

Company name	Appeninn Asset Management Holding Plc.
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Appeninn Holding Asset Management Public Limited Company (1022 Budapest, Bég street 3-5., cg: 01-10-046538 - hereinafter referred to as Appeninn Plc. or the Company) as the issuer of the securities admitted to trading on a regulated market prepares and publishes its semi-annual report for the year 2024 in this document.

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1. MANAGEMENT REPORT

1.1 HISTORY OF THE APPENINN GROUP

Founded in 2009, Appeninn Plc. is a leading player in the Hungarian real estate market and a real estate investment and asset management company listed in the Premium category of the Budapest Stock Exchange for more than 10 years since 2013.

Its main activities are: acquisition and sale of own property, property management, renting and operating of real estates.

In 2019, the Company issued HUF 20 billion of Growth Bond Programme bonds to refinance its bank loans on more favourable terms, reduce the hedge burden of the properties and expand its real estate portfolio with high quality and higher income generating assets. At the time of the issuance of the bonds, Scope Ratings rated the Company 'B+' and the unsecured bonds issued 'BB-'.

The Company's strategy, approved in 2020, focused on the acquisition and development of tourism projects, following which Scope Ratings downgraded the Company's issuer rating to 'B-' and its unsecured bond rating to 'B-' on 12 April 2021, and did not change this one year later, during the March 2022 monitoring.

In February 2022, the Company amended its strategy, setting as its primary objectives the transformation into a Regulated Real Estate Investment Trust (REIT), the sale of tourism project companies and the acquisition of income-producing properties in SEE and CEE, in the framework of which the majority of its development projects were sold during the year. In January 2023, the Company sold the last element of its tourism portfolio, the 51% stake in Solum-Invest Ltd, which is recognised in the result of discontinued operations for the first half of 2023.

In the first quarter of 2023, the Group used the proceeds from the sale to acquire Hungarian and Polish subsidiaries (Dounby Sp. z o.o., Tidaholm Ltd., Kantrum Ltd.), which significantly increased the scope and revenues of its income-producing properties and the Group's consolidated operating profitability, due to the profit generated since the acquisition of the subsidiaries.

Based on the consistent execution of the 2022 strategy, the sale of the development portfolio and the office and commercial real estate transactions executed with a conservative financing structure, Scope Ratings gave a positive rating to the Company's risk profile, upgrading Appeninn's issuer rating to "B+/stable" and its unsecured bond to "B+" on April 5, 2023 and reaffirmed its rating on April 5, 2024.

1.2 REPORT OF THE BOARD OF DIRECTORS OF APPENINN PLC

In the first half of 2024, the Company and its consolidated subsidiaries (hereinafter referred to as the Appeninn Group or the Group) maintained its real estate portfolio in the office and retail segments and achieved significant growth compared to the first six months of the previous year by integrating significant acquisitions completed in the prior year. The revenue realised in the first half of 2024 is 30% higher than in the same period last year, while the amount of direct coverage is almost 50% higher.

The increase in sales and direct margin was driven by the half-year sales of the "Zone Shopping Park" in Székesfehérvár and "Kanizsa Centrum Shopping Centre" in Nagykanizsa, acquired on 28 February 2023, and the sales of the office buildings "C", "D", "E" and "F" in Wiśniowy Business Park in Warsaw (hereinafter: WBP), acquired on 10 March 2023. In addition to the increase in turnover and margins of the properties acquired in 2023, the Group has significantly increased the profitability of its real estate and leasing activities and is operating more cost-efficiently.

On April 5, 2024, Scope Ratings published the results of its review of the rating of the Company and its bonds "APPENINN 2029/1" issued under the MNB's Growth Bond Programme. In the release, Scope affirmed the Company's 'B+/Stable' credit rating and the bond's 'B+' rating. The affirmation is based on strong operational performance and the successful integration of last year's real estate acquisitions. Scope's statement on the rating review is available in English on the Scope Ratings website (<https://scoperatings.com/ratings-and-research/rating/EN/176673>)

Strong operational performance, significantly increasing profitability ratios

The income-generating capacity of the properties owned by the Appeninn Group shows a strong increase compared to the same period last year, mainly due to the results of the newly acquired subsidiaries. The Group closed the first half of 2024 with revenues of 11,816 thousand euros compared to 9,093 thousand euros in the same period of the previous year, while EBITDA (earnings before interest, taxes, depreciation and amortization) showed a profit of 7,511 thousand euros compared to a loss of 3,575 thousand euros in the same period of the previous year.

The profit after tax is a profit of EUR 7,032 thousand.

Growth strategy, transformation into a Regulated Investment Company and a more efficient company structure

The transactions in 2023 are aimed at diversifying the portfolio and further increasing the return for the Appeninn Group while maintaining a stable income generating capacity, a strategy that has already been successfully achieved in the 2024 figures.

The Company was registered as a Regulated Real Estate Investment Holding Company by the Metropolitan Court of Budapest on 12 January 2024, with effect from 1 January 2024, and was registered as a Regulated Real Estate Investment Company (REIT) by the Court of Budapest on 1 July 2024.

On 1 January 2024, Appen-Retail Ltd. and Felhévíz-Appen Ltd. merged into Appeninn Property Vagyonkezelő Zrt. In the second half of 2024, the Group will further streamline its structure by merging Szent László téri Szolgáltatóház Ltd, Sectura Ingatlankezelő Ltd, Appeninn BLT Ltd, BERTEX Zrt, Appeninn-BP1047 Zrt and Curlington Ltd into Appeninn Property Vagyonkezelő Zrt. The newly created company structure represents a more cost-efficient and transparent organisational structure.

