assets and tax liabilities

The development of the Corporate Group's deferred tax liabilities is presented in the table. The main components of deferred tax liability are:

- Difference between the fair value evaluation of revenue-generating investments (difference between profit and cost as interpreted in accordance with tax law (cost depreciated for tax purposes))
- For tangible assets, the difference between the cost depreciated using the depreciation method according to tax law and the book value depreciated using the depreciation method according to accounting policy.
- Impairment recognized on trade receivables for customers.
- The amount taken into account in the retained earnings from the negative tax base determined in accordance with the tax law in previous years to the extent that the company's results - balance sheet items - cover, taking into account that the tax law allows to record up to 50% of profits.

	2021				2020			
Deferred Tax Liabilities	**Balance according to the report EUR**	**Balance according to taxation EUR**	**Deferred tax liabilities base**	**Deferred tax liabilities**	**Balance according to the report EUR**	**Balance according to taxation EUR**	**Deferred tax liabilities base**	**Deferred tax liabilities**
Revenue-generating investment properties	185 662 961	120 354 442	(65 308 519)	(5 877 767)	172 440 000	95 565 591	(76 874 409)	(6 918 697)
Tangible assets	223 035	95 494	(127 541)	(11 479)	199 980	215 551	15 571	1 401
Trade and other receivables	41 251 210	43 647 866	2 396 656	215 699	34 317 870	92 279 053	57 961 183	5 216 506
Receivables from accrued and deferred loss		16 401 381	16 401 381	1 476 124		22 087 624	22 087 624	1 987 886
Credits	48 939 975	50 979 763	2 039 788	(183 581)	40 689 297	38 296 805	(2 392 492)	215 324
Trade creditors and other accounts payable	93 197 249	93 198 270	1 021	(92)	86 291 939	141 355 433	55 063 494	(4 955 714)
Accrued liabilities and provisions	14 377 479	14 637 670	260 191	(23 418)	1 129 963	1 622 821	492 858	(44 358)
Net deferred tax position in total				**(4 404 513)**				**(4 497 651)**
Deferred tax receivables in the balance sheet				**756 071**				**217 138**
Deferred tax liabilities in the balance sheet				**5 472 228**				**4 714 789**
Net deferred tax position				**(4 716 157)**				**(4 497 651)**
Change in the deferred tax balance				**(218 506)**				**(1 025 341)**
Of which:								
Accounted for profit and loss				(273 445)				(1 136 036)
By recognition of new subsidiary				-				(772 770)
By de-recognition of new subsidiary				-				531 191
Exchange rate fluctuation				54 939				352 274

43. Other short-term liabilities

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Income debt	14 760	13 205
Advance payment for subsidy received for accounting	9 660 053	0
Tender advance payment port – Solum	2 709 927	0
Liability related to purchased claim	0	31 252
Kisfaludy 2030 subsidy advance payment	8 699 896	19 008 199
Other short-term liabilities	181 591	135 586
Closing value	**21 266 227**	**19 188 242**

44. Trade creditors and other accounts payable

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Liabilities for trade creditors	**9 812 260**	**4 552 000**
Due as:		
0-30 days	6 751 104	2 813 466
31-60 days	586 440	59 348
61-90 days	81 014	137 332
91-180 days	1 172 127	792 971
181-360 days	659	597 445
361- days	1 220 917	151 438
Closing value	**9 812 260**	**4 552 000**

45. Tax and duties liabilities

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
VAT liabilities	41 379	163 308
Taxes on buildings liabilities	22 515	1 425
Taxes and contribution related to wages and salaries	83 747	65 779
Other taxes, duties	338 872	174 043
Closing value	**486 513**	**404 555**

46. Accrued liabilities

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Deferral of costs and expenses	176 592	617 164
Accrued liabilities of revenues	429 490	512 799
Subsidy received	13 771 398	0
Closing value	**14 377 479**	**1 129 963**

In 2021, the Group received government grants for tourism, which it accounts for in accordance with the requirements of IAS 20.

47. Transactions with affiliated parties

Transactions with consolidated companies have been eliminated.

Transactions with non-consolidated but related parties are disclosed in the notes to the relevant balance sheet items.

data in EUR	For the business year ending on 31 December 2021	For the business year ending on 31 December 2020
Lexan Aliga Kft.	5 181 609	4 970 437
Hellnarik Hospitality Kft.	0	390 016
Szepard Kft.	346 153	104 224
Dividend liability	29 851	31 233
Appeninn Credit Zrt.	1 239	0
Liabilities in total	**5 558 852**	**5 495 910**
Interest payable for Konzum PE Magántőkealap	0	66 860
Interest payable for Konzum Lexan Aliga Kft.	173 668	154 938
Expenditures in total	**173 668**	**221 798**

Transactions with other affiliated parties

The Corporate Group has identified Bayer Construct Zrt. as an indirectly affiliated party, which, as an investment supplier, generated sales of approximately EUR 1.5 million to the Corporate Group at market conditions in 2020 and 1.86 million EUR in 2021.

