APPENINN HOLDING NYRT.

SEPARATE ANNUAL FINANCIAL STATEMENTS

**INTERNATIONAL FINANCIAL REPORTING
ACCORDING TO STANDARDS
31 DECEMBER 2024.**

WITH A COMPARATIVE PERIOD ENDING 31 DECEMBER 2023

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Statement of financial position

	Notes	31.12.2024 thousand HUF	31.12.2023 thousand HUF
Investment properties	14	951.409	8.884.324
Fixed assets	15	8.378	10.492
Participations	16	12.623.279	8.153.554
Receivables from related parties	19	16.931.784	-
Total fixed assets		**30.514.850**	**17.048.370**
Trade receivables	17	16.566	89.881
Other current receivables	18	55.975	154.627
Receivables from related parties	19	5.682.448	21.485.258
Accruals	20	267.767	111.910
Cash and cash equivalents	21	10.469.766	6.324.324
Total current assets		**16.492.522**	**28.166.000**
Total assets		**47.007.372**	**45.214.370**
Equity and liabilities			
Share capital	22	4.737.142	4.737.142
Treasury shares repurchased	23	(1.114)	(1.114)
Reserves	24	8.095.844	8.095.844
Retained earnings	25	13.599.851	7.263.787
Equity		**26.431.723**	**20.095.659**
Deposits paid by tenants	26	19.037	206.986
Lease liabilities	27	-	17.315
Bond debts	28	20.114.307	20.120.103
Total long-term liabilities		**20.133.344**	**20.344.404**
Short-term bank loans and leasing liabilities	29	18.551	102.099
Other current liabilities	30	242.174	262.535
Short-term related liabilities	31	1.831	4.057.423
Liabilities to suppliers	32	29.951	13.035
Income tax liabilities		71.286	49.975
Tax and duty obligations	33	-	66.485
Accruals	34	78.512	222.755
Total current liabilities		**442.305**	**4.774.307**
Total liabilities		**20.575.649**	**25.118.711**
Total Equity and liabilities		**47.007.372**	**45.214.370**

The annexes on pages 8 to 60 form an integral part of these individual accounts

Statement of comprehensive income	Notes	for the financial year ending 31.12.2024 thousand HUF	ending 31.12.2023 financial thousand HUF
Income from the rental of imvestment property	3	849.131	709.399
Direct costs of letting a property	4	(84.882)	(63.891)
Gross margin		**764.249**	**645.508**
Service charges revenue from subsidiaries	5	196.122	161.817
Administrative costs, service charges, wages and salaries	6	(366.373)	(310.611)
Other income/(expenses)	7	3.189.163	(28.962)
Fair value result on investment property	8	455.601	(1.161.951)
Profit before tax, interest and depreciation		**4.238.762**	**(694.199)**
Depreciation and amortisation	9	(3.668)	(2.394)
Other (expense)/income from financial operations	10	1.763.751	(695.087)
Balance of interest income and expense	11	414.973	827.451
Leasing interest	11	(1.989)	(4.929)
Profit before tax		**6.411.830**	**(569.158)**
Income taxes	12	(75.766)	411.990
Result for the year		**6.336.064**	**(157.168)**
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6.336.064**	**(157.168)**

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Changes in equity (data in thousands of HUF)	Notes	Share capital	Reserves	Treasury shares	Retained earnings	Total equity
On 1 January 2023	**22-25**	**4.737.142**	**8.095.844**	**(1.114)**	**7.420.955**	**20.252.827**
Total comprehensive income for the year						
Total comprehensive income for the year	**25**				**(157.168)**	**(157.168)**
Balance at 31 December 2023	**22-25**	**4.737.142**	**8.095.844**	**(1.114)**	**7.263.787**	**20.095.659**
On 1 January 2024	**22-25**	**4.737.142**	**8.095.844**	**(1.114)**	**7.263.787**	**20.095.659**
Total comprehensive income for the year						
Total comprehensive income for the year	**25**				**6.336.064**	**6.336.064**
Balance at 31 December 2024	**22-25**	**4.737.142**	**8.095.844**	**(1.114)**	**13.599.851**	**26.431.723**

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Cash flow statement **data in thousands of HUF**	**Notes**	**for the financial year ending 31.12.2024**	**for the financial year ending 31.12.2023**
Profit before tax		**6.411.830**	**(569.158)**
Non-cash transactions			
Fair value result on investment property	8	(455.601)	1.161.951
Depreciation	9	3.668	2.394
Results of the sale of receivable	7	(3.201.181)	-
Impairment of shareholding	10	(347.185)	513.989
Interest receivable	11	(1.209.393)	(1.600.062)
Interest expenditure	11	794.420	777.540
Change in receivables and other current assets	17-20	(83.529)	143.618
Changes in liabilities and accruals	26, 30-34	(782.212)	430.833
Income tax paid	12	(54.455)	(90.975)
Net cash flow from operating activities		**1.069.981**	**770.130**
Acquisition of shareholdings	16	(357.100)	(2.225.847)
Sale of shares	16	-	500.000
Purchases of tangible fixed assets	15	(6.380)	(1.834)
Loan repayments to related parties	19	3.574.042	-
Loans to related parties	19	(632.992)	(8.628.466)
Loans granted	19	(4)	-
Revenue from repayment of loans granted	19	-	60.565
Subleasing income	17	99.643	110.813
Interest received	11	1.211.381	1.600.062
Net cash flow from investing activities		**3.888.590**	**(8.584.707)**
Repayment of loans and borrowings	29	(106.660)	(109.048)
Obtaining loans and credits	29	-	2.788.129
Leasing rates	11	(1.989)	(4.929)
Interest paid	11	(700.000)	(700.000)
Net cash flow from financing activities		**(808.649)**	**1.974.152**
Exchange rate impact		**(4.480)**	**(139.293)**
Change in cash and cash equivalents	**21**	**4.145.442**	**(5.979.718)**
Cash balances:			
Cash at the beginning of the year	21	6.324.324	12.304.042
Cash and cash equivalents at the end of the year	21	10.469.766	6.324.324

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1. General section

1.1 Presentation of the company

Appeninn Vagyonkezelő Holding Plc ("the Company") was established on 1 December 2009. The Company was registered by the Court of Registration on 7 December 2009 under Cg. 01-10-046538.

The Group's registered office is at 1022 Budapest, Bég utca 3-5, Hungary.

Holders of more than 5% of the Company's shares on 31 December 2024:

Owner name	**Number of shares**		**Shareholding(%)**
Avellino Zrt.	11.369.141		24%
Sequor Holding Zrt.	11.297.291		23,84%
OTP Real Estate Investment Fund	2.410.372		5,09%
Own share	1.848		0,0039%
Public domain	22.292.767		47,0661%
Total:	**47.371.419**		**100.00%**

Shareholders of the Company holding more than 5% on 31 December 2023:

Owner name	**Number of shares**		**Shareholding(%)**
Avellino Zrt.	11.369.141		24%
Sequor Holding Zrt.	11.297.291		23,84%
OTP Real Estate Investment Fund	2.410.372		5,09%
Own share	1.848		0,0039%
Public domain	22.292.767		47,0661%
Total:	**47.371.419**		**100.00%**

Transformation into a regulated real estate investment company

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 (SZIT) by the Court of Budapest on 1 July 2024.

1.2 Basis of preparation of the balance sheet

i) Acceptance and declaration of compliance with International Financial Reporting Standards

The financial statements have been prepared on a going concern basis. The individual financial statements were approved by the Board of Directors on 1 April 2025. The separate financial statements have been prepared in accordance with International Financial Reporting Standards, as published and incorporated by regulation in the Official Journal of the European Union (EU). IFRS are standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The figures given in the individual financial statements of the Company are in thousands of forints. All amounts are rounded to the nearest thousand forints.

iii) Basis of preparation of the accounts

The separate financial statements have been prepared in accordance with the standards and IFRIC interpretations in force for the year ending 31 December 2024.
The notes to the financial statements include disclosures required by the Hungarian Accounting Act.

The financial year is the same as the calendar year.

iv) Basis of assessment

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the accounting policies used. Estimates and related assumptions are based on historical experience and a number of other factors that are believed to be reasonable under the circumstances, the results of which form the basis for estimating the carrying amounts of assets and liabilities that are not readily determinable from other sources. Actual results may differ from these estimates.

Estimates and baseline assumptions are regularly reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only the current year, and in the period of the revision and future periods if the revision affects both current and future years.

At the balance sheet date, the Company classifies current and non-current assets and liabilities according to the expected maturity of the assets and liabilities. Current assets are those assets that are expected to be realised within 12 months, while assets with a maturity of more than 12 months are classified as current assets. The Company classifies as current, liabilities that are expected to be settled within its normal operating cycle and are due within twelve months after the end of the reporting period or at the reporting date the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are non-current. Accordingly, the Company classifies the portion of items classified as non-current liabilities that are due within the next 12 months at the reporting date as current liabilities.

2. Accounting policy

The principal accounting policies applied in the preparation of the individual financial statements are set out below. Accounting policies have been consistently applied to the periods covered by these separate financial statements. The principal accounting policies applied in the preparation of the financial statements are as follows:

2.1 Significant accounting policies

2.1.1. Reporting currency and foreign currency balances

Given the substance and circumstances of the underlying transactions, the functional currency of the Company is the Hungarian forint.

Transactions denominated in a currency other than the functional currency are initially recorded at the exchange rate prevailing on the date of execution of such transactions. Monetary assets and liabilities denominated in a currency other than the functional currency are translated into the functional currency of the relevant group member at the exchange rate at the balance sheet date as published by the Magyar Nemzeti Bank (MNB). The resulting exchange differences are recognised in the income statement under other (expense)/income from financial operations.

Financial statements are presented in Hungarian Forint (HUF), rounded to the nearest thousand, except where otherwise indicated.

2.1.2. Turnover

Revenue from sales transactions is recognised when the conditions of the contracts are met. Sales revenue excludes value added tax. All revenues and expenses are recognised in the appropriate period on a matching basis.

Revenue is recognised in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods or services. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably. Revenue is recognised when control of the goods and services is transferred to the buyer.

