Appeninn
Holding

APPENINN HOLDING PLC

SEPARATE ANNUAL FINANCIAL STATEMENTS

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
31 DECEMBER 2025

COMPARATIVE PERIOD ENDING 31 DECEMBER 2024

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Statement of Financial Position

Assets	**Note**	**31 December 2025 thousand HUF**	**31 December 2024 thousand HUF**
Investment properties	14	894,128	951,409
Tangible assets	15	5,921	8,378
Investments in subsidiaries	16	12,605,287	12,623,279
Receivables from related parties	19	10,673,654	16,931,784
Total long term assets		**24,178,990**	**30,514,850**
Trade receivables	17	7,695	16,566
Other current receivables	18	74,073	55,975
Receivables from related parties	19	3,645,743	5,682,448
Accruals	20	69,598	267,767
Cash and cash equivalents	21	17,764,802	10,469,766
Total current assets		**21,561,911**	**16,492,522**
Total assets		**45,740,901**	**47,007,372**
Equity and liabilities			
Share capital	22	4,737,142	4,737,142
Treasury shares	23	(1,114)	(1,114)
Reserves	24	8,095,844	8,095,844
Retained earnings	25	12,734,854	13,599,851
Equity attributable to the Company's shareholders		**25,566,726**	**26,431,723**
Deposits paid by tenants	26	9,310	19,037
Bond liabilities	27	20,108,510	20,114,307
Total long-term liabilities		**20,117,820**	**20,133,344**
Short-term bank loans and lease liabilities	28	-	18,551
Other short-term liabilities	29	16,633	242,174
Current liabilities to related parties	30	2,426	1,831
Liabilities to suppliers	31	1,873	29,951
Income tax liabilities		-	71,286
Accrued liabilities	32	35,423	78,512
Total current liabilities		**56,355**	**442,305**
Total liabilities		**20,174,175**	**20,575,649**
Total equity and liabilities		**45,740,901**	**47,007,372**

The notes on pages 8–57 form an integral part of the separate financial statements

Statement of Comprehensive Income	Note	For the financial year ended 31 December 2025 HUF thousand	For the financial year ended financial year 31 December 2024 thousand HUF
Revenue from property lettings	3	44,134	849,131
Direct costs of property letting	4	(43,468)	(84,882)
Gross margin		**666**	**764,249**
Revenue from service fees from subsidiaries	5	-	196,122
Administrative costs, service fees, wages	6	(150,684)	(366,373)
Other income/(expenses)	7	8,965	3,189,163
Result of fair value measurement of investment property	8	(65,074)	455,601
Profit before tax, interest and depreciation		**(206,127)**	**4,238,762**
Depreciation and amortisation	9	(2,357)	(3,668)
Other (expenses)/income from financial transactions	10	(1,004,358)	1,763,751
Net interest income and (expenses)	11	347,966	414,973
Lease interest	11	(22)	(1,989)
Profit before tax		**(864,898)**	**6,411,830**
Income tax	12	(99	(75,766)
Profit for the year		**(864,997)**	**6,336,064**
Other comprehensive income		**-**	**-**
Other comprehensive income for the year, net of tax		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(864,997)**	**6,336,064**

The notes on pages 8–57 form an integral part of the separate financial statements

Changes in equity (data in thousands of forints)	Note	Share capital	Reserves	Treasury shares	Accumulated profit	Total equity
Balance as at 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 as at 31 December 2024	**22–25**	**4,737,142**	**8,095,844**	**(1,114)**	**13,599,851**	**26,431,723**
Balance as at 1 January 2025	**22–25**	**4,737,142**	**8,095,844**	**(1,114)**	**13,599,851**	**26,431,723**
Total comprehensive income for the year						
Total comprehensive income for the year	**25**				**(864,997)**	**(864,997)**
Balance as at 31 December 2025	**22–25**	**4,737,142**	**8,095,844**	**(1,114)**	**12,734,854**	**25,566,726**

The notes on pages 8–57 form an integral part of the separate financial statements

Cash Flow Statement **data in thousands of forints**	**Note**	**For the financial year ending 31 December 2025**	**For the financial year ended 31 December 2024**
Profit before tax		**(864,898)**	**6,411,830**
Non-cash transactions:			
Result of fair value measurement of investment property	8	65,074	(455,601)
Depreciation	9	2,357	3,668
Gain on disposal	7	-	(3,201,181)
Impairment of equity investment	10	20,991	(347,185)
Interest income	11	(1,047,966)	(1,209,393)
Interest expenses	11	700,000	794,420
Change in receivables and other current assets	17–20	188,942	(83,529)
Change in liabilities and accruals	26, 29–32	(625,781)	(782,212)
Income tax paid	12	(71,385)	(54,455)
Net cash flow from operating activities		**(1,632,666)**	**1,069,981**
Acquisition of equity interests	16	(3,000	(357,100)
Sale of equity interests	16	-	-
Purchases of tangible assets	15	(7,694)	(6,380)
Loan repayments to related parties	19	8,294,836	3,574,042
Loans granted to related parties	19	-	(632,992)
Loans granted	19	-	(4)
Income from repayment of loans granted	19	-	-
Leasing income	17	-	99,643
Interest received	11	1,047,989	1,211,381
Net cash flow from investing activities		**9,332,131**	**3,888,590**
Repayment of loans and borrowings	28	(24,348)	(106,660)
Acquisition of loans and borrowings	28	-	-
Lease interest	11	(22)	(1,989)
Interest paid	11	(700,000)	(700,000)
Net cash flow from financing activities		**(724,371)**	**(808,649)**
Exchange rate effect		**319,942**	**(4,480**
Change in cash and cash equivalents	**21**	**7,295,036**	**4,145,442**
Cash balances:			
Cash and cash equivalents at the beginning of the year	21	10,469,766	6,324,324
Cash and cash equivalents at the end of the year	21	17,764,802	10,469,766

The notes on pages 8–57 form an integral part of the separate financial statements

1. General section

1.1 Presentation of the company

Appeninn Asset Management Holding Plc. ("the Company") was incorporated on 1 December 2009. The Company was registered by the Companies Court on 7 December 2009 under company registration number Cg. 01-10-046538.

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

Shareholders holding more than 5% of the Company's shares as at 31 December 2025:

Shareholder's name	**Number of shares**		**Shareholding (%)**
Avellino Zrt.	11,369,141		24%
Sequor Holding Ltd.	11,297,291		23.84%
OTP Property Investment Fund	2,410,372		5.09%
Treasury shares	1,848		0.0039%
Free float	22,292,767		47.0661%
Total:	**47,371,419**		**100.00%**

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Total:	**47,371,419**		**100.00%**

Conversion into a regulated property investment company

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

In accordance with the provisions of Act CII of 2011 on Regulated Real Estate Investment Companies ("SZIT Act"), the Company met the following conditions:

- A regulated real estate investment company must hold a real estate portfolio with a value equivalent to at least seventy per cent of its balance sheet total as defined by accounting legislation.

- In the case of a regulated real estate investment company required to prepare consolidated annual accounts, the value of no single property or shareholding in another regulated real estate investment company within the combined portfolio, the value of any single property or holding in another regulated real estate investment company may not exceed thirty per cent of the regulated real estate investment company's balance sheet total as defined by accounting legislation.

- Where the regulated property investment company is required to prepare consolidated annual accounts, the basis for comparison shall be the total assets of the consolidated balance sheet; in other cases, the comparison shall be made against the total assets of the regulated property investment company's balance sheet as defined by the Accounting Act.

- A regulated property investment company and a regulated property investment company project company shall value their property portfolio at least quarterly, at market value as at the last day of the relevant quarter of the financial year, and the regulated real estate investment company shall recognise the difference between the market value and the book value of the properties in its accounting records in accordance with its accounting policy, but at least quarterly.

1.2 Basis for the preparation of the balance sheet

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

The financial statements have been prepared on a going concern basis. The separate financial statements were approved by the Board of Directors on 1 April 2026. The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and published in the Official Journal of the European Union. IFRS comprises the standards and interpretations formulated by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The figures presented in the Company's separate financial statements are expressed in thousands of forints. All amounts are rounded to the nearest thousand forints in the statements.

iii) Basis of preparation

The separate financial statements have been prepared in accordance with the standards and IFRIC interpretations in force for the year ended 31 December 2025.
The notes to the financial statements also include disclosures required by the Hungarian Accounting Act.

The financial year corresponds to the calendar year.

iv) Basis of measurement

In preparing financial statements in accordance with IFRSs, management is required to exercise professional judgement, make estimates and assumptions that affect the accounting policies applied and the reported amounts of assets and liabilities, income and expenses. These estimates and the related assumptions are based on past experience and a number of other factors that are considered reasonable under the circumstances, and form the basis for estimating the carrying amounts of assets and liabilities that cannot be determined clearly from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a regular basis. Changes to accounting estimates are recognised in the period in which the estimate is revised if the change affects only the current year, or in the period of the change and future periods if the change affects both the current and future years.

On the balance sheet date, the Company classifies current and non-current assets and liabilities based on the expected maturity of the relevant assets and liabilities. Current assets include those assets expected to be realised within 12 months, whilst non-current assets have a realisation period exceeding 12 months. The Company classifies as current liabilities that are settled within the normal operating cycle and are due within twelve months of the end of the reporting period, or where, at the balance sheet date, the Company has no unconditional right to defer settlement of the liability for at least twelve months beyond the reporting period. All other liabilities are classified as non-current. Accordingly, the Company classifies as current liabilities those portions of items classified as non-current liabilities that are due within the next 12 months from the balance sheet date.

