

Annual Report 2024

Annual Financial Reports 2024

**Budapesti Ingatlan Hasznosítási
és Fejlesztési Nyrt.**



Table of Contents

- Annual Report 2024 – Annual Financial Report 2024 of the Parent Company
- Consolidated Annual Report 2024 – Consolidated Annual Financial Report 2024

This is the English translation of the official Hungarian version



Annual Report 2024

Annual Financial Report 2024 of the Parent Company

**Budapesti Ingatlan Hasznosítási
és Fejlesztési Nyrt.**



Table of Contents

- Audited Separate Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2024 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union
- Business (Management) Report to the audited Separate Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2024 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union

This is the English translation of the official Hungarian version



**Audited Separate Annual Financial
Statements of Budapesti Ingatlan
Hasznosítási és Fejlesztési Nyrt.
prepared in accordance with the
International Financial Reporting
Standards (IFRS) adopted by the
European Union
31 December, 2024**



Table of Contents

Separate Annual Statement of Financial Position	3
Separate Annual Statement of Comprehensive Income	4
Separate Annual Statement of Changes in Equity	5
Separate Annual Cash Flow Statement	6
Notes to the statements – general company information, key elements of the accounting policy, additional explanations and other information	7
I. General company information	7
1. Company profile	7
2. Executives and Ownership structure	8
2.1. Executives in the year 2024	8
2.2. Change in senior executives and employees in strategic positions in 2024	9
2.3. Remuneration for executives in 2024	9
2.4. Persons authorised to sign the Financial Statements	9
2.5. Ownership structure	9
II. Key elements of the accounting policy	10
1. Key elements of the accounting policy	10
1.1. Reporting currency and foreign exchange balances	10
1.2. Sales revenue	10
1.3. Valuation and impairment of assets over one year	11
1.4. Intangible assets	12
1.5. Goodwill	13
1.6. Inventories	13
1.7. Accounts receivable	13
1.8. Financial assets	13
1.9. Financial liabilities	14
1.10. Provisions	14
1.11. Corporation tax	14
1.12. Leasing	15
1.13. Earnings per share (EPS)	15
1.14. Off-balance sheet items	15
1.15. Repurchased treasury shares	15
1.16. Dividend	16
1.17. P/L on financial operations	16
1.18. State aid	17
1.19. Items of exceptional amounts and occurrence	17
1.20. Events after the balance sheet date	17
2. Changes in the accounting policy	17
3. Uncertainty factors	18
3.1. Impairment on irrecoverable and doubtful receivables	18
3.2. Fair value determination	18
4. Basis for the compilation of the financial statements	19
4.1. Approval and statement on compliance with the International Financial Reporting Standards	19
4.2. Basis of preparing the report	19
4.3. Valuation basis	19
III. Additional explanations	20
1. Investment property	20
2. Intangible and tangible assets	21
3. Investments in related companies	21
4. Deferred tax assets	22
5. Inventories	22
6. Trade receivables	23
7. Other short-term receivables and prepaid expenses and accrued income	23
8. Cash and cash equivalents	23
9. Subscribed capital and capital reserve	24
10. Revaluation reserve	24
11. Repurchased treasury shares	24
12. Profit reserve and profit for the year	25
13. Equity correlation table:	26

14.	Non-current financial liabilities	28
15.	Provisions.....	28
16.	Deferred tax liabilities	28
17.	Other long-term liabilities	28
18.	Short-term financial liabilities	28
19.	Trade payables	29
20.	Other short-term liabilities, accrued expenses and deferred income	29
21.	Sales revenue	29
22.	Other operating income	30
23.	Own performance capitalised	30
24.	Raw materials, consumables and other external charges	31
25.	Staff costs	31
26.	Depreciation and impairment	31
27.	Other operating expenditure	32
28.	Income from and expenses of financial operations	33
29.	Actual tax expenditure	33
30.	Deferred tax expense	34
31.	Other comprehensive income	34
32.	Earnings per share	34
33.	Assets and liabilities, financial position and profitability.....	35
33.1.	Wealth indicators	35
33.2.	Indicators of the financial position	35
33.3.	Profitability indicators	35
34.	Information on business lines	36
35.	Risk Management	37
35.1.	Capital management	37
35.2.	Credit risk	37
35.3.	Liquidity risk.....	38
35.4.	Market risk.....	38
36.	Sensitivity analysis	38
37.	Financial instruments	38
38.	Remuneration of the Board of Directors and the Supervisory Board	39
39.	Remuneration of senior and middle managers in key positions	39
40.	Items of exceptional amounts and occurrence	39
41.	Presentation of related parties	40
41.1.	Subsidiary.....	40
41.2.	Sub-subsidiary.....	40
41.3.	Other related party	41
IV.	Other additional information	41
1.	Off-balance sheet items, litigation and other legal proceedings	41
1.1.	Off-balance sheet items that may affect the Company's future liabilities.....	41
1.2.	Litigation and other legal proceedings	44
2.	Significant events after the balance sheet date	44
3.	Extraordinary and other regulated disclosures in 2024 and until the date of preparation of the Separate Annual Financial Statements:	44
4.	Authorisation to publish financial statements.....	44
	Declaration of Liability.....	45

Separate Annual Statement of Financial Position

HUF '000'	Explanations*	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Investment property	1	84,300,782	78,581,204
Intangible assets	2	3,415	3,215
Land, buildings and related rights	2	82,079	84,106
Plant, other equipment and installations	2	184,469	116,327
Construction and reconstruction in progress	2	262,500	565,136
Investments in related companies	3	0	0
Other non-current assets	3	2,242,000	68,000
Deferred tax assets	4	0	0
Non-current assets, total		87,075,245	79,417,988
Current assets			
Inventories	5	59,684	99,931
Trade receivables	6	273,738	70,152
Other short-term receivables and prepaid expenses and accrued income	7	566,414	357,626
Cash and cash equivalents	8	13,343,582	6,305,607
Current assets, total		14,243,418	6,833,316
Assets, total		101,318,663	86,251,304
LIABILITIES			
Equity			
Subscribed capital	9	2,870,244	2,870,244
Capital reserve	9	6,048,215	6,048,215
Revaluation reserve	10	731,904	731,904
Equity shares repurchased	11	-1,681,561	-2,304,224
Profit reserve	12	59,275,025	44,352,859
P/L for the reporting year	12	10,236,224	10,544,829
Equity, total		77,480,051	62,243,827
Long-term liabilities			
Financial liabilities	14	17,479,802	18,886,201
Provisions for expected liabilities	15	13,351	10,842
Deferred tax liabilities	16	0	0
Other long-term liabilities	17	898,676	1,376,527
Long-term liabilities, total		18,391,829	20,273,570
Current liabilities			
Financial liabilities	18	1,500,898	1,446,747
Trade payables	19	717,081	249,265
Other short-term liabilities, accrued expenses and deferred income	20	3,228,804	2,037,895
Current liabilities, total		5,446,783	3,733,907
Liabilities and equity, total		101,318,663	86,251,304

*No. of additional explanation

Separate Annual Statement of Comprehensive Income

HUF '000'	Explanations*	2024	2023
Net sales revenue	21	11,910,985	8,092,506
Other operating income	22	3,036,814	6,280,668
Changes in internally generated inventories	23	-15,141	0
Capitalised value of internally generated assets	23	0	0
Raw materials, consumables and other external charges	24	-3,586,068	-1,988,110
Staff costs	25	-984,050	-910,653
Depreciation and impairment	26	-64,801	-253,614
Other operating expenditure	27	-330,415	-860,290
Operating P/L		9,967,324	10,360,507
Financial income	28	771,842	691,223
Financial expenses	28	-453,803	-484,803
P/L before tax		10,285,363	10,566,927
Actual tax expenditure	29	-49,139	-22,098
Deferred tax	30	0	0
P/L after tax		10,236,224	10,544,829
Other comprehensive income	31	0	0
Change in the fair value of other properties less taxes		0	0
Tax effect of changes in the fair value of other properties		0	0
Total comprehensive income		10,236,224	10,544,829
Weighted average ordinary shares		267,942,096	252,316,945
Earnings per share (HUF)			
Fund	32	38.20	41.79
Diluted	32	38.20	41.79

*No. of additional explanation



Separate Annual Statement of Changes in Equity

Explanations*	9	11	9	10	12	12	
HUF '000'	Subscribed capital	Equity shares repurchased	Capital reserve	Revaluation reserve	Profit reserve	P/L for the reporting year	Equity, total
31/12/2022	2,870,244	-3,048,120	6,048,215	731,904	38,893,377	10,012,333	55,507,953
Reclassification of P/L from the previous year					10,012,333	-10,012,333	
Purchase of own shares							
Equity issue							
Sale of equity share		743,896			4,256,104		5,000,000
Dividend					-8,808,955		-8,808,955
Increase in the profit reserve due to the sale of Verseg							
Total comprehensive income						10,544,829	10,544,829
31/12/2023	2,870,244	-2,304,224	6,048,215	731,904	44,352,859	10,544,829	62,243,827
Reclassification of P/L from the previous year					10,544,829	-10,544,829	
Purchase of own shares							
Equity issue							
Sale of equity share		622,663			4,377,337		5,000,000
Dividend							
Increase in the profit reserve due to the sale of Verseg							
Total comprehensive income						10,236,224	10,236,224
31/12/2024	2,870,244	-1,681,561	6,048,215	731,904	59,275,025	10,236,224	77,480,051

*No. of additional explanation

Separate Annual Cash Flow Statement

HUF '000'	Explanations*	<u>2024</u>	<u>2023</u>
P/L before tax		10,285,363	10,566,927
Adjustments of the profit before taxes		-6,437	4,349
Adjusted profit before taxes		10,278,926	10,571,276
Net interest expenses		-261,157	-213,855
Non-cash flow items			
Depreciation	26	63,599	59,392
Impairment (additional payment)	26	0	0
Impairment (buyer)	26	1,202	194,222
Credit loss (buyer)	26	0	0
Adjustment due to inventory fair valuation	27	10,893	0
P/L from a fair valuation	22, 27	-3,001,338	-5,496,725
Provisions for liabilities		2,509	3,812
Non-operating cash flow P/L items		0	0
Revenues from the sale of tangible assets		-12,154	-886
Assets provided for no consideration, scrapping		0	0
Net working capital flow			
Change in trade receivables		-204,788	63,648
Change in other current assets		-179,437	300,177
Change in accounts payable	19	467,816	-555,223
Changes in other short-term liabilities	20	713,058	-309,785
Change in short-term financial liabilities		0	0
Interest paid	28	-426,652	-434,636
Interest received	28	687,809	648,491
Income tax paid	29	-49,139	-22,098
Cash-flow from business activity		8,091,147	4,807,810
Purchase of tangible assets		-2,545,516	-1,456,314
Cash proceeds from the sale of property, plant and equipment		12,154	886
Impairment of participation	3	0	0
Loans to related parties	3	-2,174,000	-68,000
Funds used for investments		-4,707,362	-1,523,428
Income from capital issues		0	0
Equity purchase (-)/sale (+)		5,000,000	5,000,000
Dividend	12	0	-8,808,955
Additional cash contribution		0	0
Loans		94,500	257,487
Loan repayment		-1,446,747	-1,446,747
Cash flow from financing activity		3,647,753	-4,998,215
Change in liquid assets		7,031,538	-1,713,833
Revaluation of foreign currency-denominated liquid assets		6,437	-4,349
Balance-sheet change in liquid assets		7,037,975	-1,718,182
Cash flow from financing activities	8	7,037,975	-1,718,182
Opening cash and cash equivalents	8	6,305,607	8,023,789
Closing cash and cash equivalents	8	13,343,582	6,305,607

*No. of additional explanation

Notes to the statements – general company information, key elements of the accounting policy, additional explanations and other information

I. General company information

1. Company profile

Budapesti Ingatlan Hasznosítási és Fejlesztési nyilvánosan működő Részvénytársaság (hereinafter: “Company” and/or “BIF”) was established on 31 January 1995 by transformation. Its legal predecessor is Budapesti Ingatlanhasznosítási és Fejlesztési Kft., which was founded on 1 January, 1994 by the State Property Agency with a share capital of HUF 1,000,000. The subscribed capital of the Company is HUF 2,870,244,400, which consists of 287,024,440 ordinary registered shares, each with a nominal value of HUF 10, produced in a dematerialised form.

From 20 October, 2017 the Company was active as a regulated estate investment pre-company (hereinafter: “SZIE/Pre-REIT”) under Act CII of 2011 on regulated real estate investment companies (hereinafter: “SZIT/REIT Act”), and since 31 December, 2018 it has been active as a regulated real estate investment company (hereinafter: “SZIT/REIT”). The Company is engaged in real estate development and utilization for its own properties (offices and other buildings and parking garages) by leasing, further development and the sale of construction sites in its ownership, the implementation of real estate developments on them, and the utilization and sale of completed properties.

The operational management of the Company is performed by the Board of Directors.

The Company's shares are traded in the "PREMIUM" category of the Budapest Stock Exchange. The Company's notices are published on: the BSE (www.bet.hu) website, the MNB website (www.kozzetetelek.mnb.hu) and the Company's own website (www.bif.hu).

Corporate data of the Company*

Official name of the Company:	Budapesti Ingatlan Hasznosítási és Fejlesztési nyilvánosan működő Részvénytársaság Budapesti Ingatlan Nyrt.
Abbreviated company name:	Budapesti Ingatlan Nyrt.
Registered office:	H-1033 Budapest, Polgár u. 8-10., Hungary
Postal address (place of central administration):	H-1033 Budapest, Polgár u. 8-10., Hungary
Central electronic contact:	info@bif.hu
Website:	www.bif.hu
Date of the Articles of Association:	31/01/1995
Date of commencement of operation:	01/05/1994
Registry court:	Superior Court of Budapest, as company registry court
Company registration number:	Cg. 01-10-042813
Statistical code of the Company:	12041781-6820-114-01
Tax Registration No.:	12041781-2-41
Community tax number:	HU12041781
Share capital on December 31, 2024	HUF 2,870,244,400
Term of the Company's operation:	open-ended
Business year of the Company:	identical with the calendar year.
Core activity of the Company (TEÁOR):	6820'08 Renting and operation of owned or leased real estate
Other activities of the Company (TEÁOR):	<ul style="list-style-type: none"> – 4110'08 Development of building projects – 64 20 '08 Asset management (holding) – 8110 '08 Combined facilities support activities – 6832 '08 Management of real estate – 6810 '08 Buying and selling of own real estate

*There has been no change in the name or other identifying data of the Company in 2024 compared to the previous financial year.

The IFRS chartered accountant responsible for the preparation of this 2024 IFRS Separate Annual Financial Statements of Company: dr. Horváth Kalácska Katalin (H-1082 Budapest, Hock János u. 4-6, Hock János utca 4-6.; Chartered IFRS Accountant Registration Number: 123362).

The Company's auditor

On 30 April 2024, the Company's general meeting elected QUERCUS Audit Könyvvizsgáló és Gazdasági Tanácsadó Kft. (registered office: H-8200 Veszprém, Radnóti tér 2/C, company registration number: 19 09 512226, tax identification number: 11679204-2-19, identification code in the Register of Statutory Auditors: 002651; the individual responsible for the audit: András József Tölgyes) as the Company's auditor for the period starting from the date of approval of the annual financial statements for the financial year ending 31 December 2023, until the date of approval of the annual financial statements for the financial year ending 31 December 2024, but no later than 15 May 2025.

2. Executives and Ownership structure

2.1. Executives in 2024

Members of the Company's Board of Directors

Name	Position	Beginning of assignment	End of assignment
Dr Anna Ungár	President	30.04.2022	30.04.2027
Kristóf Berecz	Vice-President	30.04.2022	30.04.2027
Julian Tzvetkov	member	30.04.2022	30.04.2027
Dr Frigyes Hárshgyi	member	30.04.2022	30.04.2027
Miklós Vaszily	member	30.04.2022	30.04.2027

Members of the Company's Audit Committee

Name	Position	Beginning of assignment	End of assignment
Julian Tzvetkov	member	30.04.2022	30.04.2027
Dr Frigyes Hárshgyi	member	30.04.2022	30.04.2027
Miklós Vaszily	member	30.04.2022	30.04.2027

Ownership interest of executives and employees in strategic positions in the Company (31 December 2024)

Nature	Name	Position	Beginning of assignment	End of assignment	Direct share property (number of shares)	Percentage of BIF shares with indirect influence
MboD	Dr Anna Ungár	President of the BoD* and CEO as from 4 May, 2022	30.04.2022	30.04.2027	0	74.87%
MboD	Kristóf Berecz	Vice-President of the BoD and CEO as from 1 December, 2018	30.04.2022	30.04.2027	0	74.87%
MboD	Julian Tzvetkov	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MboD	Dr Frigyes Hárshgyi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MboD	Miklós Vaszily	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Unspecified***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

2.2. Change in senior executives and employees in strategic positions in 2024

Board of Directors, Audit Committee

There was no change in the composition of the Board of Directors or the Audit Committee in 2024.

Changes to the management of the Company in 2024

By resolution No. 1/2024. (02.29.), the Board of Directors amended the Operating Procedures of the Company. On the date of the amendment, the Property Development Directorate was established, which includes the Property Development and Construction Department. Furthermore, the CAPEX and Fit-out Department was placed under this directorate, effective from 1 March 2024.

2.3. Remuneration for executives in 2024

The members of the Board of Directors performed their duties in the 2024 business year without remuneration, and the members of the Audit Committee performed their duties in the 2024 business year for a gross monthly remuneration of HUF 300,000 per member.

2.4. Persons authorised to sign the Financial Statements

According to Article 15.2 of the Articles of Association, the following persons are authorised to sign for the Company:

- the President of the Board of Directors jointly with another member of the Board of Directors or with an employee authorised to represent the Company,
- The Vice-President of the Board of Directors, jointly with another member of the Board of Directors or an employee authorised to represent the Company.

The Board of Directors is authorised to decide on the employees authorised to represent the Company.

2.5. Ownership structure

Owners of the Company with more than 5% interest based on the current share register and on the individual statements of the owners

Shareholder	31 December, 2023		31 December 2024	
	Number of shares	Participation (%)	Number of shares	Participation (%)
PIÓ-21 Kft.*	194,389,885	67.73**	214,889,885	74.87**
MBH Bank Nyrt.	28,702,440	9.99		
Treasury shares	22,514,206	7.84	***	
Assets managed by Mónika Káldi, the trusted asset manager			16,101,240	5.61
Other shareholders	41,417,909	14.44	56,033,315	19.52
Total	287,024,440	100.00	287,024,440	100.00

*PIÓ-21 Kft. is the parent company of the Company and also its ultimate parent company.

**Of which, as of 31 December 2024, there is a 0.57% indirect stake through the company's subsidiary, BFIN Asset Management AG.

***The Company may not exercise shareholder rights by the BIF ordinary shares in its ownership. The number of ordinary shares of BIF owned by the Company does not exceed 5%.

II. Key elements of the accounting policy

1. Key elements of the accounting policy

1.1. Reporting currency and foreign exchange balances

In view of the content and circumstances of the underlying business events, the Company's functional and reporting currency is the Hungarian forint.

The foreign exchange transactions performed in a currency other than HUF were initially recognised at the exchange rate valid on the day of performing such transactions. Foreign currency receivables and liabilities were converted to forint at the exchange rate valid on the balance sheet date. The arising exchange rate differences are recognised in the profit and loss account among financial revenues and expenses.

The financial statements specify Hungarian forints (HUF), which is the Company's presentation currency rounded to the nearest thousand, except where otherwise indicated.

The transactions performed in a foreign currency are recognised in the functional currency - the foreign currency amount considered at the exchange rate between the reporting currency and the foreign currency valid on the transaction date. In the statement of comprehensive income, exchange differences arising on the settlement of monetary items, on initial recognition during the period or on the use of an exchange rate other than that used in the previous financial statements are recognised as income or expense in the period in which they arise. The monetary instruments and liabilities denominated in foreign currency are converted at the exchange rate valid at the end of the reporting period. The items valued at fair value and denominated in foreign currency are converted at the exchange rate valid on the date of determining the fair value. Exchange differences on trade receivables and trade payables are recognised in operating income, while exchange differences on loans are recognised in financial income or expenses.

1.2. Sales revenue

The Company earns revenues primarily on the services provided to its customers and third parties and on the sale of goods.

The Company recognizes sales revenue in accordance with IFRS 15 (which was issued in May 2014 and is effective for annual periods beginning on or after 1 January 2018).

The new standard introduces the basic directive that revenue is recognised when the goods or services are delivered to the buyer at the agreed price. Any separable related goods or services must be recognised separately and every allowance must be assigned to the appropriate elements of the contract. When the consideration changes, the minimum value may only be recognised if the likelihood of reimbursement does not include a significant risk. The costs incurred while obtaining a customer contract must be capitalised and amortised during the contractual term in a way that the Company should obtain the related benefits.

The net sales revenue comprises the amounts invoiced on the basis of the goods supplied or services provided during the year. Net sales are recognised when the amount of the revenue becomes clear and it is probable that the consideration will be available to the Company. The sales revenue includes the invoiced amounts less value added tax and discounts.

Revenue from the sale of services is recognised by the Company on a time proportionate basis (if permitted by the contract or confirmed by the customer) during the period, unless the relevant contracts and agreements contain milestones. In this case, sales are accounted for after each milestone is reached.

The Company accounts any additional costs incurred in relation to the conclusion of customer contracts if it expects to be reimbursed.

For deferred income, revenue is recognised at a discount.

1.3. Valuation and impairment of assets over one year

1.3.1. Investment property

A property is classified as investment property if it is held by the enterprise for the purpose of earning income from rent or capital appreciation, or both, and not for the purpose of subsequent sales or production of goods or provision of services or administration. Investment properties are always held for rental purposes.

Investment property is initially measured at cost, taking into account transaction costs. The Company has chosen the fair value model for the presentation of investment properties, accounting for the differences arising from changes in fair value on a property-by-property basis against the operating income of the current year as other operating expenses/income. No ordinary depreciation is recognised for investment properties.

In accordance with the provisions of the REIC Act, the fair value of investment properties owned by the Company is determined by an independent valuer on a quarterly basis. The relevant valuations were made in 2024 by Seratus Ingatlan Tanácsadó Igazságügyi Szakértő Kft. As of December 31 of each year, the market value of the properties has been (is being) updated annually. The valuation is carried out in accordance with international valuation standards.

The valuation uses three valuation methods generally accepted in international asset valuation practice (the DCF method, the comparable market value method and the profits method) and then the market value of the properties is determined based on the precautionary principle.