On March 4, 2024, the Company commissioned a study to assess the sales potential of certain properties owned by its subsidiaries, which have a lower income-generating capacity, and to identify potential buyers, and will decide on the actual sale of the properties or on the further concept for their management based on the results of the study.

Shareholder value creation and vision

The primary objective of Appeninn Plc remains the consistent implementation of the strategy published in 2022, whereby the main sources of shareholder value creation are the continuous optimization of the real estate portfolio, the search for new investment targets, the optimization of the cost value of acquisitions while using favourable financing sources, the provision of professional operations and the achievement of above-market returns, thus further increasing asset value and profitability.

The Appeninn Group is constantly reviewing and evaluating its asset portfolio, its income generating capacity and exploring different alternatives for optimisation. To this end, it assesses the market potential and exploitation opportunities of some elements of its real estate portfolio in Hungary.

Within the limits of the significant cash resources currently at its disposal, its other sources of financing on favourable terms, the REIT structure and its financial ratios, the Group is continuously and actively monitoring market opportunities in Hungary and the CEE countries with a view to realising real estate investments in line with its strategic objectives.

The Company is committed to a transparent and cost-effective organisational structure that makes operations more efficient and competitive.

Capital market perception

The share price has recently moved significantly below the equity value per share (31.12.2023: HUF 897, 30.06.2024: HUF 961).

According to the rating review published by Scope Ratings on April 5, 2024, the Company's issuer credit rating of "B+" was affirmed, i.e. it was rated as investment grade, and its creditworthiness and debt repayment capacity were considered stable in the long term.

THE FIRST SIX MONTHS OF THE GROUP'S KEY DATA FOR 2024

Key data - consolidated	30.06.2024	30.06.2023
	EUR	EUR
Consolidated income statement - from continuing operations		
Investment property income	11 815 657	9 092 716
Direct cover	7 357 370	5 009 417
EBITDA	7 511 400	(3 574 955)
EBIT	7 508 390	(3 634 072)
Profit after tax for the year	7 032 146	(972 472)
Profit after tax for the year - from discontinued operations	-	3 220 448
Total profit after tax for the year	7 032 146	2 247 976
	30.06.2024	30.06.2023
	EUR	EUR
Assets, liabilities and equity:		
Investment properties	171 399 000	184 588 000
Assets held for sale	12 097 000	-
Total long-term liabilities	96 275 712	91 389 909
Total current assets	47 541 340	25 613 353
of which cash	30 563 511	20 362 775
Total current liabilities	7 381 736	8 240 332
Equity	115 771 088	111 060 887

A SUMMARY OF THE RESULTS

In the first half of 2024, the consolidated revenue of Appennin Plc according to IFRS was EUR 11.8 million, which is significantly higher than in the same period of the previous year (EUR 9.1 million), i.e. 30% higher than in the same period of the previous year. The main reasons for the higher level of revenue are the full half-year revenue of the new subsidiaries (€7,423 thousand) and the indexation of the rents of the so-called core portfolio in Hungary, which the Group owned before 2023.

The result of the acquired subsidiaries in 2024 significantly increased the consolidated EBITDA by EUR 3,010 thousand, while it increased the consolidated profit after tax for the year by EUR 2,026 thousand. In 2023, the consolidated statement of comprehensive income included the results of the acquired subsidiaries only for the period after the acquisition date (28 February 2023 for Tidaholm and Kantrum Ltd. and 10 March 2023 for Dounby Sp. z o. o.), while in 2024 the results for the full half-year were included in the consolidated statement of comprehensive income.

The Group's consolidated performance indicators continued to improve in terms of operational performance, profitability of real estate operations and profit after tax, with the direct coverage to sales ratio increasing by 7.2%. The Group's profit after tax was €7.0 million, significantly higher than the €2.2 million of the previous year. EBITDA was positive at €7.5 million compared to a loss before financial and depreciation charges of €3.6 million in the first half of 2023, but the result in both years was significantly impacted by movements in the euro exchange rate.

Consolidated results in both 2023 and the first half of 2024 were particularly affected by the exchange rate movements, albeit with different signs, which also significantly reduced EBITDA in 2023 and significantly increased it in 2024.

The result from the revaluation of investment properties is also affected by the EUR/HUF exchange rate fluctuation due to the difference between the valuation and the recording currency, which had a negative impact of EUR 8,295 thousand in the first half of 2023 and a positive impact of EUR 4,871 thousand in the first six months of 2024.

The exchange rate loss/gain on the total amount of non-HUF loans is also essentially a consequence of the difference in the recording and functional currency. This distorts the overall picture of the real economic performance, mainly due to the revenue structure, which is also based on the euro, since the revaluation of loans due to exchange rate changes is effectively only realised in the result depending on the level and extent of the subsequent revenue, which depends on the current exchange rate.

As a result of the REIT status, the Group has made a quarterly valuation of its real estate portfolio since 2024. In 2023, the change in the fair value of the real estate at the end of the half-year was not yet included in the figures, but the consolidated EBITDA at 30.06.2024

included the amount of market revaluations, reducing the result by approximately EUR 4,181 thousand.

