Appeninn
Holding

APPENINN HOLDING PLC.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

IN LINE WITH THE INTERNATION FINANCIAL REPORTING STANDARDS

31 DECEMBER 2022

WITH THE COMPARATIVE PERIOD ENDING AS AT 31 DECEMBER 2021

Contents

Consolidated statement on the financial position	**Note**	**31 December 2022**	**31 December 2021**
Assets		**EUR**	**EUR**
Revenue-generating investment properties	18	108 080 799	185 662 961
Tangible assets	19	27 613	223 035
Right-of-use asset	20	-	3 530 247
Deferred tax assets	21	45 454	756 071
Goodwill	22	-	4 353 991
Equity in affiliate enterprise	23	-	39 701
Over-the-year receivables	24	196 078	346 982
Invested assets in total		**108 349 944**	**194 912 988**
Inventories	25	-	7 934 901
Trade receivables	26	556 820	492 449
Other short-term receivables	27	418 693	6 040 096
Affiliated receivables	28	-	1 154 916
Short-term loans granted	29	151 318	6 089
Accruals	30	281 592	741 635
Income tax receivables	31	8 675	23 729
Assets for sale	32	24 621 386	-
Cash and cash equivalents	33	55 312 730	24 857 395
Current assets in total		**81 351 214**	**41 251 210**
Assets in total		**189 701 158**	**236 164 198**

Consolidated statement on the financial position **Liabilities**	**Note**	**31 December 2022** **EUR**	**31 December 2021** **EUR**
Equity and liabilities			
Issued share capital	34	15 217 006	15 217 006
Repurchased own shares	35	(1 171)	(1 171)
Capital reserve	36	25 645 230	25 645 230
Conversion reserve	37	(16 238 045)	(11 151 490)
Retained earnings	38	59 962 450	44 355 386
Equity per shareholders of the Company		**84 585 470**	**74 064 961**
Non-controlling interests	39	(1 334 558)	112 307
Equity and reserves in total		**83 250 912**	**74 177 268**
Long-term bank credits and leasing liabilities	40	24 780 123	48 007 602
Corporate bonds debt	41	50 283 324	54 557 445
Tenant deposits	42	1 300 579	1 286 727
Long-term affiliated liabilities	43	-	4 603 285
Deferred tax liabilities	44	6 087 261	5 472 228
Long-term liabilities in total		**82 451 287**	**113 927 287**
Short-term bank credits and leasing liabilities	40	1 331 856	932 373
Other short-term liabilities	45	151 045	21 266 227
Short-term affiliated liabilities	43	28 456	955 566
Liabilities for trade creditors and other accounts	46	968 687	9 812 260
Taxes and duties liabilities	47	187 235	486 513
Liabilities directly related to sale	32	20 816 898	-
Income tax liabilities	31	128 387	229 225
Accrued liabilities	48	386 395	14 377 479
Short-term liabilities in total		**23 998 959**	**48 059 643**
Liabilities in total		**106 450 246**	**161 986 930**
Equity and liabilities in total		**189 701 158**	**236 164 198**

Annexes disclosed on pages 9 to 84 form an inseparable part of the herein consolidated report

Consolidated total comprehensive income statement	Note	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 re-represented (Note 15)
		EUR	EUR
From ongoing activities			
Property rental revenue	3	8 039 395	8 019 301
Direct costs of property rental	4	(2 422 283)	(2 556 314)
Direct contribution from rental activities		**5 617 112**	**5 462 987**
Administration costs	5	(707 615)	(1 180 067)
Staff costs	6	(315 720)	(583 591)
Other revenues / (expenditures)	7	(3 185)	103 154
Profit (and loss) on sale of investments	8	75 394	-
Profit and loss of investment properties sale	9	-	(503 071)
Profit and loss of fair value evaluation of revenue-generating investment properties	10	9 288 938	3 673 971
Profit and loss before taxation, interests and depreciation		**13 954 924**	**6 973 383**
Depreciation and amortisation	11	(63 866)	(194 882)
Other (expenditure) / revenue of financial transactions	12	(2 023 078)	(251 326)
Balance of interest revenues and (expenditures)	13	1 580 736	(2 171 960)
Lease interests	13	(40 443)	(48 544)
Profit before taxation		**13 408 273**	**4 306 671**
Income taxes	14	(1 622 674)	(1 262 798)
Profit after tax from ongoing activity		**11 785 599**	**3 043 873**
Profit after tax from ceasing activities	**15**	**2 139 965**	**(8 823 590)**
Profit after tax in total		**13 925 564**	**(5 779 717)**
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	37	(2 258 448)	266 319
Other comprehensive income non-return in the consolidated profit and loss statement in the following period:			
Exchange rate differences arisen from currency translation of activities	37	(3 848 428)	(541 574)
Other comprehensive income of the current year, less with taxation		**(6 106 876)**	**(275 255)**
CURRENT YEAR TOTAL COMPREHENSIVE INCOME IN TOTAL		**7 818 688**	**(6 054 972)**
Ongoing activities from profit after tax:			
For non-controlling interests		-	-
For the owners of the Company		11 785 599	3 043 873
From profit after tax of ceasing activities:			
For non-controlling interests		(1 681 500)	(2 776 264)
For the owners of the Company		3 821 465	(6 047 326)
Form other comprehensive income:			
For non-controlling interests		34 112	-
For the owners of the Company		(6 140 988)	(275 255)
From total comprehensive income:			
For non-controlling interests		(1 647 388)	(2 776 264)
For the owners of the Company		9 466 076	(3 278 708)
Base earnings per share in EUR cent	16	**29.40**	**(12.20)**
Diluted earnings per share in EUR cent	16	**29.40**	**(12.20)**

Annexes disclosed on pages 9 to 84 form an inseparable part of the herein consolidated report

Consolidated own equity changes (data in EUR)	notes	Issued share capital	Capital reserve	Repurchased own shares	Conversion reserve	Retained earnings	For owners of parent company	Non-controlling interests	Own equity in total
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**
Current year total comprehensive income									
Profit after tax for the period	**38**					**(3 003 453)**	**(3 003 453)**	**(2 776 264)**	**(5 779 717)**
Other comprehensive income					**(275 255)**		**(275 255)**		**(275 255)**
Transactions with owners		**0**	**0**	**0**	**0**	**0**	**0**	**188**	**188**
Acquisition of subsidiary	39							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**
Balance on 01 January 2022		**15 217 006**	**25 645 230**	**(1 171)**	**(11 151 490)**	**44 355 386**	**74 064 961**	**112 307**	**74 177 268**
Reclassification					123 184		123 184	(123 184)	-
Current year total comprehensive income									
Profit after tax for the period	38					**15 607 064**	**15 607 064**	**(1 681 500)**	**13 925 564**
Other comprehensive income					**(6 140 988)**		**(6 140 988)**	**34 112**	**(6 106 876)**
Transactions with owners		**0**	**0**	**0**	**931 249**	**0**	**931 249**	**323 707**	**1 254 956**
Sale of subsidiary company – Dreamland	39				(151 901)		(151 901)	1 146 955	995 054
Sale of subsidiary company – Promot	39				1 013 170		1 013 170	(823 248)	189 922
Sale of subsidiary company – Operator	39				69 980		69 980		69 980
Balance on 31 December 2022		**15 217 006**	**25 645 230**	**(1 171)**	**(16 238 045)**	**59 962 450**	**84 585 470**	**(1 334 558)**	**83 250 912**

Annexes disclosed on pages 9 to 84 form an inseparable part of the herein consolidated report

Consolidated Cash Flow statement	**Note**	**for the financial year ending as at 31 December 2022 EUR**	**for the financial year ending as at 31 December 2021 EUR**
Profit and loss before taxation from ongoing activities		**13 408 273**	**4 306 671**
Profit and loss before taxation from ceasing activities		**2 390 368**	**9 351 719**
Profit and loss of fair value evaluation of revenue-generating investment properties	10	(9 288 938)	4 679 678
Profit and loss of real estate property sale	9	0	503 071
Depreciation	11	63 866	248 217
Profit / (loss) of subsidiaries sale	8	(75 394)	0
Interest revenues	13	(4 777 330)	(67 429)
Interest expenses	13	2 702 585	2 976 196
Changes in receivables and other current assets	26-28	16 702 161	(4 545 412)
Change in accrued and deferred assets	30	(204 096)	(410 369)
Change in inventories	25	0	2 183 705
Change in liabilities and accruals	45-49	9 185 357	18 000 830
Change in tenant deposits	42	13 852	(144 213)
Income tax paid	14	(67 133)	(461 224)
Net cash flow from business activity		**30 053 571**	**17 918 002**
Cost of maintenance performed on real estate properties	18	(361 852)	(28 702 639)
Purchase of tangible assets	19	0	(2 108 062)
Change in loans granted	29	0	(1 154 852)
Interests received	13	4 777 330	67 429
Income from equity sale	2.4.	5 418 843	0
Purchase of investment properties	18	0	0
Realised revenue of properties sale	9	0	10 296 929
Net cash flow from investment activities		**9 834 321**	**(21 601 195)**
Borrowing credits, leases and loans	40	0	9 728 974
Payment of credits	40	(623 096)	-
Interests paid	13	(2 702 585)	(2 976 196)
Net cash flow from financing activities		**(3 325 681)**	**6 752 778**
Impacts of exchange rate fluctuation:	**37**	**(6 106 876)**	(275 255)
Change in liquid assets	**33**	**30 455 335**	**2 794 330**
Liquid assets balances:			
Liquid assets at the beginning of the year	33	24 857 395	22 063 065
Yearend liquid assets	33	55 312 730	24 857 395

Annexes disclosed on pages 9 to 84 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 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 Corporate Group's seat of business is 1022 Budapest, Bég utca 3-5. The primary country of operation is Hungary.

Shareholders of the Company exceeding 5% shareholding on 31 December 2022 are as follows:

Owner's name	**Quantity of shares**		**Equity (%)**
Avellino Zrt.	11 369 141		24%
Sequor Holding Zrt.	11 297 291		23.84%
OTP Ingatlanbefektetési Alap (in English: OTP Property Investment Fund)	2 410 372		5.09%
Own shares	1 848		0.0039%
Free float	22 292 767		47.0661%
Total:	**47 371 419**		**100.00%**

Shareholders of the Company exceeding 5% shareholding on 31 December 2021 are as follows:

Owner's name	**Quantity of shares**		**Equity (%)**
Avellino Zrt.	11 369 141		24%
Zinventive Zrt.	8 684 268		18.33%
OTP Ingatlanbefektetési Alap (in English: OTP Property Investment Fund)	2 410 372		5.09%
Own shares	1 848		0.0039%
Free float	24 905 790		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 6 April 2023. 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 2022 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.