Performance obligations
When concluding the contract, the Company must identify which goods or services it has promised to provide to the buyer, i.e. what performance obligations it has undertaken. The Company may recognise revenue when it has fulfilled its performance obligations by delivering the promised goods or performing the promised services. Performance occurs when the buyer has obtained control of the asset (service), with signs of:

- The Company has a pre-existing right to receive the consideration for the asset,
- Title has passed to the buyer,
- The Company has physically transferred the asset,
- The buyer has significant risk and profit potential from owning the asset,
- The buyer has accepted the asset.

Transaction price determination
When the contract is performed, the Company must recognize the revenue associated with the performance, which is the transaction price assigned to the performance obligation. The transaction price is the amount that the Company expects to receive in exchange for the sale of goods and services. In determining the transaction price, the amounts of variable consideration (rebates, discounts) are also taken into account. To estimate the variable consideration, an expected value is calculated and weighted by the Company using probability factors.

The main elements of the Company's revenue are:

- Rental income from real estate: the Company's main source of income, which is mostly recognised monthly by the Company to its tenants, based on the contractually agreed rental rate, in accordance with IFRS 16.
- Management fees: the Company invoices tenants in addition to the rent. Operating fees include cleaning and security costs, management fees and overheads, in accordance with IFRS 15.
- Service fee income from subsidiaries: the Company invoices subsidiaries for the services they provide in return for the services required to perform the holding and management functions of the Company

Rental income from property: rental income from operating leases. The main elements of the accounting policy related to operating leases are described in chapter 2.1.12. Leases.

Operating income: the Company has two types of contracts and recognises its income accordingly in accordance with IFRS 15:

- The Company acts as agent for some of its leases. In this case, the operating charges to the tenants can be clearly identified and the overheads are invoiced directly to the tenants through the Company. The Company recognises the costs and the related income on a net basis in rental income from real estate as the Company acts as an agent in these transactions.

- For its other leases, the Company acts as principal. In these cases, the Company invoices its tenants for the management fees on the basis of the flat rates in the contracts. A separate management fee is charged to cover these operating costs, where the Company controls the services. The Company accounts for these transactions gross in the financial statements as it acts as principal in these cases.

Dividend and interest income
Dividend income from investments is recognised when the Company's right to receive the dividend is established (provided that it is probable that the benefits will flow to the Company and the amount of income can be measured reliably).

Income realised on other financial assets
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognised on a time proportion basis over the period of the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset at the time of initial recognition.

2.1.3. Other income and expenditure

The Company recognises in other income the consideration for sales that cannot be classified as revenue, typically sales that are not related to the core business (such as sales of property, plant and equipment) and any revenue that cannot be considered as financial income or as an item that increases other comprehensive income or is not classified in other comprehensive income.
The Company includes, among other things, gains from the sale of tangible assets, grants and indemnities received and miscellaneous other income.

Other expenses comprise expenses that are indirectly related to operations and are not financial expenses or do not reduce other comprehensive income. The Company includes, among other things, the amount of fines, the impact of claims and damages, interest on late payments, the expense for provisions for other expenses, losses on the sale of property, plant and equipment, taxes, levies and contributions settled with the municipality, and miscellaneous other expenses.

The Company recognises other income and other expenses on a net basis in the statement of comprehensive income.

2.1.4. Valuation of equity investments

The Company accounts for its investments in subsidiaries, joint ventures and associates at cost in all cases.

An enterprise has three options for measuring and presenting investments in separate financial statements.

- cost,
- at fair value in accordance with IFRS 9 Financial Instruments,
- or the equity method of accounting described in IAS 28 Investments in associates and joint ventures.

The Company must apply the same accounting for each investment category.

An impairment test should be carried out for an investment in a subsidiary if there are indications of potential impairment. If there is an indication of impairment, the recoverable amount of the investment is determined and compared with the net carrying amount of the investment. If the recoverable amount of the investment is less than its carrying amount, an impairment loss should be recognised.

The Company calculates the fair value of subsidiaries (investments) from the capital value of the investments. The Company considers the net asset value of subsidiaries to be their market value. The dominant (often only material asset) of subsidiaries is investment assets as defined in IAS 40, which are carried at fair value adjusted for changes in market prices and yields. Other non-current assets of subsidiaries are not significant (tangible assets), receivables and payables are carried at amortised cost, foreign currency items are revalued at the balance sheet date and therefore approximate the fair value of these assets. The Company adjusts the carrying amount of assets or liabilities in subsidiaries to fair value as necessary if it differs significantly from the fair value necessary to obtain the fair value for impairment testing. If the equity value of the investments is less than the recorded value, the Company recognizes an impairment loss on the investment.

The calculation of impairment requires an estimate of the recoverable amount of cash-generating units. The recoverable amount is the higher of value in use and fair value less costs to sell. Value in use is determined by the Company based on expected discounted future cash flows.

2.1.5. Investment property

Investment property is property held for rental purposes and/or for capital appreciation (including investment property under development). Investment property is initially measured at cost, including transaction costs. After inclusion, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are recognised in profit or loss for the period in the income statement under the line result from fair value measurement of investment property producing income.

If the investment property is put to its own use, it is reclassified as property, plant and equipment. Investment property is derecognised on sale or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale. The gain or loss arising on derecognition of the property (measured as the difference between the sales consideration and the carrying amount of the asset) is included in the result on disposal of investment property in the period in which the property is derecognised.

The Company classifies property as an asset held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable within one year. Investment property classified as held for sale is carried at fair value after reclassification.

The criteria used in determining fair value for investment property valuation are described in section 2.3.

2.1.6. Financial instruments

The Company's statement of financial position includes the following financial assets: trade receivables, other current receivables, loans granted, receivables from related parties, cash and cash equivalents. Their recognition and measurement in the financial statements are disclosed in the relevant sections of the notes to the financial statements as follows:

Financial instruments within the scope of IFRS 9 fall into three measurement categories: those measured at amortised cost on initial recognition, those measured at fair value through other comprehensive income (FVOCI) on initial recognition, and those measured at fair value through profit or loss (FVTPL) on initial recognition.

The Company's financial assets are classified at initial measurement according to their nature and purpose. To determine the category of a financial asset, it is first necessary to clarify whether the financial asset is a debt instrument or an equity investment. Investments in equity should be measured at fair value through profit or loss; however, an enterprise may elect, on initial recognition, to measure investments in equity that are not held for trading at fair value through other comprehensive income. If the financial asset is a debt instrument, the following points should be considered in determining classification.

Amortised cost
Debt instruments shall be measured at amortised cost if they are held under a business model is designed to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Fair value against other comprehensive income
Assets at fair value through other comprehensive income are financial assets that are held under a business model that achieves its objective by collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows at specified dates that are solely payments of principal and interest on the principal outstanding.

Fair value against 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 were designated upon initial recognition as at fair value through profit or loss.

When the SPPI requirement is met, the Company assesses whether the cash flows arising from the contract are consistent with the underlying loan agreements in the denominated currency of the financial instrument.

To assess whether contractual cash flows include only principal and interest, the Company examines the contractual terms of the financial instrument. The assessment also considers whether the financial instrument contains contractual terms that would cause the amount or timing of the contractual cash flows to change such that the financial instrument no longer meets the SPPI requirement.

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

All equity instruments are measured at fair value in the balance sheet and the effect of changes in fair value is recognised directly in the income statement, except for equity instruments where the Company has elected the Other Comprehensive Income (FVOCI) option. The Company does not exercise the FVOCI option.

The Company offsets financial assets and financial liabilities and recognises a net amount in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.1.7. Impairment of receivables

Receivables are stated at nominal value less an appropriate allowance for estimated losses. The Company applies the simplified impairment model for the impairment of receivables. The simplified impairment model is a provisioning matrix that takes into account the past 2 years of non-payment experience rates and calculates an allowance for impairment on a prospective basis. Further impairment is assessed (e.g. probability of insolvency or significant financial difficulties of the debtor) when there is an indication that the Company will not be able to collect the full amount due according to the original terms of the invoice. A written-off receivable written off when it is deemed uncollectible.

The following impairment matrix was used by the Company to recognise impairment of receivables during 2024 and 2023:

Days of late payment	Definition	Impairment percentage
0-180 days	The partner is reliable and there is no history of non-payment. All related parties are considered to be performing.	no impairment
180-360 days	Significant delay in the case of an external partner	50%
Delay over 360 days	Non-payment after 360 days	100%

In valuating trade receivables on members of the Group, the Group makes an individual assessment based on the information available to it.

2.1.8. Financial liabilities

The Company's statement of financial position includes the following financial liabilities: trade and other current payables, loans, borrowings, own-issue bonds, bank overdrafts. Their recognition and measurement in the financial statements is disclosed in the relevant sections of the notes to the financial statements as follows:

The Company initially measures all financial liabilities at fair value. In the case of loans and debentures issued, transaction costs that are directly attributable to the acquisition of the financial liability are also taken into account.

Financial liabilities within the scope of IFRS 9 are classified into two measurement categories: those measured at amortised cost on initial recognition and those measured at fair value through profit or loss on initial recognition (FVTPL). The classification of each financial liability is determined by the Company on acquisition. The Company has not used the FVTPL measurement.

Loans and borrowings and bonds issued are stated at amortised cost using the effective interest method in the statement of financial position. Gains and losses on loans and borrowings and bonds are recognised in the statement of income through amortisation using the effective interest method and on derecognition of the financial liability. Repayments are recorded as a reduction of the financial liability, while interest written off is recorded as a financial expense in the statement of income.

2.1.9. Fair value

Fair value measurement refers to an asset or liability. In determining fair value, the Company 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 measurement date. The unit of account for the asset or liability shall be determined in accordance with the IFRS that requires or permits fair value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, whether that price is observable directly or estimated using other valuation techniques.

Fair value hierarchy

Financial instruments measured 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 measuring fair value:

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

The Company uses Level 3 for fair value measurements.

Among financial assets, the Company measures 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 measured at amortised cost.

2.1.10. Related parties

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

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

In preparing its financial statements for each balance sheet date, the Company identifies related parties and reviews this information on an ongoing basis. It identifies the receivables from and payables to identified related parties in its records and discloses them in the notes to the financial statements.