Given that IAS40 recommends, but does not require, the use of an independent valuer to determine the market value, for investment property where a decision to sell has been made and the sale has commenced, the fair value method is based on the asset has an active market, i.e. there are concluded sales contracts. The actual market price of the property, i.e. the sales price (calculated from the average price) already included in the sales contracts, provides the best basis for determining the fair value.

Gains or losses arising from changes in the fair value of investment property are always recognised in the profit or loss (other operating income or other operating expenses) in the period in which they are incurred. Gains arising from changes in fair value cannot be distributed as dividends to shareholders. Investment property should be derecognised on disposal or when investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The Company recognizes gains or losses on the derecognition and disposal of investment property netted in the profit and loss account as income or expense in the period in which they arise.

1.3.2. Other properties

Other real estate in the Company comprises real estate held for use in relation to the sale of goods or the production or provision of services, and developed public utilities belong to this group.

The Company has chosen the fair value model for the recognition of other properties, except for developed public utilities. Valuation is carried out in accordance with the international valuation standards. The valuation uses three valuation methods generally accepted in international asset valuation practice (the DCF method, the comparable market value method and the profits method) and then the market value of the properties is determined based on the precautionary principle. Gains arising from changes in the fair value of other properties are recognised directly in the equity as a revaluation surplus.

Currently, the Company does not own any properties other than utilities.

The Company measures utility facilities at cost less annual depreciation.

Other properties are depreciated. Depreciation is based on fair value and, in the case of public utilities, cost. Depreciation is charged on a straight-line basis, with a depreciation rate of 2%.

1.3.3. Other tangible assets:

Tangible assets other than properties are reported at their acquisition cost, reduced by accumulated depreciation and impairment. Accumulated depreciation includes the recognised costs of non-accelerated depreciation incurred in relation to the continuous use and operation of the asset and of accelerated depreciation required by the significant damage or injury to the asset due to an unexpected, extraordinary event.

Historical cost (value at cost, production cost) of an asset is the total amount of items that can be individually linked to the asset prior to commissioning and delivery to the warehouse in order to acquire, establish and commission the asset.

The historical cost (value at cost) comprises the purchase price net of discounts and increased by a mark-ups, any consideration, fees and commission paid for the transport and loading, foundation work, installation, commissioning and brokerage activities incurred in relation to the acquisition, commissioning and delivery of the asset to the warehouse, as well as all related taxes, tax-like items and customs duties.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when the future economic benefits associated with the item are likely to flow to the Company and the cost of the item can be measured reliably. All other costs of repairs and maintenance are recognised in the profit and loss account as incurred.

Additional expenditures on existing assets that extend the useful life of the asset or broaden the scope of using the asset are capitalised by the Company. Maintenance and repair costs are expensed as incurred.

The carrying amount of property, plant and equipment is reviewed at regular intervals to determine whether the carrying amount does not exceed the fair value of the asset, as this is required to account for an unplanned write-down to the fair value of the asset. The fair value of the asset is the higher of its selling price and its value in use. Value in use is the discounted value of the future cash flows generated by the asset. The discount rate includes the pre-tax interest rate, taking into account the time value of money and the effect of other risk factors associated with the asset. If no future cash flows can be allocated to the asset on its own, the cash flows of the unit to which the asset is a part shall be used. The impairment and accelerated depreciation determined by this method are recognised in the profit and loss account.

Tangible assets are depreciated by the straight-line method. The cost of the assets is written off during the useful life of the assets from the date they are put into service. The Company regularly reviews useful lives and residual values.

The Company accounts accelerated depreciation for the tangible assets with net book values not expected to be recovered based on their future income-generating capacity. The Company makes the required calculations on the basis of an appropriate discounting of long-term future cash flow plans.

Depreciation is determined on the basis of the expected useful lives, deterioration time, and physical and moral obsolescence of the assets. Assets representing a unit cost of less than HUF 200,000 are accounted for as a single depreciation expense at the time of acceptance for use. For assets exceeding 200,000 HUF, the applicable depreciation rates are 20% for vehicles, 33% for computer equipment, 33% for office technology assets, and 14.5% for other assets.

At the end of each reporting period the Company assesses whether any change suggesting impairment has happened to any asset. If such a change has taken place, the Company estimates the value of the expected return on the asset. The expected return on an asset or cash-generating unit is the higher of the fair value less sales costs or the use value.

The Company recognizes impairment to the debit of the profit if the expected return on the asset is less than its book value. The Company makes the required calculations on the basis of an appropriate discounting of long-term future cash flow plans.

Gains or losses on the derecognition and disposal of other tangible fixed assets are recognised in the profit and loss account as income or expense in the period in which they arise.

1.4. Intangible assets

Individually obtained intangible assets are recognised at cost, while the intangible assets acquired in the course of business combinations are disclosed at fair value at the time of the acquisition. An asset may be included in the books if its use can be proven to result in the future inflow of business benefits and its cost can be clearly established.

Following acquisition, the direct cost method applies to the intangible assets. The lives of these assets are either limited or cannot be determined. Assets with limited lives are depreciated by the linear method based on the best estimate of their lives. The period and method of amortisation are revised annually, at the end of each financial (business) year. Disregarding development costs, internally generated intangible assets are not capitalised but are offset against the P/L in the year when they are incurred. Intangible assets are revised annually for impairment, either separately or at the level of the income-generating unit.

The costs of goods and software falling within the scope of brand names, licences and industrial property rights are capitalised and linearly derecognised during their useful life:

Concessions, licences and similar rights, and software	3-6 years
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1.5. Goodwill

Goodwill is the and positive difference between the identifiable cost and the fair value of the net assets of the acquired subsidiary, affiliated company or jointly controlled company on the day of acquisition. Goodwill is not depreciated, but the Company examines every year if there are any signs suggesting that the book value is unlikely to be recovered. Goodwill is recognised at direct cost less any impairment.

1.6. Inventories

Inventories recorded by the Company are valued in accordance with IAS2.

The cost of inventory includes the cost of acquisition, the cost of conversion, and the cost of bringing the inventory to its present location and condition.

The cost may not include unusual material, labour and other production cost losses, as well as storage costs, unless they are included in the production process, administrative costs not incurred to bring inventories to their current condition and location, and sales costs.

The Company measures its inventories at cost, more specifically, by the FIFO method.

1.7. Accounts receivable

Liabilities are recognised in the statements at a nominal value reduced by the appropriate impairment generated for estimated losses. Based on the complete supervision of receivables outstanding at the end of the year, an estimate was made on doubtful claims.

1.8. Financial assets

The financial assets within the scope of the IFRS9 standard fall into three measurement categories: assets measured at amortised cost after acquisition; assets measured at fair value through other comprehensive income after acquisition (FVOCI) and assets measured at fair value through profit or loss after acquisition (FVPL).

Subsequent to initial recognition, financial assets that are “held for trading” are measured at fair value through profit or loss (FVPL). Any unrealised exchange rate gains or losses on securities held for trading are recognised as other income (expense).

Other long-term investments that qualify as held to maturity, e.g. certain bonds, are recognised at amortised cost after the first recognition. The amortised cost is calculated in the period to maturity, at a discount or premium valid at the time of acquisition. In the case of investments recognised at amortised cost, any profit or loss made during the depreciation period or when the investment is derecognised or impaired is accounted as a revenue.

In the case of investments included in stock market trade, the market value is specified on the basis of the official price announced on the balance sheet date. In the case of non-listed or non-traded securities, the market value is the market value of any comparable/substitute financial investment, and if this method cannot be used, the market value must be determined on the basis of the estimated future cash-flow of the asset related to the investment.

On every cut-off date the Company analyses if impairment needs to be recognised for a particular financial asset or for a group of assets. If in the case of assets recognised at amortised cost, any condition requires impairment, the latter is the difference between the carrying value of the asset and its amount discounted by the original effective interest rate of the future cash flows of the asset. Impairment is recognised in the profit and loss account. If any time later the amount of the accounted impairment decreases, it is reversed to the extent that prevents the carrying value of the asset from exceeding its amortised value valid on the cut-off date.

Investments into securities are valued at the price valid on the day of performance and initially at cost. Short-term investments containing securities held for trading purposes are recognised at fair market value valid on the day of the next report, and their value is calculated at the publicly quoted price valid on the balance sheet date. Unrealised profits and losses are included in the profit and loss account.

1.9. Financial liabilities

The Company's statement of the financial position includes the following financial liabilities: trade and other current liabilities, loans, borrowings, bank overdrafts and futures. Their recognition and valuation are included in the relevant parts of the Notes to the Financial Statements as follows:

The Company values each financial liability at its fair value valid at the time of its initial recognition. In the case of loans account is taken of the transactions costs directly attributable to the acquisition of the financial liability.

The financial liabilities subject to the IFRS 9 standard can be classified into three measurement categories: liabilities measured at amortised cost after acquisition; liabilities measured at fair value against other comprehensive income after acquisition (FVOCI); and liabilities measured at fair value through the profit or loss after acquisition (FVPL). The Company classifies the individual financial liabilities when they are acquired.

Financial liabilities valued at fair value through the profit or loss are liabilities acquired by the Company for trading purposes or qualified on their initial presentation at fair value through the profit or loss. Financial liabilities held for trading purposes include liabilities purchased by the Company primarily for the profit expected of short-term price fluctuations. This class also includes futures transactions not considered as efficient hedging instruments.

Loans and advances are recognised in the statements of the financial position at the amortised cost value calculated by the effective interest rate method. The profits and losses related to loans and advances are recognised in the profit and loss account during the calculation of depreciation by the effective interest rate method and when the financial liability is deregulated. Amortisation is accounted as financial expenditure in the statement on income.

1.10. Provisions

The Company recognizes provisions for (legal or assumed) commitments incurred as a result of past events the Company is probably required to pay, provided that the amount of the commitment is reliably measurable.

Any amount recognised as a provision is the best estimate of the expenditure required to settle the current obligation at the balance sheet date, taking into account any risks and uncertainties characteristic of the obligation. If a provision is measured using the cash flow probably required for the payment of the existing commitment, the book value of the provision is the present value of such cash flows.

If part or all of the expenditure required to settle the obligation is expected to be recovered by another party, the receivable is recognised as an asset when it is materially certain that the entity will receive the reimbursement and the amount of the receivable can be measured reliably.

1.11. Corporation tax

The corporation tax rate is based on the tax liability specified in the Corporate and Dividend Tax Act, amended by deferred tax. The corporate income tax liability includes tax components due in the reporting year and deferred taxes.

The tax payable for the current year is determined on the basis of the taxable profit of the reporting year. The taxable profit differs from the profit before taxes recognised in the financial statements, due to profits and losses non-taxable gains and losses and items that are included in the taxable profit of other years. The Company's current tax payment liability is determined on the basis of the tax rate in force or announced (provided that announcement is equivalent to entry into force) up to the balance sheet date. Deferred tax is calculated by the liability method.

Deferred tax liability is incurred when there is a temporary difference between the recognition of an item in the annual report and its reconciliation according to the Act on Taxation. Deferred tax assets and tax liabilities are established using the tax rates applicable to the taxable revenues in years when recovery of the difference is expected due to the time displacement. The amount of deferred tax liabilities and tax assets reflect the Company's estimate on the method of realizing tax assets and tax liabilities on the balance sheet date.

Deferred tax assets for deductible tax differences, tax credits and negative tax bases are recognised in the balance sheet only to the extent that as a result of the Company's future activity taxable profits are likely to be available for offsetting the deferred tax asset.

At each balance-sheet date the Company accounts for the deferred tax assets not recognised in the balance sheet and carrying amount of recognised tax assets. It inventorizes that part of the receivables not previously included in the balance sheet on which recovery is expected as a reduction in the future income tax. In contrast, the Company's deferred tax assets must be reduced by any amount not expected to be covered by any available taxable profit.

The tax due in the reporting year and deferred tax are offset against the equity if they refer to items also offset against the equity in the same or in another period, including any amendments in the opening values of reserves due to retroactive changes in the accounting policy.

Deferred tax assets may be offset against deferred tax liabilities if the company is authorised by law to offset its actual tax assets and tax liabilities due from and to the same tax authority, and the Company intends to recognize these assets and liabilities on a net basis.

Due to transformation into REIC, the Company has eliminated the previously recognised deferred tax liability, as in the future its tax liability is not expected to arise in the normal course of business.

1.12. Leasing

Financial leasing is a transaction including a lessor who assumes all the risks and costs involved in the possession of the asset under the lease conditions. All other leasing transactions are considered as operative leasing.

In the case of financial leasing, the assets leased by the Company qualify as the Company's assets and are recognised at their market value valid at the time of acquisition. A liability to the lessor is presented in the balance sheet as a financial leasing liability. The costs incurred in relation to the leasing are the differences between the fair value of the purchased assets and the total leasing liability and are accounted to the debit of the profit during the entire lease term in a way to represent a permanent and periodically incurred expenditure on the existing amount of the liability in the individual periods.

They arise from the difference between the total amount of liabilities and the market value of the leased asset at the time of acquisition, or after the relevant leasing term, in order to trace any change in the balance of the remaining liability from time to time, or they are recognised in the profit and loss account in the individual reporting periods.

1.13. Earnings per share (EPS)

Earnings per share are determined by taking into account the Company's earnings and the number of shares less the average number of repurchased treasury shares during the period.

The diluted earnings per share is calculated similarly to the earnings per share. However, during calculation all the outstanding shares suitable for dilution are taken into account, increasing the return payable on ordinary shares by the dividend and return on the convertible shares that can be taken into account in the given period, modified by any additional revenues and expenditure arising from conversion, increasing the weighted average number of outstanding shares by the weighted average number of those shares that would be outstanding if all the convertible shares were converted. There was no transaction in either the previous year or the year ended December 31, 2024 that would dilute this EPS rate.

1.14. Off-balance sheet items

Off-balance sheet liabilities are not included in the statement of financial position and income statement, constituting part of the financial statements unless they were acquired in a business combination. They are disclosed in the Notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote, minimal. Off-balance sheet receivables are not included in the statement of financial position or in the P/L account as part of the financial statements, but are disclosed in the Notes if an inflow of economic benefits is likely.

1.15. Repurchased treasury shares

The value of repurchased treasury shares is shown in a separate line within equity.

1.16. Dividend

The Company accounts for dividend in the year it is approved by the owners.

Dividends may be paid in accordance with the relevant provisions of the REIC Act and the Articles of Association:

Article 2.8 of the REIC Act stipulates that: *“Expected dividend: 90% of the profit made by a regulated real estate investment company or regulated real estate investment pre-company in the period between its registration as a regulated real estate investment company or regulated real estate investment pre-company and deregistration may be paid as dividends as defined in a separate legal act, and in the case of a project company of a regulated real estate investment company or regulated real estate investment pre-company, 100% of the profit made by the project company in the period between registration as a project company and deregistration, excluding, in the case of a regulated real estate investment company, a regulated real estate investment pre-company or their project company, the amount of the one-off conversion difference recognised in profit reserve in relation to conversion to the preparation of annual financial statements according to the IFRS as required in Act C of 2000 (hereinafter: “Accounting Act”).*

Article 3 (3) c) of the REIC Act provides that: *“On the basis of the memorandum of association, and proposed by the management, the annual general meeting proposes approval of a dividend corresponding to at least the expected amount of dividend, and in the event of approval, the dividend shall be paid within 30 trading days following approval of the financial statements, with the proviso that if amount of freely disposable funds available for the regulated investment company fails to reach the amount of the expected dividend, the management shall propose that at least 90% of the amount of freely disposable funds be paid as a dividend, ”*

Clause 16.3 of the Articles of Association: *“A shareholder is eligible for dividends if he or she or it is included in the share ledger on the cut-off date specified in a notice of dividend based on the resolution of the general meeting and published in relation to the payment of dividends. The date determined by the Board of Directors in the notice published in relation to the payment of dividends, which is relevant for the right to receive dividends, may differ from the date of the general meeting deciding on the payment of dividends. The starting date of dividend payment may not be later than on the 30th trading day (as defined in Act CXX of 2001 on the Capital Markets) following the approval of the financial statements. The Board of Directors must publish the notice of the payment of dividends within 15 days after the date of the general meeting resolving on the dividend, in accordance with the rules on the publication of notices. With regard to the dividend payable by the Company, the Board of Directors of the Company must, in its relevant proposal to the Annual General Meeting, propose the approval of at least the expected dividend as defined by at least in accordance with Article CII of 2011 on regulated real estate investment companies, provided that in the event that the freely disposable funds available for the Company fail to reach the amount of the expected dividend, the management should propose to pay at least 90% of the amount of the freely disposable funds as a dividend.*

The shareholder may claim the dividend from the Company within five years from the start date of dividend payment. The expiry of this period results in the forfeiture of rights. Any dividends not received are transferred to the Company's assets in excess of share capital. The shareholder cannot be obliged to repay the dividend accepted in good faith. Dividends are received in good faith only if the dividends due for the shareholder's shares are received from the dividend fund determined on the basis of the balance sheet approved by the general meeting, provided that no criteria excluding dividend acquisition are applicable to the shareholder and the shareholder does not know or should not have known of the absence of any statutory conditions for payment.”

1.17. P/L on financial operations

The financial P/L includes interest and dividend revenues, interest and other financial expenditures, the profit and loss on the fair valuation of financial instruments, and any realised or non-realised exchange rate differences.

1.18. State aid

A state aid is recognised if the aid is likely to be recovered and the conditions of reimbursement have been fulfilled. If the aid serves the purpose offsetting a cost, it must be recognised to the benefit of the profit and loss account in the period when the cost to be offset is incurred (among other revenues). If an aid is linked to asset acquisition, it is recognised as deferred income and during the related useful life of the underlying asset it is recognised annually in equal amounts to the benefit to the P/L.

1.19. Items of exceptional amounts and occurrence

An exceptional amount of revenue is revenue arising from a business event or contract that amounts to or exceeds 25% of the total accounting revenue for a given financial year.

A revenue of exceptional occurrence is any income not closely or directly related to the business operation of the company, or is outside the regular course of business, and its occurrence is ad hoc. An exceptional cost is the cost of a business event or contract that amounts to or exceeds 25% of the total costs and expenses for a given financial year.

Exceptional costs are all costs or expenses that are not closely or directly related to the business operation of the company, fall outside the regular course of business, and are incurred on an occasional basis.

1.20. Events after the balance sheet date

The events that took place after the end of the reporting period and provide additional information about the circumstances prevailing at the end of the Company's reporting period (amending items) are presented in the report. The events that took place after the reporting period and not requiring the modification of the reporting data are presented in notes, if relevant.

2. Changes in the accounting policy

The Company has compiled its financial statements in accordance with the provisions of all the standards and interpretations that entered into force on 1 January 2024.

The Company's accounting policy has been changed on 1 January 2017 to apply the IFRS standards.

In 2024 the Company applied all the IFRS standards, amendments and interpretations effective as from 1 January 2024 and relevant for the operation of the Company.

The following standards and interpretations (including their amendments) entered into force in 2024 (new and amended standards and interpretations issued by the IASB and adopted by the EU).

- Amendment to IAS 7 (issued on 25 May 2023, effective for the financial year beginning on 1 January 2024, adopted by the EU) - Disclosures: Supplier financing agreements. Further disclosure requirements are established regarding the presentation of qualitative and quantitative information related to supplier financing agreements.
- Amendment to IAS 1 (issued on 23 January 2020, effective for the financial year beginning on 1 January 2024, adopted by the EU) – Classification of liabilities as short-term or long-term. Amendment to IAS 1 (issued on 31 October 2022, effective for the financial year beginning on 1 January 2024, adopted by the EU) – Long-term liabilities with contractual provisions. This includes clarifications on the conditions that must be met for long-term liabilities with contractual provisions within 12 months following the reporting date. Long-term liabilities with credit covenants – The purpose of the amendments is to clarify the principles in IAS 1 regarding the classification of liabilities as short or long-term. The amendments primarily clarify the concept of recognition, define how an entity should classify liabilities arising from loan agreements as short- or long-term, and regulate the disclosure obligation when an entity has a loan agreement that includes covenants which may require the loan to become due within twelve months after the reporting period.
- Amendment to IFRS 16 (issued on 22 September 2022, effective for the financial year beginning on 1 January 2024, adopted by the EU) – Lease liabilities in sale and leaseback transactions.

The amendments clarify how the seller-lessee should measure those sale and leaseback transactions that comply with the revenue recognition requirements in IFRS 15 Contracts with Customers, and how these should be accounted for as sales. The amendments only affect the accounting treatment of sale and leaseback transactions by the seller-lessee that meet the requirements in IFRS 15 to be recognised as a sale.

The application of the above amendments did not have a significant impact on the Company's financial statements.

Standards and interpretations issued by the IASB and adopted by the EU, effective from 2025

- Amendment to IAS 21 (issued on 15 August 2023, effective for the financial year beginning on 1 January 2025, adopted by the EU) – Effects of changes in foreign exchange rates: Lack of convertibility.

This amendment clarifies when a currency can be exchanged for another currency and when it cannot. It specifies how an entity should choose an exchange rate when a currency is not convertible. Additional disclosure requirements are imposed.

No significant impact on the Company's financial statements is expected from the above amendments.

Amendments not yet adopted by the EU

- Amendments to IFRS 7 and IFRS 9 (issued on 18 December 2024, effective for financial years beginning on 1 January 2026) – Contracts relating to nature-dependent electricity.
- Amendments to IFRS 7 and IFRS 9 (issued on 30 May 2024, effective for financial years beginning on 1 January 2026) – Amendments to the classification and measurement of financial instruments.
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for financial years beginning on or after 1 January 2027).
- IFRS 19 Accountability of Subsidiaries without Public Accountability: Disclosures (effective for financial years beginning on or after 1 January 2027).

3. Uncertainty factors

When the accounting policy described in Section 1 is applied, estimates and assumptions not clearly definable from other sources need to be used for the determination of the values of the individual assets and liabilities at the given moment of time. The estimation procedure includes the decisions adopted on the basis of the available information and the relevant factors. These significant estimates and assumptions influence the value of the assets and liabilities, revenues and expenditures recognised in the financial statements, as well as the presentation of contingent assets and liabilities in the Notes. The actual results may differ from the estimated data.

The estimates are updated on a regular basis. If a change only affects a specific period, it must be recognised in the period of change in accounting estimates, and if the change affects both the period of change and future periods, it must be recognised in both periods. The main areas of the critical decisions made on the uncertainty of estimation and on the accounting policy, which have the most significant impact on the financial statements include the following:

3.1. Impairment on irrecoverable and doubtful receivables

The Company accounts impairment on irrecoverable and doubtful receivables and for the coverage of any losses arising from them, if customers are unable to pay. The estimates used for measuring the conformance of impairment recognised on irrecoverable and doubtful receivables must be based on the aging of receivables, customer rating, changes in the customer's payment habits.