2. Accounting policies

The following sets out the significant accounting policies applied in the preparation of these separate financial statements. These accounting policies have been applied consistently to the periods covered by these separate financial statements. The most significant accounting principles applied in the preparation of the financial statements are as follows:

2.1 Key elements of accounting policy

2.1.1. Reporting currency and foreign currency balances

In view of the nature and circumstances of the underlying economic events, the Company's functional currency is the Hungarian forint.

Transactions denominated in currencies other than the functional currency are initially recognised at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency of the relevant group member at the exchange rate published by the Hungarian Central Bank (MNB) on the balance sheet date. The resulting exchange rate differences are recognised in the income statement under 'Other (expenses)/income from financial transactions'.

The financial statements have been prepared in Hungarian forints (HUF), rounded to the nearest thousand, unless otherwise stated.

2.1.2. Revenue

Revenue from sales transactions is recognised upon fulfilment of the terms of the contracts. Revenue does not include value added tax. All income and expenses are recognised in the appropriate period on an accrual basis.

Revenue is recognised in an amount that reflects the consideration to which the Company is expected 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 can be measured reliably. Revenue is recognised when control over the goods and services passes to the customer.

Performance obligations
Upon conclusion of the contract, the Company must identify which goods or services it has promised to provide to the customer, 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 service. Performance is deemed to have taken place when the customer has obtained control of the asset (service), as evidenced by:

- The Company has an existing right to receive payment for the asset,
- Title to the asset has passed to the buyer,
- The Company has physically handed over the asset,
- The buyer bears significant risks and has the ability to derive benefits from holding the asset,
- The buyer has accepted the asset.

Determination of the transaction price

When the contract is fulfilled, the Company must recognise the revenue associated with the fulfilment, which is none other than 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. When determining the transaction price, the amounts of variable consideration (rebates, discounts) are also taken into account. The variable consideration is estimated using an expected value, which the Company weights using probability factors.

The main components of the Company's revenue are:

- Revenue from property leasing: The Company's main source of revenue, which is mostly invoiced to tenants on a monthly basis, based on the rent rate specified in the lease agreement, in accordance with the provisions of IFRS 16.
- Operating charges: The Company invoices these to tenants in addition to the rent. Operating charges include, amongst other things, cleaning and security costs, management fees and service charges, in accordance with the provisions of IFRS 15.
- Service fee income from subsidiaries: the Company invoices its subsidiaries for the tasks necessary to perform the Company's holding and management functions.

Revenue from property leasing: rental income arises from operating leases. The main elements of the accounting policy relating to operating leases are presented in section 2.1.12. Leasing.

Operating revenue: The Company has two types of contract and accounts for its revenue accordingly in accordance with IFRS 15:

- In some of its lease contracts, the Company acts as an agent. In such cases, the operating fees payable by the tenants can be clearly identified and the service charges are invoiced directly to the tenants via the Company. The Company presents the costs and the related revenue on a net basis within revenue from property leasing, as the Company acts as an agent in these transactions.
- In the case of other lease agreements, the Company acts as a principal. In these cases, the Company invoices operating fees to its tenants based on the flat rates specified in the contracts. A separate operating fee is charged to cover these operating costs, in which case the Company controls the services. The Company recognises these transactions on a gross basis in the financial statements, as it acts as the principal in these cases.

Dividend and interest income

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

Income realised on other financial assets
Interest income arising from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of the income can be measured reliably. Interest income is recognised on a time-proportion basis, taking into account the outstanding principal amount, using the relevant effective interest rate, which is the rate that exactly discounts the estimated future cash inflows over the expected life of the financial asset to the net carrying amount of the asset as recorded at initial recognition.

2.1.3. Other income and expenses

The Company presents under 'other income' the consideration received for sales that cannot be classified as revenue, typically those not related to its core business (such as the sale of property, plant and equipment), and any income that cannot be classified as financial income or an item increasing other comprehensive income, or that is not classified under any other identifiable component.
The Company classifies here, among other things, gains on the sale of property, plant and equipment, grants and compensation received, and various other income.

Other expenses comprise those expenses that are indirectly related to operations and do not qualify as financial expenses or do not reduce other comprehensive income. The Company classifies here, among other things, the amount of fines, the impact of loss events and compensation, late payment interest, expenses arising from provisions set aside due to matters otherwise classified as other expenses, losses on the disposal of property, plant and equipment, taxes, duties and contributions settled with the local authority, as well as various other expenses.

The Company presents 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.

The entity has a choice of three options for the measurement and presentation of investments in the separate financial statements.

- cost,
- fair value in accordance with IFRS 9 Financial Instruments,
- or using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

The Company must apply the same accounting treatment to each investment category.

An impairment test must be performed on the investment in a subsidiary if there are indications of potential impairment. If an indication of impairment arises, the recoverable amount of the investment must be determined and compared with the net book value of the investment. If the recoverable amount of the investment is lower than its carrying amount, an impairment loss must be recognised .

The Company calculates the fair value of subsidiaries (investments) based on the carrying amount of the investments. The Company regards the net asset value of subsidiaries as their market value. The dominant (and often sole significant) asset of subsidiaries is an investment property in accordance with IAS 40, the value of which is recorded at a value adjusted for changes in market prices and yields. The subsidiaries' other additional invested assets are immaterial (property, plant and equipment); receivables and liabilities are recorded at amortised cost, and foreign currency items are revalued at the balance sheet date, thus providing a good approximation of the fair value of these assets. The Company adjusts the carrying amount of assets or liabilities in subsidiaries to fair value as necessary, where this differs significantly, in order to arrive at the fair value required for the impairment test. If the carrying amount of the investments is less than their fair value, the Company recognises an impairment loss on the relevant investment.

When calculating impairment, the recoverable amount of the cash-generating units must be estimated. The recoverable amount is the higher of the value in use and the fair value less costs to sell. The Company determines the value in use on the basis of expected, discounted future cash flows.

2.1.5. Investment property

Investment properties are properties held for the purpose of generating rental income and/or capital appreciation (including investment properties under development). Investment properties are initially recognised at cost, including transaction costs. Subsequent to acquisition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are recognised in the profit or loss for the relevant period under the line item 'Gains or losses on fair value measurement of income-producing investment property'.

If an investment property is put to owner-occupied use, it is reclassified as property, plant and equipment. Investment properties are derecognised upon sale, or when the investment property is permanently withdrawn from the market and no future benefits are expected from its sale. Any gain or loss arising on the derecognition of the property (determined as the difference between the proceeds from the sale and the carrying amount of the asset) is recognised in the profit or loss for the period in the line item 'Gains on the sale of investment property' when the property is derecognised.

The Company classifies properties as assets held for sale if their carrying amount is primarily recovered through a sale transaction rather than through continuing use, and the sale is highly probable within one year. Investment properties classified as assets held for sale continue to be stated at fair value following reclassification.

The criteria applied in determining fair value for the valuation of investment property are set out in section 2.3.

2.1.6. Financial assets

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

Financial assets falling within the scope of IFRS 9 are classified into three measurement categories: those measured at amortised cost after acquisition, those measured at fair value through other comprehensive income (FVOCI) after acquisition, and those measured at fair value through profit or loss (FVTPL).

The Company's financial assets are classified at initial recognition in accordance with their nature and purpose. To determine the category of a financial asset, it must first be clarified whether the financial asset is a debt instrument or an equity investment. Equity investments must be measured at fair value through profit or loss; however, the entity may decide at the time of acquisition to measure equity investments held for non-trading purposes at fair value through other comprehensive income. If the financial asset is a debt instrument, the following points must be taken into account when determining the classification.

Amortised cost
Debt instruments held under a business model whose objective is to collect the contractual cash flows, and the contractual terms of the financial asset result in cash flows at specified dates that consist solely of payments of principal and interest on the outstanding principal amount.

Fair value through other comprehensive income
Financial assets measured at fair value through other comprehensive income are those financial assets held under a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets, and where the contractual terms of the financial asset result in cash flows at specified dates that consist solely of payments of principal and interest on the outstanding principal amount.

Fair value through profit or loss
Financial assets measured at fair value through profit or loss include those financial assets that do not fall into either of the two categories of financial assets described above, or that were designated as measured at fair value through profit or loss upon initial recognition.

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

To determine whether the contractual cash flows consist solely of 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 in such a way that the financial instrument would no longer meet the SPPI requirement.

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

All equity instruments must be measured at fair value in the balance sheet and the effect of changes in fair value must be recognised directly in the income statement, except for those equity instruments where the Company has elected the Fair Value through Other Comprehensive Income (FVOCI) option. The Company does not utilise the FVOCI option.

The Company offsets financial assets and financial liabilities against each other and presents their net amount in the balance sheet if, and only if, the Company has a legally enforceable right to set off the amounts and intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised from the balance sheet when the rights to the related contractual cash flows cease, or the Company transfers the significant risks and rewards associated with the asset to another party.

2.1.7. Impairment of receivables

Receivables are stated in the financial statements at their nominal value less any impairment loss recognised for estimated losses. The Company applies the simplified impairment model to the impairment of receivables. The simplified impairment model is a provision matrix that takes into account the historical default rates of the past two years and calculates impairment on a forward-looking basis. Further impairment is recognised (for example, in the event of a probability of insolvency or the debtor’s significant financial difficulties) where it is concluded that the Company will not be able to recover the full amount in accordance with the original terms of the invoice. A written-off receivable is derecognised when it is deemed uncollectible.