48. Correcting errors from previous periods

In 2019 and 2020, the Group incorrectly classified the value of assets held in trust and related liabilities. The value of assets held in trust was derecognised against the amount of liabilities arising from the trust and the amount of the trust fee payable was included as a right to use the asset against the liability at the balance sheet date. The correction of the error has affected the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the consolidated balance sheet, where the opening balance of the previous period has been corrected in accordance with IAS 8.

Consolidated balance sheet **Assets**	**31 December 2019 originally EUR**	**Reclassifications of managed assets**	**31 December 2019 amended EUR**
Revenue-generating investment properties	147 670 000	(6 700 000)	140 970 000
Tangible assets	177 664		177 664
Right-of-use asset	0	1 952 433	1 952 433
Deferred tax assets	92 693		92 693
Goodwill	0		0
Equity in affiliate enterprise	0		0
Long-term affiliated receivables	0		0
Invested assets in total	**147 940 357**	**(4 747 567)**	**143 192 790**
Inventories	160 040		160 040
Trade receivables	409 083		409 083
Other short-term receivables	442 390		442 390
Affiliated receivables	0		0
Short-term loans granted	49 537		49 537
Accruals	255 653		255 653
Income tax receivables	296 583		296 583
Cash and cash equivalents	40 991 952		40 991 952
Current assets in total	**42 605 238**	**0**	**42 605 238**
Assets in total	**190 545 595**	**(4 747 567)**	**185 798 028**

Consolidated balance sheet **Equity and liabilities**	**31 December 2019 originally EUR**	**Reclassifications of managed assets**	**31 December 2019 amended EUR**
Issued share capital	15 217 006		15 217 006
Repurchased own shares	(1 171)		(1 171)
Reserves	25 645 230		25 645 230
Conversion reserve	-2 710 880	(141 492)	(2 852 372)
Retained earnings	34 925 192		34 925 192
Equity per shareholders of the Company	**73 075 377**	**(141 492)**	**72 933 885**
Non-controlling interests	730 936		730 936
Equity and reserves in total	**73 806 313**	**(141 492)**	**73 664 821**
Long-term bank credits and leasing liabilities	31 751 611	(4 606 075)	27 145 536
Corporate bonds debt	60 940 494		60 940 494
Tenant deposits	301 775		301 775
Long-term affiliated liabilities	10 503 256		10 503 256
Deferred tax liabilities	3 565 003		3 565 003
Long-term liabilities in total	**107 062 139**	**(4 606 075)**	**102 456 064**
Short-term bank credits and leasing liabilities	7 139 967		7 139 967
Other short-term liabilities	614 028		614 028
Short-term affiliated liabilities	36 003		36 003
Liabilities for trade creditors and other accounts	993 818		993 818
Taxes and duties liabilities	398 513		398 513
Income tax liabilities	140 089		140 089
Accrued liabilities and provisions	354 725		354 725
Short-term liabilities in total	**9 677 143**	**0**	**9 677 143**
Liabilities in total	**116 739 282**	**(4 606 075)**	**112 133 207**
Equity and liabilities in total	**190 545 595**	**(4 747 567)**	**185 939 520**

Consolidated balance sheet **Assets**	**31 December 2020 originally EUR**	**Reclassifications of managed assets**	**31 December 2020 originally EUR**
Revenue-generating investment properties	172 440 000	(6 700 000)	165 740 000
Tangible assets	199 980		199 980
Right-of-use asset	1 693 457	1 767 365	3 460 822
Deferred tax assets	217 138		217 138
Goodwill	4 353 991		4 353 991
Equity in affiliate enterprise	39 701		39 701
Long-term affiliated receivables	557 486		557 486
Invested assets in total	**179 501 753**	**(4 932 635)**	**174 569 118**
Inventories	10 118 606		10 118 606
Trade receivables	811 322		811 322
Other short-term receivables	894 691		894 691
Affiliated receivables	1 578		1 578
Short-term loans granted	6 153		6 153
Accruals	331 266		331 266
Iincome tax receivables	92 767		92 767
Cash and cash equivalents	22 063 065		22 063 065
Current assets in total	**34 319 448**	**0**	**34 319 448**
Assets in total	**213 821 201**	**(4 932 635)**	**208 888 566**