3.2. Fair value determination

The uncertainty in determining fair value arises from the fact that the investment property representing a significant ratio of assets is valued by an authorised company, which may pose a risk but such risk is significantly mitigated by the following factors:

- an independent valuer, qualified and accepted by both the market and the lending banks, provides market value data,
- the valuation methods comply with the international standards,

- the fair value data are compiled from the data estimated using different methods on a prudent basis by the valuation company.

Another factor of uncertainty may include unexpected market developments, possibly an unexpected crisis situation, as a result of which the fair value of assets and real estate would suddenly change significantly. The Company seeks to mitigate this risk by conducting property valuations every year so that the report always includes the most up-to-date information possible.

4. Basis for the compilation of the financial statements

4.1. Approval and statement on compliance with the International Financial Reporting Standards

The Board of Directors has approved the separate financial statements. These separate financial statements have been compiled on the basis of the Financial Reporting Standards promulgated and filed in the form of a regulation in the Official Journal of the European Union (EU). IFRS comprises standards and interpretations worded by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The Company is required by law to prepare separate IFRS financial statements as of January 1, 2017.

Unless otherwise indicated, the separate financial statements are presented in Hungarian forint, rounded to the thousand.

The Company's financial year is identical with the calendar year. The balance sheet date for the 2024 financial year is 31 December 2024.

4.2. Basis of preparing the report

The separate financial statements have been prepared in accordance with the standards and IFRIC interpretations published and effective as of 31 December 2024, as adopted by the European Union (hereinafter referred to as "IFRS"). The financial statements have been compiled on the basis of the direct cost principle, with the exception of the cases where IFRS requires the application of a different method of measurement, as described in the accounting policy.

4.3. Valuation basis

For the separate financial statements, the measurement basis is the original cost, except for the following assets and liabilities, which are stated at fair value: derivative financial instruments, financial instruments at fair value through profit or loss and investment property.

During the compilation of the financial statements compliant with the IFRS standards the management needs to apply professional judgment, estimates and assumptions that have an impact on the applied accounting policies and on the sum total of the assets and liabilities, revenues and costs recognised in the report. The estimates and related assumptions are based on past experiences and numerous other factors, which can be considered as reasonable under the given conditions, and which have a result that lays the ground for the estimate of the book value of the assets and liabilities that cannot otherwise be clearly specified from other sources. The actual results may differ from these estimates.

Estimates and basic assumptions are regularly reviewed. Modifications of the accounting estimates are disclosed in the period when a particular estimate is modified if the modification only affects the given year, and in the period of modification as well as in future periods if the modification affects both the current and the future years.

III. Additional explanations

1. Investment property

(HUF '000')	
as at 31 December 2023	78,581,204
Change in fair value	3,001,338
Change in assets in the course of construction	2,079,874
Capitalisation	638,366
Sales	0
as at 31 December 2024	84,300,782*
as at 31 December 2023	78,581,204
as at 31 December 2024	84,300,782*

*Within this, the value of the property located in Croatia, 320170 Volosko, plot number 132/9 (Volosko) is HUF 1,606,278,000.

Investment properties are valued by an independent valuer based on the following criteria:

Article 11 (1) of Act CII of 2011 on regulated real estate investment companies: The valuation of properties in the portfolio of a regulated real estate investment company may be performed by

- a) the market sales comparison appraisal method,
- b) the income appraisal method, or
- c) the cost appraisal method,

with the proviso that the choice of the appraisal method must be justified in detail and subsequently, the same method must be used for each property in each period.

The market value of the investment properties increased by approximately HUF 5.7 billion compared to the previous year. This increase includes the value of value-enhancing investments and capitalisations beyond the fair value increase.

Changes in the fair value of investment property in 2024 were as follows:

- The change in the fair value of the investment properties is primarily justified by the lease agreements (indexation of rental and operational fees, higher occupancy rates) for the office buildings that are generating income through leasing. (See also Sections 22 and 27).
- change in assets in the course of construction; 77% of the increase is attributed to the successful acquisition of the Volosko property aimed at development, realised at the beginning of 2024, while the remaining 23% arises from ongoing developments of existing properties;
- investments realised in the course of the year on the existing properties, completion of developments in progress.
- There were no sales in 2024.

The Volosko property is evaluated by the Company at cost, based on paragraph 53 of IAS 40 – given that the fair value of the property cannot be reliably measured, the market for comparable properties is inactive, and alternative reliable measurements of fair value are not available.

Profit from Income-generating investment properties

HUF '000'	2024	2023
Net sales revenue	10,740,160	8,083,191
Other operating income	3,031,350	6,250,310
Capitalised value of internally generated assets	0	0
Changes in internally generated inventories	0	0
Raw materials, consumables and other external charges	-3,364,334	-1,792,648
Staff costs	0	0
Depreciation and impairment	-27,300	-219,402
Other operating expenditure	-300,108	-832,205
Revenues from financial operations	7,678	371
Expenses on financial operations	-398,824	-403,701
P/L before tax	9,688,622	11,085,916

The 33% increase in the net sales of investment properties compared to the base period was mainly due to the increases in rent and operating fees (indexations) under rental agreements and the income related to the rental of BIF Tower (the 13-storey category “A” office building at 114-116 Üllői út, District X of Budapest).

The effect on the profit and loss statement primarily reflects the positive impact of the fair valuation of the investment properties under the line of “Other operating income” (+ HUF 3,001,338,000).

The 88% increase in raw materials, consumables and other external charges is primarily due to significant subcontractor services used for tenant improvements, as well as rising costs for security, cleaning, and maintenance necessary for the operation of the properties (see also Section 24).

Taxes on buildings settled with various municipalities are recorded under “Other operating expenses”. There was no negative impact from the fair valuation of the investment properties in the current year (see also Section 27).

The interest on loans taken out for property developments is included under Financial Transaction Expenses.

2. Intangible and tangible assets

HUF '000'	Intangible assets	Other properties	Machinery and equipment	Assets in the course of construction and advances	Total
Gross book value					
31 December, 2023	32,982	101,342	376,497	565,136	1,075,957
Increase and reclassification	3,713	0	128,993		132,706
Decrease and reclassification	-21,507		-84,397	-302,636	-408,540
31 December 2024	15,188	101,342	421,093	262,500	800,123
Depreciation					
31 December, 2023	29,767	17,236	260,170	0	307,173
Annual write-off	3,513	2,027	58,059		63,599
Decrease and reclassification	-21,507		-81,605		-103,112
31 December 2024	11,773	19,263	236,624	0	267,660
Net book value					
31 December, 2023	3,215	84,106	116,327	565,136	768,784
31 December 2024	3,415	82,079	184,469	262,500	532,463

A significant portion of the increase in the gross value of machinery and equipment is attributed to the acquisition of cars, computer equipment, and office supplies, while the decrease is due to the sale of cars.

3. Investments in related companies

HUF '000'	Harsánylejtő
31 December, 2019	3,000
Increase and reclassification	0
Sales	0
Impairment	-3,000
31 December, 2019	0
31 December, 2020	0
31 December, 2021	0
31 December, 2022	0
31 December, 2023	0
31 December, 2024	0

The Company holds an investment in Harsánylejtő Ingatlanforgalmazó és -kezelő Kft (hereinafter: "Harsánylejtő Kft.") valued at HUF 3 million, corresponding to its registered capital (which is assessed at cost by the Company), but due to Harsánylejtő Kft.'s previous losses, the Company already recognised a 100% impairment on this investment in 2019, as well as on the amounts of additional capital contributions made to its subsidiary, which is recorded under other invested assets at a value of HUF 792.5 million. However, in November 2023, the Company provided a long-term loan of HUF 68 million to Harsánylejtő Kft. for the purchase of fixed assets to be executed by the subsidiary, and in the first half of the current year, an additional HUF 2,242 million loan was disbursed, which matches the year-end balance of this line item, as the subsidiary repaid the first loan of HUF 68 million on the occasion of the first anniversary.

HUF '000'	31/12/2024	31/12/2023
Other non-current assets	2,242,000	68,000
Total	2,242,000	68,000

4. Deferred tax assets

Due to the Pre-REIT transformation, the Company does not recognize a deferred tax asset.

5. Inventories

HUF '000'	31/12/2024	31/12/2023
Raw materials	0	0
Work in progress	26,376	26,376
Finished product	0	15,141
Goods	33,308	58,414
Prepayments on inventories	0	0
Total	59,684	99,931

The overwhelming majority (94%) of the Inventories is made up of the cost of the Company's building plots and the value of the property developments booked on these plots.

The decrease in the Inventory of finished goods and goods for sale was due to a plot sale realised during the reporting period, for which a sales contract was signed with a reservation of title in the fourth quarter of 2021, relating to a construction plot. However, as the cessation of the title reservation, which was contingent upon the full payment of the purchase price, occurred in the first half of 2024, the revenues were also realised in H1 2024.

The inventory of Work in Progress remained unchanged in 2024.

The Goods are recorded at cost, adjusted as follows.

- The plots of land on Harsánylejtő were transferred to the Company's books in 2014 during the merger of one of the Company's subsidiaries (Katlan). Due to IFRS consolidation, the cost of inventories previously classified as investment property in the subsidiary and then accounted for as IAS2 inventories became the fair value previously reported by our Company in accordance with the IFRS, in both the consolidated and the separate IFRS statements. The higher cost so recognised is reviewed at the end of each period and adjusted to the fair value of the sale of the land in order to obtain the IFRS market value of the inventories.
- On behalf of the Company, Seratus Ingatlan Tanácsadó Igazságügyi Szakértő Kft., acting as an independent valuer, analysed the market value of the plots in stock; and the expert opinion confirmed that the market value of the plots far exceeds their value recorded at cost, so there was no need to account for impairment.

A minimal portion of the Inventory (6%) comes from the supplies necessary for the operation of the properties located at 99 Attila Street, Budapest, and 42 Logodi Street, Budapest ("Attila99Lof" and "Attila Street property").

6. Trade receivables

HUF '000'	31/12/2024	31/12/2023
Trade receivables	-166,505	35,159
Impairment	-195,884	-206,913
Credit loss	-16,645	-16,645
Adjustment due to trade debtors with a credit balance	652,772	258,551
Total	273,738	70,152

The “accounts receivable” line shows a significant increase of approximately HUF 204 million compared to the end of 2023, primarily resulting from two opposing changes: (i) a visible decrease in accounts receivable and (ii) an increase in rent and operational fees that have been prepaid by tenants but only relate to the following year (reflected under the correction line for customers with outstanding balances). The amount of credit losses accounted for in accordance with IFRS 9 did not change in 2024.

Movements in the Group's recognised group-level credit loss and impairment of impaired assets during the year are shown in the table below:

HUF '000'	opening	increase	decrease	closing
Loan losses				
accounts receivable	16,645	0	0	16,645
other receivables	0	0	0	0
Impairment				
accounts receivable	206,913	1,202	12,231	195,884
other receivables	0	0	0	0
Loan losses and impairment	223,558	1,202	12,231	212,529

7. Other short-term receivables and prepaid expenses and accrued income

HUF '000'	31/12/2024	31/12/2023
Loans given (Harsánylejű Kft.)	0	0
Other receivables	456,040	282,317
Accruals	107,352	51,656
Suppliers with a debit balance, and taxes	3,022	23,653
Total	566,414	357,626

Reasons for the change in the current period:

- Other receivables show an increase of HUF 174 million, which includes the VAT on advance payments received from tenants, the VAT related to rent and operational fee billings affecting 2025, as well as the deductible VAT amounts that will appear in the next period's VAT return.
- The value of active prepaid expenses increased by HUF 56 million, and the year-end balance partly consists of revenue accrued for the subsequent annual adjustment of operational fee discrepancies (HUF 36 million) and further unbilled utility accruals (HUF 3 million). A significant portion also includes the accrued interest on fixed deposits (HUF 26 million) and the accrued interest on the loan provided to the subsidiary (HUF 39 million). The value of prepaid utility costs, which will only impact the following year, is minimal.

8. Cash and cash equivalents

HUF '000'	31/12/2024	31/12/2023
Cash on hand	1,967	1,501
Bank	13 341 615	6,304,106
Total	13 343 582	6,305,607

The increase in cash and cash equivalents amounted to HUF 7,038 million, largely due to the sale of treasury shares realised in September 2024; furthermore, there was no dividend payment during the current year.

9. Subscribed capital and capital reserve

The subscribed capital of the Company was HUF 2,870,244,400 as at 31 December 2024, which consisted of 287,024,440 dematerialised ordinary registered shares with a nominal value of HUF 10, i.e. ten forints, each. The share capital according to IFRS is the same as the share capital registered by the Companies Court.

Subscribed capital

HUF '000'	31/12/2024	31/12/2023
Opening	2,870,244	2,870,244
Increase	0	0
Decrease	0	0
Closing	2,870,244	2,870,244

Capital reserve

HUF '000'	31/12/2024	31/12/2023
Opening	6,048,215	6,048,215
Increase	0	0
Decrease	0	0
Closing	6,048,215	6,048,215

The capital reserve includes the amount of the difference between the nominal value and the consideration of the shares at the time of the share issue, and the value of the funds and assets placed in the capital reserve. As no such share transaction took place in the year under review, the value of the capital reserve did not change on a year earlier.

10. Revaluation reserve

HUF '000'	31/12/2024	31/12/2023
Opening	731,904	731,904
Increase	0	0
Decrease	0	0
Closing	731,904	731,904

In the balance sheets for 2023 and 2024, the Company reflects in the valuation reserve the prior revaluation of the Aranykéz Street Parking Garages (situated at 4-6 Aranykéz Street, District V, Budapest), which has been recognised in accordance with the fair value model under IAS 16, adjusted for deferred tax.

11. Repurchased treasury shares

The number of treasury shares owned by the Company was 22,514,206 at the end of the base year, while this decreased to 11,778,639 by the end of the current year, as 10,735,567 treasury shares were sold in September 2024, with a derecognised carrying amount of HUF 622,663,000.

The Company recognizes its equity shares in the balance sheet at cost as repurchased treasury shares reducing the equity. Cost of treasury shares: the consideration paid for the repurchase of treasury shares (the nominal value is included in this item, but is not deducted from the subscribed capital).

HUF '000'	31/12/2024	31/12/2023
Opening	-2,304,224	-3,048,120
Increase	0	0
Decrease	622,663	743,896
Closing	-1,681,561	-2,304,224

12. Profit reserve and profit for the year

HUF '000'	31/12/2024	31/12/2023
Profit reserve		
Opening	54,897,688	48,905,710
Increase	4,377,337	4,256,104
Decrease		-8,808,955
Closing	59,275,025	44,352,859
P/L for the reporting year	10,236,224	10,544,829
Closing	69,511,249	54,897,688

Reasons for the change in the profit and loss reserve during the reporting period:

- The opening value of retained earnings shows an increase reflecting the profit of HUF 10,544,829,000 from 2023.
- The increase in the balance during the year originates from the profit derived from the sale of treasury shares.
- There were no reducing items, as no dividend payment was made in 2024.

Taking into account the relevant provisions of the REIT Act, the Board of Directors proposes the payment of a dividend of HUF 5,974,072 thousand – corresponding to the expected dividend according to the SZIT Act – from the disposable profit for the year and from the retained earnings generated in the current year, based on the Company's audited Separate Annual Financial Statements for 2024, prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union.

If the general meeting does not vote on the above dividend payment proposal, the Board of Directors, taking into account the Company's ongoing and planned developments, proposes the payment of a dividend of HUF 2,752,458,010, HUF 10 per share, from the disposable profit for the year and from the retained earnings generated in the current year, based on the Company's audited Separate Annual Financial Statements for 2024, prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. During the above dividend calculation, the Company has already distributed the dividend on its own shares among the shareholders entitled to the dividend in proportion to the nominal value of their shares.



13. Equity correlation table:

Equity correlation table according to Article 114/B of Act C of 2000

<i>Equity under IFRSs</i>		
HUF '000'	2024	2023
Subscribed capital	2,870,244	2,870,244
Capital reserve	6,048,215	6,048,215
Revaluation reserve	731,904	731,904
Repurchased treasury shares	-1,681,561	-2,304,224
Profit reserve	59,275,025	44,352,859
P/L for the reporting year	10,236,224	10,544,829
Total equity according to the IFRS	77,480,051	62,243,827

Equity correlation table in accordance with Section 114/B of Act C of 2000		
HUF '000'	2024	2023
Equity according to Article 114/B (4) a) of Act C of 2000		
Equity according to the IFRS	77,480,051	62,243,827
Equity according to Article 114/B (4) a) of Act C of 2000	77,480,051	62,243,827
Subscribed capital within the meaning of the IFRS according to Article 114/B (4) b) of Act C of 2000		
the subscribed capital as defined in the statutes, if it qualifies as an equity instrument	2,870,244	2,870,244
Subscribed capital within the meaning of the IFRS according to Article 114/B (4) b) of Act C of 2000	2,870,244	2,870,244
Uncalled capital according to Article 114/B (4) c) of Act C of 2000		
the amount not yet made available to the entity from the registered capital in accordance with IFRS	0	0
Uncalled capital according to Article 114/B (4) c) of Act C of 2000	0	0
Capital reserve according to Article 114/B (4) d) of Act C of 2000		
the sum of all equity elements that do not meet the definition of subscribed capital, subscribed but unpaid capital, retained earnings, valuation reserve, profit after tax or retained earnings under IFRS	4,366,654	3,743,991
Capital reserve according to Article 114/B (4) d) of Act C of 2000	4,366,654	3,743,991
Profit reserve according to Article 114/B (4) e) of Act C of 2000		
the cumulative after-tax profit for the previous years not yet distributed to owners as reported in the IFRS financial statements	59,275,025	44,352,859
Profit reserve according to Article 114/B (4) e) of Act C of 2000	59,275,025	44,352,859
Revaluation reserve according to Article 114/B (4) f) of Act C of 2000		
cumulative amount of other comprehensive income in the statement of comprehensive income	731,904	731,904

Revaluation reserve according to Article 114/B (4) f) of Act C of 2000	731,904	731,904
Profit or loss after tax according to Article 114/B (4) g) of Act C of 2000 the amount of net profit after tax for continuing operations recognised in the profit and loss section of the statement of comprehensive income or in a separate income statement	10,236,224	10,544,829
Profit or loss after tax according to Article 114/B (4) g) of Act C of 2000	10,236,224	10,544,829
Ccommitted reserve according to Article 114/B (4) h) of Act C of 2000		
Committed reserve according to Article 114/B (4) h) of Act C of 2000	0	0
reconciliation of the subscribed capital registered by the Companies Court, within the meaning of the IFRS, and according to Article 114/B (5) a) of Act C of 2000 amount of subscribed capital registered by the Companies Court IFRS subscribed capital	2,870,244 2,870,244	2,870,244 2,870,244
disposable profit reserve available for dividend payment according to Article 114/B (5) b) of Act C of 2000 amount of the profit and loss reserve, including the profit after tax for the last financial year closed by financial statements amount of cumulative unrealised gains recognised on increase in the fair value of investment property in accordance with IAS 40 Investment Property the accumulated amount of income tax accounted on the basis of the IAS 12 Income Taxes standard	69,511,249 -52,133,430 0	54,897,688 -47,170,237 0
disposable profit reserve available for dividend payment according to Article 114/B (5) b) of Act C of 2000	17,377,819	7,727,451
HUF '000'	2024	2023
90% of the untied retained earnings of the reporting financial year available for the payment of dividends	4,735,924	2,961,306

14. Non-current financial liabilities

HUF '000'	31/12/2024	31/12/2023
Long-term loans	17,479,802	18,886,201
Total	17,479,802	18,886,201

Long-term loans include the full amount of long-term bank loans. The long-term loan portfolio increased by HUF 94.5 million as a result of the drawdowns performed in 2024, but decreased by HUF 1,500.9 million due to the interim repayments made in 2024 and the reclassification of the repayments due in 2025, resulting in a net change of HUF 1,406.4 million.

The main figures for each bank loan are given in Section IV.1.1.

The repayments of these bank loans and borrowings falling due in 2025 are included among short-term loans (see Note 18).

15. Provisions

HUF '000'	31/12/2024	31/12/2023
Provisions for contingent liabilities	13,351	10,842
Total	13,351	10,842

Due to the holidays not taken in 2024, the Company has set aside a provision for expected future payment obligations. The total wages and contributions related to employees who did not take holidays show an increase of 23%, amounting to HUF 2,509,000 compared to the previous year.

16. Deferred tax liabilities

Due to transformation into Pre-REIT, the Company has eliminated the previously recognised deferred tax liability, as in the future its tax liability is not expected to arise in the normal course of business.

17. Other long-term liabilities

HUF '000'	31/12/2024	31/12/2023
Other long-term liabilities	898,676	1,376,527
Total	898,676	1,376,527

The balance of Other Long-Term Liabilities arises from the transfer of deposits related to long-term leasing contracts (those maturing more than 12 months after the end of the reporting period), with a current year value of HUF 899 million, which is HUF 478 million less than the previous year.

18. Short-term financial liabilities

HUF '000'	31/12/2024	31/12/2023
Short-term portion of loans	1,500,898	1,446,747
Total	1,500,898	1,446,747

Current financial liabilities include the reclassification of short-term bank loans (see also Section 14 above).

The increase arises from the fact that the Company's most recently taken loan for property renovations and investments will begin to be repaid in the first half of 2025.

19. Trade payables

HUF '000'	31/12/2024	31/12/2023
Trade payables	717,081	249,265
Total	717,081	249,265

The supplier balance increased by HUF 468 million (188%) compared to the end of the previous year, due to significant ongoing developments in the Company's properties, including modifications and installations to meet tenant needs, as well as upgrades aimed at improving energy efficiency, leading to an increase in the supplier balance related to designers and contractors involved in these works.

20. Other short-term liabilities, accrued expenses and deferred income

HUF '000'	31/12/2024	31/12/2023
Advances + security deposit + VAT adjustment	1,149,555	1,462,220
Bér + taxes + wage taxes	403,866	83,114
Liabilities to owners in relation to dematerialisation	75,280	75,280
Accruals	947,331	158,730
Adjustment due to trade debtors with a credit balance	652,772	258,551
Other	0	0
Total	3,228,804	2,037,895

The balance of Other Current Liabilities and Accrued Expenses increased by a total of HUF 1,191 million; however, within this, the balance of customer advances and tenant deposits decreased by HUF 313 million (partly due to the realisation of land sales in the current year and partly due to the reclassification of deposits from short-term to long-term).