2.1.11. Income taxes

The Company has identified corporate tax, local business tax and innovation tax as income taxes based on a taxable profit.

The Company is a regulated real estate investment company under the SZIT Act and therefore has no corporate tax or local business tax liability, except for income from affiliated companies not subject to SZIT.

The tax liability for the current year is determined on the basis of the taxable profit for the current year. The taxable profit differs from the profit before tax shown in the individual accounts because of non-taxable gains and losses and items that are included in the taxable profit of other years. The Company's current tax liability is determined using the tax rate that has been enacted or substantively enacted (if enactment is equivalent to the same as the effective date) by the balance sheet date.

2.1.12. Leasing

Company as lessor

Financial leasing
A finance lease is a transaction that transfers substantially all the risks and rewards of 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 substance (i.e. as if the underlying asset were sold by the lessor to the lessee). In the case of a finance lease, the leased asset is derecognised and the present value of the lease receivable is recognised as a receivable in the balance sheet.

Operating leasing

An operating lease is a transaction that does not transfer substantially all the risks and rewards of ownership of the underlying asset. The Company accounts for rental income from the rental of investment property as an operating lease. The lease payments are recognised in income on a straight-line basis in income from property rental income. Rental discounts are accrued over the lease term. The Company recognises revenue from the date the right to collect rent is established when the property is put into use, and in the event of a contract amendment, revenue is recognised as a new contract from the effective date of the amendment.

The initial direct costs incurred in entering into an operating lease agreement increase the carrying amount of the operating lease asset and are recognised over the lease term on the same basis as rental income.

Subleases

A sublease is, by definition, a transaction whereby an underlying asset is subleased by the lessee (as an intermediate lessor) to a third party while the existing lease between lessor and lessee ("the head lease") remains in force. The Company, as an intermediate lessor, classifies subleases as finance or operating leases in a manner similar to for any other lease. At the commencement date of the sublease, if the Company 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

In the case of subleases, there are no specific provisions governing the disclosure of subleases in the balance sheet and income statement. The Company applies the disclosure rules that apply to other finance and operating leases. The Company does not offset assets and liabilities arising from a finance lease or a sublease on the same underlying asset unless the requirements for offsetting financial instruments are met. The same applies to lease income 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 head and a sublease are two separate contracts, accounted for under the lessee and lessor models respectively. The general disclosure rules apply to both head and subleases and to lessors of finance or operating subleases.

The Company has a real estate lease.

2.1.13. Earnings per share (EPS)

The return per share is determined by taking into account the Company's profit for the period and the average number of shares less the average number of treasury shares repurchased during the period.

Diluted earnings per share are calculated in a similar way as earnings per share. However, the calculation takes into account all dilutive shares outstanding by multiplying the dividends and yields on ordinary shares distributable by the dividends and yields on convertible shares that are eligible for inclusion in the period, adjusted for additional income and expenses arising on conversion, - the weighted average number of shares outstanding by the weighted average number of additional shares that would be outstanding if all the convertible shares were converted.

2.1.14. Deposits paid by tenants

Deposits from tenants are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Tenants' deposits relating to leases with an expiry date of more than one year are included in non-current liabilities, the remaining tenants' deposits are included in other liabilities in the statement of individual financial position.

2.1.15. Off-balance sheet items

The off-balance sheet liabilities are not included in the statement of financial position and the statement of comprehensive income, which form part of the annual accounts. They are presented in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Off-balance-sheet receivables are not included in the financial statements, are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

2.1.16. Treasury shares repurchased

The value of the repurchased treasury shares is deducted from equity. The difference between the nominal value and the cost value is recognised directly in the profit and loss reserve.

2.1.17. Dividends

Dividends are recognised in the year in which they are approved by the shareholders

2.1.18. Result of financial operations

Financial result includes interest and dividend income recognised using the effective interest method, interest and other financial expenses recognised using the effective interest method, gains and losses on the fair valuation of financial instruments, and realised and unrealised exchange differences.

2.1.19. Events after year end

Events that occurred after the end of the reporting period that provide additional information about the circumstances at the end of the Company's reporting period (adjusting items) have been presented in the financial statements. Events after the reporting period that do not change the amounts reported in the financial statements are disclosed in the notes to the financial statements when material.

2.2 Changes in accounting policies

The Company has prepared its financial statements in accordance with the provisions of all standards and interpretations in force for the year ending 31 December 2024.

Interpretations of existing standards relevant to the preparation of the Company's financial statements and new standards adopted by the Company:

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (Amendments)

The amendments apply from the financial year starting on or after 1 January 2024. The amendments provide guidance on the application of materiality judgements in accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose accounting policies that are 'significant' with the requirement to disclose accounting policies that are 'material'. The IFRS Practice Statement also provides guidance and illustrative examples to assist in applying the concept of materiality when making decisions about accounting policy disclosures. The Company has assessed the accounting policy disclosures and prepared its financial statements for the current year accordingly.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Accounting Estimates (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2024 and apply to changes in accounting policies and accounting estimates that occur on or after the beginning of that period. The amendments introduce a new concept of accounting estimates, defined as monetary amounts in the financial statements that are subject to measurement uncertainty if they do not result from the correction of a prior period error. The amendments also clarify what changes in accounting estimates mean and how they differ from changes in accounting policies and corrections of errors. The amendments did not have a material impact on the Company's financial statements.

IAS 12 Income taxes: treatment of deferred tax assets and liabilities arising from a single transaction (Amendments)

The amendments will apply from the financial year starting on or after 1 January 2024. The amendments narrow the scope of the exception for initial recognition under IAS 12 and specify how companies should account for deferred tax relating to assets and liabilities arising from a single transaction, such as leases and decommissioning liabilities. The amendments clarify that, to the extent that payments to settle a liability are deductible for tax purposes, it is a matter of judgment in light of the relevant tax law whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that give rise to the same taxable and deductible temporary differences on initial recognition. It applies only when the recognition of a lease receivable and a lease liability (or a decommissioning liability and a decommissioning asset component) results in taxable and deductible temporary differences that are not equal. The amendments had no impact on the Company's financial statements.

IAS 12 Income Taxes: International Tax Reform - Second Pillar Model Rules (Amendments)

The amendments will take effect immediately upon issuance, but certain disclosure requirements will take effect at a later date. The Organisation for Economic Co-operation and Development (OECD) published the second pillar model rules in December 2021, which ensure that large multinational companies are subject to a minimum tax rate of 15%.On 23 May 2024, the International Accounting Standards Board (IASB) issued the amendments to International Tax Reform - Second Pillar Model Rules - IAS 12. The amendments introduce a mandatory transitional exemption from the accounting for deferred taxes arising from the jurisdictional application of the second pillar model rules and impose disclosure requirements on the entities concerned regarding their potential exposure to second pillar income taxes. The amendments require the disclosure, in periods when the second pillar legislation is (substantially) enacted but not yet effective, of known or reasonably estimable information that helps users of financial statements understand an entity's exposure to second pillar income taxes. To meet these requirements, an entity shall disclose qualitative and quantitative information about its exposure to second-pillar income taxes at the end of the reporting period. Disclosure of the income tax expense related to the second pillar and disclosure for periods before the effective date of the legislation is required for annual reporting periods beginning on or after January 1, 2024, but is not required for interim periods ending on or before December 31, 2024. The amendments did not have an impact on the Company's financial statements.

IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2024, with early application permitted or retrospective application required in accordance with IAS 8. The amendments clarify the principles in IAS 1 for classifying liabilities as current or non-current. The amendments clarify the reporting of the right to defer settlement, the requirement that this right must exist at the end of the reporting period, that management's intention does not affect current or non-current classification, that a counterparty's options that may result in settlement by the entity's own equity instruments being transferred do not affect current or non-current classification. The amendments also specify that only those covenants that the entity is required to meet on or before the reporting date affect the classification of a liability. Additional disclosures are also required for long-term liabilities arising from loan agreements that are subject to a covenant that must be fulfilled within twelve months after the reporting period. The amendments had no impact on the Company's financial statements.

IFRS 16 Leases: lease obligations in leaseback transactions (Amendments)

The amendments will apply from the financial year starting on or after 1 January 2024, with early application permitted. The purpose of the amendments is to improve the requirements that a seller-lessee applies in measuring a lease liability in a leaseback transaction under IFRS 16, but does not change the accounting for leases that are not related to leaseback transactions. A vendor-lessee shall define 'lease payments' or 'revised lease payments' so that the vendor-lessee does not recognise the portion of the gain or loss that relates to the right of use that it retains. The application of these requirements does not prevent a vendor lessee from recognising in profit or loss the gain or loss on the partial or total termination of a lease. In accordance with IAS 8, a vendor lessee shall apply the amendment retrospectively to leaseback arrangements entered into after the date of initial application, which is the beginning of the reporting period in which the entity first applies IFRS 16. The amendments had no impact on the Company's financial statements.

IAS 7 Statement of Cash Flows and IFRS 7 Disclosure of Financial Instruments - Supplier Financing Arrangements (Amendments)

The amendments will apply from the financial year starting on or after 1 January 2024, with early application permitted. The amendments add to the requirements already in IFRSs and require an entity to disclose the terms of a vendor financing arrangement. In addition, entities shall disclose, at the beginning and end of the reporting period, the carrying amount of the financial liabilities of a vendor financing arrangement and the line items on which those liabilities are presented, and the carrying amount and line items of financial liabilities for which the financiers have settled the corresponding vendor payables. Entities shall also disclose the type and effect of any non-monetary changes in the carrying amount of financial liabilities arising from vendor financing arrangements that prevent comparability of the carrying amount of financial liabilities. The amendments also require an entity to disclose, at the beginning and end of the reporting period, the maturity of financial liabilities to financiers and of similar trade payables that are not part of those arrangements. The amendments had no effect on the financial statements of the Company.