In the development of profitability indicators calculated from profit after tax in 2023 and 2024, several non-recurring factors, costs related to the acquisition of shares, the gain on the sale of the shares of Solum-Invest Ltd. and exchange rate fluctuations played a significant role. After eliminating these factors, the half-year profit after tax for 2024 and 2023 becomes comparable, which in the first half of this year was higher than in the same period of the previous year, even after the above adjustments:

	30.06.2024	30.06.2023
	EUR	EUR
Profit after tax	7 032 146	2 247 976
Of which:		
Result of discontinuing activity	-	- 3 220 448
Exchange rate impact of revaluation of investment properties	- 4 870 909	8 294 530
Investment property fair valuation	4 180 856	-
Exchange rate impact of loan revaluation	733 661	-1 614 804
One-off costs for the acquisition of new subsidiaries	-	417 081
Adjusted profit after tax	7 075 754	6 124 335

INDICATORS TO MEASURE PERFORMANCE

	Data in EUR		Change (percentage)
	30.06.2024	30.06.2023	
Investment properties and assets held for sale	183 496 000	181 810 113	0,93%
Gross margin	7 357 370	5 009 417	46,87%
Profit after tax	7 032 146	2 247 976	212,82%
EBITDA	7 511 400	(3 574 955)	310,11%
Equity capital	115 771 088	92 949 674	24,55%
ROE (6 months)	6,07%	2,42%	3,66%
ROA (6 months)	3,20%	1,08%	2,12%
Leverage ratio	47,24%	48,20%	-0,96%

Appenninn Plc.

Board of Directors

2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2024

Appeninn Plc has prepared its consolidated financial statements for the first half of 2024 (the "Report"), which include the consolidated management report for the first six months of 2024, the interim condensed consolidated balance sheet and the interim condensed consolidated income statement for the period prepared in accordance with International Financial Reporting Standards (IFRS) and the notes thereto. The accounting policies applied in the Report are consistent with those applied in the comparative period. The use of the mandatory standard did not have a material impact on the interim condensed consolidated financial statements of the Appeninn Group.

The reporting currency of the Report is EUR.

These interim condensed consolidated financial statements have not been audited by an independent auditor. The interim condensed consolidated financial statements have been approved by the Board of Directors of the Company. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, standards published and incorporated by regulation in the Official Journal of the European Union (EU) and the requirements of IAS 34 Interim Financial Reporting. IFRS are standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

2.1. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Income statement	30.06.2024	30.06.2023
	EUR	EUR
Continuing activity		
Income from the rental of immovable property	11 815 657	9 092 716
Direct costs of letting a property	(4 458 287)	(4 083 299)
Gross margin	7 357 370	5 009 417
Administrative costs	(434 457)	(789 679)
Expenditure on staff	(163 927)	(140 137)
Other income/(expenses)	62 361	281 433
Sale of subsidiaries, investments profit (loss)	-	-
Gains on sales of investment property	-	358 541
Revaluation of investment property	690 053	(8 294 530)
Gross operating profit (EBITDA)	7 511 400	(3 574 955)
Depreciation and amortisation	(3 010)	(59 117)
Other (expense)/income from financial operations	345 021	1 614 804
Balance of interest receivable and (payable)	(1 004 058)	592 774
Lease interest	(3 988)	
Profit before tax	6 845 365	(1 426 494)
Income taxes	186 781	454 022
Profit after tax from continuing operations	7 032 146	- 972 472
Profit after tax from discontinued operations	-	3 220 448
Total profit after tax	7 032 146	2 247 976
Other comprehensive income		
Exchange rate differences arising on the translation of transactions in foreign currencies		6 224 637
Other comprehensive income for the year, net of tax		6 224 637
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4 710 201	8 472 613
Results from continuing operations		
Non-controlling interests	-	-
Attributable to owners of the Company	7 032 146	(972 472)
From the results of a discontinuing activity:		
Non-controlling interests	-	-
Attributable to owners of the Company	-	3 220 448
From other comprehensive income:		
Non-controlling interests	-	-
Attributable to owners of the Company	(2 321 945)	6 224 637
Total comprehensive income:		
Non-controlling interests	-	-
Attributable to owners of the Company	4 710 201	8 472 613
Basic Total comprehensive income per share in EUR cents	14,85	4,75
Diluted total comprehensive income per share in EUR cents	14,85	4,75

Balance sheet	30.06.2024	31.12.2023
Assets	EUR	EUR
Investment properties	171 399 000	184 588 000
Fixed assets	23 701	27 411
Deferred tax assets	0	0
Participation in an associated company	7 686	7 590
Receivables beyond one year	456 809	454 774
Total long term assets	171 887 196	185 077 775
Trade receivables	2 848 594	2 845 019
Other current receivables	589 769	969 502
Short-term loans	0	0
Prepayments	1 375 642	1 419 345
Income tax receivables	66 824	16 712
Assets held for sale	12 097 000	0
Cash and cash equivalents	30 563 511	20 362 775
Total current assets	47 541 340	25 613 353
Total assets	219 428 536	210 691 128
Balance sheet	30.06.2024	31.12.2023
Equity	EUR	EUR
Share capital	15 217 006	15 217 006
Treasury shares repurchased	-1 171	-1 171
Reserves	25 645 230	25 645 230
Translation reserve	-14 851 358	-12 529 413
Retained earnings	89 761 381	82 729 235
Equity attributable to parent	115 771 088	111 060 887
Non-controlling interests	0	0
Total equity	115 771 088	111 060 887
Long-term bank loans and leasing liabilities	41 310 121	36 041 235
Bond debt	52 042 507	52 563 100
Deposits paid by tenants	2 923 084	2 785 574
Deferred tax liabilities	-	-
Total long-term liabilities	96 275 712	91 389 909
Short-term bank loans and leasing liabilities	2 453 959	2 308 058
Other current liabilities	969 623	725 052
Short-term related liabilities	-	-
Liabilities to suppliers	1 014 205	1 218 472
Tax and duty obligations	624 327	449 320
Income tax liabilities	3	542 399
Liabilities directly linked to sales	-	-
Accruals and provisions	2 319 619	2 997 031
Total current liabilities	7 381 736	8 240 332
Total liabilities	103 657 448	99 630 241
Total equity and liabilities	219 428 536	210 691 128