The Company applied the following impairment matrix to account for impairment of receivables in 2025 and 2024:

Days past due	Percentage of impairment
0–180 days	No impairment
180–360 days	50%
Delay of over 360 days	100%

The Company makes a case-by-case assessment of receivables from Group members 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 payables and other current liabilities, loans, borrowings, bonds issued by the Company and bank overdrafts. Their presentation and measurement in the financial statements are set out in the relevant sections of the notes to the financial statements as follows:

The Company measures all financial liabilities at fair value on initial recognition. In the case of loans and issued bond liabilities, it also takes into account transaction costs directly attributable to the acquisition of the financial liability.

Financial liabilities falling within the scope of IFRS 9 are classified into two measurement categories: those measured at amortised cost after acquisition, and those measured at fair value through profit or loss (FVTPL) after acquisition. The Company determines the classification of individual financial liabilities at the time of their acquisition. The Company has not applied the FVTPL measurement method.

Loans and borrowings, as well as bonds issued, are presented in the statement of financial position at amortised cost calculated using the effective interest method. Gains and losses relating to loans, borrowings and bonds are recognised in the income statement through amortisation calculated using the effective interest method, and upon derecognition of the financial liability. Repayments are recognised as a reduction in the financial liability, whilst accrued interest is recognised in the income statement as a financial expense.

A financial liability is derecognised when the liability ceases to exist, is settled or becomes legally time-barred. The difference arising on derecognition is recognised in the income statement.

2.1.9. Fair value

Fair value measurement applies to a specific asset or liability. When determining fair value, the Company takes into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability at the measurement date. The reporting unit for the asset or liability must be determined in accordance with the IFRS that requires or permits measurement at fair value.

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

Fair value hierarchy

Financial instruments measured at fair value must be classified into a three-level fair value hierarchy for disclosure purposes. The levels within the hierarchy reflect the significance of the inputs used in determining fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities.

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

The Company uses Level 3 valuation for fair value.

Among financial assets, the Company measures loans and receivables, as well as financial liabilities, at amortised cost; however, their fair values are also disclosed in the notes to the financial statements. The fair value of these assets and liabilities is determined on the basis of Level 3 information. The fair value of financial instruments not quoted on 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 entity is considered a related party if it is a subsidiary, an associate, a joint venture, a key management personnel of the company or the parent company, a close relative of any of the above individuals, or a subsidiary, associate or joint venture owned by the individual or their close relative.

Transactions with related parties are any transactions that take place between them, regardless of whether a price is charged or not.

The Company identifies related parties when preparing its financial statements for each reporting date and reviews this identification on an ongoing basis. It identifies receivables and liabilities with identified related parties in its records and discloses them in the notes to the financial statements.

2.1.11. Income taxes

The Company has classified corporation tax, local business tax and the innovation levy as income tax, the basis for which is taxable profit.

The Company is a regulated real estate investment company under the SZIT Act; consequently, it has no liability for corporation tax or local business tax, except for income derived from associated companies not subject to the SZIT Act.

The current year’s tax liability is determined on the basis of the taxable profit for the year under review. The taxable profit differs from the pre-tax profit shown in the separate financial statements due to profits and losses that do not form part of the tax base, as well as items that are taken into account in the taxable profit of other years. The Company’s current tax liability is determined on the basis of the tax rate in force or announced (where announcement is equivalent to entry into force) as at the balance sheet date.

2.1.12. Leasing

The Company as lessor

Finance lease
A finance lease is a transaction that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. In nature, a finance lease is similar to the financing of a sale of an asset. Its accounting treatment in the financial statements is not based on the legal form of the transaction, but on its economic substance (i.e. as if the lessor were selling the underlying asset to the lessee). In the case of a finance lease, the leased asset is derecognised and the present value of the receivable relating to the lease is recognised as a receivable in the balance sheet.

Operating lease
An operating lease is a transaction in which substantially all the risks and rewards incidental to ownership of the underlying asset are not transferred. The Company accounts for rental income from the letting of investment property as operating leases. The fees specified in the lease agreement are recognised on a straight-line basis in the income statement as revenue from the letting of property. Rental discounts are allocated over the entire lease term. The Company recognises revenue from the point at which the right to collect rent arises upon the property being made available for use; in the event of a contract amendment, revenue is recognised as a new contract from the date the amendment takes effect.
The initial direct costs incurred in concluding an operating lease agreement increase the carrying amount of the asset under the operating lease and are recognised over the lease term on the same basis as the rental income.

All-leases
A sub-lease, by definition, is a transaction in which an underlying asset is sublet by the lessee (acting as an intermediate lessor) to a third party, whilst the lease agreement between the lessor and the lessee (the ‘master lease’) remains in force. The Company, as an intermediate lessor, classifies subleases as finance or operating leases, in the same way as it does for any other lease. On the commencement date of the sub-lease, if the Company is unable to determine the implicit interest rate of the sub-lease with certainty, the discount rate applied to the master lease is used for the accounting of the sub-lease, which is adjusted for any direct costs associated with the sub-lease.

Presentation and disclosure of subleases

In the case of sub-leases, there are no specific provisions governing their disclosure in the balance sheet and income statement. The Company applies the disclosure rules that also apply to other finance and operating leases. The Company does not offset assets and liabilities arising from a master lease and a sub-lease relating to the same underlying asset, unless the requirements for offsetting financial instruments are met. The same applies to lease income and lease costs arising from a master lease and a sub-lease based on the same underlying asset, unless the offsetting criteria under IAS 1 are met.

Under IFRS 16, the master lease and the sub-lease are two separate contracts, which are accounted for under the lessee and lessor models respectively. The general disclosure requirements apply equally to master leases and sub-leases, as well as to lessors of finance or operating sub-lease transactions.

The Company had a property sublease until March 2025.

2.1.13. Earnings per share (EPS)

Earnings per share are calculated by taking into account the Company's profit and the number of shares outstanding, reduced by the average number of treasury shares held during the period.

Diluted earnings per share are calculated in the same way as earnings per share. However, the calculation takes into account all dilutive shares in circulation by increasing the yield attributable to ordinary shares by the dividend and yield of convertible shares eligible for consideration in the given period, adjusted for additional income and expenses arising from the conversion, - by increasing the weighted average number of shares in issue by the weighted average number of additional shares that would be in issue if all convertible shares were converted.

2.1.14. Deposits received from tenants

Deposits received from tenants are recognised at their initial fair value and subsequently measured at amortised cost using the effective interest method. Tenant deposits relating to leases with a term of more than one year are presented under long-term liabilities; the remaining tenant deposits are presented under other liabilities in the statement of financial position.

2.1.15. Off-balance sheet items

Off-balance-sheet liabilities are not included in the statement of financial position or the statement of comprehensive income, which form part of the annual financial statements. They are disclosed in the notes to the financial statements, unless the likelihood of an outflow of resources embodying economic benefits is remote. Off-balance-sheet receivables are not included in the financial statements; however, if an inflow of economic benefits is probable, they are disclosed in the notes to the financial statements.

2.1.16. Issued capital and treasury shares

Issued share capital comprises the nominal value of ordinary shares issued by the Company and in circulation. Direct costs associated with the issue of new shares – net of any tax effects – are deducted from the issue price and recognised in equity.

The value of repurchased own shares is deducted from equity. The difference between the nominal value and the cost is recognised directly in retained earnings.

2.1.17. Dividends

The Company recognises dividends in the year in which they are approved by the shareholders.

2.1.18. Result from financial transactions

Financial results comprise interest and dividend income recognised using the effective interest method, interest and other financial expenses recognised using the effective interest method, gains and losses arising from the fair valuation of financial instruments, and realised and unrealised exchange rate differences.

2.1.19. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and short-term, highly liquid investments that can be readily converted into a known amount of cash and have an original maturity of three months or less. The Company holds these assets for liquidity management purposes rather than for investment or other purposes.

Restricted cash and cash equivalents are cash and cash equivalents over which the Company's right of disposal is temporarily restricted due to contractual or statutory restrictions. These amounts are presented separately and are not included in unrestricted cash and cash equivalents. Where the restriction is of a short-term nature, such items are presented within cash and cash equivalents, with an appropriate explanatory note.

2.1.20. Cash flow statement

The cash flow statement presents cash flows broken down by operating, investing and financing activities. Operating cash flow is presented using the indirect method, which starts from the profit for the year and adjusts it for non-cash items and changes in working capital. Cash flows are determined based on changes in cash and cash equivalents.

2.1.21. Events after the balance sheet date

Events occurring after the end of the reporting period that provide additional information on the circumstances existing at the end of the Company's reporting period (adjusting items) are disclosed in the financial statements. Events after the reporting period that do not affect the data in the financial statements are disclosed in the notes to the financial statements, where material.

2.2 Changes in accounting policies

The Company has prepared its financial statements for the reporting period ended 31 December 2025 in accordance with the provisions of all standards and interpretations that have come into effect.

The Company's accounting policies are consistent with those applied in previous years.

Accounting policies must be reviewed regularly, both in light of the Company's practices and changes to IFRSs, and amended if necessary, by 90 days prior to the effective date of the change, or, if less time is available between the announcement and the effective date of the change, by the effective date.

In accordance with IFRS requirements, the Company amends its accounting policies if:

- the change is required by a standard or an interpretation; or
- the change results in a more reliable and relevant presentation in the Company's financial statements of the effects of transactions, other events and conditions on the Company's financial position, financial performance and cash flows.

The Company must account for a change in accounting policy arising from the initial application of a standard or an interpretation in accordance with the transitional provisions of that standard or interpretation (if any); and where the Company changes its accounting policy upon the initial application of a standard or interpretation that does not contain transitional provisions relating to that change, or where the Company voluntarily changes its accounting policy, the change must be applied retrospectively.