Standards issued but not yet effective and not subject to early adoption, which the Company will not apply before the effective date

IAS 21 The Effect of Changes in Foreign Exchange Rates: Non-convertibility (Amendments)

The amendments are effective from the financial year starting on or after 1 January 2025, with early application permitted. The amendments specify how an entity should assess whether a currency is convertible and determine the spot exchange rate in the absence of convertibility. A currency is regarded as convertible into another currency if the entity is able to obtain access to the other currency within a time frame that allows for a normal administrative delay through a market or exchange mechanism in which an exchange transaction creates enforceable rights and obligations. If a currency cannot be exchanged for another currency, the entity shall estimate the spot exchange rate at the measurement date. The objective of an entity in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would occur between market participants under prevailing economic conditions at the measurement date. The amendments note that an entity may use an unadjusted observable rate or another estimation technique. Management has assessed the potential application of the standard and it is not expected to have an impact on the financial statements.

Classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7

Effective for annual periods beginning on or after 1 January 2026. In May 2024, the Board issued *Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7*), which clarifies that a financial liability is derecognised on the 'settlement date', i.e. when the associated obligation is discharged, cancelled, expires or otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met, clarifies how to assess the contractual cash flow characteristics of financial instruments with environmental, social and governance (ESG) features and other similar contingent features, clarifies the treatment of non-redeemable assets and contractual assets.
The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Entities may apply the amendments to the classification of financial assets and related disclosures early, may apply the other amendments later. The new requirements shall be applied retrospectively by adjusting opening retained earnings. Prior periods do not need to be restated and can only be restated without retrospective assessment. An entity shall disclose information about financial assets whose measurement category changes as a result of the amendments.

The amendment is not expected to have a material impact on the Company's financial statements.

Improvements to international financial reporting standards

The IASB's annual improvements process addresses non-urgent but necessary clarifications and amendments to IFRSs.In July 2024, the IASB issued annual improvements to IFRS accounting standards, covering the following topics:

- IFRS 1 First-time adoption of international financial reporting standards - hedge accounting by a first-time adopter
- IFRS 7 Financial instruments: disclosures - gain or loss on derecognition, Disclosure of accrued differences between fair value and transaction price, Credit risk disclosures
- IFRS 9 Financial Instruments - Derecognition of Lessee's Lease Obligations, Transaction Price
- IFRS 10 Consolidated Financial Statements - Definition of 'de facto agent'
- IAS 7 Cash flow statement - Cost method

The amendment is not expected to have a material impact on the Company's financial statements.

Contracts that rely on nature-based electricity - Amendments to IFRS 9 and IFRS 7

Effective for annual periods beginning on or after 1 January 2026. The amendments include: clarifying the application of the "own use" requirements, allowing hedge accounting when these contracts are used as hedging instruments, and adding new disclosure requirements help investors understand the impact of these contracts on the financial performance and cash flows of the company. Early adoption is permitted but must be disclosed.

The clarifications to the 'own use' requirements should be applied retrospectively, but the guidance allowing hedge accounting should be applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendment is not expected to have a material impact on the Company's financial statements.

IFRS 18 - Presentation and disclosure in financial statements

Effective for annual periods beginning on or after 1 January 2027. IFRS 18 new categories and subtotals in the income statement. It also requires the disclosure of following performance measures set by management (as defined in the standard) and includes new requirements on the location, aggregation and breakdown of financial information.

An entity should classify all and expense items in the income statement into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals of 'operating profit', 'profit before financing costs and income taxes' and 'profit loss'.

Principal business activities: in order to classify income and expenses into the categories required by IFRS 18, an entity must assess whether its 'principal business activity' is investing in assets or financing customers, as such entities are subject to specific classification requirements. The determination of whether an entity has such a defined principal activity depends on facts and circumstances that require judgement. An entity may have more than one principal activity.

Management's measure of performance: IFRS 18 introduces the concept of a management's measure of performance (MPM), which is defined as a subtotal of revenue and expenses an entity uses in making disclosures. Communication outside the financial statements to communicate to users management's view of the financial performance of the entity as a whole. IFRS 18 requires that information about all of an entity's MPMs be disclosed in a single note to the financial statements and requires a number of disclosures about MPM, including how the measure is calculated and reconciliation to the most comparable subtotal as defined in IFRS 18 or another IFRS accounting standard.

Location, aggregation and disaggregation of information: IFRS 18 distinguishes between 'presentation' of information in the primary financial statements and 'disclosure' the notes, and introduces a principle for determining information based on the identified 'role' of the primary financial statements and notes. IFRS 18 requires information to be aggregated and disaggregated on the basis of similar and dissimilar characteristics.

Consequential amendments to other accounting standards
IAS 7 *Statement of Cash Flows* has been amended with minor amendments, which include changing the starting point for determining cash flows from operations in the indirect method from 'profit or loss' to 'operating profit or loss'. The option to classify cash flows from dividends and interest in the cash flow statement has also been largely removed.

New requirements have been added to IAS 33 *Earnings per share that* allow entities to disclose additional amounts per share only if the numerator used for the calculation meets specified criteria.

IFRS 18, and consequential amendments to other accounting standards, shall be effective for annual periods beginning on or after 1 January 2027 and shall be applied retrospectively. Early application is permitted and shall be disclosed.

The Company is still assessing the expected impact of the new standard on its financial statements.

IFRS 19 - Subsidiaries without a public reporting obligation: disclosures

Effective for annual periods beginning on or after 1 January 2027. The new standard allows eligible entities to elect to apply the reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, an eligible entity that elects to apply IFRS 19 need not apply the disclosure requirements in other IFRSs.
An entity that applies IFRS 19 shall disclose that fact as part of its statement of compliance with general IFRS accounting standards. IFRS 19 requires an entity whose financial

statements comply with IFRS accounting standards, including IFRS 19, to make an explicit and unreserved statement of such compliance

An entity may elect to apply IFRS 19 only if, at the end of the reporting period: it is a subsidiary as defined in IFRS 10; it does not have public accountability; and it has a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use that comply with IFRS accounting standards.

IFRS 19 is effective for annual periods beginning on or after 1 January 2027 and earlier application is permitted.
If an eligible entity chooses to apply the standard early, it shall disclose that fact. An entity shall, in the first period (annual and interim) in which it applies the standard, reconcile it in the comparative period to the disclosures under IFRS 19 in the current period, unless IFRS 19 or another IFRS permits or requires otherwise.

The new standard is not expected to have any impact on the Company's financial statements.

2.3 Significant accounting estimates and assumptions

The application of the accounting policies described in point 2.1 requires the use of estimates and assumptions in determining the amounts of certain assets and liabilities at a given date that cannot be clearly identified from other sources. The estimation process involves judgements and relevant factors based on the latest information available. These significant estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses in the financial statements and the disclosure of contingent assets and liabilities in the notes to the financial statements. Actual results may differ from those estimates.

The estimates are continuously updated. Changes in accounting estimates should be taken into account in the period of the change if the change affects only that period, or in the period of the change and future periods if the change affects both periods.

The main areas of estimation uncertainty and critical accounting judgements that have the most significant effect on the amounts recognised in the individual financial statements are:

2.3.1. Classification of properties

The properties owned by the Company are classified as investment properties and development properties on acquisition as follows:

- They are classified as investment properties, which are typically acquired by the Company with the intention of benefiting from the rental and capital appreciation of the property. These properties (typically office buildings, commercial units, warehouses and factory buildings) are not used for own purposes.

- Properties that the Company intends to invest in, develop and sell in the near future are classified held for development.
- Property, plant and equipment includes property used by the Company for its own purposes.

The Company reclassifies investment property when there is a change in use. It classifies property held for its own use as property, plant and equipment. In the case of mixed-use property, the Company accounts for the portions separately where possible. If separation is not possible, the Company classifies the property as investment property only if the portion used for other purposes is insignificant.

The Company classifies as inventories properties on which it is commencing development with a view to a subsequent sale.

2.3.2. Fair value of investment property

The determination of the fair value of investment property is based to a significant extent on estimates and assumptions, and therefore the actual value may differ significantly from the value resulting from the estimate. The fair value of investment property is determined based on the Company's own valuations and valuations performed by independent appraisers. The valuation principles and parameters used are disclosed in note 9.

IFRS 13 'Fair value measurement' establishes a fair value hierarchy to enhance consistency and comparability of fair value measurement and related disclosures. The hierarchy categorises inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy assigns the greatest significance to quoted (unadjusted) prices in active markets for identical assets or liabilities and the least significance to unobservable inputs. The objective of fair value measurement is to estimate the price at which an orderly transaction to sell an asset or transfer a liability would be effected between market participants at the measurement date under existing market conditions. All investment properties are classified within Level 3 of the fair value hierarchy.

2.3.3. Impairment of participations

An impairment test should be carried out on the holding in subsidiaries if there are indications of potential impairment. If an indication of impairment exists, the recoverable amount of the investment should be determined and compared with the net carrying amount of the investment. The Company tests the recoverable amount of cash-generating units annually. The recoverable amount is the higher of value in use and fair value less costs to sell. Value in use is determined by the Company based on expected discounted future cash flows.

3. Revenues from property rental

The Company's activities include the letting and operation of owner-occupied real estate, asset management and corporate management. The Company's revenue is generally recurring revenue, does not include a financing component, and rental and operating costs are typically billed in advance.

The Company's real estate properties for its property rental and operation activities are located in Hungary, in the cities of Kecskemét and Budapest.During 2024, the property in Budapest was sold, so the Company owns property in Kecskemét at the balance sheet date.