Business combination and asset purchase

The Group considers the followings in order to decide whether purchased business is to be accounted for a business combination or a purchase of assets:

- Completion of concentration test: the so-called test of real value concentration can be completed optionally. If the result of the test is positive, it means that the activity and the asset group shall not be business activity and no more evaluation is required. The result of the test is supposed to be positive, if the total real value of the purchased gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets.
- If the test of real value concentration provides negative result, or the business unit decides not to complete the test, the business unit shall complete the evaluation according to the Par. B8-B12D of International Financial Reporting Standards 3 to determine if the transaction is a business combination.
- It is supposed to be a business combination, if the purchased activities and assets include such input and processes that can contribute to the creation of outputs together. The purchased process is supposed to be substantive if it is critical to continue the creation of outputs, there is organised labour force among the purchased inputs that has skills and knowledge required for the completion of the process or is able to contribute to the continuation of the output creation, as well as is supposed to

be unique or rare and cannot be replaced without significant expenses and effort to provide the further operation.

The account of asset purchase

The Group displays the purchased and individually identifiable assets (including the ones meeting the definition of intangible assets and the criteria of display according to IAS 38 standard on intangible assets), as well as the taken over liabilities. The Group divides the commercial value between the individually identifiable assets and liabilities on the basis of the real value determined on the date of purchase and related to each other. Such a transaction shall not result goodwill or negative goodwill. If an asset is overvalued, the difference is deducted from the profit.

2.1.2 Reporting currency and foreign currency balances

In view of the content and circumstances of the underlying economic events, the functional currency of the parent company and the functional currency of all members of the Corporate Group is the Hungarian Forint. he presentation currency of the consolidated report – choice – is the euro.

Based on the economic events and circumstances specific to the Corporate Group's operations, the functional currency is the Hungarian Forint and the presentation 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 2022 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 2022	31 December 2021	31 December 2020
Closing	400.25	369	365.13
Average	391.33	358.52	351.17
Difference between closing and average	8.92	10.48	13.96

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 current 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 total 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 functional currency assets and liabilities 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 total comprehensive income statement 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 alienation or partial alienation (sale, insolvency, equity repayment) 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 liability it has undertaken. The Corporate Group may recognise the income when it has fulfilled its performance liabilities 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 property rental revenue 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 Corporate Group. 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. 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 income on investments is recognised when the Company's right to dividend 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 **Other revenues and expenditures**

The Corporate Group recognises in the other revenues the consideration of the sales which cannot be classified as sales revenue and are typically not related to the main activity (such as the sale of tangible assets), as well as all revenues which cannot be considered as revenue from financial transactions or other items increasing the other comprehensive profit or loss or are not classified in any other specific element.
Among others, the profit from the sale of tangible assets, the subsidies and compensations received, as well as various other revenues are classified in this category by the Corporate Group.

The other expenditures include those expenditures which are related to the operation indirectly and are not classified as financial expenditures or do not decrease the other comprehensive profit or loss. This includes, among others, fines, the effect of damage events, compensations, default interests, the expenditures due to provisions formed as a result of topics that otherwise concern the other expenditures, as well as the loss from the sale of tangible assets, the taxes, duties and contributions settled with the local government, and various other expenditures.

The Corporate Group recognises the other revenues and the other expenditures on a net basis in the total comprehensive income statement.

2.1.5 **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, or when the event referring to the impairment is revised, in order to establish if the book value of any tangible asset exceeds the recoverable amount thereof. Should such a case occur, the difference (the amount on top of the recoverable amount) shall be accounted as impairment. The recoverable amount on an asset equals to the higher amount of the fair value minus alienation costs or the useful value of the asset. 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.

2.1.6 **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.

2.1.7 **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 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 income. 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, if there is a sign 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 employs the hereinunder accounting policy as follows:

Days of late payment	Definition	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.

In accordance with the IFRS 13 “Fair Value Measurement” standard the companies shall classify their fair value measurement corresponding to the fair value hiearachy, reflecting the importance of basic data employed at the evaluation.

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.

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.

2.1.12 **Affiliated parties**

An enterprise or an individual is affiliated if it is a subsidiary, associate, joint venture, a key manager of the enterprise or parent company, practising joint control or material influence on the Corporate Group, a close relative of any of the above individuals, a company jointly controlled or separately controlled by a private person or close relative thereof, and a company materially influenced by such private persons or close relatives thereof who are having the separate or join control over the corporate group.

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 financial 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.

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 statement on the financial status.

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 retention 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 liability items are not included in the consolidated statement on the financial status and the total comprehensive income statement, the parts of the annual financial statement, unless contingent liabilities acquired in the course of 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.

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 on 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 statement, even if such events occur after the end of the reporting period. The post financial statement 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.

2.1.25 Ceasing activities

The activity to be ceased is such part of the business, which has already been sold or is classified for sale and represents a separated and significant business or geographical area of the activity or is supposed to be a part of a separated and significant business or geographical area of the coordinated plan of alienation or is an affiliate purchased exclusively with the purpose of sale.

The Corporate Group states the amount of profit and loss gained during the related period of the activity to be ceased or the profit and loss originating from the sale of activities to be ceased (or from the reclassification of the assets and liabilities of activities for sale) as an aggregated amount in the total comprehensive profit and loss statement. Similarly, the entry relating to the activity to be ceased is stated separately - as an individual figure - from the other comprehensive income.

If there is an activity to be ceased, the comprehensive statement of profit and loss is divided into two parts accordingly, such as the ongoing activities (by lines) and the activities to be ceased (in a single amount).

The classification (reclassification) shall be made for each stated period of time, even for the previous business years, when the related activity was not classified for ceasing.

The Corporate Group does not filter incomes and expenditures between the activities to be ceased and to be continued, and just for comparison, the activities to be continued include the expenses that are supposed to be the parts of the activities to be continued even in the turnover under the external conditions.

2.2 Changes in the accounting policy

The Company's financial report relevant to the reporting period ending on 31 December 2022 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 following standards and interpretations (including its modifications) came into force in 2022:

- 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 beginning 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 beginning 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 beginning 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 beginning from 1 January 2022, the EU has endorsed the amendments)

The adoption of the above amendments did not have a material impact on the Corporate Group's consolidated financial statements.

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

- Amendment to Lease liabilities in a sale and leaseback – IFRS 16 Leases standard (issued on 22 September 2022, and effective for the financial year beginning from 01 January 2024)

- IAS 1 Presentation of Financial Statements: Amendment to Current and Non-current Assets and Liabilities Classification (effective for the financial year beginning from or after 01 January 2023)
- Amendment to IFRS 17 Insurance Contracts (effective for the financial year beginning from or after 01 January 2023)
- Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014, and effective for the financial year beginning on or after the time defined by IASB, herein amendment has not been adopted by the EU) Asset sale between Investments in Associates and Joint Ventures.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates' (effective for reporting periods beginning on or after 1 January 2023. Herein amendment has not been adopted by the EU.)
- Amendment to IAS 12 "Income Taxes" – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective for the reporting periods beginning on or after 01 January 2023. Herein amendment has not been adopted by the EU.)
- Amendment to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective for the reporting periods beginning on or after 01 January 2023. Herein amendment has not been adopted by the EU.)

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

In respect of 2022, the Corporate Group has applied every IFRS standard, amendment, and the interpretations prevailing as of 1 January 2022, 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 **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 in stocks 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.

The Corporate Group reclassifies investment properties if there is a change in use thereof. Properties in own use are classified in tangible assets. In case of mixed-use real estate properties, the Corporate Group recognises such parts separately, if possible. If the separation is not possible, then the Corporate Group classifies the property in the investment properties only if the part used for other purposes is insignificant.

The real estate properties in which the Corporate Group commences developments with the intention to sell such properties subsequently are recognised by the Company in the stocks. The Corporate Group recognises real estate in the assets for sale, provided that the book value thereof is recovered primarily in course of sales transaction and not during permanent use, and if the sale is very likely within one year. The investment properties classified in the assets for sale are recognised with the fair value even after the reclassification.

2.3.2 **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.

2.3.3 **Depreciation and amortization**

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.

2.4 Changes of the enterprises included in the consolidation

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

Name of the subsidiary	Parent company	Capital ownership and voting ratio		Address
		2022	2021	
Appeninn BLT Kft.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Appeninn E-Office Vagyonkezelő Zrt.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Appeninn Project-EGRV Kft.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Appeninn Project-MSKC Kft.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Appeninn Property Vagyonkezelő Zrt.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Appeninn Üzemeltető Zrt.	Appeninn Plc.	-	100%	1022 Budapest, Bég utca 3-5.
Appeninn-Bp 1047 Zrt.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Appen-Retail Kft.	Appeninn Property Vagyonkezelő Zrt.	100%	100%	1022 Budapest, Bég utca 3-5.
Bertex Ingatlanforgalmazó Zrt.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Curlington Ingatlanfejlesztési Kft.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
Felhévíz-Appen Kft.	Appeninn Property Vagyonkezelő Zrt.	100%	100%	1022 Budapest, Bég utca 3-5.
Sectura Ingatlankezelő Kft. (in English: Secture Real Property Management Private Limited Liability Company)	Szent László téri Szolgáltatóház Kft.	100%	100%	1022 Budapest, Bég utca 3-5.
Szent László téri Szolgáltatóház Kft.	Appeninn Plc.	100%	100%	1022 Budapest, Bég utca 3-5.
PRO-MOT Hungária Ingatlanfejlesztő Kft. (in English: PRO-MOT Hungária Property Developer Private Limited Liability Company)	Appeninn BLT Kft.	-	74.99%	8171 Balatonvilágos, Aligai u. 1.
Alagút Investment Kft.	Appeninn E-Office Vagyonkezelő Zrt.	100%	100%	1022 Budapest, Bég utca 3-5.
Solum-Invest Kft.	Appeninn Plc.	51%	51%	8230 Balatonfüred, Zákonyi Ferenc utca 8.
Dreamland Holding Zrt.	Appeninn Plc.	-	75%	1022 Budapest, Bimbó út 7.
DLHG Invest Kft.	Dreamland Holding Zrt.	-	75%	1022 Budapest, Bimbó út 7.
Szántód BalaLand Family Kft.	DLHG Invest Kft.	-	75%	1022 Budapest, Bimbó út 7.
Tokaj Csurgó Völgy Kft.	DLHG Invest Kft.	-	75%	1022 Budapest, Bimbó út 7.
Tokaj Kelep Zrt.	TATK Kft.	-	75%	1022 Budapest, Bimbó út 7.
SZRH Kft.	DLHG Invest Kft.	-	75%	1022 Budapest, Bimbó út 7.
TATK Kft.	DLHG Invest Kft.	-	75%	1022 Budapest, Bimbó út 7.
Visegrád Lepence Völgy Strandfürdő Kft.	DLHG Invest Kft.	-	75%	1022 Budapest, Bimbó út 7.
Leveron doo Beograd	Appeninn Project-EGRV Kft.	100%	-	Belgrade, Novi Beograd, Bulevar Milutina Milankovića 9Đ, 11070
Imanpa doo Beograd	Appeninn Project-EGRV Kft.	100%	-	Belgrade, Novi Beograd, Bulevar Milutina Milankovića 9Đ, 11070