Retrospective application: When a change in accounting policy is applied retrospectively, the Company must adjust the opening balance of the relevant equity components for the earliest period presented, and the comparative figures for the other periods presented, as if it had always applied that accounting policy.

If it is impracticable to determine the period-specific effects of the change in accounting policies on the comparative figures for one or more prior periods presented, the Company must first apply the new accounting policy to the carrying amounts of assets and liabilities from the beginning of the earliest period in which retrospective application is practicable, which may be the current period, and must make a corresponding adjustment to the opening balance of the relevant equity items for that period.

We speak of changes in accounting policy when:

- The change is supported by legislation or a decision by the body responsible for setting accounting standards.
- The change in accounting policy provides more relevant and reliable information about the entity's financial position, performance and cash flows.
- The entity adopts a new standard that requires the application of an accounting policy different from the previous one.

- The entity decides to switch from one accounting treatment permitted by IFRS to another accounting treatment also permitted by IFRS.

The Company has prepared its financial statements in accordance with the provisions of all standards and interpretations in force for the annual period ending 31 December 2025.

Existing interpretations of standards relevant to the preparation of the Company's financial statements and new standards applied by the Company:

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Convertibility (Amendments)

The amendments are effective for financial years beginning on or after 1 January 2025, with early application permitted. The amendments specify how an entity should assess whether a currency is convertible and how it should determine the spot exchange rate in the absence of convertibility. A currency is considered convertible into another currency if the entity is able to obtain the other currency within a timeframe that allows for normal administrative delays through a market or exchange mechanism in which an exchange transaction creates enforceable rights and obligations. If a currency cannot be converted into another currency, the entity shall estimate the spot rate prevailing at the measurement date. In estimating the spot exchange rate, the entity's objective is to reflect the rate at which a regular exchange transaction would take place between market participants at the measurement date under prevailing economic conditions. The amendments note that an entity may use an observable exchange rate without adjustment, or another estimation technique. The application of the standard had no impact on the Company's financial statements.

Standards issued but not yet effective and not subject to early adoption

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 the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7*), which clarify that a financial liability must be derecognised on the 'date of settlement', i.e. when the related obligation is settled, cancelled, expires, or the liability otherwise meets the derecognition criteria. It also introduces an accounting policy option for the derecognition of financial liabilities settled through an electronic payment system prior to the settlement date, provided certain conditions are met, clarified how to measure the contractual cash flow characteristics of financial instruments with environmental, social and governance (ESG) features and other similar contingent features, and clarified the treatment of non-redeemable instruments and contractual instruments.
The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Entities may apply the amendments relating to the classification of financial assets and the related disclosures prospectively, and may apply the other amendments retrospectively. The new requirements must be applied retrospectively, with an adjustment to the opening retained earnings. Prior periods need not be restated, and restatement is permitted only

without retrospective assessment. An entity must disclose information about financial assets whose measurement category changes as a result of the amendments.

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

Improvements to International Financial Reporting Standards

The IASB's annual improvement process addresses non-urgent but necessary clarifications and amendments to IFRSs. In July 2024, the IASB issued annual improvements to IFRS accounting standards on 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 – Gains or losses arising from derecognition, Disclosure of the deferred difference between fair value and transaction price, Credit risk disclosures
- IFRS 9 Financial Instruments – Derecognition of a lessee's lease liabilities, Transaction price
- IFRS 10 Consolidated Financial Statements – Definition of a 'de facto agent'
- IAS 7 Statement of Cash Flows – Cost method

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

Contracts for natural gas – Amendments to IFRS 9 and IFRS 7

Effective for annual periods beginning on or after 1 January 2026. The amendments include the following: Clarification of the application of the 'own use' requirements, permitting hedge accounting where these contracts are used as hedging instruments, and the addition of new disclosure requirements to enable investors to understand the impact of these contracts on the entity's financial performance and cash flows. Early application is permitted but must be disclosed.

Clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting must be applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendment is not expected to have a significant 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 introduces new categories and subtotals in the income statement. It also requires the disclosure of performance measures determined by management (as defined) and contains new requirements regarding the location, aggregation and breakdown of financial information.

An entity must classify all revenue and expenses in the income statement into one of five categories: operating; investing; financing; income tax; and discontinued operations. In addition, IFRS 18 requires the entity to present the subtotals and totals for ‘operating profit’, ‘profit before finance and income tax’ and ‘profit or loss’.

Principal business activities: To classify revenue and expenses into the categories prescribed by IFRS 18, an entity must assess whether its “principal business activity” is investing in assets or providing finance to customers, as specific classification requirements apply to such entities. Determining whether an entity has such a defined principal business activity depends on facts and circumstances, which requires judgement. An entity may have more than one principal business activity.

Management-defined performance measures: IFRS 18 introduces the concept of a management-defined performance measure (MPM), which an entity defines as a subset of revenue and expenses that the entity uses in its disclosures. Communication outside the financial statements to convey to users management’s view of the financial performance of the entity as a whole. IFRS 18 requires that information relating to all of an entity’s MPMs be disclosed in a single note to the financial statements, and prescribes a number of disclosures for each MPM, including the method of calculating the measure and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS.

Presentation, aggregation and breakdown of information: IFRS 18 distinguishes between the ‘presentation’ of information in the primary financial statements and its ‘disclosure’ in the notes, and introduces a principle for determining the presentation of information based on the identified ‘role’ of the primary financial statements and the notes. IFRS 18 requires that the aggregation and disaggregation of information be carried out 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 changes, including changing the starting point for determining cash flows from operating activities using the indirect method from ‘profit or loss’ to ‘operating profit or loss’. The option regarding the classification of cash flows from dividends and interest in the cash flow statement has also been largely removed.

IAS 33 *Earnings per Share* has been supplemented with new requirements that only allow entities to disclose additional per-share amounts if the numerator used in the calculation meets specified criteria.

IFRS 18 and the consequential amendments to other accounting standards come into effect for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Early application is permitted and must be disclosed.

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

IFRS 19 – Subsidiaries without public reporting obligations: Disclosures

Effective for annual periods beginning on or after 1 January 2027. The new standard allows eligible entities to opt for reduced disclosure requirements whilst continuing to apply the recognition, measurement and presentation requirements set out in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 are not required to apply the disclosure requirements contained in other IFRS accounting standards.
An entity applying IFRS 19 shall disclose this 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 unqualified statement regarding such compliance.

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

IFRS 19 comes into force for reporting periods beginning on or after 1 January 2027, and early application is permitted.
If an eligible entity decides to apply the standard early, it must disclose this fact. In the first (annual or interim) period in which the entity applies the standard, it must reconcile the information disclosed in the comparative period to the disclosures under IFRS 19 in the current period, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise.

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

2.3 Significant accounting estimates and assumptions

In applying the accounting policies described in section 2.1, estimates and assumptions are necessary to determine the carrying amounts of certain assets and liabilities at a given point in time, which cannot be clearly determined from other sources. The estimation process involves judgements based on the latest available information and relevant factors. These significant estimates and assumptions affect the amounts of assets and liabilities, income and expenses reported in the financial statements, as well as the presentation of contingent assets and liabilities in the notes. Actual results may differ from the estimated figures.

Estimates are updated on an ongoing basis. Changes in accounting estimates must be taken into account in the period in which the change occurs if the change affects only that period, or in the period of the change and future periods if the changes affect both periods.

The main areas of estimation uncertainty and critical accounting policy decisions that have the most significant impact on the amounts presented in the separate financial statements are as follows:

2.3.1. Classification of properties

Upon acquisition, properties owned by the Company are classified as investment properties or development properties as follows:

- Investment properties are those which the Company has typically acquired with the aim of profiting from the letting of the property and its appreciation in value. These properties (typically office buildings, retail units, warehouses and industrial buildings) are not used for the Company’s own purposes.
- Properties classified as held for development are included in inventories where the Company intends to invest in and develop them in the near future, and subsequently sell them.
- Properties used by the Company for its own purposes are classified as tangible assets.

The Company reclassifies investment property if there is a change in its use. It classifies properties that are put to its own use as property, plant and equipment. In the case of mixed-use properties, the Company accounts for the different parts 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 inventory those properties on which it commences development with the intention of 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; therefore, the actual value may differ materially from the value arrived at as a result of the estimate. The fair value of investment property has been determined on the basis of valuations prepared by the Company itself and valuations carried out by independent valuers. The valuation principles and parameters used are set out in Note 9.

IFRS 13 “Fair Value Measurement” establishes a fair value hierarchy to enhance the consistency and comparability of fair value measurement and related disclosures. The hierarchy categorises the inputs used in the valuation methods for determining fair value into three levels. The fair value hierarchy assigns the highest significance to quoted (unadjusted) prices in active markets for identical assets or liabilities, and the lowest to unobservable inputs. The objective of fair value measurement is to estimate the price at which a regular transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under prevailing market conditions. All investment property is classified in Level 3 of the fair value hierarchy.

2.3.3. Impairment of equity investments

An impairment test must be performed on investments in subsidiaries if there are indications of potential impairment. If an indication of impairment arises, the recoverable amount of the investment must be determined and compared with the net carrying amount of the investment. The Company reviews the recoverable amount of its cash-generating units annually. The recoverable amount is the higher of the value in use and the fair value less costs to sell. The Company determines the value in use based on expected, discounted future cash flows.

Notes to the Statement of Comprehensive Income

3. Revenue from property letting at

The Company’s activities comprise the letting and operation of its own properties, as well as asset management and corporate management. The Company’s revenue is generally revenue from ongoing performance and does not include a financing component; the Company typically invoices rental fees and operating costs in advance.