The Company has no contractual assets or contractual liabilities.

data in thousands of HUF	**for the financial year ending 31.12.2024**	**for the financial year ending 31.12.2023**
Office for rent	772.593	641.308
Parking space for rent	55.487	52.118
Other operating revenue	21.051	15.973
Total	**849.131**	**709.399**

Future minimum rental income for fixed-term leases is as follows at 31 December 2024:

data in thousands of HUF	**for the financial year ending 31.12.2024**	**for the financial year ending 31.12.2023**
Within a year	17.445	650.839
Within 1-5 years	-	2.603.355
Over 5 years	-	3.826.575
Total	**17.445**	**7.080.769**

4. Direct costs of letting a property

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Building tax, land tax	(27.553)	(29.264)
Water, Gas, Electricity	(538)	(4.064)
Operation, maintenance, materials and services	(32.253)	(24.177)
Insurance premium	(11.109)	(2.209)
Advertisement, advertising	(5.517)	(3.930)
Other	(7.912)	(247)
Total	**(84.882)**	**(63.891)**

5. Service charges from subsidiaries

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Apenninn Property Asset Management Ltd.	13.203	481
Appeninn-Bp1047 Zrt.	-	2.686
Appeninn E-Office Zrt.	73.506	64.758
Bertex Ltd.	-	240
Curlington Ltd.	-	879
Szent László Téri Service House Ltd.	-	2.023
Felhévíz-Appen Ltd.	-	2.551
APPEN-Retail Ltd.	-	3.347
Sectura Property Management Ltd.	-	213
Appeninn Project-EGRV Ltd.	1.000	240
Appeninn Project-MSKC Ltd.	1.764	1.750
Appeninn BLT Ltd.	-	480
Tunnel Investment Ltd.	1.736	1.470
Kantrum Property Ltd.	25.476	17.523
Tidaholm Properties Ltd.	40.643	29.301
Dounby Sp. Z.o.o.	37.177	34.417
Other	1.617	-
Total	**196.122**	**161.817**

6. Administrative costs, service charges, wages and salaries

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Bank charges	(2.291)	(2.242)
Accounting, audit, law, lawyer, valuation	(169.648)	(120.442)
Asset management, advice	(19.683)	(15.527)
Share (KELER, BSE, intact fee)	(12.851)	(7.654)
Short-term rentals, office supplies	(25.612)	(20.154)
Liability insurance	(1.358)	-
Public charges, fees	(791)	(151)
Education, computer and other services	(8.134)	(7.587)
Personnel costs, wages and salaries	(113.323)	(105.180)
Other	(12.682)	(31.674)
Total	**(366.373)**	**(310.611)**

7. Balance of other income and expenditure

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Other small reimbursements	-	466
Sale of Dounby claim to EGRV	3.201.181	-
Profit on sale of real estate	-	-
Written-off claims, irrecoverable debts	-	(24.484)
Grants awarded	(5.600)	(8.000)
Commissions, success fees	-	(14.642)
Liability write-off	23.805	18.637
Other	(30.194)	(939)
Interest paid on late payments, surcharges, penalties	(29)	-
Total	**3.189.163**	**(28.962)**

During 2024 the Company sold its receivable from Dounby Sp. Z.o.o., which was acquired in 2023. The transaction generated a gain of 3,201,181 thousand HUF as the difference between the cost and the fair value at the date of the transaction.

8. Fair value result on income producing investment property

The fair values of the Company's assets are measured annually. Based on the fair value measurements, the Company recognizes all changes in fair value through profit or loss. For purchase rights established on properties, if the fair value is less than the fair valuation and the holder has paid the owner the purchase right consideration, the lower of the fair value and the purchase right consideration is recognized in the Company's balance sheet. See also note 14.

data in thousands of HUF	**for the financial year ending 31.12.2024**	**for the financial year ending 31.12.2023**
6000 Kecskemét, Kiskőrösi utca 30.	51.876	(221.167)
1082 Budapest, Üllői út 48.	403.725	(940.784)
Total changes in fair value	**455.601**	**(1.161.951)**

Each year the Company has an independent valuer prepare a fair value valuation of its properties. The value determined by the independent appraiser is consistent with the values reported in the financial statements. The independent appraiser appointed to perform the valuation of investment properties for all properties in 2024 and 2023 is CBRE Ltd (Bajcsy-Zsilinszky út 78, 1055 Budapest). The property valuation company is a reputable and appropriately qualified professional and has recent experience in the area and category of investment property being valued. The analysis prepared by the real estate valuer is as follows:

- the valuation methods used and their application are consistent with approaches commonly used in national and international practice
- the rents charged are in line with current market rents
- the rates reported in the investor "yield expectations" - Capitalisation Rates and Discount Rates for each property are consistent with publicly published data for each property type on investment transactions over the past 12 months.

Evaluation

The valuation has been prepared in accordance with the RICS (Royal Institution of Chartered Surveyors) Valuation Standards 2024 and 2023. In view of the way in which the properties are used, a method based on the calculation of yields (the so-called "Hardcore and Top slice" method) has been chosen for the valuation of the properties, with the market comparison method being used as a control method. The methodology divides the annual income from the property into 2 or more groups based on the assumed risks associated with each group. Thus, it typically distinguishes between the part of the income that is sustainable over the long term in line with market rents ('hardcore') and the part that is unlikely to be sustainable over the long term ('top slice'). The 'hardcore' income part is capitalised in the methodology with an all-risk-yield, while the income parts above this are capitalised with a higher risk-yield until the end of their term. Potential increases in rents and inflation risk are also

implicitly taken into account by applying the all-risk-yield. The gross capital value is thus the sum of the hardcore and top slice capitalised returns. After deduction of transaction costs and any investment costs incurred for the property, the net capital value is the market value of the property.
CBRE uses the real cash-flow model with the addition of yield

The assumptions used in the yield-based valuations were average rent, market rent, occupancy and discount rate. These values are based on market observations, adjusted for the local situation of the property. Because of these corrections, all variables used are classified as 'level 3'.

The valuation methodology used was in line with the valuation techniques described in IFRS 13.

Properties in the portfolio with non-primary income-producing characteristics were valued using a comparative method.

In the present case, a conservative approach has been taken in defining these variables, except for the optimistic and pessimistic scenarios.

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

2024								Model variable means in the DCF model	Discount rate	Mortgage
Ssz.		Type	Comparative method Value EUR	DCF model value EUR	Turnover day value EUR	Turnover day value thousand HUF	Evaluation method	Rent EUR/m2/month,		
1	6000 Kecskemét, Kiskőrösi utca 30.	location	2.320.000	1.440.000	2.320.000	951.409	Comparative	1,31	9,00%	have, real estate collateral
					2.320.000	**951.409**				

2023								Model variable means in the DCF model	Discount rate	Mortgage
Ssz.		Type	Comparative method Value EUR	DCF model value EUR	Turnover day value EUR	Turnover day value thousand HUF	Evaluation method	Rent EUR/m2/month,		
1	6000 Kecskemét, Kiskőrösi utca 30.	location	2.350.000	1.674.000	2.350.000	899.533	Comparative	0,86	9,00%	have, real estate collateral
2	1082 Budapest, Üllői út 48.	Office	18.610.000	20.860.000	20.860.000	7.984.791	DCF	14,87	7,75%	none
					23.210.000	**8.884.324**				

9. Depreciation and amortisation

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Depreciation of tangible fixed assets	(3.688)	(2.394)
Total	**(3.688)**	**(2.394)**

The depreciation of small assets was 3,688 thousand HUF in 2024 and 2,394 thousand HUF in 2023.

10. Other expenditure and income on financial operations

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Exchange differences on financial settled items	407.771	20.572
Year-end revaluation of foreign currency assets and liabilities	1.008.795	(201.670)
Impairment of investments and receivables (see note 17)	347.185	(513.989)
Total	**1.763.751**	**(695.087)**

The revaluation of foreign currency assets and liabilities at year-end resulted in a significant exchange gain on the EUR denominated cash and cash equivalents, as well as an exchange gain on the EUR denominated loan to Appeninn-EGRV Kft and Appeninn Property Zrt, as the HUF/EUR exchange rate for the year changed significantly compared to the previous year-end.

11. Balance of interest income and expense

data in thousands of HUF	31.12.2024 for the financial year ending	for the financial year ending 31.12.2023
Interest receivable from affiliated and associated enterprises (interest payable/payable):	743.031	875.238
Bank interest rates	368.925	643.824
Interest received from contractors	-	2.592
Own issue bond interest	(694.994)	(694.203)
Leasing interest	(1.989)	(4.929)
Balance of interest income and (expense)	**414.973**	**822.522**
Total interest income	1.209.392	1.600.062
Total interest expense	(794.419)	(777.540)
Balance of interest income and (expense)	**414.973**	**822.522**

12. Income taxes

Expenses related to income taxes consist of:

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Corporation tax	(75.766)	(76.861)
Deferred tax	-	506.059
Local business tax	-	(17.208)
Total	**(75.766)**	**411.990**

In Hungary, the corporate tax rate is 9% and the local business tax rate is 2%. Due to the status of the Company as a regulated real estate investment company, only income from affiliated companies are not subject to the SZIT is subject to tax. No deferred tax has been recognised as the Company is exempt from tax.

The reconciliation of the tax was as follows:

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Profit before tax	6.411.830	(569.158)
Tax liability calculated at the current tax rate 9%	(577.065)	51.224
Business tax	-	(17.208)
Non-taxable result according to SZIT	501.299	-
Expected tax rate decrease (evolution of the SZIT)	-	377.974
Total income taxes	**(75.766)**	**411.990**

The following table shows how the difference between the tax liability calculated on the basis of accounting profit and the actual tax liability is quantified:

	Data in thousand HUF
Profit before tax under IFRS	**6.411.829**
Reclassification of business tax to the tax base	-
Adjusted profit before tax	**6.411.829**
Depreciation under the Corporation Tax Act	192.588
Reversal of impairment of shareholding	94.098
Effect of fair value measurement under IAS 40	424.405
Dividends received	74.615
Support	1.120
Tax base reducing items	**786.826**
Depreciation according to accounting law	3.668
Carrying amount of tangible assets derecognised	463.856
Items increasing the tax base	**467.523**
Tax base according to corporation tax	**6.092.527**
SZIT rate based on revenue	13,82%
Tax base calculated by SZIT ratio	841.842
Corporate tax (9%)	**75.766**

13. Earnings per share

The calculation of basic earnings per share should take into account the after-tax profit distributable to shareholders and the average annual number of ordinary shares in issue, excluding treasury shares.

	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Profit after tax (thousand HUF)	6.336.064	(157.168)
Weighted average number of ordinary shares in issue (number)	47.369.571	47.369.571
Earnings per share (basic) (in HUF)	**133,76**	**(3,34)**

There are no factors in either 2024 or 2023 that would dilute earnings per share.