Cash- Flow	2024.06.30 EUR	2023.06.30 EUR
Profit before tax	6 845 365	1 793 954
Revaluation of investment property	(690 053)	8 294 530
Investment expenditure on immovable property	-	-
Result on the sale of real estate	-	-
Depreciation	3 010	59 117
Negative goodwill	-	-
Profit/(loss) on sale of subsidiaries	-	-
Interest revenue	(542 719)	2 263 508
Interest expenditure	1 550 765	1 669 129
Change in receivables and other current assets	326 046	34 818 610
Changes in accrued income and prepaid expenses	43 703	(1 115 573)
Change in inventories	-	-
Changes in liabilities and accruals	1 941 594	(9 255 685)
Change in tenant deposits	137 510	1 358 058
Income tax paid	46 482	(156 823)
Net cash flow from operating activities	9 661 703	39 728 825
Guarantee obligation for the sale of a shareholding	-	-
Investment expenditure on property	(1 544 428)	-
Acquisition of shareholding	-	-
Purchases of tangible fixed assets	(1 335)	-
Change in loans granted, granted	-	1 160 948
Interest revenue	542 719	(2 263 508)
Proceeds from sale of shares	-	1 312 553
Acquisition of investment property	-	(75 670 557)
Proceeds from the sale of real estate	-	-
Net cash flow used in investing activities	(1 003 044)	(75 460 564)
Increase in loans, leasing, borrowing	6 036 331	-
Loan repayments	(621 544)	(4 300 284)
Interest expenditure	(1 550 765)	(1 669 129)
Net cash flow from financing activities	3 864 022	(5 969 413)
Impact of exchange rate changes	(2 321 945)	6 224 637
Change in cash and cash equivalents	10 200 736	(35 476 515)
Cash balances:		
Cash at the beginning of the year	20 362 775	55 312 730
Cash and cash equivalents at the end of the year	30 563 511	19 836 215

Changes in equity (EUR figures)	Share capital	Reserves	Treasury shares	Translation reserve	Retained earnings	Attributable to owners of the parent company	Non-controlling interests	Total equity
On 1 January 2023	15 217 006	25 645 230	(1 171)	(16 238 045)	59 962 450	84 585 470	(1 334 558)	83 250 912
Total comprehensive income								
Total comprehensive income	-	-	-	6 224 637	2 247 976	8 472 613	-	8 472 613
Transactions with owners	-	-	-	(108 409)	-	(108 409)	1 334 558	1 226 149
Sale of a subsidiary				(108 409)		(108 409)	1 334 558	1 226 149
Transaction with non-controlling interest						-		-
30 June 2023	15 217 006	25 645 230	(1 171)	(10 121 817)	62 210 426	92 949 674	-	92 949 674
Total comprehensive income								
Total comprehensive income	-	-	-	(2 407 596)	20 518 809	18 111 213	-	18 111 213
Transactions with owners	-	-	-	-	-	-	-	-
Sale of a subsidiary				-		-	-	-
Transaction with non-controlling interest						-	-	-
Balance at 31 December 2023	15 217 006	25 645 230	(1 171)	(12 529 413)	82 729 235	111 060 887	-	111 060 887
On 1 January 2024	15 217 006	25 645 230	(1 171)	(12 529 413)	82 729 235	111 060 887	-	111 060 887
Total comprehensive income								
Total comprehensive income	-	-	-	(2 321 945)	7 032 146	4 710 201	-	4 710 201
Transactions with owners	-	-	-	-	-	-	-	-
Sale of a subsidiary				-		-	-	-
Transaction with non-controlling interest				-		-	-	-
30 June 2024	15 217 006	25 645 230	(1 171)	(14 851 358)	89 761 381	115 771 088	-	115 771 088

2.2. ANALYSIS OF THE INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Result from property rental and operating activities

The direct cover amounts to EUR 7,357 thousand, which is 47% higher than the previous year's EUR 5,009 thousand. Although costs from rental and operating activities increased in nominal terms due to the full half-year direct costs of the subsidiaries acquired in 2023, the decrease in the cost level resulted in an increase of 7.2% in the direct coverage ratio.

The previous power contract of the Dounby subsidiary acquired in 2023 resulted in a high cost level, resulting in a hedge ratio of 31%, which significantly reduced the Group's consolidated direct hedge ratio. Following a review of the power purchase contracts, more favourable contractual terms increased the amount of hedge for 2024.

Administrative costs in 2023 were high due to one-off transaction costs for the acquired subsidiaries, but there were no significant changes in 2024.

There were no significant changes in staff costs during the year.

Financing and financial result

The interest payable on the Group's Growth Programme bond portfolio and bank loans amounted to EUR 1,550,765, offset by the amount of interest received on deposits, resulting in a net balance of EUR 1,004,058 in interest received and paid. The positive result (345,000 euros) recorded in the income and expenses of financial operations is due to the revaluation of euro-denominated loans and deposits, which are largely in foreign currency, which is due to the difference in the accounting and presentation currency, Appennin Plc and its subsidiaries keep their books in forints, while the publication currency of the half-yearly and annual reports is the euro.

The Group's profit after tax amounted to a profit of EUR 7,032 thousand.

Consolidated profit after tax of the Appeninn Group

The total comprehensive income per share issued and average number of shares outstanding was 14.85 euro cents in the first half of 2024, compared to a profit of 4.75 euro cents in the same period of 2023. The shift in the earnings per share indicator represented an increase compared to the figure calculated a year earlier.