The "Wages + Taxes + Contributions" line reflects the Company's tax and contribution liabilities, which exceed the previous year's amount by approximately HUF 321 million, a significant portion of which is attributed to VAT obligations.

The balance of Accruals increased by approximately HUF 789 million (around sixfold), with this increase almost entirely resulting from revenue invoiced in relation to the development by one property tenant, which will only impact the following year. The remaining part of the accrued expenses consists of cost accruals, which include costs for utilities, services utilised (e.g., audit and consultancy fees), as well as the values of interest on loans calculated on a time-proportional basis for the reporting year.

The balance of the reclassified customer overpayments increased by HUF 394 million (152%).

21. Sales revenue

HUF '000'	2024	2023
Revenue from rents and operating fees	7,846,715	6,550,655
Revenue from parking fees	780,657	739,627
Revenue related to intermediary services	2,024,183	770,946
Revenue from services	0	0
Revenue from the sale of properties/land	1,168,920	0
Other sales revenues	90,510	31,278
Total	11,910,985	8,092,506

This revenue only includes gross offsets of economic benefits received and receivable by the Company for its own account.

The Company recognizes the rental fees on a regular basis during the given lease contract, and proceeds from the sale of land as sales revenue at the given time.

In the case of the sale of plots, the following factors determine the date of entry into sales:

- payment of the full purchase price,
- the seller transfers the plot to the buyer, who then takes possession of it.
- the significant benefits and risks of ownership belong to the buyer.

Revenues from parking fees include, on the one hand, continuously accounted revenues related to lease contracts, and, on the other hand, one-off revenues of this kind generated during the utilisation of free parking spaces in parking garages providing temporary parking services.

The 20% increase in rental and management fee income was mainly due to the implementation of rent and management fee increases (indexations) in the rental contracts and the leasing of the BIF Tower.

Parking fee revenues increased by 6% in the year under review.

HUF '000'	2024	2023
Parking revenues from lease contracts	659,970	592,544
Periodic parking revenues	120,687	147,083
Total	780,657	739,627

The majority of the revenue from Mediated Services (72%) in the current year comes from costs for office fitting, renovation, or restoration that were passed on to tenants. Additionally, significant revenue (28%) was generated from recharged utility and other service fees related to the rented properties.

Substantial revenue was recognised from the sale of real estate/land in the reporting year, as a sales contract with a retention of title was signed in the fourth quarter of 2021 for the construction land property mentioned in Section 5. Given that the cessation of the retention of title, contingent upon the full payment of the purchase price, took place in H1 2024, the revenues were also realised in H1 2024 (in previous years, only advances were received on this item).

Other revenues include amounts that cannot be classified into the previous categories (e.g., contract signing and modification fees, restoration fees for rented premises).

The Company has no income from accommodation or catering services, it only rents out the properties it owns.

22. Other operating income

HUF '000'	2024	2023
Fair valuation	3,001,338	6,099,220
Sale of real property and movable property	12,154	886
Other income	23,322	180,562
Total	3,036,814	6,280,668

The change in Other Operating Income in 2024 was attributed 99% to the favourable effect of the profit from the fair valuation of investment properties. The fair valuation results for the reporting year were significantly influenced by new developments and improving business conditions for various property portfolio elements. The sale of Real Property and Movable Assets includes the results from the sale of redundant office and other equipment, as well as one motor vehicle. Within Other Revenues, the company received compensation and indemnities amounting to HUF 21 million in the reporting year, while the most significant item in the base year was a penalty received amounting to HUF 140 million.

23. Own performance capitalised

HUF '000'	2024	2023
Changes in internally generated inventories	-15,141	0
Capitalised value of internally generated assets	0	0
Total own performance capitalised	-15,141	0

In the category “change in internally generated inventories”, the Company recognizes the capitalised cost of its own work on the plots and the derecognition of the capitalised value of its plots sold. The value of capitalised own performance changed due to the land sales realised in the current year, which affected the derecognised inventory value, whereas no such changes occurred in the base year (neither in cost accounting nor in sales).

24. Raw materials, consumables and other external charges

HUF '000'	2024	2023
Material costs	346,739	289,474
Value of services used	1,165,616	909,759
Cost of other services	43,611	44,074
Cost of goods sold	15,764	115
Cost of service sold (mediated)	2,014,338	744,688
Total	3,586,068	1,988,110

Overall, “raw materials, consumables and other external charges” increased by HUF 1.598 million (80%) in the reporting period compared to the base period. The change was primarily due to increases in the value of Services Sold (Mediated) (HUF 1,270 million) and the value of Services Used (HUF 256 million), as well as an increase in Material Costs (HUF 57 million). The value of Services Sold (Mediated) increased due to the acquisition costs of substantial subcontractor services utilised for tenant developments, while the significant rise in the value of Services Used was mainly driven by increases in security, cleaning, and maintenance costs.

The derecognised value of the land sold, recorded under goods, appears on the ACOGS line.

25. Staff costs

HUF '000'	2024	2023
Wage costs	825,780	753,986
Other payments to staff	43,930	51,665
Wage taxes	114,340	105,002
Total	984,050	910,653

Staff costs increased by approximately 8% compared to the previous year, attributed to the organisation and wage developments associated with the Company’s strategic objectives, as well as a higher average statistical workforce level.

The data includes the bonus and its contributions calculated based on the remuneration policy.

The average statistical headcount at the Company in 2024 was 65 (compared to 62 in 2023), while the headcount on December 31, 2024, was 66.

26. Depreciation and impairment

HUF '000'	2024	2023
Depreciation and impairment	63,599	59,392
Depreciation	63,599	59,392
Inventory impairment	0	0
Impairment of financial assets	1,202	194,222
Impairment of additional payment	0	0
Impairment of receivables	1,202	194,222
Credit loss	0	0
Total	64,801	253,614

The Company accounted for HUF 63,599,000 depreciation on non-investment property, plant and equipment in the reporting year.

No additional payment was made in the reporting year, and the Company recognised impairment in the amount of HUF 1,202,000 for doubtful trade receivables.

The Company has assessed the need for credit losses to be recognised in relation to receivables in accordance with the requirements of IFRS 9. Expected credit losses were assessed on a collective basis for each asset class as follows:

- accounts receivable; the Company uses the simplified model (life-cycle method);
- loans granted: our assessment is that the credit risk has not increased significantly since the initial recognition, so we have calculated the expected credit loss for 12 months;
- additional payments: treated as impaired assets.

The following factors were considered in assessing credit loss:

- Has the credit risk of financial instruments increased significantly since initial recognition? / impaired financial assets:
 - Additional capital contribution to Harsánylejtő Kft.: beyond the previous claim from the additional capital contribution of HUF 792,500,000, no further contribution was necessary in the reporting year, as the subsidiary's operations ended positively in both the current and base years;
 - loans granted: the Company considers these financial instruments to be of low credit risk. In the reporting year, the Company disbursed a long-term loan worth HUF 2,242 million to Harsánylejtő Kft., and we expect full repayment;
- trade receivables: in the reporting year, based on individual assessment, only HUF 1,202,000 was accounted for, while in the base year, a significant impairment of HUF 194,222,000 with 100% write-off was recognised (due to the termination of lease agreements).
- Predictive information was also taken into account when estimating the credit loss on trade receivables.
- Regarding trade receivables, the Company has re-examined the credit loss based on the year-end receivables in accordance with the requirements of the IFRS 9 standard. As a result, no additional credit loss was recognised in the reporting year beyond the previously established amount of HUF 16,645,000 (see also the relevant data in the detailed table of Section 6).

27. Other operating expenditure

HUF '000'	2024	2023
Impact of fair valuation on inventories	10,893	0
Fair valuation	0	602,495
Sale of real property and movable property	0	0
Scrapping	842	14,521
Assets provided for no consideration	0	0
Taxes	307,803	222,224
Other expenditures	10,877	21,050
Total	330,415	860,290

The value of Other Operating Expenses decreased by HUF 530,000,000 (62%) in the reporting period compared to the base year, which was the result of the combined effects of the following items:

- with the derecognition of the inventory value of the land sold, the difference previously recognised under IAS2 was also derecognised in the amount of HUF 11 million (see also: Section 5).
- in the base year, this line item included the negative profit impact from the fair valuation of investment properties; no such profit impact occurred in the reporting year (see also: Section 22);
- No value is reported under the sale of Property and Movable Assets, as the derecognised book values of the sold office and other equipment, as well as the motor vehicle, have been offset against the revenues, thus reflecting them in the net result (see also: Section 22);
- As a result of the inventory of tangible assets carried out at the end of the year, the worn-out equipment and fixtures were written off, with a book value of only HUF 842,000. In the base year, items that had previously been accounted for as investments and plans were also written off, as their implementation will not take place;
- in the reporting year, assets were not provided for no consideration;

- The value of taxes accounted for with local governments (property tax, land tax) and taxes and duties accounted for with the central budget in the reporting year exceeds the base year figure by approximately HUF 86,000,000, which is partly due to the increase in tax rates and partly due to the expansion of the property portfolio;
- “Other operating expenses” include, inter alia, the HUF 8 million foundation grant paid to the Ecumenical Charity Organisation of Hungary.

28. Income from and expenses of financial operations

Revenues from financial operations		
HUF '000'	2024	2023
Interest received	687,809	648,492
Exchange rate gain	84,033	42,731
Other	0	0
Total revenues	771,842	691,223
Expenses on financial operations		
HUF '000'	2024	2023
Interest paid	426,652	434,636
Exchange rate loss	27,151	50,167
Other	0	0
Expenses, total	453,803	484,803

The increase in Interest Received is the result of effective management of available cash resources, while the decrease in interest expenses is related to the reduction in the loan portfolio (HUF 1,352,000,000) (see also: Sections 14 and 18).

The change in the exchange rate gains and losses recognised in the reporting period was a result of the fluctuations in the forint exchange rate throughout the year.

29. Actual tax expenditure

HUF '000'	2024	2023
Corporation tax	20,537	923
Business tax	0	0
Contribution to innovation	28,602	21,175
Other	0	0
Total actual tax	49,139	22,098

Due to the Pre-REIT status, the Company was only obliged to pay corporation tax until the Pre-REIT status was obtained (20 October, 2017). At the same time, the Company, being a REIT, is required to determine its corporation tax base with a view to the provisions of the REIT Act, but it is only subject to corporation tax for the calculated base in certain cases (e.g. on a tax base proportionate to the income from related parties), and in view of this, the corporate income tax was set at HUF 20,537,000 (see the calculation below), and the payable innovation contribution obligation of HUF 28,602,000 was calculated as payable by the Company in 2024.

HUF '000'	2024
Profit before taxes as per IFRS	10,285,363
Tax adjustment (innovation contribution)	28,602
Pre-tax profit (adjusted for innovation contribution) according to the IFRS	10,256,761
Adjusting items under IFRS	-585,856
Adjusted profit before corporation tax	9,670,905
Increasing items	2,043,545
Decreasing items	-1,606,532
Corporation tax base in 2024	10,107,918
The benefit on corporation tax to the REIC status is	0%
The ratio of related revenue to total revenue (rounded to 2 decimal places)	2.26%
Corporation tax base (to revenue from related parties) in 2024	228,187
Corporation tax payable for related parties	20,537
Corporation tax liability in 2024	20,537

30. Deferred tax expense

HUF '000'	2024	2023
Deferred tax	0	0
Total	0	0

In 2017, due to the Pre-REIT status, the deferred tax liability incurred in previous years was reversed and adjusted.

31. Other comprehensive income

Neither in the reporting year nor in the base year was there any transaction affecting Other Comprehensive Income. The tax effect of the change in the fair value of other real property was HUF 0 in both 2024 and 2023.

32. Earnings per share

HUF '000'	2024	2023
P/L after taxes (HUF '000')	10,236,224	10,544,829
Weighted average ordinary shares	267,942,096	252,316,945
Earnings per share (basic) (HUF) ("profit after tax" to "the weighted average of ordinary shares")	38.20	41.79

The share capital of the Company consists of 287,024,440 registered ordinary dematerialised shares with a nominal value of HUF 10 each, of which 11,778,639 are treasury shares owned by the Company and 267,942,096 constitute the weighted average of ordinary shares. There are no factors at the Company that would dilute the earnings per share.

33. Assets and liabilities, financial position and profitability

33.1. Wealth indicators

Description	2024	2023
Long-term assets to total assets	85.94%	92.08%
Current assets to total assets	14.06%	7.92%
Equity to the total of Liabilities and Equity	76.47%	72.17%
Debt Ratio (the proportion of Long-Term Liabilities to the sum of Equity and Long-Term Liabilities)	19.18%	24.57%
Debt to equity ratio	23.74%	32.57%
Current assets (HUF '000')	14,243,418	6,833,316
Current assets to equity	18.38%	10.98%
Coverage of assets over one year	88.98%	78.37%
Coverage for assets over one year, including liabilities	110.10%	103.90%

33.2. Indicators of the financial position

Description	2024	2023
Liquidity ratio	261.50%	183.01%
Acid test ratio	244.98%	168.87%

33.3. Profitability indicators

Description	2024	2023
Profit on sales revenue	83.68%	128.03%
Return on equity	12.86%	16.65%



34. Information on business lines

All of the Company's occupied income-generating properties are located in Budapest, so it is not justified to divide revenues and expenses by geographic regions. Since the Company is engaged in the leasing, utilisation, and trading of properties, the segments have been structured accordingly for both the reporting and the base year. In the "Income-generating investment properties" segment, we report the results directly related to the investment properties owned by the Company. The "Harsánylejtő Project" segment aggregates (i) the results of activities related to the residential property development that took place within the framework of the Harsánylejtő Project, as well as (ii) the results of land sales and the associated activities. In addition, the Company's "Operating Profit" arising from operations that cannot be directly related to real properties is reported separately.

Developments in the revenues and expenses of the segments according to the above-mentioned classification in 2024 and 2023 is shown in the tables below:

2024 (HUF '000')	Income-generating investment properties	Harsánylejtő Project	Operating	Total
Net sales revenue	10,740,160	1,169,134	1,691	11,910,985
Other operating income	3,031,350	0	5,464	3,036,814
Capitalised value of internally generated assets	0	0	0	0
Changes in internally generated inventories	0	-15,141	0	-15,141
Raw materials, consumables and other external charges	-3,364,334	-18,165	-203,569	-3,586,068
Staff costs	0	0	-984,050	-984,050
Depreciation and impairment	-27,300	-2,027	-35,474	-64,801
Other operating expenditure	-300,108	-15,911	-14,396	-330,415
Revenues from financial operations	7,678	0	764,164	771,842
Expenses on financial operations	-398,824	0	-54,979	-453,803
P/L before tax	9,688,622	1,117,890	-521,149	10,285,363
2023 (HUF '000')	Income-generating investment property	Harsánylejtő Project	Operating	Total
Net sales revenue	8,083,191	9,153	162	8,092,506
Other operating income	6,250,310	236	30,122	6,280,668
Capitalised value of internally generated assets	0	0	0	0
Changes in internally generated inventories	0	0	0	0
Raw materials, consumables and other external charges	-1,792,648	-7,463	-187,999	-1,988,110
Staff costs	0	0	-910,653	-910,653
Depreciation and impairment	-219,402	-2,027	-32,185	-253,614
Other operating expenditure	-832,205	-4,803	-23,282	-860,290
Revenues from financial operations	371	0	690,852	691,223
Expenses on financial operations	-403,701	0	-81,102	-484,803
P/L before tax	11,085,916	-4,904	-514,085	10,566,927

The Company's management does not monitor assets and liabilities at the segment level.

In the financial year 2024, the Company had two customers belonging to the "Income-generating investment properties" segment, where the annual net revenue derived from transactions with these customers exceeded 10% of the Company's total annual revenue (Customer1: HUF 2,547,889,206 and Customer2: HUF 2,655,338,110).

35. Risk Management

The Company's assets include cash and cash equivalents, securities, receivables from customers and other receivables and other assets – with the exception of taxes. Company liabilities include loans and advances, liabilities to customers and other liabilities, disregarding taxes and the gains and losses on the revaluation of financial liabilities at fair value.

The Company is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This section describes the above-described risks the Company is exposed to, the Company's objectives and policies, the measurement of procedures and risk management, and the Company's capital management. The Board of Directors have general responsibility for the Company's supervision and risk management.

The purpose of the Company's risk management is to screen and investigate the risks the Company may face, to set up adequate controls and to monitor risks.

35.1. Capital management

The Company's policy is to retain the share capital in an amount that is sufficient for ensuring that the investors' and creditors' confidence maintains the Company's development. Based on the benefits and security ensured by the Company's massive capital position, the Board of Directors makes efforts at maintaining the policy of only assuming higher exposure from lending if yield is higher.

The Company's capital structure comprises net debt and the Company's equity (the latter includes the subscribed capital, reserves and the shares and participations held by non-controlling owners). In managing capital, the Company seeks to ensure that the Company's subsidiary can continue to operate while maximizing returns for owners through an optimal balance of debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Company also monitors whether or not its subsidiary's capital structure meets the local statutory requirements.

At the end of the reporting period the Company had the following net debt and equity:

HUF '000'	31/12/2024	31/12/2023
Loans and advances	18,980,700	20,332,948
Cash and cash equivalents	13,343,582	6,305,607
Net debt portfolio	5,637,118	14,027,341
Equity	77,480,051	62,243,827

35.2. Credit risk

Credit risk is the risk that reflects if the debtor or the partner fails to fulfil his contractual obligations and this causes financial loss for the Company. Financial assets exposed to credit risks may include long- or short-term allocations, cash and cash equivalents, and receivables from customers and other receivables.

The book value of financial assets shows the maximum risk exposure. The following table shows the Company's maximum credit exposure on 31 December 2024 and 31 December 2023.

HUF '000'	31/12/2024	31/12/2023
Trade debtors	273,738	70,152
Cash and cash equivalents	13,343,582	6,305,607
Total	13,617,320	6,375,759

By continuously monitoring the collection risk of our overdue receivables and recognizing impairment, the risk is usually mitigated.

Customers are rated on an ongoing basis. Based on separate assessment, the Company recognised an impairment of HUF 1,202,000 on trade receivables in the reporting year and HUF 194,222,000 in the base year. The risk of recovery on trade receivables past due and not yet due is insignificant.

35.3. Liquidity risk

Liquidity risk is the risk that the Company is unable to fulfil its financial obligations when they are due. The Company's liquidity management approach is to reveal the extent to which adequate liquidity can be provided for the performance of its liabilities on the due dates, under both usual and stressed conditions, without incurring unacceptable losses or jeopardizing the Company's good reputation. The Company prepares a consolidated cash-flow plan, and regularly updates it. The Company analyses the cash requirements by a rolling prediction in order to ensure adequate liquidity for operation and the fulfilment of the financial indicators specified in the relevant loan agreement. The excess cash generated at company level is held in deposit accounts and time deposits.

At the end of the reporting year, the maturity of HUF 717,081,000 due as trade payables in the Company's books is mostly within one year, except for the HUF 102,347,000 of warranty withholdings recorded against general contractors in relation to property improvements. In the base year, the supplier portfolio was HUF 249,265,000, of which only HUF 22,757,000 was the amount of warranty withholdings.

The maturity structure of financial liabilities (loans) is shown in the following tables:

HUF '000'	as of 31/12/2024	Due within 1 year*	Due within 2- 5 years*	Due after 5 years*	Total
Financial liabilities	18,980,700	1,500,898	8,782,780	8,697,022	18,980,700

* principal repayments due

HUF '000'	as of 31/12/2023	Due within 1 year*	Due within 2- 5 years*	Due after 5 years*	Total
Financial liabilities	20,332,948	1,446,747	5,786,987	13,099,214	20,332,948

* principal repayments due

35.4. Market risk

Market risk is the risk that the changes in market prices, exchange rates and interest rates may affect the Company's profit or the value of the investment embodied in the financial instruments. The purpose of managing market risk is to manage and control exposures to market risks among acceptable limits with simultaneous profit optimisation.

Since March 2018, when the then EUR loan owed to CIB Bank Zrt. was refinanced with a HUF loan, the Company has only had forint-based long-term loans. Considering that approximately 89% of the Company's revenues are realised in forints and that foreign currency revenues more than cover foreign currency expenses, the FX risk is virtually non-existent.

The Company eliminated its lending interest rate risk as a result of the refinancing transaction in September 2020, and following 15 September 2020, BIF has only had long-term fixed-rate loans denominated in HUF.

The Company does not conclude hedging transactions.

36. Sensitivity analysis

With a view to the fact that in the reporting year in the framework of the refinancing transaction described in Section 35.4. above the Company eliminated its credit risk it used to be exposed to in the previous years, no separate sensitivity test was performed.

37. Financial instruments

Financial instruments include loans granted, financial investments, receivables from customers from among current assets, securities and cash, loans and advances taken and customer liabilities.

31 December 2024	HUF '000'	Book value	Fair value
Financial assets			
<i>Financial liabilities carried at amortised cost loans and receivables</i>			
Trade receivables		486,267	273,738
Cash and cash equivalents		13,343,582	13,343,582
Financial liabilities			
<i>Financial liabilities carried at amortised cost liabilities</i>			
Financial liabilities		18,980,700	18,980,700
Trade payables		717,081	717,081
<hr/>			
31 December 2023	HUF '000'	Book value	Fair value
Financial assets			
<i>Financial liabilities carried at amortised cost loans and receivables</i>			
Trade receivables		293,710	70,152
Cash and cash equivalents		6,305,607	6,305,607
Financial liabilities			
<i>Financial liabilities carried at amortised cost liabilities</i>			
Financial liabilities		20,332,948	20,332,948
Trade payables		249,265	249,265

38. Remuneration of the Board of Directors and the Supervisory Board

The members of the Board of Directors performed their duties in the 2024 business year without remuneration, and the members of the Audit Committee performed their duties in the 2024 business year for a gross monthly remuneration of HUF 300,000 per member.

The Company and the subsidiary included in consolidation do not have a Supervisory Board.

39. Remuneration of senior and middle managers in key positions

HUF '000'	2024	2023
Gross salary	310,787	239,324
Wage taxes	40,402	31,112
Total	351,189	270,436

For the purposes of the above table, the following persons are considered to be key management personnel: the CEOs, the Deputy-CEO and CFO, and the Heads of Department.

40. Items of exceptional amounts and occurrence

In 2024, the Company's annual net revenue from transactions with any customer belonging to the "Income-generating investment properties" segment did not exceed 25% of the Company's total annual revenue, and it also did not have any costs of exceptional magnitude or occurrence.