Changes in the members of the Corporate Group **in 2022:**

- In 2022, the Corporate Group sold Dreamland Holding Zrt. and its subsidiary companies (DLHG Invest Kft., Szántód Balaland Family Kft., Tokaj Csurgó Völgy Kft., Tokaj Kelep Zrt., SZRH Kft., TATK Kft., Visegrád Lepence Völgy Strandfürdő Kft.),
- PRO-MOT Hungária Kft. was sold in 2022,
- Appeninn Üzemeltető Zrt. was sold in 2022,
- Hellnarik Hospitality Kft was sold in 2022,
- the Leveron doo Beograd and Imanpa doo Beograd companies were founded in 2022

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.

2.4.1 Business share sale of the year 2022

Sale of Dreamland Holding Zrt. and its subsidiary companies

In the first half of 2022, the Corporate Group sold Dreamland Holding Zrt. and its subsidiary companies. The selling price of the 75% business share of Dreamland Holding Zrt. accounted EUR 3 911 474.

Information related to the sale of Dreamland Holding Zrt. subsidiary companies are the following:

	data in EUR
Selling price	3 911 474
Identifiable net asset book value on the day of sale (loss)	4 587 818
Delisting of conversion reserve related to subsidiary company	151 901
For non-controlling interests	(1 146 955)
Derecognition of goodwill	(3 944 477)
Profit and loss of sale	***3 559 761***

The net cashflow of the Group was EUR -211 609 at the sale of Dreamland Holding Zrt. and its affiliates; and the funds of the Dreamland Group made EUR 4 123 083 at the sale of Dreamland Group.

Sale of PRO-MOT Hungária Kft.

In the first half of 2022, the Corporate Group sold its business share in PRO-MOT Hungária Kft. The selling price of the 74.99% business share thereof accounted EUR 6 328 605.

Information related to the sale of PRO-MOT Hungária Kft.:

	data in EUR
Selling price	6 328 605
Identifiable net asset book value on the day of sale	(3 291 675)
Delisting of conversion reserve related to subsidiary company	(1 013 170)
For non-controlling interests	823 248
Profit and loss of sale	***2 847 008***

By virtue of the sale of PRO-MOT Hungária Kft., the net cash flow of the Corporate Group was EUR 5 902 764, at the time of the sale of PRO-MOT Hungária Kft., thereof had EUR 425 840 cash assets.

Sale of Appeninn Üzemeltető Zrt.

In the first half of 2022, the Corporate Group sold Appeninn Üzemeltető Zrt. The sale price of the 100% business share of Appeninn Üzemeltető Zrt. accounted EUR 40 328.

Information related to the sale of Appeninn Üzemeltető Zrt.

	data in EUR
Selling price	40 328
Identifiable net asset book value on the day of sale	(592 753)
Delisting of conversion reserve related to subsidiary company	(69 980)
Profit and loss of sale	***(622 405)***

The net cash flow of the Corporate Group accounted EUR -272 312 for the Appeninn Üzemeltető Zrt., at the sale thereof the cash assets of Appeninn Üzemeltető Zrt. amounted EUR 312 640.

The sale of Hellnarik Hospitality Kft

In the first half of 2022, the Corporate Group sold its minority business share in Hellnarik Hospitality Kft. The sale price of the 24% business share of Hellnarik Hospitality Kft accounted EUR 112 437.

The information related to the business share sale of Hellnarik Hospitality Kft.:

	data in EUR
Selling price	112 437
The value of minority equity	37 043
Profit and loss of sale	***75 493***

2.4.2 Business combinations of the year 2021:

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**

Notes to the 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 financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Income from office area rental	3 404 520	3 638 328
Logistics properties rental	2 954 359	2 546 646
Commercial real estate rental	1 680 516	1 834 327
Total	**8 039 395**	**8 019 301**

The Company has no contractual assets or contractual obligations. The amount of continuously accounted rental income arising from customer contracts accounted EUR 7 378 194, while the maintenance income measured EUR 661 201 in 2022.

The future minimum rents related to the lease contracts for a specified term for the following 31 December 2022:

Data in EUR	for the financial year ending as at 31 December 2022	for the financial year endign as at 31 December 2021
Within-the-year	5 506 949	3 054 555
Within 1-5 year	11 954 116	1 075 778
due over 5 years	10 982 299	3 750 050
Total	**28 443 364**	**7 880 383**

4. Direct costs of property rental

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Property maintenance charges	(2 025 641)	(2 075 823)
Taxes on buildings and land	(326 456)	(423 563)
Repair and maintenance	(38 244)	(33 091)
Expenses of properties insurance	(20 355)	(23 837)
Guarding and protection	(11 587)	-
Total	**(2 422 283)**	**(2 556 314)**

5. Administration costs

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Fees of accounting and auditing	(189 303)	(237 796)
Bank charges	(24 740)	(373 273)
Attorney-at-law and legal expenses	(168 559)	(149 473)
Business consultancy and PR	(112 768)	(248 323)
Properties appraisal and evaluation	(47 555)	(71 109)
Stock exchange fees of publicly listed company	(18 037)	(24 311)
IT services	(15 143)	(12 758)
Telephone and Internet charges	(742)	(17 581)
Charges and duties payable to authorities	(1 860)	(13 878)
Stationery and material costs	(2 391)	(3 625)
Maintenance costs	-	(27 940)
Other expenses	(126 516)	-
Total	**(707 615)**	**(1 180 067)**

On account of the MFB refinancing the Corporate Group faced a significant one-off bank fee cost in the amount of 335 EUR in thousands in 2021.

6. Staff costs

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Wages and salaries	(269 484)	(425 990)
Contributions on wages and salaries	(37 012)	(68 040)
Other staff benefits	(9 224)	(89 561)
Total	**(315 720)**	**(583 591)**

Data on the number of employees	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Average statistical number of employees (person)	**16.0**	**59.00**
Closing number of employees (person)	**16.0**	**59.00**
of which:		
Appeninn Üzemeltető Zrt.	-	32.00
Appeninn Vagyonkezelő Holding Nyrt.	9	13.00
Solum-Invest Kft.	7	8.00
Dreamland Holding Zrt.	-	6.00

The Corporate Group rationalized the number of employees, outsourced activities resulting the decrease of wages and salaries expenses in 2022.

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.

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Other revenues		
Default interest received	0	195
Reversal of impairment	22 372	0
Revenue related to loss event	15 448	13 975
Other revenues	7 526	137 271
	45 346	**151 441**
Other expenditures		
Penalty and liquidated damage	(779)	(13 139)
Bad debt, impairment	(45 453)	0
Other expenditures	(2 299)	(35 148)
	(48 531)	**(48 287)**
Other revenues / (expenditures) in total	**(3 185)**	**103 154**

8. Profit (and loss) on sale of investments

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Hellnarik Hospitality Kft – 24% of business shares	75 394	0
Total	**75 394**	**0**

The detailed presentation of the business share sale is included in Point 2.4.

9. Profit and loss on sale of investment properties

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Price of investment properties sale	-	10 296 929
Derecognition of investment properties fair value	-	(10 800 000)
Total	**-**	**(503 071)**

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 was 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 has the definition of the fair value of the real estate properties prepared by an each year. The value determined by the independent appraiser is in line with the values in the financial statements. In case of of each property for the appraisal of investment properties, the independent expert appointed to perform the evaluation from 2014 to 2022 was Jones Lang LaSalle Kft. (Széchenyi tér 7-8., 1051 Budapest, hereinafter referred to as: "JLL Kft."), except the right to use asset recognized in the row of investment properties. JLL is an acknowledged expert with an appropriate professional qualification, and in respect of the appraised investment properties and thereof category it holds experience of the recent past. 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 accuratly 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 assumptions used in the evaluations based on the market method approach in 2022 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 2021-2022. The valuation methodology used complied with the valuation techniques described in IFRS 13.

Discount Rates in the case of office buildings: fluctuating between 7.65 and 10.25%, in the case of industrial properties: fluctuation between 8.50 and 10.00%. In the case of prime exit yield offices: 5.50 % (stable), in the case of industrial properties: 6.00 %.
From the point of the sensitivity test the most important inputs from the point of the market value of the related real estate applied in DCF calculation were the exit yield, the discount rate variables, as well as the inflation, the expenses and the market related rental fee. The increase of exit yield and the discount rete decreases the value, while the opposite trend makes the value increase. International predictions are applied for the inflation and significant increase is forecast for the expenses. As for the market related rental fees, the fees related to the given real estate existing in the market were considered.

The variables were determined in a conservative way without applying either the optimistic or the pessimistic scenarios at this time.