Consolidated balance sheet **Equity and liabilities**	**31 December 2020 originally EUR**	**Reclassifications of managed assets**	**31 December 2020 originally EUR**
Issued share capital	15 217 006		15 217 006
Repurchased own shares	(1 171)		(1 171)
Reserves	25 645 230		25 645 230
Conversion reserve	(10 113 074)	(763 161)	(10 876 235)
Retained earnings	47 358 839		47 358 839
Equity per shareholders of the Company	**78 106 830**	**(763 161)**	**77 343 669**
Non-controlling interests	2 888 383		2 888 383
Equity and reserves in total	**80 995 213**	**(763 141)**	**80 232 052**
Long-term bank credits and leasing liabilities	38 530 156	(4 169 474)	34 360 682
Corporate bonds debt	55 179 933		55 179 933
Tenant deposits	1 430 940		1 430 940
Long-term affiliated liabilities	4 503 061		4 503 061
Deferred tax liabilities	4 714 789		4 714 789
Long-term liabilities in total	**104 358 879**	**(4 169 474)**	**100 189 405**
Short-term bank credits and leasing liabilities	2 159 141		2 159 141
Other short-term liabilities	19 188 242		19 188 242
Short-term affiliated liabilities	994 102		994 102
Liabilities for trade creditors and other accounts	4 552 000		4 552 000
Taxes and duties liabilities	404 555		404 555
Income tax liabilities	39 106		39 106
Accrued liabilities and provisions	1 129 963		1 129 963
Short-term liabilities in total	**28 467 109**	**0**	**28 467 109**
Liabilities in total	**132 825 988**	**(4 169 474)**	**128 656 514**
Equity and liabilities in total	**213 821 201**	**(4 932 635)**	**209 651 728**

Consolidated comprehensive income statement	**31 December 2020 originally**	**Reclassifications of managed assets**	**31 December 2020 originally**
	EUR	**EUR**	**EUR**
Property rental revenue	7 536 560		7 536 560
Direct costs of property rental	(1 317 573)		(1 317 573)
Direct contribution from rental activities	**6 218 987**	**0**	**6 218 987**
Administration costs	(974 838)		(974 838)
Staff costs	(1 181 590)		(1 181 590)
Other revenues / (expenditures)	(11 503)		(11 503)
Profit (and loss) on sale of subsidiaries and investments	305 220		305 220
profit (and loss) on sale of subsidiaries and investments			
Profit and loss of investment properties sale	0		0
Profit and loss from revaluation of revenue-generating investment properties	15 912 830		15 912 830
Loss accounted for equity	-		0
Profit and loss before taxation, interests and depreciation	**20 269 106**	**0**	**20 269 106**
Depreciation and amortisation	(261 540)		(261 540)
Other (expenditure) / revenue of financial transactions	(2 726 838)		(2 726 838)
Balance of interest revenue and (expenditures)	(2 618 996)		(2 618 996)
Profit before taxation	**14 661 732**	**0**	**14 661 732**
Income taxes	(1 460 061)		(1 460 061)
Profit after tax	**13 201 671**	**0**	**13 201 671**
Other comprehensive income			
Exchange rate differences arisen from currency translation of activities	(7 402 194)	(621 669)	(8 023 863)
Other comprehensive income of the current year, less with taxation	**(7 402 194)**	**(621 669)**	**(8 023 863)**

COMPREHENSIVE INCOME OF THE CURRENT YEAR IN TOTAL	**5 799 477**	**(621 669)**	**5 177 808**
From profit after tax:			
For non-controlling interests	907 910		907 910
For the owners of the Company	12 293 761		12 293 761
From total comprehensive income:			
For non-controlling interests	907 910		907 910
For the owners of the Company	4 891 567	(621 669)	4 269 898