41. Presentation of related parties

41.1. Subsidiary

Subsidiary	Registered office	Vote and ownership shares	
		31/12/2024	31/12/2023
Harsánylejtő Kft.	H-1033 Budapest Polgár u. 8-10.	100.00%	100.00%

As of December 31, 2024, the equity data of Harsánylejtő Kft. was:

HUF '000'	31/12/2024	31/12/2023
Equity	602,598	29,677
Subscribed capital	3,000	3,000
Capital reserve	0	0
Profit reserve	-765,823	-788,731
Committed reserve	792,500	792,500
P/L after tax	572,921	22,908

The equity value of Harsánylejtő Kft. presented in its annual report for 2024 significantly exceeds that of the base year, as the activities initiated by the subsidiary in the reporting year led to a substantial positive result, in contrast to previous years, where the equity was negative. As a result, the founders of the Company resolved to address the equity situation of Harsánylejtő Kft. by making additional contributions totalling HUF 792.5 million on multiple occasions.

Transactions conducted with Harsánylejtő Kft. include:

HUF '000'	31/12/2024	31/12/2023
Loan granted by BIF	2,242,000	68,000
BIF revenue	166,354	1,175
BIF expenditure	14,241	0
Wage + contribution claim	25,089	2,163

41.2. Sub-subsidiary

Sub-subsidiary	Registered office	Vote and ownership shares*	
		31/12/2024	31/12/2023
Marischka Kft.	1012 Budapest Logodi u. 42.	100.00%	0.00%

**indirect ownership through the Subsidiary*

With the acquisition of 100% of the shares of Marischka Kft. by Harsánylejtő Kft. on 9 May 2024, this company was also included in consolidation. The acquisition was undertaken to leverage expected synergy opportunities from the activities of Marischka Kft., aiming to provide the tenants of the given property with the most comprehensive and high-quality service possible, considering that the target company operates restaurants located in properties owned by BIF.

Marischka Kft. has been operating restaurants under the name "Marischka" on the ground floor of the property located at 99 Attila Street and 42 Logodi Street (residential property), in District I of Budapest, H-1012, since 1 August 2021, as well as under the name "Babutzi Breakfast, Brunch & Lunch" on the ground floor of the Major Udvar (Városmajor u. 12) office building (located at 12-14 Városmajor Street in District XII of Budapest) since 17 October 2022. Furthermore, the restaurant located in the Flórián Udvar Office Building (at 8-10 Polgár Street, Budapest) has also been operated by Marischka Kft. since 1 August, 2024, and the café located in the BIF Tower has also been operated by Marischka Kft. since 1 January, 2025.

The equity data of Marishcka Kft. (as of 31 December 2024, HUF '000'):

HUF '000'	31/12/2024	31/12/2023
Equity	-25,065	-15,620
Subscribed capital	3,000	3,000
Capital reserve	0	0
Profit reserve	-70,620	-52,028
Committed reserve	71,000	52,000
P/L after tax	-28,445	-18,592

On 13 February, 2025, Harsánylejtő Kft. settled the equity position of Marischka Kft. by paying an additional contribution of HUF 35 million, as ordered by the founders' resolution.

Transactions conducted with Marischka Kft. include:

HUF '000'	31/12/2024	31/12/2023
BIF revenue	97,701	0
BIF Other receivables	4,082	0

41.3. Other related party

In 2024, in addition to Harsánylejtő Kft and Marischka Kft, the Company had a business relationship with PIÓ-21 Vagyonkezelő és Szolgáltató Kft. as a related party, and realised an income of HUF 23,061,000 from property lease from this relationship. Furthermore, as from 23 February 2022, Kastélyszálló Kft. has also been considered an affiliated party, with which the Company did not generate any revenue in the reporting year, but accounted for HUF 2,749,000 in rental expenses, as well as purchased a motor vehicle valued at HUF 5,000,000 and outdoor lamps valued at HUF 1,442,000.

IV. Other additional information

1. Off-balance sheet items, litigation and other legal proceedings

1.1. Off-balance sheet items that may affect the Company's future liabilities

As of 31 December 2024, the following liens were in place on certain assets constituting the Company's property:

Loan1

Pursuant to the credit facility agreement concluded between the Company and MFB Magyar Fejlesztési Bank Zrt. on 7 November 2018 for HUF 20 billion, MFB Magyar Fejlesztési Bank Zrt. granted a loan of HUF 7,579,600,000 to the Company in accordance with the loan agreement concluded by the Company and MFB Magyar Fejlesztési Bank Zrt. on 3 September 2019.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 24408/4, located in District V of Budapest (H-1052 Budapest, Apáczai Csere János utca 9.)

Details of the contract containing the secured claim:

Loan agreement

Date: 3 September 2019

Real property mortgage agreement - to secure multiple claims

Date: 3 September 2019

Contract for a pledge of receivables

Date: 3 September 2019

Amount of secured claim/registered encumbrance:

a capital amount of HUF 20,000,000,000 and charges

Loans2-4

Based on the three loan agreements concluded between the Company and Takarékbank Zrt. on 31 August 2020, Takarékbank provided the following fixed-rate 15-years HUF-loans to the Company:

- in order to replace the total amount of debt owed under the two loan agreements concluded for HUF 20 billion on 7 November, 2018 between the Company and MFB Magyar Fejlesztési Bank Zrt., and the loan agreement concluded on 6 February, 2020, pursuant to the Credit Facility Agreement concluded by the Company and MFB on 7 November 2019, a loan was granted in the amount of HUF 9,707,551,770 and will be disbursed on 15 September 2020;
- a loan in the total amount of HUF 2,606,021,058 for the partial refinancing of the purchase of real estate and for financing real estate renovation and investment, of which the first disbursement of HUF 1,124,100,000 was made on 1 September 2020, the second disbursement of HUF 143,750,000 on 13 November 2020, the third disbursement of HUF 211,525,013 was made on 15 December 2021; the fourth disbursement of HUF 500,001,885 was made on 18 May 2022, the fifth disbursement of HUF 614,433,303 was made on 14 July 2022 and the sixth and last disbursement of HUF 12,210,857 was made on 22 September 2022.
- in order to refinance the total debt outstanding on the basis of the HUF 2,100,000,000 loan agreement concluded between the Company and Takarékbank on 8 March 2018, a loan was disbursed in the amount of HUF 1,661,513,172 on 15 September 2020.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 6979/1, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 12-14.)
- The real property of parcel No. 6866, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 35.)
- The real property of parcel No. 18059, located in District III of Budapest (H-1033 Budapest, Flórián tér)
- The real property of parcel No. 38315/42, located in District X of Budapest (H-1101 Budapest, Üllői út 114-116.)
- The real property of parcel No. 6775, located in District I of Budapest (H-1012 Budapest, Logodi utca 42).

Details of the contract containing the secured claim:

Loan agreements (3)

Date: 31 August 2020

Mortgage contract on real estate - with a fixed amount to secure several claims

Date: 31 August 2020

Agreement for the establishment of a charge on receivables - with a fixed limit to secure multiple claims

Date: 31 August 2020

Security deposit agreement for a charge on the receivables of a payment account

Date: 31 August 2020

Amount of secured claim/registered encumbrance:

HUF 14,700,000,000 limit

Loan5

Based on the loan agreement concluded between the Company and Takarékbank Zrt. on 28 June 2021, Takarékbank Zrt. granted the Company a fixed-rate 15-years HUF loan in the total amount of HUF 2,500,000,000 for financing real estate renovation and investment, of which the first disbursement of HUF 524,141,008 was made on 16 September 2021, the second disbursement of HUF 716,312,052 was made on 15 December 2021, and the third and last disbursement of HUF 1,259,546,940 was made on 17 March 2022.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 6979/1, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 12-14.)
- The real property of parcel No. 6866, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 35.)
- The real property of parcel No. 18059, located in District III of Budapest (H-1033 Budapest, Flórián tér)
- The real property of parcel No. 38315/42, located in District X of Budapest (H-1101 Budapest, Üllői út 114-116.)
- The real property of parcel No. 6775, located in District I of Budapest (H-1012 Budapest, Logodi utca 42).

Details of the contract containing the secured claim:
Loan agreement

Date: 28 June 2021

Real property mortgage agreement

Date: 28 June 2021

Agreement for the establishment of a charge on receivables

Date: 28 June 2021

Security deposit agreement for a charge on the receivables of a payment account

Date: 28 June 2021

Amount of secured claim/registered encumbrance:

HUF 2,500,000,000 and charges

Loan6

Based on the loan agreement concluded between the Company and MBH Bank Nyrt. on 25 July 2023, MBH Bank Nyrt. granted the Company a fixed-rate 8-years HUF loan in the total amount of HUF 351,986,659 for financing real estate renovation and investment, of which the first disbursement of HUF 9,220,101 was made on 3 October 2023, the second disbursement of HUF 41,183,112 was made on 6 October 2023, the third disbursement of HUF 52,216,131 was made on 3 November 2023, the fourth disbursement of HUF 154,867,235 was made on 28 November 2023 and the fifth and last disbursement of HUF 94,500,080 was made on 16 April 2024.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 6979/1, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 12-14.)
- The real property of parcel No. 6866, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 35.)
- The real property of parcel No. 18059, located in District III of Budapest (H-1033 Budapest, Flórián tér)
- The real property of parcel No. 38315/42, located in District X of Budapest (H-1101 Budapest, Üllői út 114-116.)
- The real property of parcel No. 6775, located in District I of Budapest (H-1012 Budapest, Logodi utca 42).

Details of the contract containing the secured claim:
Loan agreement

Date: 25 July 2023

Real property mortgage agreement

Date: 25 July 2023

Agreement for the establishment of a charge on receivables

Date: 25 July 2023

Amount of secured claim/registered encumbrance:

a capital amount of HUF 681,580,000 and charges

1.2. Litigation and other legal proceedings

As of 31 December 2024, Budapesti Ingatlan Nyrt. was not a defendant in any pending litigation.

2. Significant events after the balance sheet date

There were no significant events after the balance sheet date.

3. Extraordinary and other regulated disclosures in 2024 and until the date of preparation of the Separate Annual Financial Statements:

Date of publication	Subject of publication
31 March 2025	Monthly announcement of voting rights and the share capital
28 March 2025	Invitation to the General Meeting
28 February 2025	Monthly announcement of voting rights and the share capital
31 January, 2025	Monthly announcement of voting rights and the share capital
31 December 2024	Monthly announcement of voting rights and the share capital
20 December 2024	2025 calendar of corporate events
2 December 2024	Monthly announcement of voting rights and the share capital
31 October 2024	Monthly announcement of voting rights and the share capital
30 September 2024	Monthly announcement of voting rights and the share capital
6 September 2024	Sale of treasury shares
2 September 2024	Monthly announcement of voting rights and the share capital
30 August 2024	BIF 2024 Semi-Annual Report
31 July 2024	Monthly announcement of voting rights and the share capital
4 July 2024	Transaction by a person discharging managerial responsibilities
4 July 2024	Proprietary notification and disclosure of changes in voting rights
3 July 2024	Proprietary notification and disclosure of changes in voting rights
1 July 2024	Monthly announcement of voting rights and the share capital
31 May 2024	Monthly announcement of voting rights and the share capital
9 May 2024	Information on the conclusion of a share purchase agreement
30 April 2024	BIF Non-Financial Report – Simplified ESG Report 2023
30 April 2024	BIF Remuneration Report 2023
30 April 2024	Report on Responsible Corporate Governance, 2023
30 April 2024	Minutes of the 2024 Annual General Meeting of Budapesti Ingatlan Nyrt. with adopted resolutions
30 April 2024	2023 Annual Report, 2023
30 April 2024	Monthly announcement of voting rights and the share capital
9 April 2024	A proposal to the General Meeting and proposals for resolution
2 April 2024	Monthly announcement of voting rights and the share capital
26 March 2024	Invitation to the General Meeting
29 February 2024	Monthly announcement of voting rights and the share capital
7 February 2024	Information on the conclusion of a property purchase agreement
31 January, 2024	Monthly announcement of voting rights and the share capital
8 January 2024	Auxiliary information related to the announcement of dividend payment for 2022
2 January 2024	Monthly announcement of voting rights and the share capital

4. Authorisation to publish financial statements

The Board of Directors approved the 2024 audited IFRS Separate Annual Financial Statements of the Company and authorized it for disclosure with its resolution as of 9th of April, 2025.

Declaration of Liability

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby declares that the 2024 audited IFRS Separate Annual Financial Statements has been prepared to the best knowledge of the Company, in accordance with the International Financial Reporting Standards adopted by the European Union and provides a true and fair view of the assets, liabilities, financial position as well as profits and losses of the Company, and does not omit any facts that might have any significance concerning the assessment of the situation of the Company.

Budapest, 9 April, 2025

.....
Dr Anna Ungár
President of the Board of Directors and CEO
Address: 1121 Budapest, Hegyhát út 23.

.....
Kristóf Berecz
Vice-President of the Board of Directors and CEO
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**Business (Management) Report
to the audited Separate Annual Financial
Statements for 2024 prepared in
accordance with the International Financial
Reporting Standards (IFRS) adopted by the
European Union**

**Budapesti Ingatlan Hasznosítási és Fejlesztési
nyilvánosan működő Részvénytársaság**



Table of Contents

- I. Presentation of the objectives, strategy and activity of the Company2**
- II. 2024 achievements, 2025 outlook and challenges5**
 - 1. 2024 achievements5
 - 2. Outlook and challenges for the business year 20258
- III. Major events at the Company in 2024.....8**
 - 1. General Meeting8
 - 2. Personal changes8
 - 3. Major lawsuits8
- IV. Risk factors affecting the Company's performance9**
- V. Material events after the balance sheet date9**
- VI. General company information.....10**
- VII. Changes in the number of employees; employment policy14**
- VIII. Research and experimental development.....14**
- IX. Personal changes in 202414**
- X. Environmental protection14**
- XI. Report and statement on Responsible Corporate Governance.....14**
- Declaration of Liability15**



I. Presentation of the objectives, strategy and activity of the Company

In 2024 **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** (registered office: H-1033 Budapest, Polgár utca 8-10., hereinafter: "Company" or "BIF") operated along the lines of the development strategy and objectives outlined below:

- seeking out office and other buildings that fit the existing revenue-generating property portfolio of the Company and performing acquisitions;
- utilizing the maximum revenue-generating potential in the existing property portfolio and the optimization of the operation of office buildings;
- the implementation of the fully developed concept of the 39 hectare Harsánylejtő development site in Budapest, District III., owned by the Company.

From 20 October, 2017 the Company was active as a regulated real investment pre-company (hereinafter: "SZIE/Pre-REIT") under Act CII of 2011 on regulated real estate investment companies (hereinafter: "SZIT/REIT Act"), and since 31 December, 2018 it has been active as a regulated real estate investment company (hereinafter: "SZIT/REIT"). The Company is engaged in real estate development and utilization for its own properties (offices and other buildings and parking garages) by leasing, further development and the sale of construction sites in its ownership, the implementation of real estate developments on them, and the utilization and sale of completed properties.

According to the property types it owns the Company is active in the field of the following property market segments:

- Office buildings
- Parking garages
- Construction lots
- Residential properties
- Hotels

Office buildings

In Q4 2024, the stock of modern offices in Budapest expanded with a new office building measuring 2,150 m². By the end of 2024, the total office stock amounted to 4,455,615 m², comprising 3,604,010 m² of "A" and "B" category modern speculative office space, as well as 851,605 m² of owned office buildings. The total gross demand in 2024 was 502,151 m², while the net demand during the same period was 170,630 m². Gross demand showed an 8% increase, whereas net demand exhibited a 20% decrease compared to the 2023 figures. The vacancy rate reached 14.1% at the end of the previous year.

In Q4 2024, the vacancy rate increased by 0.1 percentage points compared to the previous quarter and by 0.8 percentage points compared to the same period of the previous year.

The lowest vacancy rate in Q4 2024 was recorded in the North Buda submarket (8%), while the highest rate was measured in the agglomeration (28.6%). Net absorption turned negative during the fourth quarter, at -2,880 square metres. However, the annual results still showed a positive value, totalling 47,665 square metres in 2024.

In terms of tenant activity, the most popular submarket in Budapest during Q4 2024 was again the Váci úti office corridor, which attracted 37% of the demand. Following this, the second highest activity was recorded in the South Buda submarket, which achieved a 22% share of the quarterly leasing volume. (Source: BRF 2024 Q4 és Colliers Market Snapshot, CBRE Budapest Office Figures)

Within overall demand, the proportion of new contract renewals was the highest, standing at 76%. New contracts accounted for 18% of all leases, while expansions and prelease contracts were 4% and 2%, respectively. A total of 143 lease agreements were registered in Q4 2024, with an average size of 1,195 m². (Source: BRF Q4 2024)

On 31 December 2024, our Company owned six Category 'B' and four Category 'A' office buildings with excellent location in terms of infrastructure and transport. Following the successful revitalization of one of the former Category 'B' office building at 12-14 Városmajor Street in District XII of Budapest (hereinafter: "**Major Udvar** (Városmajor u. 12)") to convert it to Category 'A' was completed and handed over in October 2022, and 100% of the building has been leased since July 2023.

For our office building located at 8-10 Polgár Street, Budapest (hereinafter referred to as the “**Flórián Udvar Office Building**”), a lease agreement was signed in the last month of 2024 covering 40% of the leasable office space in the building, resulting in the occupancy of Flórián Udvar Office Building reaching 100% by year-end. The new tenant is scheduled to move in during Q1 2025.

In H1 2020, our Company successfully acquired the former Posta Hotel at 114-116 Üllői út, District X of Budapest, an iconic 13-storey tower building in the area, which was converted into a Category “A” office building (hereinafter: “**BIF Tower Office Building**”) in a development project launched in 2021. Construction was completed in January 2023, and the building was 98% leased by December 2023, reaching 100% occupancy by February 2024. In the case of the adjacent three-storey building, formerly operating as an educational centre (hereinafter: “Üllői Avenue Educational Centre”), our aim is to use it as an office or educational centre in line with market demand. The two buildings will add more than 10,000 m² of office space.

In the case of our office buildings, our main objective is to maintain tenant satisfaction and thus extend tenancy contracts. In all our office buildings the operator’s staff is present on an uninterrupted basis and maintenance service for our tenants. In the case of our Class “A” office buildings, we pay particular attention to modernising public spaces, operating buildings efficiently, using environmentally friendly solutions and meeting tenants’ custom needs.

Parking garages

In Budapest, the extension of the paid on-street parking zone system continued in 2024, particularly affecting certain areas of Districts XI and XIV. This may not only boost the use of public transportation but also improve the utilisation of vacant capacities in the city’s parking buildings and underground garages. According to the regulation adopted by the General Assembly of Budapest in November 2024, Budapest plans to gradually phase out parking meters, and within two years, payment for street parking will only be possible via an application. At the same time, it was also proposed that from 2026 onwards, holders of public transport travel passes should receive significant discounts on parking fees for public parking, thereby encouraging the use of public transport. (Source: www.vg.hu, 27/11/2024)

Our Company owns 2 parking garages, the **Aranykéz Parking Garage** (Budapest V. district Aranykéz utca 4-6.) and the **Parking Garage of Flórián Office Building**, located next to the Vigadó Palota Office Building (9 Apáczai Csere János Street, District V of Budapest). The parking garage in the Flórián Udvar Office Building is primarily intended to serve the tenants of the office building. Both parking garages are equipped with the latest Hungarian mobile-app parking system and modern payment facilities to ensure maximum service quality. In addition to rental and hourly rates, short-term rentals are also becoming increasingly popular for events and conferences in the area at our Aranykéz Parking Garage with a downtown location. The electric car charging service we introduced at the Aranykéz Parking Garage in 2024 is becoming increasingly popular.

Construction lots and residential properties

In 2024, a total of 13,295 new apartments were built nationwide, which is 29% fewer than the previous year. In Budapest, the number of newly occupied apartments fell by 28% compared to the previous year. Half of the new apartments in the capital were constructed in two districts (XI and XIII). Based on the issued building permits and simple notifications, the number of planned apartments was 20,494, a decrease of 4.7% compared to 2023. (Source: CSO, Housing constructions, building permits, Q1-Q4 2024)

With regard to the housing market activity, following a decline in 2023, the number of sold used and new apartments both increased in Q1 to Q3 2024. The total housing market turnover in the third quarter exceeded the previous year’s figure by 14%. However, the proportion of new apartments in the first three quarters was relatively low, accounting for only 3.9%. (Source: CSO, Housing market prices, and apartment price index, Q3 2024)

In terms of prices, in Q1 2024, prices increased by 8.5%, and by 1.8% in Q2 2024. In Q3 2024, the price of used apartments practically stagnated, while that of new ones decreased slightly by 2.2%. Overall, due to the rapid increase at the beginning of the year, the level of apartment prices in the combined housing market was nominally 12% higher and 8.5% higher in real terms than the previous year. (Source: CSO, Housing market prices, and apartment price index, Q3 2024)

Within the framework of the **Harsánylejtő Kertváros** project (District III of Budapest), the Company launched a development project (hereinafter: "**Harsánylejtő Project**") in several phases over the past years, covering an area of approximately 39 hectares. As part of the project, plots suitable for land development, residential development and the construction of commercial units were developed as follows:

- **Land development:** A total of 153 land plots have been developed, constructed and sold within the framework of Phases I-II. The project was successfully completed in terms of development and sales (the total area of the above-mentioned Phases I to II exceeds 25 hectares).
- **Residential property development**
 - In Phases I and II of the residential development, a total of 40 flats of floor areas between 55 and 99 m² were built on an area of about 1 hectare. The first phase of the residential property development was successfully completed in 2019, and the second phase was successfully completed in the first half of 2021. The owner of the project was Harsánylejtő Ingatlanforgalmazó és -kezelő Kft. (hereinafter: "Harsánylejtő Kft."), which is 100% owned by the Company.
 - In the case of two residential properties suitable for development, sale agreements were signed with a retention of title in Q4 2021. Of these, one was handed over in 2022, while the other was delivered in 2024 following the payment of the full purchase price.
- A plot suitable for the development of a **commercial unit**, comprising a retail unit of approximately 1000 m² and a further 1500 m² of office or other service functions on an area of approximately 0.4 hectares.
- A sale and purchase agreement was signed in Q4 2022 for a plot of more than 2.4 hectares suitable for the development of **buildings of other functions**, for which the transfer of ownership has also been completed.