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

Revaluation of 2022

data in EUR	Fair value increase	Fair value decrease
1149 Budapest, Várna u. 12-14.		(200 000)
1047 Budapest, Schweidel utca 3.		(300 000)
1023 Budapest, Bég u. 3-5.	689 281	
1022 Budapest, Bég u. 4. (Törökvész u. 30.)	448 729	
1094 Budapest, Páva utca 8.	88 268	
1015 Budapest, Hattyú utca 14.	206 245	
1118 Budapest, Kelenhegyi út 43.		(493 233)
1133 Budapest, Visegrád u. 110-112.		(201 014)
18 SPAR shop	879 335	
6000 Kecskemét, Kiskőrösi utca 30.		(1 400 000)
1082 Budapest, Üllői út 48.	1 900 000	
Pasaréti right to use asset	25 022	
1147 Budapest, Egyenes u. 4.		(49 188)
1105 Budapest, Bánya utca 20. (Szent László tér)		(300 000)
1139 Budapest, Frangepán u. 19.		(620 274)
1105 Budapest, Bánya utca E épület (Szent László tér)		(80 000)
1013 Budapest, Pauler utca 2.	100 000	
Change in fair value in total	**4 336 880**	**(3 643 709)**
Exchange rate fluctuations in total		**8 595 767**
Change in fair value in total		**9 288 938**

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)
1015 Budapest, Hattyú utca 14.		(65 524)
1118 Budapest, Kelenhegyi út 43.		(357 296)
1133 Budapest, Visegrád u. 110-112.	197 629	
18 SPAR shop	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)**

			2022				Model variable mean values in DCF model					
Serial Number		type	Comparative price	DCF model value	Reporting day value	Evaluation method	Exit return	Rents EUR/m2/month,	Exit yield change test: (-5%), Rent change test	Exit yield change test (+5%), Rent change	Discount rate	Mortgage
1	1149 Budapest, Várna u. 12-14.	office-plant	2 300 000	2 000 000	2 000 000	DCF model	8,50%	office: 8.5, warehouse: 4.5	1 900 000	2 100 000	9,00%	exist
2	1047 Budapest, Schweidel utca 3.	warehouse	3 000 000	2 500 000	2 500 000	DCF model	8,00%	warehouse: 4.25	2 375 000	2 625 000	8,50%	exist
3	1023 Budapest, Bég u. 3-5.	office	11 000 000	11 300 000	11 300 000	DCF model	7,65%	office: 10, retail: 14, warehouse: 6	10 735 000	11 865 000	7,90%	exist
4	1022 Budapest, Bég u. 4. (Törökvész u. 30.)	office	3 800 000	3 900 000	3 900 000	DCF model	7,65%	office: 12, warehouse: 7	3 705 000	4 095 000	7,90%	exist
5	1094 Budapest, Páva utca 8.	office	6 300 000	5 200 000	5 200 000	DCF model	8,50%	office: 9.5, warehouse: 6	4 940 000	5 460 000	8,75%	exist
6	1015 Budapest, Hattyú utca 14.	office	15 600 000	14 500 000	14 500 000	DCF model	7,40%	office: 13.5, warehouse: 7	13 775 000	15 225 000	7,65%	no
7	1118 Budapest, Kelenhegyi út 43.	office-tenant	5 000 000	4 700 000	4 700 000	DCF model	7,00%	office: 10, apartment 14	4 465 000	4 935 000	7,40%	exist
8	1133 Budapest, Visegrád u. 110-112.	office	5 700 000	4 900 000	4 900 000	DCF model	7,50%	office: 10	4 655 000	5 145 000	8,00%	exist
9	17 SPAR shop *	commercial	21 950 000	21 950 000	21 950 000	DCF model			20 852 500	23 047 500	7.5%-9,5%	exist
10	6000 Kecskemét, Kiskőrösi utca 30.	place of business	2 800 000	2 800 000	2 800 000	DCF model	11,50%	office: 4, warehouse: 2	2 660 000	2 940 000	12,00%	exist
11	1082 Budapest, Üllői út 48.	office	19 640 000	22 300 000	22 300 000	DCF model	8,15%	office: 13	21 185 000	23 415 000	8,65%	none
12	Pasaréti right to use asset	office	570 799	570 799	570 799	DCF model			542 259	599 339		
13	1147 Budapest, Egyenes u. 4.	workshop	1 000 000	700 000	700 000	DCF model	9,00%	warehouse: 4.5	665 000	735 000	9,50%	exist
14	1105 Budapest, Bánya utca 20.	miscellaneous	2 800 000	2 100 000	2 100 000	DCF model	8,75%	office: 4, warehouse: 3.5	1 995 000	2 205 000	9,00%	none
15	1023 Budapest, Felhévízi u. 24.	office	1 500 000	1 400 000	1 500 000	comparative	8,00%	office: 11	1 330 000	1 470 000	8,50%	exist
16	1139 Budapest, Frangepán u. 19.	office	3 300 000	2 500 000	2 500 000	DCF model	8,50%	office: 7	2 375 000	2 625 000	9,00%	exist
17	1105 Budapest, Bánya utca E building	office	360 000	260 000	260 000	DCF model	9,75%	office: 6.5	247 000	273 000	10,25%	none
18	3525 Miskolc, Szűcs Sámuel u. 5.	casino	1 700 000	2 600 000	2 600 000	DCF model	7,00%	18	2 470 000	2 730 000	7,50%	none
19	1013 Budapest, Pauler utca 2.	office	1 740 000	1 800 000	1 800 000	DCF model	7,90%	office:15	1 653 000	1 827 000	8,40%	exist
					108 080 799							

*** 1 shop from SPAR shops was reclassified to assets for sale**

Comparative data of 2021:

Serial Number		type	Comparative price	DCF model value	2021 Reporting day value	Evaluation method	Model variable mean values in DCF model Exit return	Rents EUR/m2/month,	Discount rate	Mortgage
1	1149 Budapest, Várna u. 12-14.	office-plant	2 500 000	2 200 000	2 200 000	DCF model	8,00%	office: 7.5, warehouse: 4	8,50%	exist
2	1047 Budapest, Schweidel utca 3.	warehouse	2 800 000	3 500 000	2 800 000	comparative	9,00%	warehouse: 3.3	9,25%	no
3	1023 Budapest, Bég u. 3-5.	office	10 000 000	10 600 000	10 600 000	DCF model	7,25%	office: 12, warehouse: 6	7,50%	exist
4	1022 Budapest, Bég u. 4. (Törökvész u. 30.)	office	3 300 000	3 400 000	3 400 000	DCF model	7,25%	office: 11	7,50%	exist
5	1094 Budapest, Páva utca 8.	office	5 200 000	5 100 000	5 100 000	DCF model	8,00%	office: 9.5, warehouse: 6	8,25%	exist
6	1015 Budapest, Hattyú utca 14.	office	14 200 000	14 200 000	14 200 000	DCF model	7,25%	office: 11.5, warehouse: 6	7,50%	no
7	1118 Budapest, Kelenhegyi út 43.	office-tenant	5 100 000	4 200 000	5 100 000	comparative	12,50%	office: 12.5, apartment: 14	8,00%	exist
8	1133 Budapest, Visegrád u. 110-112.	office	5 400 000	5 100 000	5 100 000	DCF model	7,40%	office: 10, warehouse: 4.5	7,65%	exist
9	18 SPAR shop	commercial	21 930 000	22 380 000	22 380 000	DCF model			8.75%-10%	exist
10	6000 Kecskemét, Kiskőrösi utca 30.	place of business	4 200 000	4 200 000	4 200 000	DCF model	11,00%	office: 4, warehouse: 2	11,50%	exist
11	1082 Budapest, Üllői út 48.	office	20 300 000	20 400 000	20 400 000	DCF model				exist
12	1037 Budapest, Montevideo út 2/C.	office	-	-	-					
13	1147 Budapest, Egyenes u. 4.	workshop	1 000 000	700 000	700 000	DCF model		warehouse: 4.75		exist
14	1105 Budapest, Bánya utca	miscellaneous	3 100 000	2 400 000	2 400 000	DCF model	8,75%	office: 4, warehouse: 3.5	9,00%	exist
15	1023 Budapest, Felhévízi u. 24.	office	1 500 000	1 400 000	1 500 000	comparative	8,00%	office: 10	8,25%	exist
16	1139 Budapest, Frangepán u. 19.	office	3 400 000	3 100 000	3 100 000	DCF model	8,00%	office: 7	8,50%	exist
17	1105 Budapest, Bánya utca	office	310 000	340 000	340 000	DCF model	9,25%	office: 6.5	9,75%	none
18	3525 Miskolc, Szűcs Sámuel u. 5.	office	2 200 000	2 600 000	2 600 000	DCF model	8,00%	16,90	8,00%	none
19	H-8171 Balatonvilágos, Aligai út 1.	resort	12 730 000	12 730 000	12 730 000	DCF model			7,00%	exist
20	1013 Budapest, Pauler utca 2.	office	1 720 000	1 700 000	1 700 000	DCF model				
21	Lepence, Strandfürdő Visegrád	resort			900 000	DCF and comparative				
22	Port and Hotel Balatonfüred	resort			10 300 000	DCF and comparative				

23	Grand Hotel Tokaj, Tokaj Csurgó-völgy	resort			16 300 000	DCF and comparative					
24	Active Tourist Center, Tokaj Csurgó-völgy	resort			1 400 000	DCF and comparative					
25	BALALAND Family Hotel & Resort and Familypark, Szántód	resort			34 300 000	DCF and comparative					
26	Csárda és Rév Szántód	resort			1 050 000	DCF and comparative					
27	Tokaj Kelep	resort			862 961	DCF and comparative					
					185 662 961						

11. Depreciation

data in HUF in thousands	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Depreciation of tangible assets	(63 866)	(194 882)
Total	**(63 866)**	**(194 882)**

In 2022, small-value asset depreciation was EUR 5 155, in 2021 thereof accounted EUR 8 368.