The Company’s properties used for property letting and operational activities are located in Hungary, in the cities of Kecskemét and Budapest. In 2024, the property in Budapest was sold; consequently, as at the balance sheet date, the Company owns property in Kecskemét.

The Company has no contractual assets or contractual liabilities.

Data in thousands of HUF	**For the financial year ending 31 December 2025**	**For the financial year ending 31 December 2024**
Office lettings	27,379	772,593
Car park rental	3,623	55,487
Other operating income	13,132	21,051
Total	**44,134**	**849,131**

Future minimum rental income relating to fixed-term lease agreements as at 31 December 2025:

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Within one year	53,674	17,445
Within 1–5 years	-	-
Over 5 years	-	-
Total	**53,674**	**17,445**

4. Direct costs of property letting

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Building tax, land tax	(4,425)	(27,553)
Water, gas, electricity	(2,164)	(538)
Operations, maintenance, materials and services	(17,331)	(32,253)
Insurance premiums	(9,108)	(11,109)
Advertising	(5,867)	(5,517)
Other	(4,573)	(7,912)
Total	**(43,468)**	**(84,882)**

5. Service fee income from subsidiaries

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Apenninn Property Asset Management Ltd.	-	13,203
Appeninn E-Office Ltd.	-	73,506
Appeninn Project-EGRV Ltd.	-	1,000
Appeninn Project-MSKC Ltd.	-	1,764
Alagút Investment Ltd.	-	1,736
Kantrum Property Ltd.	-	25,476
Tidaholm Properties Ltd.	-	40,643
Dounby Sp. z o.o.	-	37,177
Other	-	1,617
Total	**-**	**196,122**

In 2025, the holding function was already being performed by one of the Group's subsidiaries, Appeninn-Project-EGRV Kft., and therefore the Company no longer received any holding fees.

6. Administrative costs, service fees, wages

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Bank charges	(1,978)	(2,291)
Accounting, auditing, legal, solicitors, valuation	(71,330)	(169,648)
Asset management, consultancy	(1,439)	(19,683)
Shares (KELER, BSE, listing fees)	(13,219)	(12,851)
Short-term rental fees, office supplies	(2,818)	(25,612)
Liability insurance	(3,514)	(1,358)
Regulatory fees and charges	(168)	(791)
Education, IT and other services	(315)	(8,134)
Personnel costs, wages and social security contributions	(44,145)	(113,323)
Other	(11,758)	(12,682)
Total	**(150,684)**	**(366,373)**

7. Balance of other income and expenses

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Sale of Dounby receivable to EGRV	-	3,201,181
Grants received	(3,800)	(5,600)
Write-off of liabilities	-	23,805
Other	12,765	(30,194)
Late payment interest, surcharges and penalties paid	-	(29)
Total	**8,965**	**3,189,163**

In 2024, the Company sold its receivable from Dounby Sp. Z.o.o., which it had acquired in 2023. The transaction generated a gain of HUF 3,201,181,000, representing the difference between the cost and the fair value at the date of the transaction.

8. Result of fair value measurement of investment property

The fair values of the Company’s assets are assessed annually. Based on the fair value assessments, the Company has recognised all changes in profit or loss. Where purchase options established on properties remain below the fair value and the holder has paid the fee entitling them to the purchase option to the owner, the lower of the fair value and the price associated with the purchase option is recognised in the Company’s balance sheet. See also Note 14.

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
6000 Kecskemét, Kiskőrösi street 30.	(57,281)	51,876
1082 Budapest, Üllői út 48.	-	403,725
Total fair value changes	**(57,281)**	**455,601**

The Company commissions an independent valuer to determine the fair value of its properties each year. The value determined by the independent valuer is consistent with the values shown in the financial statements. The valuation used for the valuation of investment properties was carried out for all properties by the independent expert appointed to perform the valuation in 2024 and 2025, CBRE Kft. (Bajcsy-Zsilinszky street 78, 1055 Budapest). The property valuation firm is recognised, holds the appropriate professional qualifications, and has recent experience in the area and category of the investment property being valued. The analysis prepared by the property valuer is as follows:

- the valuation methods used and their application are consistent with approaches generally used in domestic and international practice
- the rental rates applied are consistent with current market rental rates
- the investor ‘return expectations’ for each property – the Capitalisation Rate and Discount Rate used in the valuation – are consistent with publicly available data on investment transactions completed over the past 12 months for each property type.

Valuation methods

The valuation was prepared in accordance with the 2024 and 2025 editions of the RICS (Royal Institution of Chartered Surveyors) Valuation Standards. Given the nature of the properties and the available market data, the market comparison approach was applied during the valuation.

The methodology is based on comparing the characteristics of the properties being valued (location, size, technical condition, occupancy, income-generating capacity) with transaction data for properties with similar characteristics observed on the market. The comparative data identified in this way are adjusted as necessary to account for specific differences.

The market value of the properties was derived from unit prices determined on the basis of the comparative transactions, as well as the adjustments applied. In applying this method, we took into account the market environment, supply and demand conditions, and the specific characteristics of the property in question.

The key assumptions used in the yield-based valuations for 2025 and 2024 were the average rent, the market rent and the discount rate. These values are based on market observations, which are adjusted to reflect the local conditions of the property in question. Due to these adjustments, all variables used are classified as ‘Level 3’.

The key inputs of the DCF model, which are the parameters most sensitive to the market value of the property, are the level of rents and the discount rate used. Increasing the discount rate reduces the value, whilst a decrease in the rate will increase the value. For market rents, we have used the prevailing market rates specific to the property in question. Higher rent assumptions result in a higher fair value, whilst lower assumptions result in a lower fair value. In the comparative approach, the key assumption is the unit price per square metre estimated on the basis of comparative market data. A higher price per square metre results in a higher fair value.

The valuation methodology applied complied with the valuation techniques described in IFRS 13.

The portfolio was valued using the comparative approach for properties that are not primarily income-generating. The property in Kecskemét was valued using the comparative approach to ensure that the best and most efficient use of the property is reflected. The property in Kecskemét is ready for renovation to achieve the best and most efficient use alternative. For these properties, the income-based approach is less effective in accurately reflecting the value of a hypothetical transaction; market-based valuation more accurately measures fair value for such properties.

The valuation included the determination of spot market prices, which were presented as ‘Comparative’ prices.

2025

No.		Type	Comparative method value EUR	DCF model value EUR	Value as at the balance sheet date EUR	Value at balance sheet date eFt	Valuation method	Nm per month in HUF,	Discount rate	Mortgage
1	6000 Kecskemét, Kiskőrösi út 24/A.	site	2,320,000	2,480,000	2,320,000	894,128	comparative	393.1 thousand HUF/sq m/month		Yes, property collateral
					2,320,000	**894,128**				

2024

No.		Type	Comparative method value EUR	DCF model value EUR	Value as at the balance sheet date EUR	Value at balance sheet date eFt	Valuation method	Monthly rent in HUF,	Discount rate	Mortgage
1	6000 Kecskemét, Kiskőrösi út 24/A.	premises	2,320,000	1,440,000	2,320,000	951,409	comparative	418.3 thousand HUF/sq m/month		Yes, property collateral
					2,320,000	**951,409**				

9. Depreciation

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Depreciation of property, plant and equipment	(2,357)	(3,688)
Total	**(2,357)**	**(3,688**

Depreciation of low-value assets amounted to HUF 3,688,000 in 2024 and HUF 0 in 2025.

10. Other expenses and income from financial transactions

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Exchange rate differences on financially settled items	72,922	407,771
Dividends received	519,729	-
Year-end revaluation of foreign currency assets and liabilities	(1,576,018)	1,008,795
Impairment of equity investments and receivables (see Note 16)	(20,991)	347,185
Total	**(1,004,358)**	**1,763,751**

At the year-end revaluation of foreign currency assets and liabilities, a significant exchange rate loss arose on the balance of cash and cash equivalents denominated in EUR, as well as exchange rate losses (exchange rate gains in the previous year) on loans denominated in EUR granted to Appeninn-EGRV Kft and Appeninn Property Zrt, as the HUF/EUR exchange rate for the current year changed significantly compared to the end of the previous year.

11. Net interest income and expense

data in thousands of forints	As at 31 December 2025 for the financial year	For the financial year ending 31 December 2024
Interest receivable from affiliated and associated companies (interest payable/paid):	495,894	743,031
Bank interest	547,088	368,925
Interest on own-issue bonds	(694,994)	(694,994)
Lease interest	(22	(1,989
Net interest income (expense)	**347,966**	**414,973**
Total interest received	1,042,982	1,209,392
Total interest paid	(695,016)	(794,419
Net interest income (expense)	**347,966**	**414,973**

12. Income taxes

Expenses related to income tax consist of the following:

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Corporation tax	-	(75,766)
Deferred tax	-	-
Business tax	-	-
Innovation tax	(99)	-
Total	**(99)**	**(75,766)**

The tax rate in Hungary is 9% under the corporate tax rate and 2% for local business tax. Due to the Company's status as a regulated real estate investment company, the tax liability applies only to income derived from associated enterprises not subject to the SZIT. No deferred tax has been recognised, as the Company is exempt from tax.