Consolidated Cash Flow statement	For the business year ending on 31 December 2020 originally EUR	Exchange rate effect of conversion of managed assets EUR	For the business year ending on 31 December 2020 amended EUR
Profit before taxation	**14 661 732**	**-**	**14 661 732**
Profit and loss of fair value evaluation of revenue-generating investment properties	(15 933 455)		(15 933 455)
Profit and loss of real estate property sale	0		0
Depreciation	261 540		261 540
Negative goodwill	(199 106)		(199 106)
Profit / (loss) of subsidiaries sale	(305 220)		(305 220)
Interest revenues	(122 832)		(122 832)
Interest expenses	2 741 828		2 741 828
Changes in receivables and other current assets	(2 344 181)		(2 344 181)
Change in accrued and deferred assets	(75 613)		(75 613)
Change in inventories	(9 958 566)		(9 958 566)
Change in liabilities and accruals	17 126 424	621 669	17 748 093
Change in tenant deposits	(1 129 165)		(1 129 165)
Income tax paid	(324 025)		(324 025)
Net cash flow from business activity	**4 399 361**	**621 669**	**5 021 030**
Revenue of sale and purchase of tangible assets	-		-
Cost of maintenance performed on real estate properties	(20 625)		(20 625)
Acquisition of subsidiary	(8 115 033)		(8 115 033)
Purchase of tangible assets	(1 956 688)		(1 956 688)
Change in loans granted	43 384		43 384
Interests received	122 832		122 832
Purchase of investment properties	-		-
Realised revenue of properties sale	-		-
Net cash flow from investment activities	**(9 926 130)**	**-**	**(9 926 130)**
Borrowing credits, leases and loans	-		-
Payment of credits	(3 258 096)		(3 258 096)

Interests paid	(2 741 828)		(2 741 828)
Net cash flow from financial activities	**(5 999 924)**	**-**	**(5 999 924)**
Impacts of exchange rate fluctuation:	(7 402 194)	**(621 669)**	(8 023 863)
Change in liquid assets	**(18 928 887)**	**-**	**(18 928 887)**
Liquid assets balances:			
Liquid assets at the beginning of the year	40 991 952		40 991 952
Yearend liquid assets	22 063 065		22 063 065

49. Transaction through affiliated parties

Remuneration of Key Executives

In 2020, the members of the Board of Directors each received a remuneration of 300,- HUF in thousands / person, and the members of the Audit Committee received an additional 100,- HUF thousands / person. In 2021, the members of the Board of Directors received a remuneration of 200,- HUF in thousands / person. The Company does not have any contracts with the executive officers that would create future obligations for the Company by changing their contracts.

	2021 (HUF in thousands/year/person)	**2020 (HUF in thousands/year/person)**
Honoraria of the members of the Board of Directors on assignment relationship (5 persons)	200	300
Honoraria of the members of the Audit Committee on assignment relationship (3 persons)	-	100

No loans were granted to the members of the Board of Directors or the Supervisory Board.

Benefits for key senior and middle management

data in EUR	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
Wages and wage-type disbursements	372 243	319 638

50. Segment information

The information provided to the Corporate Group's chief decision maker, the Company's Board of Directors, focuses on the services provided in order to allocate resources and measure segment performance. The Corporate Group's reportable segments under IFRS 8 are as follows:

- Office rental service
- Logistics, industrial and
- commercial real estate rental service
- maintenance service

Consolidated segment income statement for 2021

For the business year ending on 31 December 2021	Office rental	Logistics properties rental	Maintenance	Retail	Items not classified into segment	Total
EUR						
Property rental revenue	1 119 029	2 909 294	1 611 743	1 834 327	(0)	7 474 392
Direct costs of property rental	(483 428)	244 802	(828 435)		(0)	(1 067 062)
Direct contribution from rental activities	**635 601**	**3 154 095**	**783 308**	**1 834 327**	**(1)**	**6 407 330**
General costs and income	2 509 655	(9 151 272)	(518 709)		(4 292 052)	(11 452 379)
Profit before taxation	**3 145 255**	**(5 997 177)**	**264 599**	**1 834 327**	**(4 292 053)**	**(5 045 049)**
Income taxes	(795 132)	327 388	(4 329)	(165 089)	(97 507)	(734 669)
Profits in the current year	**2 350 124**	**(5 669 789)**	**260 270**	**1 669 237**	**(4 389 560)**	**(5 779 718)**
Items for segment	**63 777 089**	**297 273 649**	**3 106 326**	**22 380 000**	**(150 372 865)**	**236 164 198**
Liabilities for segment	**32 243 955**	**162 297 642**	**884 083**	**-**	**(33 438 749)**	**161 986 931**

Consolidated segment income statement for 2020 (amended)