Subsidiaries

On 1 January 2024, Appen-Retail Ltd. and Felhívíz-Appen Ltd., and in the second half of 2024, Szent László téri Szolgáltatóház Ltd., Sectura Ingatlankezelő Ltd., Appeninn BLT Ltd., BERTEX Zrt., Appeninn-BP1047 Zrt. and Curlington Ltd. were merged into Appeninn Property Vagyonkezelő Zrt.

2.3. INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

The Appeninn Group's balance sheet total as of 30 June 2024 is 219,429 thousand euros.

1. Assets

1.1. Long term assets - Investment property

The estimated value of the Appeninn Group's total real estate assets at the balance sheet date was EUR 183,496 thousand (of which EUR 12,097 thousand of properties were reclassified to assets held for sale). The income-producing real estate portfolio comprises 37 properties at the end of the first half of 2024.

The value of the Group's investment properties has decreased due to sales decisions in addition to fair valuation and exchange rate movements. The Group announced on 4 March 2024 a mandate to assess the sales potential of certain properties owned by the Company's subsidiaries and to identify potential buyers:

- Office premises and associated garage parking spaces located at 24 Felhévízi street, Budapest II. district;
- Farm building and adjacent land plot located at Schweidel József street 3./Attila street 146, Budapest, District IV;
- Office and service building located in Budapest IX. district, Páva street 8./Lilom street 11;
- Business, industrial and commercial building complex located at 20 Bányá street, Budapest X. district;
- Office building located at 19 Frangepán street, Budapest XIII. district;
- Budapest XIV. district, Egyenes street 4. located factory building and related land plot;
- Office, commercial and warehouse buildings located at 12-14 Várna Street, Budapest XIV. district.

The Company will decide on the actual sale or rejection of the properties in the light of the offers received. The properties concerned have been reclassified to assets held for sale.

The table below shows the changes between the balance sheet value as at 31 December 2023 and the balance sheet value as at 30 June 2024, expressed in euros per property:

	31 December 2023.	Re-activate	Reclassificati on to sales	Market price increase	Market price decrease	30 June 2024.
1149 Budapest, Várna u. 12-14.	1 453 000		(1 290 000)		(163 000)	-
1047 Schweidel street 3.	2 210 000		(2 110 000)		(100 000)	-
1023 Budapest, Bég u. 3-5.	9 263 000	14 081		262 919		9 540 000
1022 Budapest, Bég u. 4. (Törökvész u. 30.)	3 420 000	543 121			(303 121)	3 660 000
1094 Budapest, Páva u. 8.	2 858 000		(2 603 000)		(255 000)	-
1015 Budapest, Hattyú street 14.	8 710 000	14 169			(174 169)	8 550 000
1118 Budapest, Kelenhegyi út 43.	5 152 000	13 447		130 553		5 296 000
1133 Budapest, Visegrádi u. 110- 112.	4 250 000	3 230			(3 230)	4 250 000
17 SPAR store 6000 Kecskemét, Kiskőrösi street 30.	19 669 000				(426 000)	19 243 000
1082 Budapest, Üllői út 48.	2 350 000	7 116			(97 116)	2 260 000
1147 Budapest, Egyenes u. 4.	20 860 000			1 440 000		22 300 000
1105 Budapest, Bánya street 20.	723 000		(729 000)	6 000		-
1023 Budapest, Felhévizi u. 24.	1 665 000		(1 840 000)	175 000		-
1139 Budapest, Frangepán u. 19.	1 070 000		(1 030 000)		(40 000)	-
1105 Budapest, Bánya street	2 280 000		(2 320 000)	40 000		-
3525 Miskolc, Szűcs Sámuel u. 5.	175 000		(175 000)			-
1013 Budapest, Pauler street 2. 8000 Zalaegerszeg, Balatoni út 5-7.	1 440 000				(160 000)	1 280 000
8900 Székesfehérvár, Szent Flórián krt. 11.	1 210 000					1 210 000
8000 Nagykanizsa, Táborhely u. 4.	15 250 000	459 051			(559 051)	15 150 000
Wisniowy Business Park	13 510 000	458 027			(298 027)	13 670 000
	17 200 000	32 188		667 812		17 900 000
	49 870 000				(2 780 000)	47 090 000
	184 588 000	1 544 428	(12 097 000)	2 722 284	(5 358 713)	171 399 000

1.2. Long term assets - Receivables beyond the year

Receivables due after one year include restricted cash, which did not change significantly compared to EUR 455 thousand at 31 December 2023.

1.3. Long term assets - Participation in an associate

Participation in associated companies refers to the 50% share in Wisniowy Management Sp. z o.o., a company owned by Dounby Sp. z o.o., acquired in the year under review.

1.4. Current assets - Trade and other receivables, prepayments

Trade receivables amounted to EUR 2,849 thousand, which was significantly unchanged from EUR 2,845 thousand at the end of last year.

Other current receivables amount to €590 thousand at 30 June 2024, compared to €970 thousand at the end of 2023. The decrease is mainly due to the change in tax receivables.

Prepayments amounted to EUR 1,376 thousand, which did not change significantly compared to EUR 1,419 thousand at the end of last year.

1.5. Current assets - Cash and cash equivalents

The increase in cash and cash equivalents is mainly the result of operating activities and the borrowing of Kantrum Ltd.

2. Liabilities

2.1. Long and short-term bank loans, bond debt

The amount of long-term bank loans increased from EUR 36,041 thousand to EUR 41,310 thousand. The increase was mainly due to the acquisition of Kantrum Ltd. K&H Bank in 2024.

The value of short-term bank loans did not change significantly, increasing from EUR 2,308 thousand in 2023 to EUR 2,454 thousand.