The Company is also investigating possibilities other than indicated above in respect of the utilization and sale of the plots owned by the Company.

In addition to the residential property development carried out in the Harsánylejtő Project, the Company owned, as of December 31, 2024, a residential property located at parcel number 6775 at 99 Attila Road and 42 Logodi Street in District I of Budapest, H-1012 (hereinafter referred to as "**Attila99Loft**" or "Attila Road Property"). Attila99Loft was the winner of the **Real Estate Awards "Residential Property Development of the Year 2021"** competition. The property includes 16 exclusive flats, a 22-space automated parking system, a restaurant, and a bakery. In addition to its location in the Castle District and the unique style of the flats, the exclusive services available within the building ensure the uniqueness of the building modelled on the "New York" style. The flats and commercial premises are leased by the Company.

One of the most prominent properties in the Company's portfolio is located at 80-82 Andrásy Avenue, District VI of Budapest, a World Heritage Site (hereinafter: "**Andrásy Avenue Property**"). On the more than 1,400 m² site, the Company prefers the possibility of a residential development with upscale apartments and services, taking into account the changing market needs and the district regulatory conditions. The preliminary design for the development has been completed, the building permit procedure closed in Q1 2024, and the building permit was obtained.

Hotels

In December 2024, nearly 1.3 million guests spent 2.9 million guest nights at tourism accommodation (commercial, private, and others). The number of guests increased by 11%, and the number of guest nights rose by 8.4% compared to the previous year. The number of nights spent by Hungarian guests grew by 0.6%, while nights spent by foreign guests increased by 15% compared to December 2023. In 2024, the number of guest nights in tourist accommodations was 5.8% higher than in the previous year. The total gross revenue for all tourist accommodations was nearly HUF 90 billion, which is 22% higher than the previous year at current prices.

In 2024, Hungarian accommodations welcomed a record 18 million tourists, marking an 11% increase compared to 2023. Factors contributing to these outstanding results include data-driven tourism decision-making, influencer campaigns, and the acquisition of Budapest Airport by Hungarian ownership. Preliminary data indicate that approximately 17 million passengers passed through Budapest Liszt Ferenc International Airport last year, representing an increase of over 17%.

(Source: KSH Monitor, üzletem.hu)

The Company currently owns one property which is operated as a hotel by the tenant (the Company does not generate any income from accommodation or catering services, it only rents out the properties it owns). The **Madách Square property** has one of the most prominent downtown locations in terms of tourism, as it is situated at 3 Madách Square, District VII of Budapest, housing a 4-star hotel, as well as two independent restaurants operating on the street frontage. As of the end of October 2023, the hotel-operating section was repossessed from the operator. We received the building permit for the renovation and interior transformation from the heritage protection authority in January 2025. Demolition work related to the renovation has begun. The complete renovation is expected to be completed by the end of 2026.

“**Building C**” of the **Üllői Avenue property complex** (114-116 Üllői Avenue, District X of Budapest, hereinafter referred to as “**BIF HOSTEL**”), located within the catchment area of Budapest Ferenc Liszt International Airport will be leased for use as a 2-star hotel by the Company, taking advantage of the building's favourable attributes starting in September 2024 (a student hostel previously operated in this building).

II. 2024 achievements, 2025 outlook and challenges

1. 2024 achievements

The Company concluded a challenging but successful year in 2024. Based on the audited profit and loss statement prepared in accordance with IFRS, the Company achieved a **pre-tax profit of HUF 10,285 million in 2024**, compared to HUF 10,567 million in 2023. However, the **pre-tax profit adjusted** for the fair value assessment of investment properties **increased by nearly 44% to HUF 7,284 million** in 2024, up from **HUF 5,070 million** in 2023.

- In 2024 the **net sales revenue** amounted to approximately **HUF 11,911 million**, compared to nearly HUF 8,093 million in 2023. Rental and operating fee revenues increased significantly by about HUF 1,296 million (+20%) in 2024 compared to the baseline, attributed to the price increases and indexations implemented at the beginning of the year, as well as the leasing of the BIF Tower Office Building. Revenues related to mediated services also saw a considerable rise, growing from HUF 771 million to HUF 2,024 million, significantly influenced by the re-billing related to the establishment, restoration, and transformation of the leased property (primarily due to revenues realised from the BIF Tower Office Building). This line also includes further billed utility charges and service fees. The increase in revenues was significantly bolstered by the accounting recognition of a land sale agreement that was finalized in Q4 2021, which contributed HUF 1,169 million to the reporting period's figures.

Breakdown of net revenue from sales

HUF '000'	2023	2024
Revenue from rents and operating fees	6,550,655	7,846,715
Revenue from parking fees	739,627	780,657
Revenue related to intermediary services	770,946	2,024,183
Revenue from services	0	0
Revenue from the sale of properties/land	0	1,168,920
Other sales revenues	31,278	90,510
Total	8,092,506	11,910,985

- **Other operating income** amounted to HUF 3,037 million in 2024, mainly attributable to the favourable effect of the profit from the fair valuation of investment properties. In 2024, other operating revenues were boosted by income from the sale of a passenger car and other assets, as well as from compensations. Among the baseline period revenues, a penalty fee of HUF 140 million was recorded as special income.
- The value of **raw materials, consumables and other external charges** increased by approximately HUF 1,598 million in 2024 compared to HUF 1,988 million reported in 2023. The largest contribution to this increase came from the change in the value of sold and mediated services (+ HUF 1,270 million), primarily driven by subcontractor services used for tenant installations. The increase of HUF 256 million in the contracted services used was due to rising security, cleaning, and maintenance costs during the reporting period. Material costs exceeded the baseline figure by HUF 57 million.

- **Staff costs** increased by approximately 8% in 2024 compared to the previous year, attributed primarily to the organisation and wage developments associated with the Company's strategic objectives, as well as a higher average statistical workforce level.
- In contrast to the baseline period expense of HUF 860 million, the **expense for other operating costs** decreased to HUF 330 million (-62%) in 2024. The more favourable value of the previous period, amounting to approximately HUF 530 million, can primarily be attributed to the absence of any negative impact from the fair value assessment of investment properties during the reporting period.
- There was a decrease of about HUF 189 million in **depreciation and impairment** in 2024 compared to the baseline period, due to lower impairment charges (-HUF 193 million). The higher depreciation accounted for non-investment tangible assets showed a slight increase (HUF + 4 million).
- As a result of these factors, the **operating P/L** for the reporting period decreased from HUF 10,361 million to HUF 9,967 million, while the **operating P/L** adjusted for the fair value assessment of investment properties increased from **HUF 4,864 million** in the baseline period to approximately **HUF 6,966 million (+43%)** in 2024.
- **P/L on financial operations** in 2024 amounted to about HUF 318 million, compared to HUF 206 million in the baseline period. Revenues increased by nearly HUF 81 million, while expenses decreased by HUF 31 million during the reporting period. The increase in financial income was due to the effective liquidity management of disposable cash resources. The decrease in financial expenses compared to the baseline period was mainly attributed to the lower loan balances.
- Based on the requirements of the REIT Act, BIF was only obliged to pay corporation tax until the Pre-REIT status was obtained (on 20 October, 2017). Having a REIT status, the Company is required, however, to determine its corporation tax base, but it is only subject to **corporation tax payment** for the calculated base in certain cases (e.g. on a tax base proportionate to the income from related parties). Considering the above, out of the actual tax expense of approximately HUF 49.1 million for the year, HUF 20.5 million was calculated corporation tax, and about HUF 28.6 million was the amount of the innovation contribution.

Profit and loss statement (IFRS, audited)

HUF '000'	2023	2024
Net sales revenue	8,092,506	11,910,985
Other operating income	6,280,668	3,036,814
Changes in internally generated inventories	0	-15,141
Capitalized value of internally generated assets	0	0
Raw materials, consumables and other external charges	-1,988,110	-3,586,068
Staff costs	-910,653	-984,050
Other operating expenditure	-860,290	-330,415
EBITDA	10,614,121	10,032,125
Depreciation and impairment	-253,614	-64,801
Operating P/L	10,360,507	9,967,324
Financial income	691,223	771,842
Financial expenses	-484,803	-453,803
P/L before tax	10,566,927	10,285,363
Actual tax expenditure	-22,098	-49,139
Deferred tax	0	0
P/L after tax	10,544,829	10,236,224

- The **portfolio of investment properties** had increased by about 5.7 million by the end of 2024 compared to 31 December 2023. The change in inventory was caused by the impact of investments and activations in the properties within the portfolio, changes in the market value of the properties, and a property acquisition in Croatia (Volosko). No property was sold in 2024. For the presentation of investment properties, the Company has chosen the fair value model in accordance with IAS 40, with the exception that the Volosko property is valued at cost in accordance with paragraph 53 of IAS 40. In accordance with the provisions of the REIT Act, the market value of investment properties owned by the Company is determined by an independent valuer on a quarterly basis. (The valuations were made in both 2023 and 2024 by Seratus Ingatlan Tanácsadó Igazságügyi Szakértő Kft.)
- At the end of 2024, the Company's **net debt** (the value of financial liabilities reduced by cash and cash equivalents) had decreased to approximately HUF 5.6 billion, down from HUF 14 billion at the end of 2023, representing a reduction of about HUF 8.4 billion. The decrease is primarily justified by the larger cash asset base during the reporting period, which resulted from the sale of treasury shares that took place in September 2024, along with the fact that no dividends were paid in the reporting year.

Key balance sheet items (IFRS, audited)

HUF '000'	31/12/2023	31/12/2024
Investment property	78,581,204	84,300,782
<i>Long-term assets, total</i>	<i>79,417,988</i>	<i>87,075,245</i>
Cash and cash equivalents	6,305,607	13,343,582
<i>Current assets, total</i>	<i>6,833,316</i>	<i>14,243,418</i>
Assets, total	86,251,304	101,318,663
Subscribed capital	2,870,244	2,870,244
<i>Equity, total</i>	<i>62,243,827</i>	<i>77,480,051</i>
Financial liabilities (long-term)	18,886,201	17,479,802
<i>Long-term liabilities, total</i>	<i>20,273,570</i>	<i>18,391,829</i>
Financial liabilities (short-term)	1,446,747	1,500,898
<i>Current liabilities, total</i>	<i>3,733,907</i>	<i>5,446,783</i>
Liabilities and equity, total	86,251,304	101,318,663

Key indicators of the equity, financial and income position

Description	31/12/2023	31/12/2024
Long-term assets to total assets (Total long-term assets to total assets)	92.08%	85.94%
Indebtedness (total long-term liabilities to long-term liabilities and total equity)	24.57%	19.18%
Debt to equity ratio (total long-term liabilities to total equity)	32.57%	23.74%
Acid test ratio (Cash and cash equivalents to total short-term liabilities)	168.87%	244.98%
Return on sales (operating income to the net sales revenue)	128.03%	83.68%
Return on equity (operating income to total equity)	16.65%	12.86%

2. Outlook and challenges for the business year 2025

In 2025, the Company focuses on the following areas:

- The revitalisation of **Major Park** (Városmajor u. 35.), acquired successfully at the beginning of 2020, involves primarily the renovation of the exterior façade, as well as examining potential development functions and preparing development plans, taking into account changes in market conditions.
- **Harsánylejtő Project**
 - For those parcels of land in the Harsánylejtő Project where no decision has yet been taken to commence development, the options for commencing individual developments and/or selling them as parcels/projects will be investigated based on current market trends.
- Development concept of the **Bajcsy-Zsilinszky Avenue Office Building** (at 57 Bajcsy-Zsilinszky Avenue, District VI of Budapest), maximizing the occupancy of the property in its current state during the transition period.
- In the case of the **Andrássy Avenue property**, examining the potential for the use of the property in the light of changing market conditions.
- Maximizing occupancy and examining the introduction of new services for the **Aranykéz Parking Garage**.
- Investigation of the possibilities of utilization of the **Üllői Avenue Educational Centre**.
- As a result of the successful acquisition in Croatia, at the beginning of 2024, the property - **Volosko** - was added to the real estate portfolio, which involves the demolition of the old building, planning for a new building, and commencing construction.
- The demolition work related to the renovation of the **property on Madách Square**, which has outstanding attributes, has begun, and parallel to the construction work carried out under the already obtained building permit, potential tenants are being sought.
- Exploiting the development and efficiency improvement potential of existing properties (**portfolio "review"**).
- Identifying **acquisition opportunities** that fit in the Company's strategy, executing the acquisitions and integrating the property into the income generating portfolio.

III. Major events at the Company in 2024

1. General Meeting

The Company's General Meeting made decisions on all items listed on the agenda of the meeting invitation published on 26 March 2024, and these decisions were disclosed on 30 April 2024, in accordance with the relevant legal regulations. The resolutions can be found at the following link: <https://www.bif.hu/investors/publicitans/stock-exchange-statements/bif-2024-agm-minutes-meeting-including-resolutions>

2. Personal changes

Board of Directors, Audit Committee

There was no change in the composition of the Board of Directors or the Audit Committee in 2024.

Changes to the management of the Company in 2024

By resolution No. 1/2024. (02.29.), the Board of Directors amended the Operating Procedures of the Company. On the date of the amendment, the Property Development Directorate was established, which includes the Property Development and Construction Department. Furthermore, the CAPEX and Fit-out Department was placed under this directorate, effective from 1 March 2024.

3. Major lawsuits

There were no major lawsuits subject to special notice at the Company.

IV. Risk factors affecting the Company's performance

The effectiveness of the Company's activities will continue to be significantly affected by the macroeconomic situation and the resulting company's business environment, as the occupancy rate of offices and the amount of rent realisable depend on the financial situation and prospects of the tenant companies.

The Company performs its activities related to real properties at relatively low risk; the majority of the lease contracts concluded is for a fixed term, with an average remaining term of between 2 and 3 years, but in special cases up to 5 or 10 years. Our open-ended lease contracts have typically been running for several years.

Due to the preliminary tenant risk analysis and security system, the level of outstanding receivables and non-payment remained negligible in 2024, similar to the previous year.

Since March 2018, the Company has only had long-term loans in Hungarian forints due to a refinancing transaction. Considering that approximately 89% of the Company's group-level revenues are realized in forints and that foreign currency revenues more than cover foreign currency expenses, the FX risk is virtually non-existent.

The Company eliminated its lending interest rate risk as a result of the refinancing transaction in September 2020, and following 15 September 2020, BIF has only had long-term fixed-rate loans denominated in HUF.

Detailed information on financial instruments is provided in Note 37 titled "Financial Instruments" in Chapter III (Additional Explanations) of the Notes to the Company's audited 2024 Separate Financial Statements compiled in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. Other than the BIF ordinary shares (treasury shares) held by the Company, the Company does not have any other securities and has not entered into any derivative transactions.

The outbreak of the Russian-Ukrainian war on 24 February 2022 and the related international sanctions have a significant impact on the economic outlook and increase economic risks. In order to minimize the exposures to risks caused by the war conflict (eventual request for the amendment or termination of lease contracts, substantial increase in operating costs, possible delays in ongoing developments projects, and the renegotiation of supplier/service provider partnerships), the Company will continue to closely monitor the current situation – especially actions by the government and other official bodies –, take new measures, and inform its employees and partners accordingly.

V. Material events after the balance sheet date

There were no significant events after the balance sheet date.



VI. General company information

1. Corporate data of the Company

Official name of the Company:	Budapesti Ingatlan Hasznosítási és Fejlesztési nyilvánosan működő Részvénytársaság
Abbreviated company name:	Budapesti Ingatlan Nyrt.
Registered office:	H-1033 Budapest, Polgár u. 8-10., Hungary
Postal address (place of central administration):	H-1033 Budapest, Polgár u. 8-10., Hungary
Central electronic contact:	info@bif.hu
Website:	www.bif.hu
Date of the Articles of Association:	31/01/1995
Date of commencement of operation:	01/05/1994
Registry court:	Superior Court of Budapest, as company registry court
Company registration number:	Cg. 01-10-042813
Statistical code of the Company:	12041781-6820-114-01
Tax Registration No.:	12041781-2-41
Community tax number:	HU12041781
Share capital on December 31, 2024	HUF 2,870,244,400
Term of the Company's operation:	open-ended
Business year of the Company:	identical with the calendar year.
Core activity of the Company (TEÁOR):	6820'08 Renting and operation of owned or leased real estate

2. Report on Responsible Corporate Governance

General Meeting

The appointment and removal of the executive officers is the exclusive competence of the General Meeting of the Shareholders. The Company has not concluded any special agreement with the executive officers and employees regarding severance payments, and thus in this respect, the relevant provisions of the Civil Code shall apply. No agreement has been entered into between the Company and any of its executive officers or employees providing for indemnification in the event of resignation of an officer or termination of employment by an employee, or in the event of wrongful termination of employment by an officer or employee, or termination of employment as a result of a public tender offer. The Company has not entered into any agreement that takes effect, is amended or terminated as a result of a change in control of the Company following a public purchase offer.

The General Meeting has exclusive power to amend the Statutes, with the following exceptions:

- If the amendment of the statutes only affects the name, registered office, places of business and branches of the Company, the place of central administration and the activities of the Company other than its principal activity, the General Meeting shall decide by simple majority, by virtue of which the statutes authorise the Board of Directors of the Company to amend the name, registered office, principal place of business, local offices and branches, central administration and the scope of activities of the Company other than its principal activities, by a decision of the Board of Directors, acting in its discretion.
- By resolution the General Meeting may authorise the Board of Directors to increase the share capital of the Company. The relevant resolution of the General Meeting must specify the maximum amount (authorized share capital) up to which the Board of Directors may increase the share capital of the Company. The General Meeting may authorise any type of increase in share capital by any means. The mandate of the General Meeting may be given for a maximum of five years. In the case of an increase in the share capital under the authority of the Board of Directors, the Board of Directors is obliged and entitled to amend the statutes.

Board of Directors

The Company operates in a unified control system.

The Board of Directors is the executive body of the Company, which shall represent the Company in front of courts of law and other authorities, as well as third parties. The Board of Directors established the rules of its operation and operated in 2024 according to its adopted Bye-laws. The majority of the members of the Board of Directors are independent.

The Board of Directors performs its activities as a body. It designates the issues necessary to be put on the agenda of its meeting from the issues in its scope of responsibilities, appoints the member of the Board of Directors and/or management responsible for the preparation of the issue, discusses the issue presented at the meeting of the Board of Directors, passes a resolution in that regard, and provides for the monitoring of its implementation. The Board of Directors determines the dates of its regular meetings to be held in the period between its annual balance closing general meetings, as well as the expected agenda of such meetings to the necessary extent.

The Board of Directors held six in-person meetings in 2024. The Board made decisions electronically on 12 occasions in 2024.

Members of the Company's Board of Directors (as at 31 December 2024)

Name	Position	Beginning of assignment	End of assignment
Dr Anna Ungár	President	30.04.2022	30.04.2027
Kristóf Berecz	Vice-President	30.04.2022	30.04.2027
Dr Frigyes Hárshegyi	member	30.04.2022	30.04.2027
Julian Tzvetkov	member	30.04.2022	30.04.2027
Miklós Vaszily	member	30.04.2022	30.04.2027

Audit Committee

Pursuant to the statutes, the Audit Committee has competence in the following matters:

- expressing an opinion on the financial statements under the Accounting Act;
- follow-up the audit of the financial statements prepared in accordance with the Accounting Act;
- proposal on the appointment and remuneration of the permanent auditor;
- preparing the contract with the permanent auditor;
- monitoring the enforcement of professional requirements, conflicts of interest and independence standards for the permanent auditor, performing duties related to co-operation with the permanent auditor, monitoring the services provided by the permanent auditor to the Company other than the audit of the accounts under the Accounting Act, and, if necessary, proposing to the Board of Directors to take measures;
- assessing the functioning of the financial reporting system and proposing the necessary measures;
- assisting the Board of Directors in its work to ensure proper control of the financial reporting system; and
- monitoring the efficiency of the internal control and risk management system.

In addition to the meetings of the Board of Directors, the Audit Committee held one meeting in person and decided electronically on one occasion in 2024. The main items discussed at the meetings included: approval of the annual financial statements of the Company and the consolidated companies, proposal for the election of the Auditor, determination of his remuneration.

Members of the Company's Audit Committee (as at 31 December 2024)

Name	Position	Beginning of assignment	End of assignment
Julian Tzvetkov	member	30.04.2022	30.04.2027
Dr Frigyes Hárshegyi	member	30.04.2022	30.04.2027
Miklós Vaszily	member	30.04.2022	30.04.2027

Remuneration of the executive officers (Board of Directors and the Audit Committee)

By its resolution adopted on 30 April, 2024, the General Meeting of the Company decided that in the business year 2024, the members of the Board of Directors should perform their duties without remuneration, and the members of the Audit Committee should perform their duties for a gross monthly remuneration of HUF 300,000 per member in the business year of 2024.

3. Auditor

In 2024 the Company's auditor was:

- The Company's auditor a Quercus Audit Auditor és Gazdasági Tanácsadó Kft. (registered seat: H-8200 Veszprém, Radnóti tér 2/C, person responsible for the audit: Tölgyes András József).

4. Disclosures

The Company discloses its public notices on:

- The BSE website (www.bet.hu), the website of MNB (www.kozzetetelek.mnb.hu) and the Company's website (www.bif.hu).

5. Share information

As of 31 December 2024, the Company's share capital consisted of 287,024,440 dematerialised ordinary shares with a nominal value of HUF 10 each, of which 11,778,639 shares were held in treasury. Details of the rights and obligations vested in the shares are given in Section 6 of the Company's Articles of Association. As of 1 October 2018, the shares are traded in the "Premium" Category of the Budapest Stock Exchange and represent the total issued share capital; there are no other issued shares of the Company.

Sale of the shares is not restricted, no pre-emption right has been stipulated, but the shares can only be transferred by debit or credit to the relevant securities account. When a share is transferred, the shareholder may only exercise his right vis-a-vis the Company if the new owner's name has been registered in the share shareholders' register.

The register of the Company's shareholders is maintained by KELER Zrt.

No special control rights are currently stipulated.

At the Annual General Meeting of the Company held on 29 April 2019, the General Meeting authorized the Board of Directors to increase the share capital of the Company by issuing preference shares with voting rights, under the conditions set out in the resolution of the General Meeting. The Board of Directors did not use this authorization in 2024.

We are not aware of any shareholder agreement relating to management rights.

The Company does not currently have an employee share scheme. At the Annual General Meeting of the Company held on 29 April 2019, the General Meeting authorized the Board of Directors to increase the share capital of the Company by issuing employee shares under the conditions set out in the resolution of the General Meeting. The Board of Directors did not use this authorization in 2024.