For the business year ending on 31 December 2020	Office rental	Logistics properties rental	Maintenance	Retail	Items not classified into segment	Total
EUR						
Property rental revenue	1 505 741	3 039 090	1 118 999	1 872 730	0	7 536 560
Direct costs of property rental	(897 751)	(139 049)	(280 773)		0	(1 317 573)
Direct contribution from rental activities	**607 991**	**2 900 041**	**838 226**	**1 872 730**	**0**	**6 218 987**
General costs and income	8 013 477	7 824 237	(303 434)		(7 091 535)	8 442 745
Profit before taxation	**8 621 468**	**10 724 278**	**534 791**	**1 872 730**	**(7 091 535)**	**14 661 732**
Income taxes	(549 505)	(949 414)	(39 173)	(168 546)	246 576	(1 460 061)
Profits in the current year	**8 071 964**	**9 774 864**	**495 619**	**1 704 184**	**(6 844 959)**	**13 201 671**
Items for segment	**61 515 564**	**264 255 676**	**2 873 264**	**22 100 000**	**(133 516 990)**	**208 888 566**
Liabilities for segment	**29 129 297**	**141 521 953**	**876 830**	**-**	**(34 532 618)**	**128 656 514**

51. Financial instruments

Trade receivables, loans granted and financial instruments, credits received, loans and trade creditors and other accounts payable are accounted for financial instruments.

31 December 2021	Book value	Fair value
Financial assets		
Depreciated historical value accounted loans and receivables		
Trade receivables	492 449	492 449
Affiliated receivables	-	-
Short-term loans granted	1 161 005	1 161 005
Cash and cash equivalents	24 857 395	24 857 395
Financial Liabilities		
Depreciated historical value accounted liabilities		
Long-term credits	48 007 602	48 007 602
Bond liabilities	54 557 445	54 557 445
Short-term credits and loans	932 373	932 373
Liabilities through affiliated undertaking	955 566	955 566
Trade creditors and other accounts payable	9 812 260	9 812 260

31 December 2020 amended	Book value	Fair value
Financial assets		
Depreciated historical value accounted loans and receivables		
Trade receivables	811 322	811 322
Affiliated receivables	557 486	557 486
Short-term loans granted	6 153	6 153
Cash and cash equivalents	22 063 065	22 063 065
Financial Liabilities		
Depreciated historical value accounted liabilities		
Long-term credits	34 360 682	34 360 682
Bond liabilities	55 179 933	55 179 933
Short-term credits and loans	2 159 141	2 159 141
Liabilities through affiliated undertaking	5 497 163	5 497 163
Trade creditors and other accounts payable	4 552 000	4 552 000

Fair value of financial instruments evaluated at depreciated historical value is close to book value in both years. The measurement of fair value in respect of both years was performed at fair value equivalent to the 3rd level.

52. Risk management

The Corporate Group's financial instruments include liquid assets, loans, trade and other receivables, and other assets – excluding taxes. The Corporate Group's financial liabilities include credits and loans, trade creditors and other accounts payables, excluding taxes and gains or losses arising from the revaluation of financial liabilities at fair value.

The Corporate Group is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk
- business risk

This chapter presents the Corporate Group's above risks, the Corporate Group's objectives, policies, process measurement and risk management, and the Corporate Group's capital management. The Board of Directors has overall responsibility for the establishment, supervision and risk management of the Corporate Group.

The purpose of the Corporate Group's risk management policy is to filter and investigate the risks faced by the Corporate Group and to set up appropriate controls and to monitor the risks. The risk management policy and system are reviewed to reflect changed market conditions and the Corporate Group's activities.

52.1 Capital Management

It is the policy of the Corporate Group to preserve the share capital that is sufficient to maintain investor and creditor confidence in the future development of the Corporate Group.

The capital structure of the Corporate Group consists of net outside capital and the Corporate Group's own equity (the latter includes issued capital and reserves and equity of non-controlling owners).

In capital management, the Corporate Group seeks to ensure that the Corporate Group can continue to operate while maximizing returns for owners through an optimal balance of loan capital and own equity and maintaining an optimal capital structure for the benefit of reducing the cost of capital. The Corporate Group also monitors whether the capital structure of its subsidiary companies complies with local legal requirements.

52.2 Credit Risk

Credit risk is the risk that a debtor or counterparty will default on its contractual obligations, resulting in a financial loss to the Corporate Group. Financial assets that are exposed to credit risk may include long-term or short-term placements, cash and cash equivalents, trade receivables and other receivables.

The book value of financial assets shows the maximum risk exposure. The table below shows the Corporate Group's maximum exposure to credit risk as at 31 December 2020 and 31 December 2021.