The HUF-denominated bond portfolio issued in 2019 under the NKP central bank programme includes accrued interest at 30 June 2024, as the interest of the previous year has already been paid at the end of 2023, while the half-yearly interest is accrued in 2024 in the amount of the bond liability. The amount of the bond liability has decreased as a result of the euro exchange rate.

The indebtedness ratio based on external bank funding alone is 19.94 percent, while the total external indebtedness ratio including the bond package is 47.24 percent.

2.2. Suppliers

A liability to suppliers of EUR 1,014 thousand was recognised at 30 June 2024 compared to EUR 1,218 thousand at 31 December 2023, which shows no significant change.

2.3. Other current liabilities

Other current liabilities amounted to EUR 970 thousand at 30 June 2024 compared to EUR 725 thousand at 31 December 2023. The increase is mainly due to the amount of fees payable for the acquisition of subsidiaries in 2024.

2.4. Accruals and deferred income

Accrued liabilities amount to €2,320 thousand compared to €2,997 thousand at 31 December 2023. The decrease compared to the end of last year is mainly due to the amount of accrued income.

3. CAPITAL STRUCTURE OF THE GROUP

As at 30 June 2024, the Company's capital attributable to shareholders amounts to EUR 115,771 thousand and non-controlling interests to zero.

No dividend was approved in the first half of 2024.

4. GROUP CASH-FLOW

The Appenin Group's cash and cash equivalents increased by a net amount of EUR 10,201 thousand, mainly due to the increase in operating activities and new borrowings.

3. ANNEXES

3.1. OWNERSHIP OF COMPANIES INCLUDED IN CONSOLIDATION AND CONTROLLED SHAREHOLDINGS

Name of subsidiary	Parent company	Ownership and voting rights	
		30.06.2024	30.06.2023
Appeninn BLT Ltd.	Appeninn Plc.	100%	100%
Appeninn E-Office Asset Management Ltd.	Appeninn Plc.	100%	100%
Appeninn Project-EGRV Ltd.	Appeninn Plc.	100%	100%
Appeninn Project-MSKC Ltd.	Appeninn Plc.	100%	100%
Appeninn Property Asset Management Ltd.	Appeninn Plc.	100%	100%
Appeninn-Bp 1047 Zrt.	Appeninn Plc.	100%	100%
Appen-Retail Ltd.	Appeninn Property Asset Management Ltd.	-*	100%
Bertex Real Estate Distributor Ltd.	Appeninn Plc.	100%	100%
Curlington Property Development Ltd.	Appeninn Plc.	100%	100%
Felhévíz-Appen Ltd.	Appeninn Property Asset Management Ltd.	-*	100%
Sectura Property Management Ltd.	Szent László téri Service House Ltd.	100%	100%
Szent László téri Service House Ltd.	Appeninn Plc.	100%	100%
Tunnel Investment Ltd.	Appeninn Plc.	100%	100%
Tidaholm Properties Ltd.	Appeninn Plc.	100%	100%
Kantrum Property Ltd.	Appeninn Plc.	100%	100%
Dounby SP. Z.O.O.	Appeninn Plc.	100%	100%
Wisniowy Management Sp. Z.o.o.	Dounby SP Z.O.O.	50%	50%

* On 1 January 2024, they were merged into Appeninn Property Asset Management Ltd.

3.2. HIGHLIGHTS FOR THE FIRST HALF OF 2024 AND BEYOND

2 September 2024.

The Board of Directors of the Company has decided to increase the share capital of DOUNBY SP. Z O.O. (hereinafter referred to as "DOUNBY"), a 100% owned subsidiary of the Company through indirect ownership of Appeninn Project-EGRV Ltd. For the capital increase, EGRV will provide DOUNBY with an asset contribution of EUR 16,670,000 (sixteen million six hundred and seventy thousand euros), of which EUR 1,670,000 (one million six hundred and seventy thousand euros) will be equity and the remaining EUR 15,000,000 (fifteen million euros) will be met by bank financing provided by MBH Bank Zrt. under the terms of a loan programme operated by EXIM at preferential interest rates.

1 July 2024.

On 1 July 2024, the Company was registered as a Regulated Real Estate Investment Company (SZIT) by the Commercial Court of the Metropolitan Court of Budapest.

26 April 2024.

On 26 April 2024, the General Meeting of the Issuer approved and published the consolidated and separate IFRS reports for 2023.

5 April 2024.

On April 5, 2024, the Issuer published the results of the rating review of the Issuer and its bonds "APPENINN 2029/I" issued under the MNB's Growth Bond Programme. In the announcement, Scope confirmed the Issuer's "B+/Stable" credit rating and the bond's "B+" rating. The affirmation reflects the strong operational performance and the strong real estate

successful integration of acquisitions. A Scope statement on the rating review is available in English on the Scope Ratings website.

(<https://scoperatings.com/ratings-and-research/rating/EN/176673>)

28 March 2024.

The Board of Directors of the Company has decided to merge the wholly-owned subsidiaries directly owned by the Issuer in such a way that

- Szent László Téri Szolgáltató Ház Limited Liability Company (registered office: 1022 Budapest, Bégy street 3-5.; company registration number: 01-09-947093), SECTURA Ingatlankezelő Limited Liability Company (registered office: 1022 Budapest, Bégy street 3-5.; company registration number: 01-09-297215),
- Appeninn BLT Limited Liability Company (registered office: 1022 Budapest, Bégy street 3-5.; company registration number: 01-09-326114),
- BERTEX Ingatlanforgalmazó Zártkörűen Működő Részvénytársaság (registered office: 1022 Budapest, Bégy street 3-5.; company registration number: 01-10-045752),
- Appeninn-Bp1047 Zártkörűen Működő Részvénytársaság (registered office: 1022 Budapest, Bégy street 3-5.; company registration number: 01-10-047160), and
- CURLINGTON Ingatlanfejlesztési Limited Liability Company (registered office: 1022 Budapest, Bégy street 3-5.; company registration number: 01-09-728951)

- as the merging companies (hereinafter collectively referred to as the "Merging Companies") shall be merged into APPENINN Property Zártkörűen Működő Részvénytársaság (registered office: 1022 Budapest, Bég street 3-5.; company registration number: 01-10-048362) as the acquiring company (hereinafter referred to as the "Acquiring Company").