14. Investment properties

Changes in the opening and closing values of the Company's investment properties were as follows:

data in thousands of HUF	**for the financial year ending 31.12.2024**	**for the financial year ending 31.12.2023**
Opening value	**8.884.324**	**10.274.737**
1082 Budapest, Üllői út 48.	7.984.791	8.925.575
Kecskemét, Kiskőrösi utca 30.	899.533	1.120.700
Pasaréti right of use asset	-	228.462
annual changes:		
Reclassification as subleasing / Reclassification of right-of-use assets from own use	-	(228.462)
1082 Budapest, Üllői út 48. property for sale	(8.388.516)	
Fair value changes	**455.601**	**(1.161.951)**
1082 Budapest, Üllői út 48.	403.725	(940.784)
Kecskemét, Kiskőrösi utca 30.	51.876	(221.167)
Closing value	**951.409**	**8.884.324**
1082 Budapest, Üllői út 48.	-	7.984.791
Kecskemét, Kiskőrösi utca 30.	951.409	899.533

Changes in the fair value of income producing properties are presented in note 8.

15. Tangible assets

The Company records furniture and office equipment under tangible fixed assets.

data in thousands of HUF	**Total**
Gross value	
31 December 2022	**30.323**
Growth and reclassification	1.834
Reduction and reclassification	
31 December 2023	**32.157**
Growth and reclassification	1.554
Reduction and reclassification	
31 December 2024	**33.711**
Accumulated depreciation	
31 December 2022	**19.271**
Annual description	2.394
Decrease	
31 December 2023	**21.665**
Annual description	3.668
Decrease	
31 December 2024	**25.333**
Net book value	
31 December 2022	**11.052**
31 December 2023	**10.492**
31 December 2024	**8.378**

16. Participations

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023	Ownership share 2024	Ownership share 2023
Appeninn Property Asset Management Ltd.	4.825.643	171.366	100%	100%
Appeninn-Bp 1047 Zrt.	-	30.508	-	100%
Appeninn E-Office Asset Management Ltd.	5.256.668	5.256.668	100%	100%
Bertex Real Estate Distributor Ltd.	-	212.062	-	100%
Curlington Property Development Ltd.	-	-	-	100%
Szent László téri Service House Ltd.	-	248.891	-	100%
Appeninn Project-EGRV Ltd.	7.046	7.046	100%	100%
Appeninn Project-MSKC Ltd.	3.000	3.000	100%	100%
Appeninn BLT Ltd.	-	3.000	-	100%
Sectura Property Management Ltd.	-	47.190	-	100%
Tunnel Investment Ltd.	544.985	544.985	100%	100%
Kantrum Properties Ltd.	104.171	1.091	100%	100%
Tidaholm Properties Ltd.	1.881.765	1.627.747	100%	100%
Total shareholdings	**12.623.279**	**8.153.554**		

In the second half of 2024, the Group further streamlined its structure by merging Szent László téri Szolgáltatóház Kft, Sectura Ingatlankezelő Kft, Appeninn BLT Kft, BERTEX Zrt, Appeninn-BP1047 Zrt and Curlington Kft into Appeninn Property Vagyonkezelő Zrt. As a result of this transaction, the value of the discontinued participations increased the share of Appeninn Property Vagyonkezelő Zrt. As a result of the above transactions, the total value of the participations increased by HUF 347 186 thousand after reversal of the previous impairment.

The value of the shares in Kantrum Properties Ltd. and Tidaholm Properties Ltd. increased by the amount of the acquisition-related duty in 2024.
During 2024 the Company sold the property at 1082 Budapest, Üllői út 48. to Appeninn Property Vagyonkezelő Zrt. The sale to the subsidiary was below market price and the related loss was recognised by the Company as an increase in equity interest in the amount of thousand HUF 3,765,440.

Amount of accumulated impairment:

data in thousands of HUF	**Total**
31 December 2022	**137.208**
Reversal	
Impairment of assets	513.989
31 December 2023	**651.197**
Reversal	(347.186)
Impairment of assets	-
31 December 2024	**304.011**

In 2024, the impairment loss recognised on the shares of the companies to be merged into Appeninn Property Vagyonkezelő Zrt. was reversed in the amount of 347,186 thousand HUF.

In 2023, the Company recognised impairment losses on the shares in Curlington Kft (HUF 50,000 thousand), Szent László téri Szolgáltatóház Kft (HUF 185,278 thousand), Alagút Investment Kft (HUF 234,706 thousand), Appeninn Project-EGRV Kft (HUF 3,882 thousand) and Sectura Ingatlankezelő Kft (HUF 40,123 thousand).

During 2023, the Company acquired 100% of the shares of Tunnel Investment Ltd. from Appeninn E-Office Vagyonkezelő Zrt. (a wholly owned subsidiary of the Company). The purchase price was 779,691 thousand HUF.

The indirect participations of the Company are as follows:

Name of subsidiary	**Parent company**	**Ownership and voting rights**		**Address**
		2024	**2023**	
Appen-Retail Ltd.	Appeninn Property Asset Management Ltd.	-	100%	1022 Budapest, Bég utca 3-5.
Felhévíz-Appen Ltd.	Appeninn Property Asset Management Ltd.	-	100%	1022 Budapest, Bég utca 3-5.
Dounby SP. Z.O.O.	Appeninn Project-EGRV Ltd.	100%	100%	Ul. Ilzecka 26, Warsaw, Mazowieckie,
Wisniowy Management Sp. Z.o.o.	Dounby SP. Z.O.O.	50%	50%	Ul. Ilzecka 26, Warsaw, Mazowieckie,
Leveron doo Beograd	Appeninn Project-EGRV Ltd.	100%	100%	Novi Beograd, Bulevar Milutina Milankovića 9Đ, 11070
Imanpa doo Beograd	Appeninn Project-EGRV Ltd.	100%	100%	Novi Beograd, Bulevar Milutina Milankovića 9Đ, 11070

On 1 January 2024, Appen-Retail Ltd. and Felhévíz-Appen Ltd. merged into Appeninn Property Vagyonkezelő Zrt.

17. Trade receivables

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Gross value of trade receivables	16.566	89.881
Impairment	-	-
Total net trade receivables	**16.566**	**89.881**

The Company has performed customer impairment using the expected loss model. The expected losses were calculated from the average of the past two years' experience. Receivables have decreased significantly due to the sale of the Üllői út property.

18. Other current receivables

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Tax receivables	5.170	-
Deposits	15.215	15.040
Claim relating to a concession	11.776	11.776
Advances granted	4.150	4.150
Lease receivables	18.006	117.649
Other	1.658	6.012
Total	**55.975**	**154.627**

19. Receivables from related parties

Receivables from affiliated companies consist of invoiced holding fees, interest and capital receivables, and other receivables from subsidiaries.

data in thousands of HUF	Trade, loans and interest receivables	
	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Appeninn-Bp 1047 Zrt.	-	58.533
Appeninn Property Asset Management Ltd.	2.098.808	354.734
Appeninn E-Office Zrt.	743.357	745.804
Felhévíz-Appen Ltd.	-	9.967
APPEN-Retail Ltd.	-	539.996
Sectura Property Management Ltd.	-	20.535
Szent László Téri Service House Ltd.	-	283.734
Curlington Ltd.	-	108.161
Dounby Sp. Z.o.o.		2.549.469
Appeninn Project-EGRV Ltd.	-	10.396.938
Appeninn Project-MSKC Ltd.	330.195	500.924
Tidaholm Properties Ltd.	1.264.022	1.883.823
Tunnel Investment Ltd.	-	3.061
Kantrum Property Ltd.	1.246.066	4.029.579
Total consolidated receivables within the year	**5.682.448**	**21.485.258**
Appeninn Project-EGRV Ltd.	16.931.784	-
Total merged receivables over one year	**16.931.784**	**-**

During 2024, Appen-Retail Kft. and Felhévíz-Appen Kft., Szent László téri Szolgáltatóház Kft., Sectura Ingatlankezelő Kft., Appeninn BLT Kft., BERTEX Zrt., Appeninn-BP1047 Zrt. and Curlington Kft. were merged into Appeninn Property Vagyonkezelő Zrt., so the receivables from them were transferred to the receivables of the successor company.

20. Accrued income and prepaid expenses

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Accruals and deferred income	244.684	90.514
Accrual of expenses	23.083	21.396
Total	**267.767**	**111.910**

The amount of accrued income increased due to the invoicing of holding fees after the balance sheet date, while in 2023 it was invoiced in the current year.

21. Cash and cash equivalents

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Petty cash	-	-
Bank account money HUF	9.985	7.026
Bank account money EUR	2.024	21.913
Short-term deposits	10.457.757	6.295.385
Total	**10.469.766**	**6.324.324**

The Company invests free cash in short-term investments to ensure profitability and liquidity. The maturity of the Company's term deposit is 1 month.
The Company has no undrawn credit lines.

22. Share capital

The shares of Appeninn Vagyonkezelő Holding Plc. were listed on the Budapest Stock Exchange on 2 July 2010 in public trading .

Appeninn Plc share data	
face value	100
currency	HUF
ISIN code	HU0000102132
place of traffic maintenance	Budapest Stock Exchange Ltd. share section
start of marketing	2 July 2010.
share register management	Appeninn Plc. Board of Directors, 1022 Budapest, Bég utca 3-5.
Number of shares outstanding at 31.12.2024 (number)	47.371.419
Number of shares outstanding at 31.12.2023 (number)	47.371.419

data in thousands of HUF	for the financial year ending 31.12.2024	Financial year ending 31.12.2023 year
Value of share capital		
Opening value on 1 January:	4.737.142	4.737.142
Release	-	-
Closing value at 31 December:	4.737.142	4.737.142

The Company's share capital is HUF 4,737,142 thousand, consisting of 47,371,419 shares with a nominal value of HUF 100 each.