Maximum exposure to receivables	**For the business year ending on 31 December 2021**	**For the business year ending on 31 December 2020**
	EUR	**EUR**
Trade receivables	492 449	811 322
Other short-term receivables	6 040 096	894 691
Affiliated receivables	1 154 916	1 578
Short-term loans granted	6 089	6 153
Accruals	741 635	331 266
Cash and cash equivalents	24 857 395	22 063 065
	33 292 580	**24 108 075**

The Group's exposure to credit risk has increased compared to the previous year, but the credit risk of financial instruments has not increased significantly since initial recognition and the Group classifies financial instruments as low credit risk. See also Note No. 53.

52.3 Market Risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and the prices of investments in mutual funds, will affect the Corporate Group's results or the value of its investments in financial instruments. The purpose of market risk management is to manage and control market risk exposures within an acceptable framework while optimizing returns.

52.4 Interest Rate Risk

Interest rate risk is the risk that the future cash flows of certain financial assets and liabilities will fluctuate because of changes in market interest rates. Changes in the market interest rate represent exposures to the Corporate Group in the case of floating rate loans and liabilities arising from bond issues. The Corporate Group pays an average lending rate of 8.55% / 6.4% on its credits. A 50-basis point shift in the interest rate environment would result in the following change in the Corporate Group's profitability:

Calculation of average interest	EUR	interest %	+0.5% (interest)	EUR impact
Bank/equity: 01 January 2021	18 626 232			
Bank/equity: 31 December 2021	24 082 580			
Bank/equity average stock	21 354 406	4.86%	5.36%	
12-month interest for Bank	1 038 633			1 145 405
Annual growth of interest				106 772

Calculation of average interest amended	EUR	interest %	+0.5% (interest)	EUR impact
Bank/equity: 01 January 2020	(2 100 374)			
Bank/equity: 31 December 2020	14 456 758			
Bank/equity average stock	6 178 192	10.77%	11.27%	
12-month interest for Bank	665 100			695 991
Annual growth of interest				30 891

52.5 Foreign Exchange Risk

The Corporate Group has determined that its results are fundamentally dependent on two key financial variables, interest rate risk and foreign exchange risk, and has therefore performed sensitivity analyses for these key variables.

As the Corporate Group's functional currency is the HUF, the currency risk arose from EUR and CHF based loans and liabilities. Appeninn Plc.'s foreign currency investment loans were denominated in EUR, following the successful restructuring of the loan portfolio completed in 2018.
The Corporate Group translated the HUF items used in the preparation of the financial statements at the following exchange rates. The Corporate Group applied the closing MNB exchange rate to the balance sheet items and the Average Daily MNB exchange rate to the profit and loss items. The range of transaction currencies is HUF, and the Corporate Group’s exchange rate exposure was examined by quantifying changes in foreign currencies.

The sensitivity of the Company’s balance sheet to changes in EUR-HUF is presented based on the amount of exposure. The EUR value serving as the base of the change in the balance sheet of 2020 was 148.5 million EUR and in the balance sheet of 2021 it was 167.2 million EUR. The test was performed for a shift of 0.5-1%. The Company has an exposure to the change in foreign currencies of up to 1,567,-EUR in thousands in 2020 and in 2021 1,760,-EUR in thousands until the 1% changeover.

52.6 Business Risk

The Corporate Group sets consistent, predictable and competitive rents for its tenants. Current rents are in line with the environment and quality of the properties. However, given the current global economic environment and the demand-supply situation in the Budapest office market, there is no certainty that current rents and conditions will be sustainable in the future.

With its Decree No. 40/2020. (III.11.), the Hungarian Government declared the case of emergency in Hungary as of 11 March 2020. Subsequently, in order to slow down the spread of COVID-19, the Hungarian Government restricted cross-border traffic and the opening hours of non-vital stores in government decrees. In parallel, the Government has decided on economic stimulus measures, the most significant of which include the imposition of a debt service moratorium until 31 December 2020.

The operation of Appeninn Vagyonkezelő Holding Nyrt. and its subsidiaries is significantly but not critically affected by the measures caused by the epidemic. Approximately 5-15% of the current tenant population falls under the lines of business that had to close due to government decrees, so a temporary loss of revenue is expected. Some of these tenants have notified Appeninn Holding of their request for a reduction in the temporary rent, but this was not significant enough to require a change in the Corporate Group's revenue recognition under IFRS 16. The four most significant tenants are not affected by the loss of income caused by COVID-19 or only to a lesser extent.

Appeninn Holding has a current vacancy rate of 7% and an average maturity period of 4.5 years. Appeninn Holding holds a significant liquidity reserve and, presumably, even in the cases of temporary loss/rearrangement of income, the Company is able to fulfil its financial liabilities in medium term.

In the interest of the protection of the tenants, the Corporate Group shall do every backstop measure to slow the expansion of the epidemic down and to maintain continuous operation.