The tax calculation was as follows:

data in thousands of HUF	**For the financial year ending 31 December 2025**	**For the financial year ending 31 December 2024**
Profit before tax	(864,997)	6,411,830
Tax liability calculated at the current tax rate: 9%	77,850	(577,065)
Innovation tax	(99)	-
Profit not subject to tax under the SZIT	(77,850)	501,299
Total income tax	**(99)**	**(75,766**

The following table shows a breakdown of the difference between the tax liability calculated on the basis of accounting profit and the actual tax liability:

	data in thousands of HUF
Profit before tax under IFRS	**(864,898**
Reclassification of innovation contribution to tax base	(99
Adjusted profit before tax	**(864,997**
Depreciation in accordance with the Corporation Tax Act	8,730
Dividends received	519,729
Grant	760
Items reducing the tax base	**529,219**
Depreciation in accordance with the Accounting Act	6,901
Impairment of reported equity interests	20,991
Items increasing the tax base	**27,892**
Tax base under corporation tax	**(1,366,324**
SZIT rate based on revenue	-
Tax base calculated using the SZIT rate	-
Corporation tax (9%)	**-**

13. Earnings per share

When calculating earnings per share, the post-tax profit distributable to shareholders must be taken into account, as well as the annual average number of ordinary shares in issue, which excludes treasury shares.

	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Profit after tax (HUF thousand)	(864,997)	6,336,064
Weighted average number of ordinary shares issued (shares)	47,369,571	47,369,571
Earnings per share (basic) (in HUF)	**(18.26)**	**133.76**

There are no factors at the Company in either 2024 or 2025 that would dilute earnings per share.

14. Investment properties

The 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 December 2025**	**For the financial year ended 31 December 2024**
Opening value	**951,409**	**8,884,324**
1082 Budapest, Üllői út 48.	-	7,984,791
Kecskemét, Kiskőrösi street 24/A.	951,409	899,533
Annual changes:		
1082 Budapest, Üllői út 48. sale of property	-	(8,388,516)
Changes in fair value	**(57,281)**	**455,601**
1082 Budapest, Üllői út 48.	-	403,725
Kecskemét, Kiskőrösi street 24/A.	(57,281)	51,876
Closing value	**894,128**	**951,409**
1082 Budapest, Üllői út 48.	-	-
Kecskemét, Kiskőrösi street 24/A.	894 128	951,409

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

15. Tangible assets

The Company records fixtures and fittings and office equipment under property, plant and equipment.

Data in thousands of HUF	**Total**
Gross value	
As at 31 December 2023	**32,157**
Increase and reclassification	1,554
Decrease and reclassification	
31 December 2024	**33,711**
Increases and reclassifications	
Decrease and reclassification	(7,335)
31 December 2025	**26,376**
Accumulated depreciation	
As at 31 December 2023	**21,665**
Annual depreciation	3,668
Decrease	
31 December 2024	**25,333**
Annual write-off	2,357
Decrease	(7,235)
As at 31 December 2025	**20,455**
Net carrying amount	
31 December 2023	**10,492**
31 December 2024	**8,378**
31 December 2025	**5,921**

16. Investments in subsidiaries

data in thousands of forints	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024	Ownership share 2025	Ownership share 2024
Appeninn Property Asset Management Ltd.	4,825,643	4,825,643	100%	100%
Appeninn E-Office Asset Management Ltd.	5,256,668	5,256,668	100%	100%
Appeninn Project-EGRV Ltd.	7,046	7,046	100%	100%
Appeninn Project-MSKC Ltd.	3,000	3,000	100%	100%
Alagút Investment Ltd.	523,994	544,985	100%	100%
Kantrum Properties Ltd.	104,171	104,171	100%	100%
Tidaholm Properties Ltd.	1,881,765	1,881,765	100%	100%
Appeninn-Project-BSV Ltd.	3,000	-	100%	-
Total shareholdings	**12,605,287**	**12,623,279**		

The equity interests are held in property investment companies and have been valued on the basis of net asset value determined at fair value. The key assumption for the valuation is the fair value of the properties, which is included in the consolidated financial statements.

Total accumulated impairment:

data in thousands of HUF	**Total**
31 December 2023	**651,197**
Reversal	(347,186)
Provision for impairment	-
31 December 2024	**304,011**
Reversal	-
Provision for impairment	20,991
As at 31 December 2025	**325,002**

In 2024, an impairment loss of HUF 347,186,000 recognised on the shareholding in the companies merging into Appeninn Property Asset Management Ltd. was reversed.

In 2025, the Company recognised an impairment loss of HUF 20,991,000 on its investment in Alagút Investment Kft.

The Company's indirect shareholdings are as follows:

Name of subsidiary	Parent company	Ownership and voting share 2025	Ownership and voting share 2024	Address
Dounby SP. Z.O.O.	Appeninn Project-EGRV Ltd.	100%	100%	26 Ilzecka Street, Warsaw, Mazovia,
Wisniowy Management Sp. Z.o.o.	Dounby SP. Z.O.O.	50%	50%	26 Ilzecka Street, Warsaw, Mazovia,
Appeninn-Project-TRNW Sp. z o.o.	Appeninn Project-EGRV Ltd.	100%	-	26 Ilzecka Street, Warsaw, Mazovia,
Leveron d.o.o., Belgrade	Appeninn Project-EGRV Ltd.	100%	100%	Novi Beograd, 9Đ Milutin Milanković Boulevard, 11070
Imanpa d.o.o. Belgrade	Appeninn Project-EGRV Ltd.	100%	100%	Novi Beograd, 9Đ Milutin Milanković Boulevard, 11070

17. Trade receivables

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Gross value of trade receivables	7,695	16,566
Impairment	-	-
Total net trade receivables	**7,695**	**16,566**

The Company calculated bad debt provisions using the expected loss model. Expected losses were calculated based on the average of the past two years' experience.

18. Other current receivables

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Tax receivables	37,883	5,170
Deposit	15,215	15,215
Receivables relating to assignments	11,776	11,776
Advances paid	-	4,150
Lease receivables	-	18,006
Other	9,199	1,658
Total	**74,073**	**55,975**

19. Receivables from related parties

Receivables from related parties consist of invoiced holding fees, interest and capital claims, as well as other receivables from subsidiaries.

data in thousands of forints	Trade, loan and interest receivables	
	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Appeninn Property Asset Management Ltd.	486,234	2,098,808
Appeninn E-Office Ltd.	298	743,357
Appeninn Project-MSKC Ltd.	235,419	330,195
Tidaholm Properties Ltd.	713,312	1,264,022
Appeninn-Project-BSV Ltd.	1,195,067	-
Kantrum Property Ltd.	1,015,413	1,246,066
Total related receivables due within one year	**3,645,743**	**5,682,448**
Appeninn Project-EGRV Ltd.	10,673,654	16,931,784
Total related receivables due after one year	**10,673,654**	**16,931,784**

20. Accrued income

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Accrued income	28,298	244,684
Accrued expenses	41,300	23,083
Total	**69,598**	**267,767**

As at 31 December 2024, the total amount of accrued income due from related parties was HUF 196,122,000; as at 31 December 2025, it was HUF 0.

21. Cash and cash equivalents

in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Cash	-	-
Cash in bank accounts HUF	-	9,985
Bank account balance in EUR	7,210	2,024
Short-term fixed deposits	17,757,592	10,457,757
Total	**17,764,802**	**10,469,766**

The Company invests its free cash in short-term investments to ensure profitability and liquidity. The term of the fixed-term deposit held by the Company is 1 month.
The Company does not have any undrawn credit facilities.

22. Share capital

The shares of Appeninn Asset Management Holding Plc. were admitted to trading on the Budapest Stock Exchange's public market ( ) on 2 July 2010.

Appeninn Plc. share details	
Nominal value	100
Currency	HUF
ISIN code	HU0000102132
Place of listing	Budapest Stock Exchange Ltd. Share section
Start of trading	2 July 2010
Share register	Appeninn Plc. Board of Directors, 1022 Budapest, Bég street 3-5.
Number of shares in circulation as at 31 December 2025 (units)	47,371,419
Number of shares in circulation as at 31 December 2024 (units)	47,371,419

data in thousands of forints	**For the financial year ending 31 December 2025**	**for the financial year for the financial year**
Value of share capital		
Opening balance on 1 January:	4,737,142	4,737,142
Issue	-	-
Closing value on 31 December:	4,737,142	4,737,142

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

23. Treasury shares

	For the financial year ending 31 December 2025		**For the financial year ending financial year**	
	thousand forints	**units**	**thousand forints**	**units**
Opening balance	1,114	1,848	1,114	1,848
Purchase of own shares	-	-	-	-
Transfer of own shares for dividend payment	-	-	-	-
Sale of treasury shares	-	-	-	-
Closing value	**1,114**	**1,848**	**1,114**	**1,848**

24. Reserves

	For the financial year ending 31 December 2025			For the financial year ending 31 December 2024		
	thousand forints	Number of shares issued (units)	Premium (HUF/share)	thousand forints	Number of shares issued (units)	Premium (HUF/share)
Opening	**8,095,844**	**47,371,419**	**171**	**8,095,844**	**47,371,419**	**171**
Closing balance as at 31 December:	**8,095,844**	**47,371,419**	**171**	**8,095,844**	**47,371,419**	**171**

The Company carried out a share premium capital increase on 20 May 2016 and 1 December 2017. The subscribers to the shares contributed the issued capital by way of a contribution in kind. The amount of the share premium was classified under Reserves.