The merger will be carried out in accordance with the rules on transformation for the benefit of the merged entity.

The date of the merger, as determined by the Board of Directors, shall be 30 June 2024, but if the delisting of the Merging Companies would occur later than that, the date of the delisting shall be the date of the delisting (the "Merger Date").

As of the Merger Date, the Merging Companies shall cease to exist and the Transferee Company shall continue to operate as their general successor in unchanged form as the successor company (hereinafter referred to as the Successor Appeninn Property Vagyonkezelő Zrt.).

The sole shareholder of the Assignee Appeninn Property Vagyonkezelő Zrt. will (successor) the Issuer and will own unchanged the 12 dematerialized registered ordinary shares of the Assuming Company issued against the HUF 6,000,000.- nominal capital of the Assuming Company, each with a nominal value of HUF 500,000.-, with a total nominal value of HUF 6,000,000.-.

The succession of the Successor Appeninn Property Asset Management Ltd. will be effected with respect to all assets, tangible and intangible assets, rights and obligations that the Merging Companies held until the Merger Date, and will thus become the owner of the real estate currently owned by the Merging Companies.

4 March 2024.

On 4 March 2024, the Company announced a mandate to sell properties owned by the Company's subsidiaries and to find potential buyers:

- Office premises and associated garage parking spaces located at 24 Felhévizi street, Budapest II. district;
- Farm building and adjacent land plot located at Schweidel József street 3./Attila street 146, Budapest, District IV;
- Office and service building located in Budapest IX. district, Páva street 8./Lilom street 11;
- Budapest X. district, Bánya street 20. is a complex of commercial, industrial and business buildings;
- Office building located at 19 Frangepán street, Budapest XIII. district;
- Budapest XIV. district, Egyenes street 4. located factory building and adjacent land plot;
- Office, commercial and warehouse buildings located at 12-14 Várna Street, Budapest XIV. district.

The Company will decide on the actual sale or rejection of the properties in the light of the offers received.

12 January 2024.

By its Order No. Cg. 01-10-046538/174, the Commercial Court of the Metropolitan Court of Budapest registered the fact of the Company's registration as a regulated real estate investment holding company (hereinafter referred to as "REIT") in the Commercial Register. The date of registration of the REIT is 1 January 2024, i.e. the Company is entitled to and is subject to the rights and obligations provided for by law in relation to the REIT from that date.

3.3. APPENINN PLC SEPARATE INTERIM CONDENSED FINANCIAL STATEMENTS

Balance sheet	30.06.2024	31.12.2023
Assets	thousand HUF	thousand HUF
Investment properties	9 661 658	8 884 324
Fixed assets	9 324	10 492
Right of use of asset	0	0
Lease receivables	0	0
Investments	8 510 654	8 153 554
Total long term assets	18 181 636	17 048 371
Trade receivables	92 807	89 881
Other current receivables	106 838	154 627
Receivables from related parties	19 492 810	21 485 258
Short-term loans	0	-
Accruals	61 673	111 910
Cash and cash equivalents	9 232 648	6 324 324
Total current assets	28 986 777	28 166 000
Total assets	47 168 413	45 214 370
Equity and liabilities		
Share capital	4 737 142	4 737 142
Treasury shares repurchased	-1 114	-1 114
Reserves	8 095 844	8 095 844
Retained earnings	9 099 193	7 263 786
Total equity	21 931 066	20 095 659
Deposits paid by tenants	207 976	206 986
Lease commitments	0	17 315
Debts on own-issue bonds	20 473 002	20 120 103
Long-term related liabilities	0	-
Deferred tax liabilities	0	-
Total long-term liabilities	20 680 977	20 344 404
Short-term bank loans and leasing liabilities	70 650	102 099
Other current liabilities	355 335	262 535
Short-term related liabilities	3 974 673	4 057 423
Liabilities to suppliers	29 909	13 035
Tax and duty obligations	20 834	66 485
Income tax liabilities	0	49 975
Accruals and deferred income	104 968	222 755
Total current liabilities	4 556 370	4 774 307
Total liabilities	25 237 348	25 118 711
Total equity and liabilities	47 168 413	45 214 370

Income statement	30.06.2024	30.06.2023
	thousand HUF	thousand HUF
Income from the rental of immovable property	424 078	419 191
Direct costs of letting a property	(38 382)	(69 151)
Gross margin	385 696	350 040
Service charges from subsidiaries	126 586	126 125
Administrative costs, service charges, wages and salaries	(185 690)	(291 988)
Other income/(expenses)	(997)	(61 460)
Sale of subsidiaries, investments profit (loss)	-	-
Revaluation result on income-producing investment property	775 021	(747 534)
Investments in real estate (capex)	(2 774)	-
Gross operating profit (EBITDA)**	1 097 842	(624 817)
Depreciation and amortisation	(1 173)	(22 520)
Other (expense)/income from financial operations	575 209	(589 470)
Balance of interest receivable and (payable)	163 530	415 575
Profit before tax	1 835 407	(821 232)
Income taxes	-	43 900
Result for the year	1 835 407	- 777 332
Other comprehensive income		
Exchange rate differences arising on the translation of transactions in foreign currencies	-	-
Other comprehensive income for the year, net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1 835 407	- 777 332