52.7 Liquidity Risk

Liquidity risk is the risk that the Corporate Group will be unable to meet its financial obligations as they fall due. The Corporate Group's liquidity management approach is to provide, as far as possible, adequate liquidity to meet its obligations as they fall due, under both normal and stressed circumstances, without incurring unacceptable losses or risking the Corporate Group's reputation.

The maturity structure of financial liabilities contracted and actually payable (not discounted) is summarized in the table below for the years as of 31 December 2020 and 2021 as follows:

31 December 2021	Due within 1 year	Due within 2-5 years	Due over 5 years	Total
Financial assets				
Trade receivables	492 449			492 449
Over-the-year receivables		346 982		346 982
Other short-term receivables	6 040 096			6 040 096
Affiliated receivables	1 154 916			1 154 916
Short-term loans granted	6 089			6 089
Cash equivalents	24 857 395			24 857 395
Financial assets	32 550 945	346 982	-	32 897 927
Financial Liabilities				
Credits and lease transactions	972 373	39 484 988	7 550 241	48 007 602
Corporate bonds debt	700 000	2 800 000	56 657 445	60 157 445
Tenant deposits		1 286 727		1 286 727
Affiliated liabilities	955 566	4 603 285		5 558 851
Other short-term liabilities	21 266 228			21 266 228
Liabilities for trade creditors and other accounts	9 812 260			9 812 260
Accrued liabilities	606 081	13 771 398		14 377 479
Financial liabilities	34 312 508	61 946 398	64 207 686	160 466 592

See also Note No. 53.

31 December 2020 amended	Due within 1 year	Due within 2-5 years	Due over 5 years	Total
Financial assets				
Trade receivables	811 322			811 322
Affiliated receivables		557 486		557 486
Short-term loans granted	6 153			6 153
Cash equivalents	22 063 065			22 063 065
Financial assets	22 880 540	557 486	-	23 438 026
Financial Liabilities				
Credits and lease transactions	2 159 141	26 524 957	5 676 584	34 360 682
Corporate bonds debt			55 179 933	55 179 933
Tenant deposits		1 430 940		1 430 940
Affiliated liabilities	994 102	4 503 061		5 497 163
Other short-term liabilities	19 188 242			19 188 242
Liabilities for trade creditors and other accounts	4 552 000			4 552 000
Accrued liabilities	1 129 963			1 129 963
Financial liabilities	28 023 448	32 458 958	60 856 517	121 338 923

53. Change of liabilities related to financing activity

	01 January 2021	Money flows	Exchange rate fluctuation	31 December 2021
Bank credits and lease liabilities short-term	2 159 141	(1 226 768)		932 373
Bank credits and lease liabilities long-term	34 360 682	13 646 920		48 007 602
Corporate bonds debt	55 179 933		(622 488)	54 557 445
Total	**91 699 756**	**12 420 152**	**(622 488)**	**103 497 420**

	01 January 2020	Money flows	Exchange rate fluctuation	31 DECEMBER 2020
Bank credits and lease liabilities short-term	7 139 967	(4 980 826)		2 159 141
Bank credits and lease liabilities long-term	27 145 536	7 215 146		34 360 682
Corporate bonds debt	60 940 494		(5 760 561)	55 179 933
Total	**95 225 997**	**2 234 320**	**(5 760 561)**	**91 699 756**

54. Contingent liabilities

Appeninn Nyrt., as the owner, under its previous name of Appeninn Logisztika Zrt. (present name of the thereof is VÁR- Logisztika Zrt.) undertook first demand guarantor and pledge obligation for Orgovány és Vidéke Takarékszövetkezet (in English: Orgovány and Vidéke Mutual Savings Bank) as of 27 June 2013. As of 06 December 2017, the owners of VÁR-Logisztika Zrt. undertook full and complete guarantee for each and all existing obligation(s) of Appeninn Nyrt. towards Takarékszövetkezet upon a performance assume agreement. The guarantee of the Company shall last until 15 June 2023, and respectively until the performance of the obligation. The Company's exposure as of the reporting day is 240 EUR in thousands.

The Company has examined the ability of the obligors to meet their obligations at the present balance sheet date of these financial statements; the management of the Company assigned a zero probability of insolvency to the liability from the guarantee, the amount shown in the balance sheet in connection with the guarantee is zero EUR.

The Corporate Group did not account other contingent liability on 31 December 2021.