12. Other expenditure and revenue of financial transactions

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Exchange gain	1 334 829	1 948 009
Loss on exchange	(3 357 907)	(2 199 334)
Total	**(2 023 078)**	**(251 326)**

13. Balance of interest revenues and expenditures

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Interest revenues		
Interests of deposit and interest-bearing deposits	3 382 219	29 930
Other interests received / due	866 069	11 332
	4 248 288	**41 263**
Interest expenses		
Interests of bank credits	(893 599)	(275 659)
Self-issued and traded bond interests	(1 773 952)	(1 937 564)
	(2 667 551)	**(2 213 223)**
Balance of interest revenues and interest expenses	**1 580 736**	**(2 171 960)**

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Lease interests	(40 443)	(48 544)
Lease interests	**(40 443)**	**(48 544)**

14. Income Taxes

Expenditures related to income taxes include the following:

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Corporate income tax	81 270	(278 233)
Deferred tax liabilities	(1 555 712)	(838 070)
Business tax	(148 232)	(146 495)
Total	**(1 622 674)**	**(1 262 798)**

The tax breakdown was carried out as follows:

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021 (re-represented)
Profit and loss before taxation from ongoing activities	13 408 273	4 306 671
Tax liability calculated on the basis of the current tax rate of 9%	(1 206 744)	(387 600)
Business tax	(148 232)	(146 495)
Change of not recognized loss as deferred tax liabilities	(373 180)	(826 396)
Constant differences	105 482	97 693
Income taxes in total	**(1 622 674)**	**(1 262 798)**
Effective tax rate	**12.04%**	**30.68%**

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 2022, not recognized loss as deferred tax liabilities from accrued and deferred loss of Appeninn E-Office Zrt. was EUR 373 180, and thereof changed by EUR 826 396 on the basis of of the future tax plan as of 31 December 2021.

Employed tax rates	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
Local business tax	2%	2%
Corporate income tax	9%	9%

15. Profit and loss of ceasing activities

The Group sold its subsidiary companies belonging to the segment of tourism, namely Dreamland Holding Zrt. and its affiliates and PRO-MOT Hungária Kft. in 2022. The Corporate Group decided on the sale of Solum-Invest Kft. in December 2022. Appeninn Üzemeltető Zrt. was sold in 2022.

The Corporate Group identified the results of the sold and for sale companies as activity to be ceased and the results of the related companies were entered into the position of “Profit and loss of ceased activities” in the total comprehensive profit and loss statement of 2021. The profit and loss of companies for sale and sold calculated for the period of being the member of the group was consolidated herein row and the profit and loss of the sale of companies was entered into this position in 2022.

Total comprehensive income statement	**Until the sale of tourist companies' current year's retained profit or loss EUR**	**Until the sale of operator companies' current year's retained profit or loss EUR**	**Eliminations and reclassifications EUR**	**Until the sale of ceasing companies' current year's retained profit or loss EUR**
Property rental revenue	665 370	1 039 896	(519 780)	1 185 486
Direct costs of property rental	(272 933)	(202 200)	519 780	44 647
Direct contribution from rental activities	**392 437**	**837 696**	**-**	**1 230 133**
Administration costs	(326 314)	(70 331)		(396 645)
Staff costs	(272 296)	(272 842)		(545 138)
Other revenues / (expenditures)	(13 560)	1 096		(12 464)
Profit and loss from revaluation of revenue-generating investment properties	(3 685 211)	0		(3 685 211)
Profit and loss before taxation, interests and depreciation	**(3 904 944)**	**495 618**	**-**	**(3 409 326)**
Depreciation and amortisation	(47 265)	(17 620)		(64 885)
Other (expenditure) / revenue of financial transactions	(2 707)	(290)		(2 997)
Balance of interest revenue and (expenditures)	(415 905)	(1 690)		(417 595)
Profit before taxation	**(4 370 819)**	**476 017**	**-**	**(3 894 802)**
Income taxes	264 815	(14 412)		250 403
Profit after tax from ceasing activities	**(4 106 004)**	**461 605**	**-**	**(3 644 399)**
Profit and loss from subsidiary companies sale				**5 784 364**
Ceasing profit and loss in total			**-**	**2 139 965**
From ceasing activities profit and loss:				
For non-controlling interests				(1 681 500)
For the owners of the Company				3 821 465

Comprehensive income statement	**31 December 2021 originally EUR**	**Ceasing activities compliance**	**31 December 2021 re-represented EUR**
Property rental revenue	7 474 392	544 909	8 019 301
Direct costs of property rental	(1 067 062)	(1 489 252)	(2 556 314)
Direct contribution from rental activities	**6 407 330**	**(944 343)**	**5 462 987**
Administration costs	(1 789 189)	609 122	(1 180 067)
Staff costs	(1 695 446)	1 111 855	(583 591)
Other revenues / (expenditures)	624 293	(521 139)	103 154
Profit and loss of investment properties sale	(503 071)	-	(503 071)

Profit and loss from revaluation of revenue-generating investment properties	(4 679 678)	8 353 649	3 673 971
Taxation, interests	**(1 635 761)**	**8 609 144**	**6 973 383**
Depreciation and amortisation	(248 217)	53 335	(194 882)
Other (expenditure) / revenue of financial transactions	(252 303)	977	(251 326)
Balance of interest revenue and (expenditures)	(2 860 223)	688 263	(2 171 960)
Lease interests	(48 544)		(48 544)
Profit before taxation	**(5 045 048)**	**9 351 719**	**4 306 671**
Income taxes	(734 669)	(528 129)	(1 262 798)
Profit after tax from ongoing activity	**(5 779 717)**	**8 823 590**	**3 043 873**
Profit after tax from ceasing activities	**-**	**(8 823 590)**	**(8 823 590)**
Profit after tax in total	**(5 779 717)**	**-**	**(5 779 717)**
Other comprehensive income			
Exchange rate differences arisen from currency translation of activities	(275 255)		(275 255)
Other comprehensive income of the current year, less with taxation	**(275 255)**	**-**	**(275 255)**
COMPREHENSIVE INCOME OF THE CURRENT YEAR IN TOTAL	**(6 054 972)**	**-**	**(6 054 972)**
From profit and loss of ongoing activities			
For non-controlling interests	-		-
For the owners of the Company	(5 779 717)	8 823 590	3 043 873
From ceasing activities profit and loss:			
For non-controlling interests	(2 776 264)		(2 776 264)
For the owners of the Company	2 776 264	(8 823 590)	(6 047 326)
From other comprehensive profit or loss:			
For non-controlling interests	-		-
For the owners of the Company	(275 255)		(275 255)
From total comprehensive income:			
For non-controlling interests	(2 776 264)	-	(2 776 264)
For the owners of the Company	(3 278 708)	-	(3 278 708)

From re-represented profit and loss for 2021 of tourist and maintenance industries profit and loss:

Total comprehensive income statement	Profit and loss for 2021 of tourist companies EUR	Profit and loss for 2021 of operator companies EUR	Eliminations and reclassification EUR	Profit and loss for 2021 of ceasing companies EUR
Property rental revenue	983 980	1 603 061	(3 131 950)	(544 909)
Direct costs of property rental	(663 158)	(979 540)	3 131 950	1 489 252
Direct contribution from rental activities	**320 822**	**623 521**	**-**	**944 343**
Administration costs	(445 115)	(247 433)	83 426	(609 122)
Staff costs	(404 455)	(707 400)		(1 111 855)
Other revenues / (expenditures)	785 474	8 746	(273 083)	521 139
Profit and loss from revaluation of revenue-generating investment properties	(8 342 213)	(11 436)		(8 353 649)
Profit and loss before taxation, interests and depreciation	**(8 085 487)**	**(334 001)**	**(189 656)**	**(8 609 144)**
Depreciation and amortisation	(5 995)	(47 340)		(53 335)
Other (expenditure) / revenue of financial transactions	(259)	(718)		(977)
Balance of interest revenue and (expenditures)	(686 628)	(1 635)		(688 263)
Profit before taxation	**(8 778 369)**	**(383 694)**	**(189 656)**	**9 351 719**
Income taxes	532 458	(4 329)		528 129
Profit after tax from ceasing activities	**(8 245 911)**	**(388 023)**	**(189 656)**	**(8 823 590)**
Profit and loss from subsidiary companies sale				**-**
Ceasing profit and loss in total			**-**	**(8 823 590)**
From ceasing activities profit and loss:				
For non-controlling interests				-
For the owners of the Company				(8 823 590)

16. 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 financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Profit after tax (EUR)	13 925 564	(5 779 717)
Weighted average number of the ordinary shares issued (quantity)	47 369 571	47 369 571
Earnings per share (base) (in EUR cent)	**29.40**	**(12.20)**

There are no factors existing at the Company which would dilute the profit and loss per share in 2022 or in 2021.

17. Net asset value per share

	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Net asset value	84 585 470	74 064 961
Quantity of ordinary shares on the reporting day (quantity)	47 369 571	47 369 571
Net asset value per share (EUR)	**1.79**	**1.56**

Consolidated comments on the financial position

18. 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 financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Opening value	**185 662 961**	**165 740 000**
annual changes:		
Reclassification for sale purposes:	**(13 710 000)**	**0**
1 SPAR üzlet	(1 340 000)	0
Port and Hotel Balatonfüred (Solum)	(12 370 000)	0
Derecognition of properties on subsidiary sale	**(67 542 961)**	**(10 800 000)**
H-8171 Balatonvilágos, Aligai út 1.	(12 730 000)	0
Lepence, Strandfürdő Visegrád	(900 000)	0
Grand Hotel Tokaj, Tokaj Csurgó-völgy	(16 300 000)	0
Active Tourist Center, Tokaj Csurgó-völgy	(1 400 000)	0
BALALAND Family Hotel & Resort and Familypark, Szántód	(34 300 000)	0
Csárda és Rév Szántód	(1 050 000)	0
Tokaj Kelep	(862 961)	0
1037 Budapest, Montevideo út 2/C.	0	(10 800 000)
Reclassified assets in the current year	**545 777**	**0**
Pasaréti right to use asset	545 777	0
Properties purchased in the period under review	**0**	**862 961**
Tokaj Kelep	0	862 961
Change of fair value	**3 125 022**	**29 860 000**
of which:		
Reactivation	6 976 633	38 563 904
Fair value inrease	4 336 880	1 688 433
Fair value decrease	(8 188 491)	(10 392 337)
Changes in total	***(77 582 162)***	***19 922 961***
Closing value	**108 080 799**	**185 662 961**

The effect of the market price rise and decrease related to the activity to be continued is accounted in the complete overall profit and loss, and EUR 8 595 767 loss of it is accounted in other overall profit and loss, while EUR 9 288 938 profit in the profit and loss.

The effect of the market price rise and decrease related to the ceasing activities is accounted in the complete overall profit and loss, and EUR 869 699 loss of it is accounted in other overall profit and loss, while EUR 3 675 083 loss in the profit and loss.