23. Treasury shares repurchased

	for the financial year ending 31.12.2024		for the financial year ending 31.12.2023	
	thousand forints	Piece	thousand forints	Piece
Opening value	1.114	1.848	1.114	1.848
Purchase of own shares	-	-	-	-
Transfer of treasury shares for dividend payment	-	-	-	-
Sale of own shares	-	-	-	-
Closing value	**1.114**	**1.848**	**1.114**	**1.848**

24. Reserves

	for the financial year ending 31.12.2024			for the financial year ending 31.12.2023		
	thousand forints	number of shares issued (number)	Premium (HUF/pc)	thousand forints	number of shares issued (number)	Premium (HUF/pc))
Open at	**8.095.844**	**47.371.419**	**171**	**8.095.844**	**47.371.419**	**171**
Closing balance at 31 December:	**8.095.844**	**47.371.419**	**171**	**8.095.844**	**47.371.419**	**171**

25. Retained earnings

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Opening balance	**7.263.787**	**7.420.955**
Result for the year	6.336.064	(157.168)
Disposal of own shares	-	-
Closing value	**13.599.851**	**7.263.787**

Equity reconciliation table:

The reconciliation table below shows the reconciliation between the components of equity as determined in accordance with Section 114/B of Act C of 2000 on Accounting in Hungary ("Act") and the components of equity as reported in the separate financial statements under EU IFRS, in accordance with the provisions of Section 114/B of Act C of 2000 on Accounting in Hungary ("Act"). The reconciliation consists, on the one hand, of the allocation of the components of equity under EU IFRS to the components of equity under the Austrian Income Tax Act and, on the other hand, of the derivation of the differences between the two types of equity.

data in thousands of HUF	31 December 2024	31 December 2023
Share capital	4.737.142	4.737.142
Capital subscribed but not yet paid up	-	-
Treasury shares repurchased	(1.114)	(1.114)
Capital reserve	8.095.844	8.095.844
Reserves	-	-
Retained earnings	7.263.786	7.420.955
Valuation reserve	-	-
Tied reserve	-	-
Profit after tax	6.336.064	(157.168)
114/B (4) (a) Equity under IFRS	**26.431.723**	**20.095.659**
Subscribed capital as defined in the instrument of incorporation, if the capital is an instrument	4.737.142	4.737.142
114/B. (4) (b) Subscribed capital under IFRS	**4.737.142**	**4.737.142**
114/B (4) (c) Capital subscribed but not yet paid up	**-**	**-**
The sum of all elements of equity that do not meet the IFRS definition of subscribed capital, subscribed but not paid-in capital, retained earnings, valuation reserve, profit for the year or retained earnings	8.095.844	8.095.844
114/B. (4) d) Capital reserve	**8.095.844**	**8.095.844**
Profit accumulated in prior years and not distributed to owners, recognised in the IFRS financial statements	7.420.955	7.420.955
114/B (4) (e) Revenue reserve	**7.420.955**	**7.420.955**
114/B. (4) (h) Committed reserve	**-**	**-**
Profit for the year in the profit and loss section of the comprehensive income statement or in the separate income statement	6.336.064	(157.168)
114/B (4) (g) Profit/loss for the year	**6.336.064**	**(157.168)**

Unappropriated retained earnings available for

dividend payments		
IFRS profit and loss reserve	13.599.851	7.263.787
Less: cumulative unrealised gains on fair value gains recognised in accordance with IAS 40 Investment Property	(280.594)	(4.348.195)
Plus: cumulative amount of income tax recognised under related IAS 12 Income Taxes	-	-
Profit reserve available for dividend payments	**13.319.257**	**2.915.592**

According to the provisions of the SZIT, the Company proposes to pay a dividend of at least 90% of its profit or, if its free funds are less, at least 90% of the amount of free funds, provided that the payment is not restricted by a loan agreement with a financial institution. Thus, the proposed dividend for 2024 is thousand HUF 5,655,769.

26. Deposits paid by tenants

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Tenants' deposits	19.037	206.986
Total	**19.037**	**206.986**

The Company keeps a record of the amount of security deposits paid by tenants. Deposit liabilities from tenants have decreased significantly due to the sale of the Üllői út property.

27. Lease commitments

The Company entered into a property lease agreement on 16 March 2020, for which the right to use the assets and the lease liability have been recognised in the balance sheet. The lease expires on 16 March 2025.

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Minimum value of lease payments payable		
in 2024	-	104.020
in 2025	18.574	17.337
Total minimum lease payments	**18.574**	**121.357**
Leasing interest	**(23)**	**(1.943)**
Total present value of minimum lease payments	**18.551**	**119.414**
Of which short-term	**18.551**	**102.099**
Of which long-term	**-**	**17.315**

The Company recognizes interest expense on lease obligations using the effective interest method. The do not contain renewal or termination options.

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

The amount of short-term leases directly expensed was 25,368 thousand HUF in 2024 and 5,038 thousand HUF in 2023. The Company has no leases with a low value.

28. Debt securities issued by own issuers

On 22 November 2019, the Company issued thousand HUF 20,000,000 of bonds through the Growth Bond Programme launched by the National Bank of Hungary, which were subscribed for an additional thousand HUF 108,113 at a gain of thousand HUF 108,113. 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 (thousand HUF 20,000,000) is payable in one lump sum. Interest on the bond is payable at a fixed rate of 3.5% per annum. The bond is recorded at amortized cost, with an effective interest rate of 3.459%.

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Bond debt	20.000.000	20.000.000
Bond premium	114.307	120.103
Total bond liabilities	**20.114.307**	**20.120.103**

29. Short-term loans and leasing liabilities

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Current portion of lease liability	18.551	102.099
Total	**18.551**	**102.099**

30. Other current liabilities

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Wage liability	4.639	5.560
Ex post purchase price liability	234.285	234.285
Other	3.250	22.689
Total	**242.174**	**262.534**

31. Current liabilities to related parties

data in thousands of HUF	Trade, loan and interest payable	
	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Bertex Real Estate Distributor Ltd.	-	1.251.776
Appeninn E-Office Zrt.	1.831	7.806
Appeninn Project EGRV Ltd.	-	8.302
Appeninn Project-MSKC Ltd.	-	71.836
Appeninn BLT Ltd.	-	2.717.703
Total current related liabilities	**1.831**	**4.057.423**

Amounts due to related parties decreased significantly due to the offsetting of the receivable from the sale of the Üllői út property.

32. Supplier's obligations

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Liabilities to suppliers	29.951	13.035
Closing value	**29.951**	**13.035**

33. Tax and duty obligations

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
VAT payment obligation	-	65.218
Personal - contributions and taxes	-	1.267
Total	**-**	**66.485**

34. Accruals and deferred income

data in thousands of HUF	for the financial year ending 31.12.2024	for the financial year ending 31.12.2023
Accruals and deferred income	68.747	206.904
Accrued expenses and deferred charges	9.765	15.851
Total	**78.512**	**222.755**

The amount of accrued expenses and deferred income decreased significantly due to the sale of the Üllői út property.

35. Transactions with related parties

Transactions with subsidiaries as related parties are disclosed in the notes to the relevant balance sheet lines (see notes 21, 7, 11). Through a company owned by a private individual, one of the directors used legal services of 17,377 thousand HUF in 2024 and 13,402 thousand HUF in 2023. Transactions with the operating company owned by a significant influence person amounted to thousand HUF 43,197 in 2024 and thousand HUF 299,167 in 2023. At 31 December 2024, there was a liability of thousand HUF 3,201 to the operating company owned by a significant influence person. There is no fixed maturity for loans to related parties, and the maturity of transactions with other related parties is similar to the maturity of transactions with unrelated parties.

36. Remuneration of key managers

The Company's General Meeting of Shareholders held on 30 September 2020 set the remuneration of the executive officers at HUF 200 e/month. The Company does not have any contracts with the executive officers that would create future obligations for the Company by changing their contracts.

	2024	2023
Board members' fees (2 persons) - for 11 months	2.200	-
Board members' fees (3 persons) - 12 months	2.400	-
Fees of members of the Management Board (5 persons	-	2.400
Audit Committee members' fees (3 persons)	-	-

	2024	2023
Salary-related allowances for senior officials (in EUR million)	41.785	37.420

37. Financial instruments

Financial instruments include trade receivables, loans granted and cash and cash equivalents, as well as loans, borrowings, bonds and trade payables.

2024.12.31	Notes	At fair value through profit or loss	Valued at amortised cost	Fair value through other comprehensive income
Financial instruments				
Trade receivables	17		16.566	
Other current receivables	18		55.971	
Receivables from related parties	19		22.614.233	
Loans granted	20		4	
Cash equivalents	22		10.469.766	
Financial instruments		-	***33.156.540***	-
Financial liabilities				
Deposits paid by tenants	27		19.037	
Lease commitments	28		18.551	
Bond debt	29		20.114.307	
Related party liabilities	32		1.831	
Liabilities to suppliers	33		29.951	
Financial liabilities		-	***20.183.676***	-

2023.12.31	Notes	Fair value through profit or loss	Valued at amortised cost	Fair value through other comprehensive income
Financial instruments				
Trade receivables	17		89.881	
Other current receivables	18		154.627	
Receivables from related parties	19		21.485.258	
Cash equivalents	22		6.324.324	
Financial instruments		-	***28.054.090***	-
Financial liabilities				
Deposits paid by tenants	27		206.986	
Lease commitments	28		119.414	
Bond debt	29		20.120.103	
Related party liabilities	33		4.057.423	
Liabilities to suppliers	34		13.035	
Financial liabilities		-	***24.516.961***	-

The fair values of financial instruments measured at amortised cost approximate their carrying amounts in both years, except for the bond debt issued. The fair value was determined in both years at fair value corresponding to level 3. The estimated fair value of the bond liability is thousand HUF 14,066,306 at 31 December 2023 and thousand HUF 14,712,935 at 31 December 2024. In calculating the fair value, the forint risk-free yield curve has been supplemented by the risk premium for Appeninn. The risk premium is not an observable parameter.

38. Risk management

The Company's financial assets include cash, loans, trade and other receivables and other assets, excluding taxes. The Company's financial liabilities include loans and borrowings, trade and other payables, excluding gains or losses arising from the remeasurement of taxes and financial liabilities at fair value.

The Company is exposed to the following financial risks:
- credit risk
- liquidity risk
- market risk
- business risk

This chapter describes the above risks of the Company, the Company's objectives, policies, process measurement and risk management, and the Company's capital management. The Board of Directors has overall responsibility for the establishment, oversight and risk management of the Company.