55. Events after the balance sheet day

On 17 March 2022, Appeninn BLT Kft. (in English: Appeninn BLT. Ltd.), a subsidiary of the Company, signed a share sale and purchase agreement with BAYER Property Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság (in English: BAYER Property Real Estate Development Private Limited Company) (registered office: 2038 Sóskút, Bolyai János utca 15; company registration number: 13-10-041948) for the sale of 74.99% of the ordinary shares of PRO-MOT HUNGÁRIA Kft. (in English: PRO-MOT HUNGÁRIA Ltd.).The Parties are planning to perform the closure of the transaction within four months following signing herein contract.

Following the reporting day, Dreamland Corporate Group handled the situation at Sberbank with set-offs application. The balance of the Corporate Group's bank account held at Sberband was 4,242,-EUR in thousands before the suspension of the Bank's activity, herewith the gurarenteed amount 100,-EUR in thousands by OBA (in English: National Deposit Insurance Fund) meand 505,-EUR in thousands refund per entity. In view to the remaining amount there have been an assignment within the Corporate Group, where Tokaj Csurgó Völgy Kft. – as an entity credited by Sberbank – asked set-offs of the amount 5,210,-EUR in thousands of its credit from the receiver Company.

After the balance sheet day, other important events did not occur.

56. Effects of COVID-19

The epidemic did not have a major impact on the operations of Appeninn Vagyonkezelő Holding Nyrt. and its subsidiaries in 2021. While 15-20 tenants experienced difficulties in 2020, some of which resulted in termination and others in temporary discounts, there were no tenant movements in 2021 due to COVID19.

In 2021, the post-COVID19 effects caused market difficulties to resume normal operations for one tenant. This tenant received a 3-month discount during 2021 Q3, which will be paid between 2021 Q4 and 2022 Q1. The said tenant has a lease of over 5 years in the subsidiary’s property.

57. Information related to the compilation of the consolidated report

The consolidated financial statements for the financial year ending on 31 December 2021, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, have been prepared on the basis of the individually audited parent company and subsidiary accounts prepared in accordance with the Hungarian Accounting Act. The accounting service company responsible for compiling these reports is NewEdition Számviteli Szolgáltató Kft. (in English: New Edition Accounting Service Provider Private Limited Liability Company), the name and registration number of the certified public accountant is Fazakas Hajnal (registration number: 153273).

In order to comply with the IFRS standards of the financial statements prepared in compliance with the Hungarian Accounting Act, the Group has appointed an accounting expert with IFRS registration. Personally responsible for the preparation of the IFRS report is Rózsa Ildikó (registration number: 207258). The mandate of the expert entrusted with the preparation of the IFRS report covered only the identification of the differences between the Hungarian accounting regulations and the IFRS regulations, as well as the preparation of the consolidated report in accordance with the requirements of the IFRS adopted by the EU.

58. Auditing of the consolidated report, remuneration of the Auditor

The Corporate Group performing the audit of the Company and the personally responsible auditor are elected by the General Meeting of the Company. The auditor entrusted by the General Meeting of the Corporate Group with the audit of the 2021 management data is as follows:

- Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság (personally responsible auditor: Bartha Zsuzsanna Éva), registration number: 005268

Remuneration of the auditor:

- The audit fee for Appeninn Plc.'s individual annual report prepared in accordance with the International Financial Reporting Standards adopted by the European Union and in accordance with the provisions of IFRS, and Appeninn Plc.'s consolidated IFRS report is 15,986-HUF in thousands + VAT altogether.

- The fees for other accounting services provided by the auditor amounted to 2 900,-EUR.

Other assurance services, tax advisory services and non-audit services were not provided to the Corporate Group by the auditors.

59. Authorization of financial statements for publication

At the meeting of the Board of Directors of Appeninn Vagyonkezelő Holding Nyrt. held on 8 April 2022, the Corporate Group approved the consolidated annual financial statement of 2021 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The Board of Directors of the Corporate Group has approved the issuance of these consolidated report of the Corporate Group, but the Annual General Meeting of Owners, which is authorized to approve the financial statements, may request amendments prior to the adoption.

60. Representations

Please note that there are a number of important factors that could cause actual results to differ materially from those expressed in the forward-looking statements.

Disclaimer - The Consolidated Annual Report, based on the applicable accounting standards, prepared to the best of our knowledge, provides a true and fair view of the assets, liabilities, financial position and results, position, development and performance of Appeninn Vagyonkezelő Holding Nyrt. and the subsidiaries of the thereof and included in the consolidation, describing the main risks and uncertainty factors.

Dated as of 8 April 2022 in Budapest

Dr. Bihari Tamás
Chairperson of the Board of Directors