Cash- Flow	30.06.2024 thousand HUF	30.06.2023 thousand HUF
Profit before tax	1 835 407	-821 232
Revaluation result on investment property	(775 021)	747 534
Depreciation	1 173	22 520
Profit/(loss) on sale of subsidiaries	-	-
Reversal of impairment	-	-
Interest revenue	(515 053)	(765 575)
Interest expenditure	350 000	350 000
Change in receivables and other current assets	46 542	(32 901)
Changes in liabilities and accruals	158 054	3 557 496
Income tax paid	(49 975)	39 835
Net cash flow from operating activities	1 051 127	3 097 677
Acquisition of shareholdings	(357 100)	(3 785 702)
Sale of shares	-	500 000
Purchases of tangible fixed assets	(5)	(1 827)
Subleasing income	48 558	21 340
Interest revenue	515 053	765 575
Change in loans granted, granted	-	60 565
Loans to related parties	1 992 448	(9 717 165)
Net cash flow from (used in) investing activities	2 198 954	(12 157 214)
Dividend payment	-	-
Repayment of own-issue bond	-	-
Increase in loans, leasing, borrowing	(131 514)	20
Purchase of own shares	-	-
Sale of own shares	-	-
Interest expenditure	(350 000)	(350 000)
Leasing rates	(1 523)	-
Exchange rate difference	-	-
Net cash flow used in financing activities	(483 037)	(349 980)
Exchange rate impact	141 281	-
Change in cash and cash equivalents	2 908 325	(9 409 517)
Cash balances:		
Cash at the beginning of the year	6 324 324	12 304 042
Cash and cash equivalents at the end of the year	9 232 648	2 894 525

Changes in equity (in thousands of HUF)	Share capital	Reserves	Retrieved from own share	Retained earnings	Total equity
Balance on 1 January 2023	4 737 142	8 095 844	(1 114)	7 420 955	20 252 827
Total comprehensive income					
Total comprehensive income				(157 168)	(157 168)
Transactions with owners	-	-	-	-	-
Purchase of treasury shares					-
Sale of treasury shares					-
Reclassification					-
Dividend					-
Capital increase					-
Balance on 31 December 2023	4 737 142	8 095 844	(1 114)	7 263 787	20 095 659
Balance on 1 January 2024	4 737 142	8 095 844	(1 114)	7 263 787	20 095 659
Total comprehensive income					
Total comprehensive income				1 835 407	1 835 407
Transactions with owners	-	-	-	-	-
Purchase of treasury shares					-
Sale of treasury shares					-
Reclassification					-
Dividend					-
Capital increase					-
Balance on 31 December 2024	4 737 142	8 095 844	(1 114)	9 099 194	21 931 066

3.4. GENERAL INFORMATION ABOUT THE ISSUER

Company name:	Appennin Asset Management Holding Plc.
Company form:	public limited company
Headquarters:	1022 Budapest, Bég street 3-5.
Company registration number:	01-10-046538
Tax number:	11683991-2-41
Statistical number:	11683991-6810-114-01
Date of foundation:	2009.12.07.
Registered capital:	4.737.142 thousand HUF
Listing date:	2 July 2010

SHARE INFORMATION

Type of shares:	registered ordinary share, dematerialised
Face value of shares:	100 Ft/each
Number of shares:	47,371,419 shares
ISIN code of shares:	HU0000102132
Treasury shares repurchased:	1,848 shares

PRESENTATION OF HOLDINGS GREATER THAN 5%

Name	Nationality ¹	Activity ²	Quantity (pieces)	Shareholding (%)	Voting rights (%) ³
Avellino Holding Zrt.	B	T	11.369.141	24,00%	24,00%
Sequor Holding Zrt.	B	T	11.297.291	23,84%	23,84%
OTP Real Estate Investment Fund	B	T	2.410.372	5,09%	5,09%

1 Domestic (B). Foreign (K) 2 Custodian (L). Public (G). International Development Institute (IDI). Institutional (I). Economic Corporation (E) Private (M). Employee, manager (D) 3 Voting rights to participate in the decision-making at the general meeting of the Issuer

As of 30 June 2024, the Company's share capital consists of 47,371,419 dematerialised ordinary shares with a nominal value of HUF 100.00 each, of which 1,848 shares are owned by the Company.

OFFICIALS

The executive officers of Appeninn Plc as at 30 June 2024 were:

Board of Directors:

Szathmáriné Szűcs Györgyi Magdolna CEO (President)

Dr. Tibor Endre Illés

Zoltán Jombik

dr. János Dezső Jákó

dr. István Hüse

Audit Committee:

Zoltán Jombik (President)

dr. János Dezső Jákó

dr. István Hüse

3.5. A STATEMENT ON THE AUDIT OF THE DATA IN THE REPORT

The information in the Report is consolidated, prepared in accordance with IFRS effective 1 January 2024 and has not been audited by an independent auditor.

3.6. APPENINN GROUP DISCLAIMER

The undersigned declare that the Report, prepared to the best of our knowledge and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), gives a true and fair view of the assets, liabilities, financial position and profit and loss of Appeninn Plc and its consolidated companies. Furthermore, the Report gives a true and fair view of the position, development and performance of Appeninn Plc and its undertakings included in the consolidation, together with a description of the principal risks and uncertainties.

The Interim Financial Report is not subject to an independent auditor's report.

Budapest, 30 September 2024.

**Mrs Györgyi Magdolna
Szathmáriné Szűcs
CEO**

Appeninn Asset Management Holding Plc.