The Company's risk management policy is designed to identify and investigate the risks faced by the Company, to set up appropriate controls and to monitor the risks. The risk management policy and system will be reviewed to reflect changing market conditions and the Company's activities.

38.1 Capital Markets

Capital management is the management of equity capital. The Company's policy is to maintain a level of capital sufficient to maintain investor and creditor confidence in the future and to enable the Company to grow in the future.

The capital structure of the Company consists of net debt and the Company's equity (the latter includes subscribed capital and reserves).

In managing its capital, the Company seeks to ensure that the Company and its subsidiaries can continue their activities while maximising the return to owners by optimally balancing debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Company also monitors whether the capital structure of its subsidiaries complies with local legal requirements.

38.2 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 Company. Financial assets that are exposed to credit risk may be long-term or short-term borrowings, cash and cash equivalents, accounts receivable and other receivables.

The carrying amount of financial assets represents the maximum exposure to risk. The table below shows the Company's maximum exposure to credit risk at 31 December 2024 and 31 December 2023.

Maximum claim exposure	**for the financial year ending 31.12.2024**	**for the financial year ending 31.12.2023**
Trade receivables	16.566	89.881
Other current receivables	55.971	154.627
Receivables from related parties	22.614.233	21.485.258
Short-term loans	4	-
Cash and cash equivalents	10.469.766	6.324.324
	33.156.540	**28.054.090**

The Company has reviewed and the credit risk has increased, however this is mainly due to the increased balance of subsidiary loans. The Company's exposure to credit risk has increased from the prior year, however the credit risk of the financial instruments has not increased significantly since initial recognition and the Company considers the financial instruments to be low credit risk.

In Management's view, customer risk has not changed significantly compared to previous periods.

38.3 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 Company's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable limits while optimising profit.

The Company has determined that its results are materially dependent on a key variable of a financial nature, foreign exchange risk, and has performed a sensitivity analysis on this key variable.

The exchange rate risk is particularly relevant in the fair valuation of the Investment properties, as the valuation is based on EUR, and therefore the EUR property value is used in the analysis of the currency risk:

Rate type	2024.12.31	Change in EUR	Change %	2023.12.31
Closing	410,09	27,31	7,13%	382,78
Average	395,20	13,25	3,47%	381,95
Closing and Average difference	14,89	14,06	1693,72%	0,83

Exchange rate changes	Exchange rate	Change in EUR	Pooling NON EUR position Balance sheet value EUR	Calculated impact EUR
-1%	405,9891	-4,1009		(13.358)
-0,50%	408,03955	-2,05045		(6.645)
2024.12.31. MNB	410,09		1.322.428	
+0,5%	412,14045	2,05045		6.579
+1%	414,1909	4,1009		13.093

38.4 Business risk

The Company sets consistent, predictable and competitive rental rates for its tenants. Current rental rates are in line with the environment and quality of the properties. However, given the current global economic environment and the supply and demand conditions in the Budapest office market, there is no certainty that current rental rates and conditions will be sustainable in the future. The Company is insured for its leased assets. Business risk factors related to the war in Ukraine are discussed in Note 45.

38.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due, both in normal and stressed circumstances, without incurring unacceptable losses or risking the Company's reputation.

On April 5, 2024, Scope Ratings published the results of its review of the rating of the Company and its bonds "APPENINN 2029/I" 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.

If the rating of the bond falls below "B+", the Company is obliged to repay the nominal value of the bonds plus accrued interest.

The maturity structure of the financial liabilities contracted and actually payable (undiscounted) is summarised in the table below for 31 December 2024 and 2023:

2024.12.31	**due within 1 year**	**Due in 2-5 years**	**Overdue after 5 years**	**Total**
Related party liabilities	1.831			**1.831**
Loans and leases	18.551			**18.551**
Other current liabilities	242.174			**242.174**
Liabilities to suppliers	29.951			**29.951**
Debt securities issued by own issuers	700.000	2.100.000	20.000.000	**22.800.000**
Deposits paid by tenants		19.037		**19.037**
Financial liabilities	***992.507***	***2.119.037***	***20.000.000***	***23.711.544***

2023.12.31	**due within 1 year**	**Due in 2-5 years**	**Overdue after 5 years**	**Total**
Related party liabilities	4.057.423			**4.057.423**
Loans and leases	104.020	17.337		**121.357**
Other current liabilities	262.534			**262.534**
Liabilities to suppliers	13.035			**13.035**
Debt securities issued by own issuers	700.000	2.800.000	20.700.000	**24.200.000**
Deposits paid by tenants		206.986		**206.986**
Financial liabilities	***5.137.012***	***3.024.323***	***20.000.000***	***28.861.335***

39. Changes in liabilities related to financing activities

	1 January 2024.	**Currency flows**	**Exchange rate changes**	**New leases**	**Other movement**	**Change in fair value**	**31 December 2024.**
Lease liabilities short	102.099	(102.099)	1.236		17.315		18.551
Lease liability long	17.315						-
Bond debts	20.120.103	(700.000)			694.204		20.114.307
	20.239.517	**(802.099)**	**1.236**	**-**	**711.519**	**-**	**20.132.858**

	1 January 2023.	Currency flows	Exchange rate changes	New leases	Other movement	Change in fair value	31 December 2023.
Lease liabilities short	103.603	(103.603)			102.099		102.099
Lease liability long	124.859		(5.445)		(102.099)		17.315
Bond debts	20.125.900	(700.000)			694.203		20.120.103
	20.354.362	**(803.603)**	**(5.445)**	**-**	**694.203**	**-**	**20.239.517**

40. Contingent liabilities

Guarantees granted to credit institutions of subsidiaries

Appeninn Plc has provided guarantees for the loans of its subsidiaries to financial institutions. The risk of default by subsidiaries is negligible.

Principal amounts of loans:

Funders	Primary debtor company	2024.12.31. maturity within one year		2024.12.31. maturity beyond one year	
		EUR	thousand HUF	EUR	thousands HUF
K&H Bank	Kantrum Properties Ltd.	278.482	114.203	6.800.184	2.788.687
MBH Bank	Appeninn-EGRV Ltd.	772.835	316.932	12.575.787	5.157.204
MFB-Erste syndicated loan	Appeninn E-Office Zrt.	1.097.420	450.041	21.811.832	8.944.814
Magyar Takarékszövetkezeti Bank Zrt.	Tidaholm Properties Ltd.	892.735	366.102	9.834.217	4.032.914
Total bank loans		**3.041.472**	**1.247.278**	**51.022.020**	**20.923.619**

41. Environmental impacts on the Company's activities

The Company does not own any tangible assets directly related to the protection of the environment. The Company does not generate hazardous waste or substances harmful to the environment in the course of its activities and therefore does not have any stocks of such materials. We are not aware of any future liabilities relating to environmental protection and therefore no provision has been made for such liabilities and no such costs have been incurred in the year under review.

42. Segment reports

The Company does not report segment information in its separate financial statements because the Company as a whole is classified as one segment.

43. Events after the balance sheet date

On 21 January 2025, the Company established a project company under Act CII of 2011 on Regulated Real Estate Investment Companies.

On 12 March 2025, the Company acquired a project company subject to Act CII of 2011 on Regulated Real Estate Investment Companies. The subsidiary has no real estate assets.

Management has not identified any significant impact or risk that would affect the valuation of assets or liabilities or have a material effect on operations. Management has not identified any event or risk related to the war in Russia and Ukraine that would have a material effect on the measurement of assets or liabilities or the ability to continue as a going concern or the applicability of this principle. Management continuously monitors the potential impact of inflationary increases and as a result, leases are indexed annually to the rate of inflation determined.

There were no other material events after the reporting date.

44. Information on the preparation of an individual report

The individual financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU for the financial year ending 31 December 2024 have been prepared on the basis of the general ledger and analytical accounting records, the records kept in accordance with the Hungarian Accounting Standards, the customer invoices and the contracts entered into by the Company, as recorded by the Company's accountant. The name and registration number of the accountant responsible for the preparation of these accounts is Éva Kecskeméthy (registration number: 192714).

The Company has engaged an IFRS registered accounting expert to ensure that the financial statements prepared in accordance with the Hungarian Accounting Act comply with IFRS standards. Ildikó Rózsa (registration number: 207258) is personally responsible for the preparation of the IFRS financial statements. The expert entrusted with the preparation of the IFRS financial statements was engaged solely to identify differences between Hungarian accounting standards and IFRS standards and to prepare individual financial statements in accordance with the IFRS standards adopted by the EU.

45. Audit of individual accounts, auditor's fees

The company and the auditor responsible for the audit of the Company shall be elected by the General Meeting of the Company. The auditor appointed by the General Meeting of the Company to audit the 2024 management accounts:

- Ernst & Young Audit Limited Liability Company (auditor in person: János Varga, registration number: 007319)

Remuneration of the auditor:

- The total audit fee for the individual annual financial statements of Appeninn Plc prepared in accordance with the International Financial Reporting Standards adopted by the European Union and in accordance with IFRS and the consolidated IFRS financial statements of Appeninn Plc is HUF 42,361 thousand HUF + VAT.

Other assurance services, tax advisory services and non-audit services were provided to the Company by the auditors for an amount of EUR 12,300.

46. Authorisation of financial statements for issue

The Board of Directors of Appeninn Vagyonkezelő Holding Plc. approved the individual financial statements of the Company for the year 2024 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU on 1 April 2025. The Board of Directors of the Company has approved the issuance of these separate financial statements of the Company, but the Annual General Meeting of Shareholders, which is entitled to approve the financial statements, may request amendments prior to adoption.

The person entitled to represent the Company:
Szathmáriné Szűcs Györgyi Magdolna (1172 Budapest, Tura utca 46.)

Budapest, 1 April 2025

Chairman of the Board of Directors

Statements

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

Disclaimer - The separate financial statements give a true and fair view of the assets, liabilities, financial position, profit or loss, position, development and performance of Appeninn Vagyonkezelő Holding Plc, together with a description of the principal risks and uncertainties, to the best of our knowledge, based on the accounting principles used.

Budapest, 1 April 2025

Chairman of the Board of Directors