25. Accumulated profit

Data in thousands of HUF	**For the financial year ending 31 December 2025**	**For the financial year ending 31 December 2024**
Opening balance	**13,599,851**	**7,263,787**
Profit for the year	(864,997)	6,336,064
Disposal of own shares	-	-
Closing value	**12,734,854**	**13,599,851**

Equity reconciliation table:

The following equity reconciliation table, prepared in accordance with the provisions of Section 114/B of Act C of 2000 on Accounting (“the Act”) shows the reconciliation of the components of equity defined in Section 114/B(4)(a) of the Act with the components of equity reported in the separate financial statements prepared in accordance with EU IFRS. The reconciliation consists, on the one hand, of the allocation of equity components under EU IFRS to equity components under the Act, and, on the other hand, of the derivation of the differences between the two types of equity.

data in thousands of forints	31 December 2025	31 December 2024
Share capital	4,737,142	4,737,142
Capital subscribed but not yet paid up	-	-
Treasury shares	(1,114)	(1,114)
Capital reserve	8,095,844	8,095,844
Reserves	-	-
Retained earnings	13,599,851	7,263,786
Revaluation reserve	-	-
Restricted reserves	-	-
Profit after tax	(864,997)	6,336,064
114/B(4)(a) Equity under IFRS	**25,566,726**	**26,431,723**
Share capital as defined in the Articles of Association, where such capital qualifies as an equity instrument	4,737,142	4,737,142
114/B. (4) b) Registered capital in accordance with IFRS	**4,737,142**	**4,737,142**
114/B. (4) c) Authorised but not yet paid-up capital	**-**	**-**
The sum of all items of equity that do not correspond to the concepts of issued capital, issued but unpaid capital, retained earnings, revaluation surplus, profit for the year or restricted reserves under IFRS	8,095,844	8,095,844
114/B. (4) d) Capital reserve	**8,095,844**	**8,095,844**
Accumulated profits from previous years and undistributed profits to owners as shown in the annual financial statements in accordance with IFRS	13,599,851	7,263,786
114/B(4)(e) Retained earnings	**13,599,851**	**7,263,786**
114/B(4)(h) Restricted reserves	**-**	**-**
Profit for the year as shown in the profit and loss section of the statement of comprehensive income or in the separate income statement	(864,997)	6,336,164
114/B(4)(g) Profit/loss for the current year	**(864,997)**	**6,336,064**

Retained earnings available for dividend payment		
IFRS retained earnings	12,734,854	13,599,851
Less: the cumulative unrealised gain recognised in accordance with IAS 40 Investment Property due to an increase in fair value	(219,866)	(280,594
Increased by: the cumulative amount of income tax recognised in accordance with IAS 12 Income Taxes	-	-
Retained earnings available for dividend payment	**12,514,988**	**13,319,257**

In accordance with SZIT regulations, the Company proposes to pay a dividend amounting to at least 90% of its profit, or, if the amount of its free cash is less than this, at least 90% of the amount of free cash, provided that the payment is not restricted by a loan agreement concluded with a financial institution. Given that, based on the Company's contracts signed and in force at the time of publication of the financial statements, no free cash is available, no dividend payment is proposed.

26. Deposits made by tenants

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Tenants' deposits	9,310	19,037
Total	**9,310**	**19,037**

The Company records the amount of deposits paid by tenants here.

27. Debt from own bond issues

On 22 November 2019, the Company issued bonds worth HUF 20,000,000,000 through the Growth Bond Programme launched by the National Bank of Hungary, which were recorded at a capital gain of a further HUF 108,113,000. The proceeds from the bond were paid to the Company. The bond matures on 22 November 2029, when the principal amount of the bond (HUF 20,000,000) is payable in a single lump sum. A fixed annual interest rate of 3.5% is payable on the bond. The bond has been recorded at amortised cost, with an effective interest rate of 3.459%.

Data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Bond liability	20,000,000	20,000,000
Bond premium	108,510	114,307
Total bond liabilities	**20,108,510**	**20,114,307**

28. Short-term loans and lease liabilities

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Current portion of lease liabilities	-	18,551
Total	**-**	**18,551**

The amount of short-term leases recognised directly as an expense was HUF 25,368,000 in 2024 and HUF 2,818,000 in 2025. The Company has no low-value lease agreements.

29. Other current liabilities

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Income payable	2,154	4,639
Tenant deposits due within one year	5,382	-
Subsequent purchase obligation	-	234,285
Other	9,097	3,250
Total	**16,633**	**242,174**

30. Current liabilities to related parties

data in thousands of forints	Trade payables, borrowings and interest liabilities	
	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Appeninn E-Office Zrt.	-	1,831
Appeninn Project EGRV Ltd.	2,426	-
Total current related-party liabilities	**2,426**	**1,831**

31. Trade payables

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Liabilities to suppliers	1,873	29,951
Closing balance	**1,873**	**29,951**

32. Accrued expenses

data in thousands of HUF	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Accrued income	5,695	68,747
Accrued expenses	29,728	9,765
Total	**35,423**	**78,512**

33. Transactions with related parties

Transactions with subsidiaries as related parties are disclosed in the notes relating to the relevant balance sheet items (see Notes 5, 7, 11, 19 and 30). In 2024, the Company utilised legal services amounting to HUF 17,377,000, and in 2025, HUF 9,632,000, through a business owned by a private individual who is a member of the Board of Directors. There were transactions totalling HUF 43,197,000 with an operating company owned by a person with significant influence in 2024, whilst transactions totalling HUF 16,048,000 took place in 2025. As at 31 December 2024, there was a liability of HUF 3,201,000 to the operating company owned by the person with significant influence, and as at 31 December 2025, there was a liability of HUF 0. Loans to related parties have no fixed maturity date; the payment terms for transactions with other related parties are similar to those with independent parties.

34. Remuneration of key management personnel

The Company's general meeting held on 30 September 2020 set a uniform commission fee of HUF 200,000 per month per person for senior executives as remuneration. The Company has no contracts with senior executives that would give rise to future obligations for the Company should their contracts be amended.

	2025	**2024**
Honorarium for members of the Board of Directors under a contractual relationship	12,000	11,600
Honoraria for members of the Audit Committee (3 persons)	-	-

	2025	**2024**
Salary-related allowances for senior executives (HUF thousand)	44,180	41,785

35. Financial instruments

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

31 December 2025	Note	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehensive income
Financial assets				
Trade receivables	17		7,695	
Other current receivables	18		74,073	
Receivables from related parties	19		14,319,396	
Cash equivalents	22		17,764,802	
Financial assets		-	***32,165,966***	-
Financial liabilities				
Deposits paid by tenants	26		9,310	
Bond debt	27		20,108,510	
Related liabilities	30		2,426	
Liabilities to suppliers	31		1,873	
Financial liabilities		-	***20,122,119***	-

31 December 2024	Note	Measured at fair value through profit or loss	Measured at amortised cost	Measured at fair value through other comprehensive income
Financial assets				
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 assets		-	***33,156,540***	-
Financial liabilities				
Deposits paid by tenants	27		19,037	
Lease liabilities	28		18,551	
Bond liabilities	29		20,114,307	
Related liabilities	32		1,831	
Liabilities to suppliers	33		29,951	
Financial liabilities		-	***20,183,676***	-

The fair value of financial instruments measured at amortised cost approximates their carrying amount in both years, with the exception of the bond liability. Fair value was determined in both years in accordance with Level 3 fair value. The estimated fair value of the bond debt was HUF 15,992,720,000 as at 31 December 2025 and HUF 14,712,935,000 as at 31 December 2024. In calculating fair value, the forint risk-free yield curve was adjusted by the risk premium for Appeninn (3.8%). The credit risk premium is classified as an unobservable input, as it is not based on directly observable market data but on estimates of the issuer's specific risk characteristics.

36. Risk management

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

The Company is exposed to the following financial risks:

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

This section outlines the Company's risks as described above, the Company's objectives, policies, measurement of processes and risk management, as well as the Company's capital management. The Board of Directors bears overall responsibility for the establishment, supervision and risk management of the Company.

The aim of the Company's risk management policy is to identify and assess the risks faced by the Company, to establish appropriate controls, and to monitor those risks. The risk management policy and system are reviewed to reflect changes in market conditions and the Company's activities.

36.1 Capital management

Capital management refers to the management of equity. It is the Company's policy to maintain a level of equity sufficient to sustain investor and creditor confidence in the future, as well as the Company's future development.

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

In managing its capital, the Company seeks to ensure that the Company and its subsidiaries can continue their operations whilst maximising returns for shareholders by optimally balancing debt and equity, and by 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.

36.2 Credit risk

Credit risk refers to the risk that a debtor or counterparty will fail to meet its contractual obligations, resulting in a financial loss for the Company. Financial assets exposed to credit risk may include long- or short-term loans, cash and cash equivalents, trade receivables and other receivables.

The carrying amount of financial assets represents the maximum risk exposure. The table below shows the Company's maximum credit risk exposure as at 31 December 2024 and 31 December 2025.

Maximum exposure	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Trade receivables	7,695	16,566
Other short-term receivables	74,073	55,971
Receivables from related parties	14,319,396	22,614,233
Short-term loans granted	-	4
Cash and cash equivalents	17,764,802	10,469,766
	32,165,966	**33,156,540**

Presentation of trade receivables by maturity:

data in EUR	For the financial year ending 31 December 2025	For the financial year ending 31 December 2024
Not yet due	6,501	16,552
1–90 days	1,194	-
91–180 days	-	1
181–360 days	-	-
Over 361 days	-	13
Total net trade receivables	**7,695**	**16,566**

The Company has assessed that credit risk has not increased significantly compared to the previous year. The Company's credit risk exposure has decreased compared to the previous year; the credit risk of financial instruments has not changed significantly since initial recognition, and the Company classifies financial instruments as having low credit risk.

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

36.3 Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and the prices of investments in investment 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 market risk exposures within acceptable limits, whilst optimising returns.

The Company has determined that its results are fundamentally dependent on a key financial variable, namely exchange rate risk, and has therefore carried out a sensitivity analysis on this key variable.