Minority rights: The shareholders representing at least 1% of the votes may at any time request the convention of the Company's general meeting, giving reasons and specifying its purpose.

According to the Statutes, the general meeting elects officers with a simple majority of the votes.

On 30 April 2024, the General Meeting authorized the Board of Directors to purchase treasury shares. The authorization allows the Board of Directors to decide on the purchase by the Company of ordinary shares issued by the Company. The minimum amount of consideration that can be paid for a treasury share is HUF 1, and the maximum amount is up to 150% of the turnover-weighted average stock exchange price of the 180 days preceding the date of the transaction. The authorization is valid for a limited period from the date of the General Meeting until 30 October 2025. The maximum value of treasury shares acquired by the Company under the authorization may be up to 25% of the share capital.

Owners of the Company with more than 5% interest based on the current share register and on the individual statements of the owners

Shareholder	31 December, 2023		31 December 2024	
	Number of shares	Participation (%)	Number of shares	Participation (%)
PIÓ-21 Kft.*	194,389,885	67.73**	214,889,885	74.87**
MBH Bank Nyrt.	28,702,440	9.99		
Treasury shares	22,514,206	7.84	***	
Assets managed by Mónika Káldi, the trusted asset manager			16,101,240	5.61
Other shareholders	41,417,909	14.44	56,033,315	19.52
Total	287,024,440	100.00	287,024,440	100.00

*PIÓ-21 Kft. is the parent company of the Company and also its ultimate parent company.

**Of which, as of 31 December 2024, there is a 0.57% indirect stake through the company's subsidiary, BFIN Asset Management AG.

***The Company may not exercise shareholder rights by the BIF ordinary shares in its ownership. The number of ordinary shares of BIF owned by the Company does not exceed 5%.

Ownership interest of executives and employees in strategic positions in the Company (31 December 2024)

Nature	Name	Position	Beginning of assignment	End of assignment	Direct share property (number of shares)	Percentage of BIF shares with indirect influence
MboD	Dr Anna Ungár	President of the BoD* and CEO as from 4 May, 2022	30.04.2022	30.04.2027	0	74.87%
MboD	Kristóf Berecz	Vice-President of the BoD and CEO as from 1 December, 2018	30.04.2022	30.04.2027	0	74.87%
MboD	Julian Tzvetkov	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MboD	Dr Frigyes Hárshegyí	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MboD	Miklós Vaszily	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Unspecified***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

**Shares held in the Company by executives and employees in strategic positions
31 December, 2023**

Nature	Name	Position	Beginning of assignment	End of assignment	Direct share property (number of shares)	Percentage of BIF shares with indirect influence
MboD	Dr Anna Ungár	President of the BoD* and CEO as from 4 May, 2022	30.04.2022	30.04.2027	0	67.73%
MboD	Kristóf Berecz	Vice-President of the BoD and CEO as from 1 December, 2018	30.04.2022	30.04.2027	0	67.73%
MboD	Julian Tzvetkov	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MboD	Dr Frigyes Hárshgyi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MboD	Miklós Vasziy	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Unspecified***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

VII. Changes in the number of employees; employment policy

In 2024, the Company's average statistical headcount was 65 (62 in 2023), while at 31 December 2024 the headcount was 66.

The Company has no employment policy liabilities.

VIII. Research and experimental development

Due to the nature of its activities, the Company is not engaged in research and experimental development.

IX. Personal changes in 2024

They are described in Chapter III, Section 2.

X. Environmental protection

Due to the nature of the activity, the Company does not generate or store hazardous waste, and the air pollution charge for the combustion products emitted is paid by BIF. No significant costs were directly related to environmental protection, neither in the previous financial year nor in the reporting year.

XI. Report and statement on Responsible Corporate Governance

The Company has a Report and Statement on Responsible Corporate Governance, and reviews and, if required, amends its corporate governance annually.

By its resolution passed at its Annual General Meeting convened to 30 April 2024, the Company's General Meeting approved the Company's 2023 Report on Responsible Corporate Governance, which was prepared in accordance with the Recommendation of the Budapest Stock Exchange for Responsible Corporate Governance, and published on the Company's publication venues on 30 April 2024.

At the Annual General Meeting, the shareholders vote on the approval of the Company's Report on Responsible Corporate Governance, and the Company publishes its Report on Responsible Corporate Governance after the meeting.

- The “Report on Responsible Corporate Governance” is accessible on the websites www.bet.hu, www.bif.hu and www.kozzetetelek.hu.
- The Company compiles its report and statement on its responsible corporate governance on the basis of the Recommendations for Responsible Corporate Governance, published by Budapesti Értéktőzsde Zrt.
- The Report on Responsible Corporate Governance is adopted by the Board of Directors and approved by General Meeting. The Report on Responsible Corporate Governance includes BSE's recommendations and gives details and reasons for any deviation from them.
- The Report on Responsible Corporate Governance includes BSE's recommendations and gives details and reasons for any deviation from them.
- The Report on Responsible Corporate Governance contains the main features of the Company's internal control and risk management practices.
- The Report on Responsible Corporate Governance includes the Company's statement regarding its diversity policy.

No company secretary has been appointed the Company.

Declaration of Liability

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby declares that this Business (Management) Report 2024 contains real data and statements, providing a true, correct and complete view of the position, development and performance of the Company presenting the main risks and uncertainty factors and does not omit any facts that might have any significance concerning the assessment of the position of the Company.

Budapest, 9 April, 2025

.....
Dr Anna Ungár
President of the Board of Directors and CEO

.....
Kristóf Berecz
Vice-President of the Board of Directors and CEO



Consolidated Annual Report 2024

Consolidated Annual Financial Report 2024

**Budapesti Ingatlan Hasznosítási
és Fejlesztési Nyrt.**



Table of Contents

- Audited Consolidated Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2024 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union
- Consolidated Business (Management) Report to the audited Consolidated Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2024 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union

This is the English translation of the official Hungarian version



**Audited Consolidated Annual Financial
Statements of Budapesti Ingatlan
Hasznosítási és Fejlesztési Nyrt.
prepared in accordance with the
International Financial Reporting
Standards (IFRS) adopted by the
European Union
31 December, 2024**



Table of Contents

Consolidated Annual Statement of Financial Position	3
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Annual Changes in Equity	5
Consolidated Annual Cash Flow Statement	6
Notes to the statements – general company information, key elements of the accounting policy, additional explanations and other information	7
I. General company information	7
1. Company profile	7
2. Executives and Ownership structure	8
2.1. Officers in the year 2024	8
2.2. Change in senior executives and employees in strategic positions in 2024	9
2.3. Remuneration for executives in 2024	9
2.4. Persons authorised to sign the Financial Statements	9
2.5. Ownership structure	9
II. Key elements of the accounting policy	10
1. Key elements of the accounting policy	10
1.1. Reporting currency and foreign exchange balances	10
1.2. Sales revenue	10
1.3. Valuation and impairment of assets over one year	10
1.4. Intangible assets	12
1.5. Goodwill	13
1.6. Inventories	13
1.7. Accounts receivable	13
1.8. Financial assets	13
1.9. Financial liabilities	14
1.10. Provisions	14
1.11. Corporation tax	14
1.12. Leasing	15
1.13. Earnings per share (EPS)	15
1.14. Off-balance sheet items	15
1.15. Repurchased treasury shares	15
1.16. Dividend	16
1.17. P/L on financial operations	16
1.18. State aid	17
1.19. Items of exceptional amounts and occurrence	17
1.20. Events after the balance sheet date	17
2. Changes in the accounting policy	17
3. Uncertainty factors	18
3.1. Impairment on irrecoverable and doubtful receivables	18
3.2. Fair value determination	18
4. Basis for the compilation of the financial statements	19
4.1. Approval and statement on compliance with the International Financial Reporting Standards	19
4.2. Basis of preparing the report	19
4.3. Valuation basis	19
5. Details of the business combination and the consolidated companies	20
III. Additional explanations	20
1. Investment property	20
2. Intangible and tangible assets	21
3. Investments in related companies	22
4. Financial assets	22
5. Deferred tax assets	22
6. Inventories	22
7. Trade receivables	23
8. Other short-term receivables and prepaid expenses and accrued income	24
9. Cash and cash equivalents	24
10. Subscribed capital and capital reserve	24

11.	Revaluation reserve	25
12.	Repurchased treasury shares	25
13.	Profit reserve and profit for the year	25
14.	Non-current financial liabilities	26
15.	Provisions	26
16.	Deferred tax liabilities	27
17.	Other long-term liabilities	27
18.	Short-term financial liabilities	27
19.	Trade payables	27
20.	Other short-term liabilities, accrued expenses and deferred income	28
21.	Sales revenue	28
22.	Other operating income	29
23.	Own performance capitalised	30
24.	Raw materials, consumables and other external charges	30
25.	Staff costs	30
26.	Depreciation and impairment	31
27.	Other operating expenditure	31
28.	Income from and expenses of financial operations	32
29.	Actual tax expenditure	32
30.	Deferred tax expense	33
31.	Other comprehensive income	33
32.	Earnings per share	33
33.	Information on business lines	34
34.	Risk Management	35
34.1.	Capital management	35
34.2.	Credit risk	35
34.3.	Liquidity risk	36
34.4.	Market risk	36
35.	Sensitivity analysis	37
36.	Financial instruments	37
37.	Remuneration of the Board of Directors and the Supervisory Board	37
38.	Remuneration of senior and middle managers in key positions	38
39.	Items of exceptional amounts and occurrence	38
40.	Presentation of related parties	38
40.1.	Subsidiary	38
40.2.	Sub-subsidiary	39
40.3.	Other related party	39
IV.	Other additional information	40
1.	Off-balance sheet items, litigation and other legal proceedings	40
1.1.	Off-balance sheet items that may affect the Company's future liabilities	40
1.2.	Litigation and other legal proceedings	42
2.	Significant events after the balance sheet date	42
3.	Extraordinary and other regulated disclosures in 2024 and until the date of preparation of the Consolidated Annual Financial Statements:	42
4.	Authorisation to publish financial statements	43
	Declaration of Liability	43

Consolidated Annual Statement of Financial Position

HUF '000'	Explanations*	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Investment property	1	84,300,782	78,581,204
Intangible assets	2	4,060	3,215
Goodwill	2	0	0
Land, buildings and related rights	2	82,079	84,106
Plant, other equipment and installations	2	2,632,574	116,368
Construction and reconstruction in progress	2	265,089	764,224
Investments in related companies	3	0	0
Financial assets	4	927,339	0
Deferred tax assets	5	0	0
Non-current assets, total		88,211,923	79,549,117
Current assets			
Inventories	6	79,245	100,600
Trade receivables	7	345,331	84,603
Other short-term receivables and prepaid expenses and accrued income	8	1,348,712	369,787
Cash and cash equivalents	9	13,943,645	6,336,433
Current assets, total		15,716,933	6,891,423
Assets, total		103,928,856	86,440,540
LIABILITIES			
Equity			
Subscribed capital	10	2,870,244	2,870,244
Capital reserve	10	6,048,215	6,048,215
Revaluation reserve	11	731,904	731,904
Equity shares repurchased	12	-1,681,561	-2,304,224
Profit reserve	13	59,305,371	44,360,298
P/L for the reporting year	13	10,802,473	10,567,736
Equity allocated to the parent company, total		78,076,646	62,274,173
Long-term liabilities			
Financial liabilities	14	17,895,603	18,886,201
Provisions for expected liabilities	15	26,733	19,760
Deferred tax liabilities	16	14,157	0
Other long-term liabilities	17	1,863,721	1,376,527
Long-term liabilities, total		19,800,214	20,282,488
Current liabilities			
Financial liabilities	18	1,775,556	1,446,747
Trade payables	19	846,381	313,890
Other short-term liabilities, accrued expenses and deferred income	20	3,430,059	2,123,242
Current liabilities, total		6,051,996	3,883,879
Liabilities and equity, total		103,928,856	86,440,540

*No. of additional explanation

Consolidated Statement of Comprehensive Income

HUF '000'	Explanations*	2024	2023
Net sales revenue	21	13,387,786	8,188,976
Other operating income	22	3,168,820	6,286,138
Changes in internally generated inventories	23	-15,141	0
Capitalised value of internally generated assets	23	0	0
Raw materials, consumables and other external charges	24	-4,068,887	-2,059,744
Staff costs	25	-1,291,985	-914,678
Depreciation and impairment	26	-168,051	-253,629
Other operating expenditure	27	-354,047	-871,916
Operating P/L		10,658,495	10,375,147
Financial income	28	740,266	703,846
Financial expenses	28	-486,144	-487,136
P/L before tax		10,912,617	10,591,857
Actual tax expenditure	29	-95,987	-24,121
Deferred tax	30	-14,157	0
P/L after tax		10,802,473	10,567,736
Of this:			
Parent company's share		10,802,473	10,567,736
External owner's share		0	0
Other comprehensive income	31	0	0
Change in the fair value of other properties less taxes		0	0
Tax effect of changes in the fair value of other properties		0	0
Total comprehensive income		10,802,473	10,567,736
Of this:			
Parent company's share		10,802,473	10,567,736
External owner's share		0	0
Weighted average ordinary shares		267,942,096	252,316,945
Earnings per share (HUF)			
Fund	32	40.32	41.88
Diluted	32	40.32	41.88

*No. of additional explanation



Consolidated Statement of Annual Changes in Equity

Explanations*	10	12	10	11	13	13			
HUF '000'	Subscribed capital	Equity shares repurchased	Capital reserve	Revaluation reserve	Profit reserve	P/L for the reporting year	Equity allocated to the parent company, total	Non-controlling participation	Equity, total
31/12/2022	2,870,244	-3,048,120	6,048,215	731,904	38,879,594	10,033,555	55,515,392		55,515,392
Reclassification of P/L from the previous year	0	0	0	0	10,033,555	-10,033,555	0	0	0
Purchase of own shares	0	0	0	0	0	0	0	0	0
Equity issue	0	0	0	0	0	0	0	0	0
Sale of equity share	0	743,896			4,256,104		5,000,000		5,000,000
Dividend	0	0	0	0	-8,808,955		-8,808,955		-8,808,955
Increase in the profit reserve due to the sale of Verseg	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	0	10,567,736	10,567,736		10,567,736
31/12/2023	2,870,244	-2,304,224	6,048,215	731,904	44,360,298	10,567,736	62,274,173		62,274,173
Reclassification of P/L from the previous year	0	0	0	0	10,567,736	-10,567,736	0	0	0
Purchase of own shares	0	0	0	0	0	0	0	0	0
Equity issue	0	0	0	0	0	0	0	0	0
Sale of equity share	0	622,663			4,377,337		5,000,000		5,000,000
Dividend	0	0	0	0	0	0	0	0	0
Increase in the profit reserve due to the sale of Verseg	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	0	10,802,473	10,802,473		10,802,473
31/12/2024	2,870,244	-1,681,561	6,048,215	731,904	59,305,371	10,802,473	78,076,646		78,076,646

*No. of additional explanation

Consolidated Annual Cash Flow Statement

HUF '000'	Explanations*	2024	2023
P/L before tax		10,912,617	10,591,857
Adjustments of the profit before taxes		-42,836	4,349
Adjusted profit before taxes		10,869,781	10,596,206
Net interest expenses	28	-134,993	-224,510
Non-cash flow items			
Depreciation	26	98,941	59,407
Impairment (buyer)	26	1,202	194,222
Impairment of goodwill	26	67,908	0
Credit loss (buyer)	26	0	0
Unrealised exchange rate difference		0	0
Adjustment due to inventory fair valuation	27	10,893	0
P/L from a fair valuation	22, 27	-3,001,338	-5,496,725
Provisions for liabilities		6,974	6,593
Non-operating cash flow P/L items			
Revenues from the sale of tangible assets		-12,154	-886
Assets provided for no consideration, scrapping		0	0
Net working capital flow			
Change in trade receivables	7	-261,930	49,197
Change in other current assets		-215,858	298,895
Change in accounts payable	19	532,491	-593,012
Changes in other short-term liabilities		1,306,818	-226,881
Change in other financial liabilities		487,194	0
Non-refundable subsidy received		0	0
Interest paid	28	-445,175	-434,636
Interest received	28	580,168	659,146
Income tax paid	29	-95,987	-24,121
Damages paid		0	0
Cash-flow from business activity		9,794,935	4,862,895
Purchase of tangible assets		-4,900,978	-1,655,402
Cash proceeds from the sale of property, plant and equipment		12,154	886
Removal from consolidation		0	0
Increase in lease receivables		-2,128,589	0
Decrease in lease receivables		448,643	0
Funds used for investments		-6,568,770	-1,654,516
Income from capital issues		0	0
Dividend	13	0	-8,808,955
Equity purchase (-)/sale (+)		5,000,000	5,000,000
Interest paid		0	0
Loans		94,500	257,487
Loan repayment		-1,446,747	-1,446,747
Increase in lease liabilities		858,167	0
Decrease in lease liabilities		-167,709	0
Cash flow from financing activity		4,338,211	-4,998,215
Change in liquid assets		7,564,376	-1,789,836
Revaluation of foreign currency-denominated liquid assets		42,836	-4,349
Balance-sheet change in liquid assets		7,607,212	-1,794,185
Cash flow from financing activities	9	7,607,212	-1,794,185
Opening cash and cash equivalents	9	6,336,433	8,130,618
Closing cash and cash equivalents	9	13,943,645	6,336,433

*No. of additional explanation

Notes to the statements – general company information, key elements of the accounting policy, additional explanations and other information

I. General company information

1. Company profile

Budapesti Ingatlan Hasznosítási és Fejlesztési nyilvánosan működő Részvénytársaság (hereinafter: “Company” and/or “BIF”) was established on 31 January 1995 by transformation. Its legal predecessor is Budapesti Ingatlanhasznosítási és Fejlesztési Kft., which was founded on 1 January, 1994 by the State Property Agency with a share capital of HUF 1,000,000.

The subscribed capital of the Company is HUF 2,870,244,400, which consists of 287,024,440 ordinary registered shares, each with a nominal value of HUF 10, produced in a dematerialised form.

From 20 October, 2017 the Company was active as a regulated estate investment pre-company (hereinafter: “SZIE/Pre-REIT”) under Act CII of 2011 on regulated real estate investment companies (hereinafter: “SZIT/REIT Act”), and since 31 December, 2018 it has been active as a regulated real estate investment company (hereinafter: “SZIT/REIT”). The Company is engaged in real estate development and utilization for its own properties (offices and other buildings and parking garages) by leasing, further development and the sale of construction sites in its ownership, the implementation of real estate developments on them, and the utilization and sale of completed properties.

The operational management of the Company is performed by the Board of Directors.

The Company's shares are traded in the "PREMIUM" category of the Budapest Stock Exchange. The Company's notices are published on: the BSE (www.bet.hu) website, the MNB website (www.kozzetetelek.mnb.hu) and the Company's own website (www.bif.hu).

Corporate data of the Company*

Official name of the Company:	Budapesti Ingatlan Hasznosítási és Fejlesztési nyilvánosan működő Részvénytársaság
Abbreviated company name:	Budapesti Ingatlan Nyrt.
Registered office:	H-1033 Budapest, Polgár u. 8-10., Hungary
Postal address (place of central administration):	H-1033 Budapest, Polgár u. 8-10., Hungary
Central electronic contact:	info@bif.hu
Website:	www.bif.hu
Date of the Articles of Association:	31/01/1995
Date of commencement of operation:	01/05/1994
Registry court:	Superior Court of Budapest, as company registry court
Company registration number:	Cg. 01-10-042813
Statistical code of the Company:	12041781-6820-114-01
Tax Registration No.:	12041781-2-41
Community tax number:	HU12041781
Share capital on December 31, 2024	HUF 2,870,244,400
Term of the Company's operation:	open-ended
Business year of the Company:	identical with the calendar year.
Core activity of the Company (TEÁOR):	6820'08 Renting and operation of owned or leased real estate
Other activities of the Company (TEÁOR):	<ul style="list-style-type: none"> – 4110'08 Development of building projects – 64 20 '08 Asset management (holding) – 8110 '08 Combined facilities support activities – 6832 '08 Management of real estate – 6810 '08 Buying and selling of own real estate

*There has been no change in the name or other identifying data of the Company in 2024 compared to the previous financial year.

The IFRS chartered accountant responsible for the preparation of this 2024 IFRS Consolidated Annual Financial Statements of Company: dr. Horváth Kalácska Katalin (H-1082 Budapest, Hock János u. 4-6, Hock János utca 4-6.; Chartered IFRS Accountant Registration Number: 123362).

The Company's auditor

On 30 April 2024, the Company's general meeting elected QUERCUS Audit Könyvvizsgáló és Gazdasági Tanácsadó Kft. (registered office: H-8200 Veszprém, Radnóti tér 2/C, company registration number: 19 09 512226, tax identification number: 11679204-2-19, identification code in the Register of Statutory Auditors: 002651; the individual responsible for the audit: András József Tölgyes) as the Company's auditor for the period starting from the date of approval of the annual financial statements for the financial year ending 31 December 2023, until the date of approval of the annual financial statements for the financial year ending 31 December 2024, but no later than 15 May 2025.

2. Executives and Ownership structure

2.1. Executives in 2024

Members of the Company's Board of Directors

Name	Position	Beginning of assignment	End of assignment
Dr Anna Ungár	President	30.04.2022	30.04.2027
Kristóf Berecz	Vice-President	30.04.2022	30.04.2027
Julian Tzvetkov	member	30.04.2022	30.04.2027
Dr Frigyes Hárshgyi	member	30.04.2022	30.04.2027
Miklós Vasziily	member	30.04.2022	30.04.2027

Members of the Company's Audit Committee

Name	Position	Beginning of assignment	End of assignment
Julian Tzvetkov	member	30.04.2022	30.04.2027
Dr Frigyes Hárshgyi	member	30.04.2022	30.04.2027
Miklós Vasziily	member	30.04.2022	30.04.2027

Ownership interest of executives and employees in strategic positions in the Company (31 December 2024)

Nature	Name	Position	Beginning of assignment	End of assignment	Direct share property (number of shares)	Percentage of BIF shares with indirect influence
MboD	Dr Anna Ungár	President of the BoD* and CEO as from 4 May, 2022	30.04.2022	30.04.2027	0	74.87%
MboD	Kristóf Berecz	Vice-President of the BoD and CEO as from 1 December, 2018	30.04.2022	30.04.2027	0	74.87%
MboD	Julian Tzvetkov	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MboD	Dr Frigyes Hárshgyi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MboD	Miklós Vasziily	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Unspecified***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

2.2. Change in senior executives and employees in strategic positions in 2024

Board of Directors, Audit Committee

There was no change in the composition of the Board of Directors or the Audit Committee in 2024.