The derivation of the change in the real estate portfolio by real estate property compared to 31 December 2022 and 31 December 2021 is presented in the following tables:

	31 December 2021	Reclassification	Recapitalisation	Sale	Market price increase	Market price decrease	31 December 2022
1149 Budapest, Várna u. 12-14.	2 200 000					(200 000)	2 000 000
1047 Budapest, Schweidel utca 3.	2 800 000					(300 000)	2 500 000
1023 Budapest, Bég u. 3-5.	10 600 000		10 719		689 281		11 300 000
1022 Budapest, Bég u. 4. (Törökvész u. 30.)	3 400 000		51 271		448 729		3 900 000
1094 Budapest, Páva utca 8.	5 100 000		11 732		88 268		5 200 000
1015 Budapest, Hattyú utca 14.	14 200 000		93 755		206 245		14 500 000
1118 Budapest, Kelenhegyi út 43.	5 100 000		93 233			(493 233)	4 700 000
1133 Budapest, Visegrád u. 110-112.	5 100 000		1 014			(201 014)	4 900 000
18 SPAR shop	22 380 000	(1 340 000)	30 665		879 335		21 950 000
6000 Kecskemét, Kiskőrösi utca 30.	4 200 000					(1 400 000)	2 800 000
1082 Budapest, Üllői út 48.	20 400 000				1 900 000		22 300 000
Pasaréti right to use asset	-	545 777			25 022		570 799
1147 Budapest, Egyenes u. 4.	700 000		49 188			(49 188)	700 000
1105 Budapest, Bánya utca 20.	2 400 000					(300 000)	2 100 000
1023 Budapest, Felhévízi u. 24.	1 500 000						1 500 000
1139 Budapest, Frangepán u. 19.	3 100 000		20 274			(620 274)	2 500 000
1105 Budapest, Bánya utca E épület	340 000					(80 000)	260 000
3525 Miskolc, Szűcs Sámuel u. 5.	2 600 000						2 600 000
H-8171 Balatonvilágos, Aligai út 1.	12 730 000			(12 730 000)			-
1013 Budapest, Pauler utca 2.	1 700 000				100 000		1 800 000
Lepence, Strandfürdő Visegrád	900 000			(900 000)			-
Port and Hotel Balatonfüred	10 300 000	(12 370 000)	6 614 782			(4 544 782)	-
Grand Hotel Tokaj, Tokaj Csurgó-völgy	16 300 000			(16 300 000)			-
Active Tourist Center, Tokaj Csurgó-völgy	1 400 000			(1 400 000)			-
BALALAND Family Hotel & Resort and Familypark, Szántód	34 300 000			(34 300 000)			-
Csárda és Rév Szántód	1 050 000			(1 050 000)			-
Tokaj Kelep	862 961			(862 961)			-
Total	**185 662 961**	**(13 164 223)**	**6 976 633**	**(67 542 961)**	**4 336 880**	**(8 188 491)**	**108 080 799**

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 shop	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**

19. Tangible assets

Tangible assets include the Corporate Group's own office equipment purchased for the Corporate Group's activity.

data in EUR	**Total**
Gross value	
on 31 December 2020	**321 781**
Increase and reclassification	331 664
Decrease and reclassification	(243 134)
on 31 December 2021	**410 311**
Increase and reclassification	
Decrease and reclassification	(334 549)
on 31 December 2022	**75 762**
Accrued depreciation	
on 31 December 2020	**121 801**
Depreciation in the current year	154 740
Decrease	(89 265)
on 31 December 2021	**187 276**
Depreciation in the current year	8 410
Decrease	(82 062)
on 31 December 2022	**48 149**
Net book value	
on 31 December 2020	**199 980**
on 31 December 2021	**223 035**
on 31 December 2022	**27 613**

The gross value of assets written off to zero as at 31 December 2021 and 2022 is EUR 15 762. No impairment was accounted for tangible assets. The Corporate Group has no intangible assets.

20. Right-of-use asset

Right-of-use a land

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. In 2022, the Corporate Group decided to sell Solum-Invest Kft., hereby the land right to use was reclassified to the assets for sale.

Right to use a plot of land

The right to use of a plot of land of Pro-mot Hungária Kft. includs thereof in the right to use assets, which has a remaining useful life of 37 years at the inclusion. In 2022, the Corporate Group sold PRO-MOT Hungária Kft., hereby the right to use a plot of land was derecognised.

Right to use lakebed

Based on the agreement with the Hungarian State, SOLUM Invest Kft. has the right to use the 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%. In 2022, the Corporate Group decided to sell Solum-Invest Kft., hereby the right to use the lakebed was reclassified to the assets for sale.

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. March 2025. The Group reclassified its debts originating from the real estate leasing for the revenue-generating real estates in 2022, for the own use of the leased real estate is ceased and it is complete re-leased, that’s why it is re-classified for revenue-generating real estate with the purpose of investment.

data in EUR	Plot right to use	Right to use a land	The right to use lakebed	Property rental	Total
Gross value					
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**
Increase and reclassification					
Decrease and reclassification	(1 776 398)	(1 340 082)	(126 164)	(594 252)	(3 836 896)
on 31 December 2022	**0**	**0**	**0**	**0**	**0**
Accrued depreciation					
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**
Depreciation in the current year				55 456	55 456
Decrease				(362 105)	(362 105)
on 31 December 2022	**0**	**0**	**0**	**0**	**0**
Net book value					
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**
on 31 December 2022	**0**	**0**	**0**	**0**	**0**

21. 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 2022 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 arose before 2015 is 31 December 2030.

Balance of accrued and deferred loss per company data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Base of deferred tax assets from accrued and deferred loss	9 041 514	16 401 381
The amount of deferred tax assets from accrued and deferred loss	813 736	1 476 124
Of which decreasing of deferred tax liabilities accounted in the balance sheet	**768 282**	**720 053**
Of which deferred tax assets accounted	**45 454**	**756 071**

As of 31 December 2022 and 2021, EUR 373 180 of Appeninn E-Office Zrt.'s accrued and deferred loss and EUR 826 396 were not accounted for based on future tax plans. The total amount of the accrued and deferred loss measured EUR 13 187 958 on 31 December 2022, and EUR 25 583 559 on 31 December 2021.

22. Goodwill

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Balaland CGU – Dreamland Corporate Group	-	2 242 371
Tokaj CGU – Dreamland Corporate Group	-	1 478 888
Lepence CGU – Dreamland Corporate Group	-	559 622
Solum-Invest Kft.	-	73 110
Total	**-**	**4 353 991**

In 2022, Dreamland Corporate Group was sold, and Solum-Invest Kft. was reclassified to assets for sale.

23. Equity in affiliate enterprise

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
24% equity of Hellnarik Hospitality Kft	-	39 701
Total	**-**	**39 701**

In the course of 2022, the 24% equity in Hellnarik Hospitality Kft. was sold.

24. Over-the-year receivables

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Restricted utilization of liquid assets	196 078	0
BDPST Group	-	346 982
Total	**196 078**	**346 982**

25. Inventories

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Properties made for sale	-	7 934 901
Total	**-**	**7 934 901**

In 2020, the Corporate Group reclassified the Balatonaliga real estate properties for sale from revenue-generating properties to inventories. Inventory of EUR 2 183 705 of properties held for sale was sold in 2021. In 2022, the Corporate Group sold the subsidiary companies owning the real estate properties in Balatonaliga, hereby it was delisted in 2022.

26. Trade receivables

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Gross value of trade receivables	600 265	533 003
Opening balance of impairment of customers	(40 554)	(53 945)
Impairment acounted in the current year	(45 453)	0
Impairment derecognized in the current year	22 732	13 391
Impairment of derecognized subsidiary companies	19 830	-
Closing balance of impairment of customers	(43 445)	(40 554)
Net trade receivables in total	**556 820**	**492 449**

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

27. Other short-term receivables

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Balance of tax receivables (VAT, local business taxes)	197 870	410 939
Advance payments	106 847	3 057 088
Tender receivables	-	1 812 848
Short term part of financial leasing claims	-	147 929
Other	113 976	611 292
Total	**418 693**	**6 040 096**

28. Short-term affiliated receivables

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Hellnarik Hospitality Kft.	-	1 154 916
Total	**-**	**1 154 916**

29. Short-term loans granted

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Mikepércsi út 132 Kft.	59 396	105 827
Other loans granted	173 698	-
Hattyúház Társasház Közösség	5 614	6 089
Impairment of short-term receivables	(87 390)	(105 827)
Total	**151 318**	**6 089**

30. Accruals

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Accrual of non-invoiced, due rents income	230 434	274 353
Accrual of invoiced costs un-due in the current period	51 158	467 282
Total	**281 592**	**741 635**

31. Income tax receivables and liabilities

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Iincome tax receivables	8 675	23 729
Income tax liabilities	128 387	229 225

32. Liabilities connected to the assets for sale and their sale directly

The category of “assets for sale” includes assets (real estates and directly connected other assets) that are not required for the further operation of the Corporate Group, are for sale and their sale is supposed to be completed within 12 months and are ready for sale in their current condition. These assets are recorded at the lower value between the value in the book and the real value decreased by the expense of sale. The account of depreciation for these assets is finished at the time of their classification for assets to be sold.

If the stated real value of the asset or intangible asset is lower then the book value at the time of classification for asset to be sold the difference is stated in the profit and loss statement as loss in value.