Exchange rate risk is particularly significant in relation to Appeninn Project-EGRV Kft.’s EUR-denominated loan, as well as in the fair valuation of income-generating investment properties, as the valuation is EUR-based; consequently, we took EUR-based values into account in the analysis of currency risk:

Exchange rate type	31/12/2025	Change in EUR	Change %	31/12/2024
Closing	385.40	-24.69	-6.00%	410.09
Average	397.91	-2.71	-0.68%	395.20
Difference between closing price and average	-12.51	-27.4	-184.02%	14.89

Exchange rate changes	Exchange rate	Change EUR	Aggregated non-EUR position balance sheet value EUR	Calculated impact on profit/loss EUR
-1%	381,546	-3,854		(93,456)
-0.50%	383,473	-1,927		(46,493)
31 December 2025 MNB	385.40		9,252,114	
+0.5%	387,327	1,927		46,030
+1%	389,254	3,854		91,605

36.4 Business risk

The Company sets consistent, predictable and competitive rents for its tenants. Current rents are in line with the location and quality of the properties. However, given the current global economic environment and the supply-demand conditions prevailing in the Budapest office market, there is no certainty that current rental rates and terms will remain sustainable in the future. The Company holds insurance cover for its leased assets.

36.5 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations when 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 when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or jeopardising the Company’s reputation.

On 2 April 2025, Scope Ratings published the results of its review of the ratings of the Company and its bonds named “APPENINN 2029/I”, issued under the MNB Growth Bond Programme. In the announcement, Scope confirmed the Company’s “B+/Stable” credit rating and the bond’s “B+” rating.

Should the bond’s rating fall below “B+”, the Company is obliged to repay the sum of the bonds’ nominal value plus accrued interest.

The maturity profile of contracted and actual (undiscounted) financial liabilities is summarised in the table below for 31 December 2024 and 2025:

31 December 2025	Due within 1 year	Due within 2–5 years	Due after 5 years	Total
Related liabilities	2,426			**2,426**
Other current liabilities	16,633			**16,633**
Liabilities to suppliers	1,873			**1,873**
Debt from own bond issues	700,000	21,400,000		**22,100,000**
Deposits made by tenants		9,310		**9,310**
Financial liabilities	***720,932***	***21,409,310***	***-***	***22,130,242***

31 December 2024	Due within 1 year	Due within 2–5 years	Due in more than 5 years	Total
Related 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 on own-issued bonds	700,000	2,100,000	20,000,000	**22,800,000**
Deposits made by tenants		19,037		**19,037**
Financial liabilities	***992,507***	***2,119,037***	***20,000,000***	***23,711,544***

37. Changes in liabilities related to financing activities

	1 January 2025	Cash flows	Exchange rate changes	Other movements	Change in fair value	31 December 2025
Short-term lease liabilities	18,551	(18,551)				-
Bond liabilities	20,114,307	(700,000)		694,203		20,108,510
	20,132,858	**(718,551)**	**-**	**694,203**	**-**	**20,108,510**

	1 January 2024	Cash flows	Exchange rate changes	Other movements	Change in fair value	31 December 2024
Short-term lease liabilities	102,099	(102,099)	1,236	17,315		18,551
Long-term lease liabilities	17,315					-
Bond liabilities	20,120,103	(700,000)		694,204		20,114,307
	20,239,517	**(802,099)**	**1,236**	**711,519**	**-**	**20,132,858**

38. Contingent liabilities

Guarantees provided to subsidiaries' credit institutions

Appeninn Plc. has provided guarantees for its subsidiaries' loans from financial institutions. The risk of non-payment by the subsidiaries is negligible.

Principal amounts of the loans:

Lenders	Primary debtor company	31 December 2025 Maturity within one year		31 December 2025 Maturity beyond one year	
		EUR	thousand HUF	EUR	thousand HUF
K&H Bank Ltd.	Kantrum Properties Ltd.	448,156	172,719	6,454,922	2,487,727
MBH Bank Ltd.	Appeninn-EGRV Ltd.	1,057,767	407,663	11,747,309	4,527,413
MFB Ltd.	Appeninn E-Office Ltd.	1,130,154	435,561	20,684,796	7,971,920
MBH Bank Ltd.	Tidaholm Properties Ltd.	973,898	375,340	10,095,622	3,890,853
Total bank loans		**3,609,975**	**1,391,284**	**48,982,650**	**18,877,913**

39. Environmental impacts in relation to the Company's activities

The Company does not own any tangible assets directly serving the protection of the environment. No hazardous waste or substances harmful to the environment are generated in the course of the Company's operations; consequently, it does not hold any such stocks. We are not aware of any future obligations relating to environmental protection; therefore, no provisions of this nature were made in the current year, nor were any such costs incurred.

40. Segment reporting

The Company does not prepare segment reports in its separate financial statements, as it classifies the Company as a whole as a single segment.

41. Events after the balance sheet date

The Company – indirectly through Appeninn Project-TRNW sp. z o.o., a company wholly owned by it – acquired exclusive ownership of the Goodyear logistics centre located in the town of Tarnów, Poland. The Property is a logistics facility developed in three phases, with a total net lettable area of 56,343 m², and its sole tenant is Goodyear Dunlop Tires Operations S.A.

On 25 February 2026, 12 Polish subsidiaries, indirectly wholly owned by the Company, were established.

On 26 February 2026, the competent Serbian commercial court dissolved Leverton doo Beograd (registered office: Novi Beograd, Bulevar Milutina Milankovića 9Đ, 11070 Novi Beograd) and Imanpa doo Beograd (registered office: Novi Beograd, Bulevar Milutina Milankovića 9Đ, 11070 Novi Beograd), which were indirectly wholly owned by the Company.

Following the reporting date, on 27 February 2026, the Group entered into contracts and preliminary agreements for the properties held for sale. The transaction is expected to close when the properties are removed from the Group's books: the property at 1149 Budapest, Várna u. 12-14, 1144 Budapest, Egyenes u. 4, and 1105 Budapest, Bánya street, is expected to be at the end of April 2026, whilst for the properties at 1047 Budapest, Attila u. 146/1047 Budapest, Schweidel József u. 3, 1139 Budapest, Frangepán u. 19 and 1094 Budapest, Páva u. 8./1094 Budapest, Liliom u. 11, the term is until the end of June 2026. The contracted sale price in the functional currency, i.e. in Hungarian forints, corresponds to the year-end fair value; therefore, the transaction is not expected to affect the results for the following year.

In 2026, the Board of Directors decided to sell Alagút Investment Kft., the owner of the property on Pauler Street.

Management has not identified any significant impact or risk that would affect the valuation of assets or liabilities or have a significant impact on operations. In relation to the Russia-

Ukraine war and the conflict in Iran, management has not yet identified any event or risk that would have a significant impact on the valuation of assets or liabilities, or on the company's ability to continue as a going concern and the applicability of this principle. Management continuously monitors potential impacts and rising inflation; consequently, lease agreements are indexed annually to the specified rate of inflation.

No other significant events have occurred since the balance sheet date.

42. Information regarding the preparation of the separate financial statements

In compiling the separate financial statements for the financial year ending 31 December 2025, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the basis for the compilation was the general ledger and analytical accounting entries recorded by the accountant appointed by the Company, records kept in accordance with the Hungarian Accounting Act, and statements prepared on the basis of customer invoices recorded by the Company and contracts entered into. The name and registration number of the certified accountant responsible for compiling these financial statements is Éva Kecskeméthy (registration number: 192714).

The Company has appointed an IFRS-registered accounting expert to ensure that the financial statements prepared in accordance with the Hungarian Accounting Act comply with IFRS standards. The person responsible for the preparation of the IFRS financial statements is: Ildikó Rózsa (registration number: 207258). The mandate of the expert commissioned to prepare the IFRS financial statements extended solely to identifying differences between Hungarian accounting regulations and IFRS regulations, and to preparing separate financial statements in accordance with the provisions of the IFRSs adopted by the EU.

43. Audit of the separate financial statements and remuneration of the auditor

The firm and the individual auditor responsible for auditing the Company are appointed by the Company's General Meeting. The auditor appointed by the Company's General Meeting to audit the financial data for the 2025 financial year:

- Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság (auditor in charge: János Varga, registration number: 007319)

Auditor's remuneration:

- The fee for the audit of Appeninn Nyrt.'s annual financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, and Appeninn Nyrt.'s consolidated IFRS financial statements, totals HUF 25,000,000 + VAT.

The auditors provided other assurance services, tax advisory services and services not falling within the scope of the audit (tax advice) to the Company in the amount of HUF 3,466,000.

44. Approval of the financial statements

At the meeting of the Board of Directors of Appeninn Asset Management Holding Plc. held on 1 April 2026, the Company’s separate annual financial statements for 2025, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, were approved. The Company’s Board of Directors has approved the issue of the Company’s current separate financial statements; however, the Annual General Meeting of Shareholders, which is authorised to approve the financial statements, may request amendments prior to approval.

Authorised to represent the Company:
Györgyi Magdolna Szathmáriné Szűcs (1172 Budapest, Tura street 46.)

Budapest, 1 April 2026

Chairman of the Board of Directors

Statements

We draw attention to the fact that there are a number of important factors which may cause actual results to differ materially from those set out in the forward-looking statements.

Statement of Responsibility – The separate annual financial statements, prepared in accordance with the applicable accounting standards and to the best of our knowledge, give a true and fair view of the assets, liabilities, financial position, as well as its results, position, development and performance, and discloses the principal risks and uncertainties.

Budapest, 1 April 2026

Chairman of the Board of Directors