The assets and liabilities of Solum-Invest Kft. (as a group for alienation), as well as the real estates of SPAR to be sold were stated here on 31 December 2022. Solum-Invest Kft. was sold in 2023 and its purchase price was EUR 1 249 219. The assets for sale and their direct liabilities can be seen in the following table:

	Solum-Invest Kft.	**Spar real estate property**	**Total**
Revenue-generating real estate properties	12 370 000	1 340 000	13 710 000
Right-of-use asset	1 408 363		1 408 363
Deferred tax assets	368 783		368 783
Trade receivables	4 059		4 059
Other short-term receivables	127 797		127 797
Accrued and deferred assets	15 820		15 820
Cash and cash equivalents	8 919 868		8 919 868
Goodwill	66 696		66 696
Assets for sale in total	**23 281 386**	**1 340 000**	**24 621 386**

	Solum-Invest Kft.	**Spar real estate property**	**Total**
Long-term bank credits and lease liabilities	2 804 906		2 804 906
Other short-term liabilities	15 335 390		15 335 390
Liabilities for trade creditors and other accounts	2 277 633		2 277 633
Corporate income tax liabilities	49 809		49 809
Accrued liabilities	349 160		349 160
Liabibilities directly related to sale in total	**20 816 898**	**-**	**20 816 898**

33. Cash and cash equivalents

data in EUR	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
Cash on hand HUF	593	13 192
Cash at bank in HUF	873 974	9 650 326
Cash at bank in EUR	989 486	2 727 752
Fixed-term cash on deposit of short-term	53 448 677	12 466 125
Total	**55 312 730**	**24 857 395**

A short-term bank deposit is a deposit with a maturity of 1 month. The Corporate Group has undrawn credit lines of 17.024,- EUR in thousands at 31 December 2021, there are no undrawn credit lines at 31 December 2022. See also Note 54.

The funds of the Corporate Group have increased for the sale of business shares significantly in 2022. The funds originating from sale were deposited in fixed deposits in 2022. The Corporate Group keeps its funds in a bank certified with B1 credit rating by Moody.

34. 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., 1022 Budapest, Bég utca 3-5.
Number of shares kept in trading on 31 December 2022 (quantity)	47 371 419
Number of shares kept in trading on 31 December 2021 (quantity)	47 371 419

Issued share capital	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
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 HUF 100 (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 per each.

35. Repurchased own shares

	for the financial year ending as at 31 December 2022		for the financial year ending as at 31 December 2021	
	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**

36. Capital reserve

data in EUR	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
Opening value of premium capital (ázsió) share issuance	25 645 230	25 645 230
Closing value	**25 645 230**	**25 645 230**

37. Conversion reserve

data in EUR	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
Opening value	**(11 151 490)**	**(10 876 235)**
annual changes:		
Other comprehensive income of the current year	(6 140 988)	(275 255)
Reclassification	123 184	-
Delisting related to the sale of subsidiary companies	931 249	-
Closing value	**(16 238 045)**	**(11 151 490)**

38. Retained earnings

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Opening value	**44 355 386**	**47 358 839**
annual changes:		
Profits in the current year	15 607 064	(3 003 453)
Transaction with non-controlling interest upon control	0	0
Closing value	**59 962 450**	**44 355 386**

39. Non-controlling interest

The balance of non-controlling interests relates to Solum-Invest Ltd. in 2022 and to Tokaj Kelep Zrt. in 2021.

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Opening value	**112 307**	**2 888 383**
annual changes:		
Acquisition of new subsidiaries	-	188
Reclassification	(123 184)	-
Profit item in the current year	(1 681 500)	(2 776 264)
Other revenues of the current year	34 112	0
Subsidiaries sale	323 707	0
Closing value	**(1 334 558)**	**112 307**

40. 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 2022	31 December 2021	31 December 2022	31 December 2021
Due within one year	269 861	329 079	258 845	308 677
Due within two and five years	314 838	446 352	311 954	425 492
Due over five years	0	145 624	0	145 624
	584 699	**921 055**	**570 799**	**879 793**
Financing costs	(13 900)	(41 262)		
Present value	**570 799**	**879 793**	**570 799**	**879 793**
Presentation in the balance sheet per liability:				
Short-term leasing liabilities			258 845	308 677
Long-term leasing liabilities			311 954	571 116
			570 799	**879 793**

Expiry of the lease liabilities i on 16 March 2025, EUR denominated. 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.

data in EUR	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
Net value of leased vehicles	-	101 054
Current year depreciation of leased vehicles	-	31 716
Net value of leased properties	570 799	732 536
Current year depreciation of leased properties (reclassification)	109 072	238 089
Accounted lease transaction interest and loss on exchange	40 443	48 544
Loss on exchange	26 698	8 811

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 EUR 24 068 776 and Appeninn E-Office Zrt acquired Appeninn's subsidiary Alagút Investment Kft. using a credit facility of EUR 1 500 000. 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.

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

Financing partners	Primary debtor company	31 December 2022 due within-the-year EUR	31 December 2022 due over-the-year EUR	31 December 2021 due within-the-year EUR	31 December 2021 due over-the-year EUR	Financing foreign currency	Interest margin	Original expiration	Collaterals
Magyar Takarékszövetkezeti Bank Zrt.	Szántód BalaLand Family Kft.	0	0	0	7 408 898	HUF			
Magyar Takarékszövetkezeti Bank Zrt.	Appeninn-Bp 1047 Zrt.	38 241	500 979	10 864	610 902	EUR	1-month EURIBOR + 3.5%	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.	0	0	29 008	487 480	HUF		31 December 2032	
Magyar Takarékszövetkezeti Bank Zrt.	Appen-Retail Kft.	0	0	66 244	1 129 984	HUF		31 December 2032	
Magyar Takarékszövetkezeti Bank Zrt.	Curlington Kft.	0	0	3 805	60 507	HUF		31 December 2032	
Magyar Takarékszövetkezeti Bank Zrt.	Felhévíz-Appen Kft.	0	0	7 675	123 879	HUF		31 December 2032	
MFB-Erste consortium credit	Appeninn E-Office Plc.	1 034 770	23 967 190	506 100	25 062 686	EUR	until 15 September 2029, a fix amount of 2.95%, then 3-month EURIBOR + 2.65% (at a minimum of 2% per annum)	15 June 2041	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	0	0	3 509 684	HUF			
Szepard Kft.	Dreamland Holding Zrt.	0	0	0	6 050 136	HUF		30 November 2030	
Sokorai István	Solum-Invest Kft.	0	0	0	757 370	HUF	3.5%	25 June 2023	
DH Invest Kft.	Solum-Invest Kft.	0	0	0	757 370	HUF			
Bank credits in total		**1 073 011**	**24 468 169**	**623 696**	**45 958 896**				
Telekadó – Visegrád		0	0	0	11 343				
Lease liability in total		258 845	311 954	308 677	571 116				
Solum Invest Kft. lease liability	Solum-Invest Kft.	0	0	0	1 466 246				
Total		**1 331 856**	**24 780 123**	**932 373**	**48 007 602**				

41. Self-issued corporate bonds debts

On 22 November 2019, the Company issued bonds in the quantity of EUR 60 510 710 (20 000 000HUF 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 EUR 327 100 (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%.

data in EUR	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
Corporate bonds debt	49 968 770	54 200 542
Bond premium	314 554	356 903
Corporate bonds debt in total	**50 283 324**	**54 557 445**

42. Tenant deposits

data in EUR	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
Opening	1 286 727	1 430 940
New rental event	84 412	
Reclassification for short-term liabilities		
Items accounted by rental relationship cessation	(70 560)	(144 213)
Closing value	**1 300 579**	**1 286 727**

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

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
	EUR	EUR
Lexan Aliga Kft.	-	4 603 285
Affiliated long-term liabilities in total	**-**	**4 603 285**
Lexan Aliga Kft.	-	578 323
Szepard Kft.	-	346 153
Dividend liability	28 457	29 851
Appeninn Credit Zrt.	-	1 239
Affiliated short-term liabilities in total	**28 457**	**955 566**

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. In 2022, PRO-MOT Hungária Kft. was sold.

44. 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.

	2022				2021			
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	108 080 799	33 189 120	(74 891 679)	(6 740 251)	185 662 961	120 354 442	(65 308 519)	(5 877 767)
Receivables from accrued and deferred loss	-	9 041 514	9 041 514	813 736		16 401 381	16 401 381	1 476 124
Other assets és liabilities			(1 281 022)	(115 292)			(30 889)	(2 780)
Net deferred tax position in total				**(6 041 807)**				**(4 404 513)**
Deferred tax receivables in the balance sheet				**45 454**				**756 071**
Deferred tax liabilities in the balance sheet				**6 087 261**				**5 472 228**
Net deferred tax position				**(6 041 807)**				**(4 716 157)**
Change in the deferred tax balance				**(1 325 650)**				**(218 506)**
Of which:								
Accounted for profit and loss				(1 555 712)				(273 445)
By recognition of new subsidiary				-				-
By de-recognition of new subsidiary				(96 311)				-
Exchange rate change				326 373				54 939

45. Other short-term liabilities

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Income debt	7 295	14 760
Advance payment for subsidy received for accounting	0	9 660 053
Tender advance payment port – Solum	0	2 709 927
Kisfaludy 2030 subsidy advance payment	0	8 699 896
Other short-term liabilities	143 750	181 591
Closing value	**151 045**	**21 266 227**

The amount of other short-term liabilities does not include the amounts of supports relating to portfolio of tourism any more in 2022 for the Dreamland Group and PRO-MOT Hungária Kft. have been sold. The subsidy relating to Solum-Invest Kft. is reclassified for the balance sheet item of assets for sale and liabilities.

46. Trade creditors and other accounts payable

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Liabilities for trade creditors	**968 687**	**9 812 260**
Due as:		
0-30 days	845 855	6 751 104
31-60 days	14 108	586 440
61-90 days	5 808	81 014
91-180 days	40 750	1 172 127
181-360 days	0	659
361- days	62 166	1 220 917
Closing value	**968 687**	**9 812 260**

The value of trade creditors and other accounts payable decreased significantly by the derecognition of trade creditors and other accounts payable related to the sold tourist portfolio.

47. Tax and duties liabilities

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
VAT liabilities	131 128	41 379
Taxes on buildings liabilities	0	22 515
Taxes and contribution related to wages and salaries	4 870	83 747
Other taxes, duties	51 237	338 872
Closing value	**187 235**	**486 513**

48. Accrued liabilities

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Deferral of costs and expenses	18 158	176 592
Accrued liabilities of revenues	368 237	429 490
Subsidy received	-	13 771 398
Closing value	**386 395**	**14 377 479**

In 2021, the Group received government grants for tourism, which it accounts for in accordance with the requirements of IAS 20. The amount of other accrued liabilities does not include the amounts of supports relating to portfolio of tourism any more in 2022 for the Dreamland Group and PRO-MOT Hungária Kft. have been sold. The subsidy relating to Solum-Invest Kft. is reclassified for the balance sheet item of assets for sale and liabilities.

49. 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 financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Lexan Aliga Kft.	0	5 181 609

Szepard Kft.	-	346 153
Dividend liability	28 457	29 851
Appeninn Credit Zrt.	0	1 239
Liabilities in total	**28 457**	**5 558 852**
Interest payable for Konzum Lexan Aliga Kft.	0	173 668
Interest payable for Szepard Kft.		325 707
Bayer Construct Zrt.	0	1 860 000
Illés és Társai Ügyvédi Iroda (in English: Illés and Partners Law Office)	40 020	0
Expenditures in total	**40 020**	**2 359 375**

Remuneration of key executives

The members of the Board of Directors received 300,-HUF in thousands per person in both 2022 and 2021. The Company does not have any contracts with the executive officers that would create future obligations for the Company by changing their contracts.

	2022 (HUF in thousands/year/person)	2021 (HUF in thousands/year/person)
Honoraria of the members of the Board of Directors on assignment relationship (5 persons)	200	200
Honoraria of the members of the Audit Committee on assignment relationship (3 persons)	-	-

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

Benefits for key senior and middle management

data in EUR	for the financial year ending as at 31 December 2022	for the financial year ending as at 31 December 2021
Wages and wage-type disbursements	190 950	316 522

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 (ceased in 2022)

Consolidated segment income statement for 2022

for the financial year ending as at 31 December 2022	Office rental	Logistics properties rental	Maintenance	Retail	Items not classified into segment	Total
EUR						
Property rental revenue	3 404 520	2 954 360		1 680 516	(0)	8 039 395
Direct costs of property rental	(2 087 001)	(335 281)			(0)	(2 422 283)
Direct contribution from rental activities	**1 317 519**	**2 619 079**		**1 680 516**	**(1)**	**5 617 112**
General costs and income	6 106 089	3 938 671			(2 253 599)	7 791 161
Profit before taxation	**7 423 607**	**6 557 750**	**-**	**1 680 516**	**(2 253 599)**	**13 408 273**
Income taxes	(1 026 765)	(442 702)	-	(151 246)	(1 960)	(1 622 674)
Profits in the current year	**6 396 842**	**6 115 048**	**-**	**1 529 269**	**(2 255 560)**	**11 785 599**
Items for segment	**29 668 275**	**128 639 105**		**21 950 000**	**9 443 778**	**189 701 158**
Liabilities for segment	**29 995 615**	**75 888 170**		**-**	**566 464**	**106 450 249**

Consolidated segment income statement for 2021

for the financial year ending as at 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**

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 2022	**Book value**	**fair value**
Financial assets		
Depreciated historical value accounted loans and receivables		
Trade receivables	556 820	556 820
Short-term loans granted	151 318	151 318
Cash and cash equivalents	55 312 730	55 312 730
Financial liabilities		
Depreciated historical value accounted liabilities		
Long-term credits	24 780 123	24 780 123
Bond liabilities	50 283 324	33 373 992
Short-term credits and loans	1 331 856	1 331 856
Liabilities through affiliated undertaking	28 457	28 457
Trade creditors and other accounts payable	968 687	968 687

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

Fair value of financial instruments evaluated at depreciated historical value, minus bonds debts, is close to book value in both years. The measurement of fair value in respect of both years was performend 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 2022 and 31 December 2021.

Maximum exposure to receivables	**for the financial year ending as at 31 December 2022**	**for the financial year ending as at 31 December 2021**
	EUR	**EUR**
Trade receivables	556 820	492 449
Other short-term receivables	418 693	6 040 096
Affiliated receivables	0	1 154 916
Short-term loans granted	151 318	6 089
Accruals	281 592	741 635
Cash and cash equivalents	55 312 730	24 857 395
	56 721 153	**33 292 580**

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 54.

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 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 based loans and liabilities. Foreign-based investment loans of E-Office Zrt. is denominated in EUR.

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 2022 was 85.8 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 858 EUR in thousands in 2022 and in 2021 1 760 EUR in thousands until the 1% changeover.

52.5 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 the current rents and conditions will be sustainable in the future.

The Corporate Group management is monitoring the influences of Russian-Ukrainian war; the increasing inflation is followed by the leasing fees, so the indirect influence does not represent a significant risk for the Group.

52.6 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 2022 and 2021 as follows:

31 December 2022	Due within 1 year	Due within 2-5 years	Due over 5 years	Total
Financial assets				
Trade receivables	556 820			556 820
Over-the-year receivables	0	196 078		196 078
Other short-term receivables	418 693			418 693
Affiliated receivables	0			0
Short-term loans granted	151 318			151 318
Cash equivalents	55 312 730			55 312 730
Financial assets	56 439 560	196 078		56 635 639
Financial liabilities				
Credits and lease transactions	1 331 856	5 209 279	19 570 844	26 111 979
Corporate bonds debt	1 748 907	6 995 628	53 781 114	62 525 649
Tenant deposits		1 300 579		1 300 579
Affiliated liabilities	28 457			28 457
Other short-term liabilities	151 046			151 046
Liabilities for trade creditors and other accounts	968 687			968 687
Accrued liabilities	386 395			386 395
Financial liabilities	4 615 348	13 505 486	73 351 958	91 472 492

See also Note 54.

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	1 897 019	7 588 076	59 891 598	69 376 693
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	35 509 527	66 734 474	67 441 839	169 685 840

53. Change of liabilities related to financing activity

	01 January 2022	Money flows	Exchange rate fluctuation and reclassification	De-recognition of subsidiary company	31 December 2022
Bank credits and lease liabilities short-term	932 373	(623 096)	1 022 579		1 331 856
Bank credit interest	0	(913 820)	913 820		0
Bank credits and lease liabilities long-term	48 007 602		(1 022 579)	(22 204 900)	24 780 123
Corporate bonds debt	54 557 445		(4 274 121)		50 283 324
Bond interest	0	(1 788 765)	1 788 765		0
Total	**103 497 420**	**(3 325 681)**	**(1 571 536)**	**(22 200 703)**	**76 395 303**

	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**

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 2022.

55. Events after the balance sheet day

On 10 March 2023, the Company signed a purchase agreement regarding the sale of the block of shares representing 100% of the shares issued by Dounby SP. Z O.O., the owner of office buildings "C", "D", "E" and "F" of the Wiśniowy Business Park (hereinafter referred to as: WBP) in Warsaw. On the day of the purchase agreement conclusion, the Company acquired the exclusive ownership of the Dounby Shares from Netherlands-based seller Cherry MidCo B.V., and thereby the Company became the sole shareholder of the target company.

Scope Ratings GmbH (hereinafter referred to as: the "Scope"), as at 02 March 2023, disclosed its report on bonds monitoring named "APPENINN 2029/I", which is issued within the scope of Appeninn Nyrt. and MNB Growth Debenture Programme. In the communication Scope classified the Issuer's credit rating in B category, and its bonds in B category.
In the assessment, Scope evaluated the Issuer's consistent implementation of its strategy adopted at the beginning of 2022 and the sale of tourist portfolio positively, but it made the

modification done within the scope of the rating review in respect of the Issuer and the bond classification contingent on the evaluation of the impact of the transactions performed by the Appeninn group on the financial and business risks.

Scope Ratings GmbH (hereinafter referred to as: the "Scope"), as at 05 April 2023, disclosed its report on the rating review of its bonds ("rating review") named "APPENINN 2029/I", which is issued within the scope of the Issuer and MNB Growth Debenture Programme. In the communication Scope reclassified the Issuer's credit rating from B category to B+ category, whereas its from B- category to B+ category.

In accordance with the business share purchase agreements concluded on 28 February 2023 in respect of the sales contract of business share representing 100% of the registered capital regarding Tidaholm Properties Kft. (registered office: 116 Budapest, Temesvár utca 20. that owns "Zone Bevásárlópark" in Székesfehérvár and in Zalaegerszeg and in respect of the business share representing 100% of the registered capital regarding Kantrum Property Kft. that owns "Kanizsa Centrum Bevásárlóközpont" in Nagykanizsa at the date of signature of the sales contract, Central European Ingatlanalap (in English: Central European Real Estate Fund (registered office: 1026 Budapest, Pasaréti út 122-124.) acquired sole owner rights of Tidaholm Business Share and Kantrum Business Share from the seller, hereby it became exclusively owner of both Tidaholm and Kantrum.

The closure connected to the business share purchase has not performed yet, hence purchase price settlement is not completed between the parties.

In accordance with the business share purchase agreement concluded on 19 December 2022 for the business share held by the Corporate Group and corresponding to 51% in Solum-Invest Ingatlanfejlesztési és Üzemeltető Kft. (in English: Solum-Invest Real Estate Development and Management Ltd.) and corresponding to a capital contribution of HUF 2.550 000, the transaction was closed on 30 January 2023.
By the closure, Blake Investment Kft., as the purchaser, acquired the business share ownership.

The management did not identify any significant effect or risk that would affect the valuation of the assets or the liabilities, or which would have a significant effect on the operation. In addition, the management did not identify any effect that significantly influences the ability of the Company to continue pursuing its business activity or that renders it uncertain, or any effect that influences the reputation of the Company at the time the balance sheet is prepared for the same period or that renders it uncertain. In connection with the Russo-Ukrainian War, the management has not identified any event or risk that would have a significant effect on the valuation of the assets or the liabilities, or on the ability to pursue business activities or on the application of the principle of continuity.

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

56. Information related to the compilation of the consolidated report

The consolidated financial statements for the financial year ending on 31 December 2022, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, have been prepared on the basis of the individual accounting data prepared in accordance with the Hungarian Accounting Act. The accounting service company responsible for compiling the Hungarian accountancy 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.

57. 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 2022 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 17 105-HUF in thousands + VAT altogether.
- The fees for other accounting services provided by the auditor amounted to 7 000 EUR + VAT.

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

58. Authorization of financial statements for publication

On 06 April 2023, the Board of Directors approved the consolidated annual financial statement of the Corporate Group for the year 2022 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 adopt or may refuse the report.

The persons are entitled to represent the Corporate Group as follows:
Szathmáriné Szűcs Györgyi Magdolna (1172 Budapest, Tura utca 46.)
Kertai Zsolt László (1055 Budapest, Honvéd utca 14/A.)

Dated as of 6 April 2023 in Budapest

Chairperson of the Board of Directors

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 assumptions.

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 6 April 2023 in Budapest

Chairperson of the Board of Directors