Changes to the management of the Company in 2024

By resolution No. 1/2024. (02.29.), the Board of Directors amended the Operating Procedures of the Company. On the date of the amendment, the Property Development Directorate was established, which includes the Property Development and Construction Department. Furthermore, the CAPEX and Fit-out Department was placed under this directorate, effective from 1 March 2024.

2.3. Remuneration for executives in 2024

The members of the Board of Directors performed their duties in the 2024 business year without remuneration, and the members of the Audit Committee performed their duties in the 2024 business year for a gross monthly remuneration of HUF 300,000 per member.

2.4. Persons authorised to sign the Financial Statements

According to Article 15.2 of the Articles of Association, the following persons are authorised to sign for the Company:

- a) the President of the Board of Directors jointly with another member of the Board of Directors or with an employee authorised to represent the Company,
- b) The Vice-President of the Board of Directors, jointly with another member of the Board of Directors or an employee authorised to represent the Company.

The Board of Directors is authorised to decide on the employees authorised to represent the Company.

2.5. Ownership structure

Owners of the Company with more than 5% interest based on the current share register and on the individual statements of the owners

Shareholder	31 December, 2023		31 December, 2024	
	Number of shares	Participation (%)	Number of shares	Participation (%)
PIÓ-21 Kft.*	194,389,885	67.73**	214,889,885	74.87**
MBH Bank Nyrt.	28,702,440	9.99		
Treasury shares	22,514,206	7.84	***	
Assets managed by Mónika Káldi, the trusted asset manager			16,101,240	5.61
Other shareholders	41,417,909	14.44	56,033,315	19.52
Total	287,024,440	100.00	287,024,440	100.00

*PIÓ-21 Kft. is the parent company of the Company and also its ultimate parent company.

**Of which, as of 31 December 2024, there is a 0.57% indirect stake through the company's subsidiary, BFIN Asset Management AG.

***The Company may not exercise shareholder rights by the BIF ordinary shares in its ownership. The number of ordinary shares of BIF owned by the Company does not exceed 5%.

II. Key elements of the accounting policy

1. Key elements of the accounting policy

1.1. Reporting currency and foreign exchange balances

In view of the content and circumstances of the underlying business events, the Company's functional and reporting currency is the Hungarian forint.

The foreign exchange transactions performed in a currency other than HUF were initially recognised at the exchange rate valid on the day of performing such transactions. Foreign currency receivables and liabilities were converted to forint at the exchange rate valid on the balance sheet date. The arising exchange rate differences are recognised in the profit and loss account among financial revenues and expenses.

The financial statements specify Hungarian forints (HUF), which is the Company's presentation currency rounded to the nearest thousand, except where otherwise indicated.

The transactions performed in a foreign currency are recognised in the functional currency - the foreign currency amount considered at the exchange rate between the reporting currency and the foreign currency valid on the transaction date. In the statement of comprehensive income, exchange differences arising on the settlement of monetary items, on initial recognition during the period or on the use of an exchange rate other than that used in the previous financial statements are recognised as income or expense in the period in which they arise. The monetary instruments and liabilities denominated in foreign currency are converted at the exchange rate valid at the end of the reporting period. The items valued at fair value and denominated in foreign currency are converted at the exchange rate valid on the date of determining the fair value. Exchange differences on trade receivables and trade payables are recognised in operating income, while exchange differences on loans are recognised in financial income or expenses.

1.2. Sales revenue

The Company earns revenues primarily on the services provided to its customers and third parties and on the sale of goods.

The Company recognizes sales revenue in accordance with IFRS 15 (which was issued in May 2014 and is effective for annual periods beginning on or after 1 January 2018).

The new standard introduces the basic directive that revenue is recognised when the goods or services are delivered to the buyer at the agreed price. Any separable related goods or services must be recognised separately and every allowance must be assigned to the appropriate elements of the contract. When the consideration changes, the minimum value may only be recognised if the likelihood of reimbursement does not include a significant risk. The costs incurred while obtaining a customer contract must be capitalised and amortised during the contractual term in a way that the Company should obtain the related benefits.

The net sales revenue comprises the amounts invoiced on the basis of the goods supplied or services provided during the year. Net sales are recognised when the amount of the revenue becomes clear and it is probable that the consideration will be available to the Company. The sales revenue includes the invoiced amounts less value added tax and discounts.

Revenue from the sale of services is recognised by the Company on a time proportionate basis (if permitted by the contract or confirmed by the customer) during the period, unless the relevant contracts and agreements contain milestones. In this case, sales are accounted for after each milestone is reached.

The Company accounts any additional costs incurred in relation to the conclusion of customer contracts if it expects to be reimbursed.

For deferred income, revenue is recognised at a discount.

1.3. Valuation and impairment of assets over one year

1.3.1. Investment property

A property is classified as investment property if it is held by the enterprise for the purpose of earning income from rent or capital appreciation, or both, and not for the purpose of subsequent sales or production of goods or provision of services or administration. Investment properties are always held for rental purposes.

Investment property is initially measured at cost, taking into account transaction costs. The Company has chosen the fair value model for the presentation of investment properties, accounting for the differences arising from changes in fair value on a property-by-property basis against the operating income of the current year as other operating expenses/income.

No ordinary depreciation is recognised for investment properties.

In accordance with the provisions of the REIC Act, the fair value of investment properties owned by the Company is determined by an independent valuer on a quarterly basis. The relevant valuations were made in 2024 by Seratus Ingatlan Tanácsadó Igazságügyi Szakértő Kft. As of December 31 of each year, the market value of the properties has been (is being) updated annually. The valuation is carried out in accordance with international valuation standards.

The valuation uses three valuation methods generally accepted in international asset valuation practice (the DCF method, the comparable market value method and the profits method) and then the market value of the properties is determined based on the precautionary principle.

Given that IAS40 recommends, but does not require, the use of an independent valuer to determine the market value, for investment property where a decision to sell has been made and the sale has commenced, the fair value method is based on the asset has an active market, i.e. there are concluded sales contracts. The actual market price of the property, i.e. the sales price (calculated from the average price) already included in the sales contracts, provides the best basis for determining the fair value.

Gains or losses arising from changes in the fair value of investment property are always recognised in the profit or loss (other operating income or other operating expenses) in the period in which they are incurred. Gains arising from changes in fair value cannot be distributed as dividends to shareholders. Investment property should be derecognised on disposal or when investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The Company recognizes gains or losses on the derecognition and disposal of investment property netted in the profit and loss account as income or expense in the period in which they arise.

1.3.2. Other properties

Other real estate in the Company comprises real estate held for use in relation to the sale of goods or the production or provision of services, and developed public utilities belong to this group.

The Company has chosen the fair value model for the recognition of other properties, except for developed public utilities. Valuation is carried out in accordance with the international valuation standards. The valuation uses three valuation methods generally accepted in international asset valuation practice (the DCF method, the comparable market value method and the profits method) and then the market value of the properties is determined based on the precautionary principle. Gains arising from changes in the fair value of other properties are recognised directly in the equity as a revaluation surplus.

Currently, the Company does not own any properties other than utilities.

The Company measures utility facilities at cost less annual depreciation.

Other properties are depreciated. Depreciation is based on fair value and, in the case of public utilities, cost. Depreciation is charged on a straight-line basis, with a depreciation rate of 2%.

1.3.3. Other tangible assets:

Tangible assets other than properties are reported at their acquisition cost, reduced by accumulated depreciation and impairment. Accumulated depreciation includes the recognised costs of non-accelerated depreciation incurred in relation to the continuous use and operation of the asset and of accelerated depreciation required by the significant damage or injury to the asset due to an unexpected, extraordinary event.

Historical cost (value at cost, production cost) of an asset is the total amount of items that can be individually linked to the asset prior to commissioning and delivery to the warehouse in order to acquire, establish and commission the asset.

The historical cost (value at cost) comprises the purchase price net of discounts and increased by a mark-ups, any consideration, fees and commission paid for the transport and loading, foundation work, installation, commissioning and brokerage activities incurred in relation to the acquisition, commissioning and delivery of the asset to the warehouse, as well as all related taxes, tax-like items and customs duties.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when the future economic benefits associated with the item are likely to flow to the Company Group and the cost of the item can be measured reliably. All other costs of repairs and maintenance are recognised in the profit and loss account as incurred.

Additional expenditures on existing assets that extend the useful life of the asset or broaden the scope of using the asset are capitalised by the Company Group. Maintenance and repair costs are expensed as incurred.

The carrying amount of property, plant and equipment is reviewed at regular intervals to determine whether the carrying amount does not exceed the fair value of the asset, as this is required to account for an unplanned write-down to the fair value of the asset. The fair value of the asset is the higher of its selling price and its value in use. Value in use is the discounted value of the future cash flows generated by the asset. The discount rate includes the pre-tax interest rate, taking into account the time value of money and the effect of other risk factors associated with the asset. If no future cash flows can be allocated to the asset on its own, the cash flows of the unit to which the asset is a part shall be used. The impairment and accelerated depreciation determined by this method are recognised in the profit and loss account.

Tangible assets are depreciated by the straight-line method. The cost of the assets is written off during the useful life of the assets from the date they are put into service. The Company Group regularly reviews useful lives and residual values.

The Company accounts accelerated depreciation for the tangible assets with net book values not expected to be recovered based on their future income-generating capacity. The Company makes the required calculations on the basis of an appropriate discounting of long-term future cash flow plans.

Depreciation is determined on the basis of the expected useful lives, deterioration time, and physical and moral obsolescence of the assets. Assets representing a unit cost of less than HUF 200,000 are accounted for as a single depreciation expense at the time of acceptance for use. For assets exceeding 200,000 HUF, the applicable depreciation rates are 20% for vehicles, 33% for computer equipment, 33% for office technology assets, and 14.5% for other assets.

At the end of each reporting period the Company assesses whether any change suggesting impairment has happened to any asset. If such a change has taken place, the Company estimates the value of the expected return on the asset. The expected return on an asset or cash-generating unit is the higher of the fair value less sales costs or the use value.

The Company recognizes impairment to the debit of the profit if the expected return on the asset is less than its book value. The Company makes the required calculations on the basis of an appropriate discounting of long-term future cash flow plans.

Gains or losses on the derecognition and disposal of other tangible fixed assets are recognised in the profit and loss account as income or expense in the period in which they arise.

1.4. Intangible assets

Individually obtained intangible assets are recognised at cost, while the intangible assets acquired in the course of business combinations are disclosed at fair value at the time of the acquisition. An asset may be included in the books if its use can be proven to result in the future inflow of business benefits and its cost can be clearly established.

Following acquisition, the direct cost method applies to the intangible assets. The lives of these assets are either limited or cannot be determined.

Assets with limited lives are depreciated by the linear method based on the best estimate of their lives. The period and method of amortisation are revised annually, at the end of each financial (business) year.

Disregarding development costs, internally generated intangible assets are not capitalised but are offset against the P/L in the year when they are incurred. Intangible assets are revised annually for impairment, either separately or at the level of the income-generating unit.

The costs of goods and software falling within the scope of brand names, licences and industrial property rights are capitalised and linearly derecognised during their useful life:

Concessions, licences and similar rights, and software

3-6 years

1.5. Goodwill

Goodwill is the and positive difference between the identifiable cost and the fair value of the net assets of the acquired subsidiary, affiliated company or jointly controlled company on the day of acquisition. Goodwill is not depreciated, but the Company examines every year if there are any signs suggesting that the book value is unlikely to be recovered. Goodwill is recognised at direct cost less any impairment.

1.6. Inventories

Inventories recorded by the Company are valued in accordance with IAS2.

The cost of inventory includes the cost of acquisition, the cost of conversion, and the cost of bringing the inventory to its present location and condition.

The cost may not include unusual material, labour and other production cost losses, as well as storage costs, unless they are included in the production process, administrative costs not incurred to bring inventories to their current condition and location, and sales costs.

The Company measures its inventories at cost, more specifically, by the FIFO method.

1.7. Accounts receivable

Liabilities are recognised in the statements at a nominal value reduced by the appropriate impairment generated for estimated losses. Based on the complete supervision of receivables outstanding at the end of the year, an estimate was made on doubtful claims.

1.8. Financial assets

The financial assets within the scope of the IFRS9 standard fall into three measurement categories: assets measured at amortised cost after acquisition; assets measured at fair value through other comprehensive income after acquisition (FVOCI) and assets measured at fair value through profit or loss after acquisition (FVPL).

Subsequent to initial recognition, financial assets that are “held for trading” are measured at fair value through profit or loss (FVPL). Any unrealised exchange rate gains or losses on securities held for trading are recognised as other income (expense).

Other long-term investments that qualify as held to maturity, e.g. certain bonds, are recognised at amortised cost after the first recognition. The amortised cost is calculated in the period to maturity, at a discount or premium valid at the time of acquisition.

In the case of investments recognised at amortised cost, any profit or loss made during the depreciation period or when the investment is derecognised or impaired is accounted as a revenue. In the case of investments included in stock market trade, the market value is specified on the basis of the official price announced on the balance sheet date. In the case of non-listed or non-traded securities, the market value is the market value of any comparable/substitute financial investment, and if this method cannot be used, the market value must be determined on the basis of the estimated future cash-flow of the asset related to the investment.

On every cut-off date the Company analyses if impairment needs to be recognised for a particular financial asset or for a group of assets. If in the case of assets recognised at amortised cost, any condition requires impairment, the latter is the difference between the carrying value of the asset and its amount discounted by the original effective interest rate of the future cash flows of the asset. Impairment is recognised in the profit and loss account. If any time later the amount of the accounted impairment decreases, it is reversed to the extent that prevents the carrying value of the asset from exceeding its amortised value valid on the cut-off date.

Investments into securities are valued at the price valid on the day of performance and initially at cost. Short-term investments containing securities held for trading purposes are recognised at fair market value valid on the day of the next report, and their value is calculated at the publicly quoted price valid on the balance sheet date. Unrealised profits and losses are included in the profit and loss account.

1.9. Financial liabilities

The Company's statement of the financial position includes the following financial liabilities: trade and other current liabilities, loans, borrowings, bank overdrafts and futures. Their recognition and valuation are included in the relevant parts of the Notes to the Financial Statements as follows:

The Company values each financial liability at its fair value valid at the time of its initial recognition. In the case of loans account is taken of the transactions costs directly attributable to the acquisition of the financial liability.

The financial liabilities subject to the IFRS 9 standard can be classified into three measurement categories: liabilities measured at amortised cost after acquisition; liabilities measured at fair value against other comprehensive income after acquisition (FVOCI); and liabilities measured at fair value through the profit or loss after acquisition (FVPL). The Company classifies the individual financial liabilities when they are acquired.

Financial liabilities valued at fair value through the profit or loss are liabilities acquired by the Company for trading purposes or qualified on their initial presentation at fair value through the profit or loss. Financial liabilities held for trading purposes include liabilities purchased by the Company primarily for the profit expected of short-term price fluctuations. This class also includes futures transactions not considered as efficient hedging instruments.

Loans and advances are recognised in the statements of the financial position at the amortised cost value calculated by the effective interest rate method. The profits and losses related to loans and advances are recognised in the profit and loss account during the calculation of depreciation by the effective interest rate method and when the financial liability is deregulated. Amortisation is accounted as financial expenditure in the statement on income.

1.10. Provisions

The Company recognizes provisions for (legal or assumed) commitments incurred as a result of past events the Company is probably required to pay, provided that the amount of the commitment is reliably measurable.

Any amount recognised as a provision is the best estimate of the expenditure required to settle the current obligation at the balance sheet date, taking into account any risks and uncertainties characteristic of the obligation. If a provision is measured using the cash flow probably required for the payment of the existing commitment, the book value of the provision is the present value of such cash flows.

If part or all of the expenditure required to settle the obligation is expected to be recovered by another party, the receivable is recognised as an asset when it is materially certain that the entity will receive the reimbursement and the amount of the receivable can be measured reliably.

1.11. Corporation tax

The corporation tax rate is based on the tax liability specified in the Corporate and Dividend Tax Act, amended by deferred tax. The corporate income tax liability includes tax components due in the reporting year and deferred taxes.

The tax payable for the current year is determined on the basis of the taxable profit of the reporting year. The taxable profit differs from the profit before taxes recognised in the financial statements, due to profits and losses non-taxable gains and losses and items that are included in the taxable profit of other years. The Company's current tax payment liability is determined on the basis of the tax rate in force or announced (provided that announcement is equivalent to entry into force) up to the balance sheet date.

Deferred tax is calculated by the liability method.

Deferred tax liability is incurred when there is a temporary difference between the recognition of an item in the annual report and its reconciliation according to the Act on Taxation. Deferred tax assets and tax liabilities are established using the tax rates applicable to the taxable revenues in years when recovery of the difference is expected due to the time displacement. The amount of deferred tax liabilities and tax assets reflect the Company's estimate on the method of realizing tax assets and tax liabilities on the balance sheet date.

Deferred tax assets for deductible tax differences, tax credits and negative tax bases are recognised in the balance sheet only to the extent that as a result of the Company's future activity taxable profits are likely to be available for offsetting the deferred tax asset.

At each balance-sheet date the Company accounts for the deferred tax assets not recognised in the balance sheet and carrying amount of recognised tax assets. It inventorizes that part of the receivables not previously included in the balance sheet on which recovery is expected as a reduction in the future income tax. In contrast, the Company's deferred tax assets must be reduced by any amount not expected to be covered by any available taxable profit.

The tax due in the reporting year and deferred tax are offset against the equity if they refer to items also offset against the equity in the same or in another period, including any amendments in the opening values of reserves due to retroactive changes in the accounting policy.

Deferred tax assets may be offset against deferred tax liabilities if the company is authorised by law to offset its actual tax assets and tax liabilities due from and to the same tax authority, and the Company intends to recognize these assets and liabilities on a net basis.

Due to transformation into REIC, the Company has eliminated the previously recognised deferred tax liability, as in the future its tax liability is not expected to arise in the normal course of business.

1.12. Leasing

Financial leasing is a transaction including a lessor who assumes all the risks and costs involved in the possession of the asset under the lease conditions. All other leasing transactions are considered as operative leasing.

In the case of financial leasing, the assets leased by the Company qualify as the Company's assets and are recognised at their market value valid at the time of acquisition. A liability to the lessor is presented in the balance sheet as a financial leasing liability. The costs incurred in relation to the leasing are the differences between the fair value of the purchased assets and the total leasing liability and are accounted to the debit of the profit during the entire lease term in a way to represent a permanent and periodically incurred expenditure on the existing amount of the liability in the individual periods.

They arise from the difference between the total amount of liabilities and the market value of the leased asset at the time of acquisition, or after the relevant leasing term, in order to trace any change in the balance of the remaining liability from time to time, or they are recognised in the profit and loss account in the individual reporting periods.

1.13. Earnings per share (EPS)

Earnings per share are determined by taking into account the Company's earnings and the number of shares less the average number of repurchased treasury shares during the period.

The diluted earnings per share is calculated similarly to the earnings per share. However, during calculation all the outstanding shares suitable for dilution are taken into account, increasing the return payable on ordinary shares by the dividend and return on the convertible shares that can be taken into account in the given period, modified by any additional revenues and expenditure arising from conversion, increasing the weighted average number of outstanding shares by the weighted average number of those shares that would be outstanding if all the convertible shares were converted. There was no transaction in either the previous year or the year ended December 31, 2024 that would dilute this EPS rate.

1.14. Off-balance sheet items

Off-balance sheet liabilities are not included in the statement of financial position and income statement, constituting part of the financial statements unless they were acquired in a business combination. They are disclosed in the Notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote, minimal. Off-balance sheet receivables are not included in the statement of financial position or in the P/L account as part of the financial statements, but are disclosed in the Notes if an inflow of economic benefits is likely.

1.15. Repurchased treasury shares

The value of repurchased treasury shares is shown in a separate line within equity.

1.16. Dividend

The Company accounts for dividend in the year it is approved by the owners.

Dividends may be paid in accordance with the relevant provisions of the REIC Act and the Articles of Association:

Article 2.8 of the REIC Act stipulates that: *“Expected dividend: 90% of the profit made by a regulated real estate investment company or regulated real estate investment pre-company in the period between its registration as a regulated real estate investment company or regulated real estate investment pre-company and deregistration may be paid as dividends as defined in a separate legal act, and in the case of a project company of a regulated real estate investment company or regulated real estate investment pre-company, 100% of the profit made by the project company in the period between registration as a project company and deregistration, excluding, in the case of a regulated real estate investment company, a regulated real estate investment pre-company or their project company, the amount of the one-off conversion difference recognised in profit reserve in relation to conversion to the preparation of annual financial statements according to the IFRS as required in Act C of 2000 (hereinafter: “Accounting Act”).*

Article 3 (3) c) of the REIC Act provides that: *“On the basis of the memorandum of association, and proposed by the management, the annual general meeting proposes approval of a dividend corresponding to at least the expected amount of dividend, and in the event of approval, the dividend shall be paid within 30 trading days following approval of the financial statements, with the proviso that if amount of freely disposable funds available for the regulated investment company fails to reach the amount of the expected dividend, the management shall propose that at least 90% of the amount of freely disposable funds be paid as a dividend, ”*

Clause 16.3 of the Articles of Association: *“A shareholder is eligible for dividends if he or she or it is included in the share ledger on the cut-off date specified in a notice of dividend based on the resolution of the general meeting and published in relation to the payment of dividends. The date determined by the Board of Directors in the notice published in relation to the payment of dividends, which is relevant for the right to receive dividends, may differ from the date of the general meeting deciding on the payment of dividends. The starting date of dividend payment may not be later than on the 30th trading day (as defined in Act CXX of 2001 on the Capital Markets) following the approval of the financial statements. The Board of Directors must publish the notice of the payment of dividends within 15 days after the date of the general meeting resolving on the dividend, in accordance with the rules on the publication of notices. With regard to the dividend payable by the Company, the Board of Directors of the Company must, in its relevant proposal to the Annual General Meeting, propose the approval of at least the expected dividend as defined by at least in accordance with Article CII of 2011 on regulated real estate investment companies, provided that in the event that the freely disposable funds available for the Company fail to reach the amount of the expected dividend, the management should propose to pay at least 90% of the amount of the freely disposable funds as a dividend.*

The shareholder may claim the dividend from the Company within five years from the start date of dividend payment. The expiry of this period results in the forfeiture of rights. Any dividends not received are transferred to the Company's assets in excess of share capital. The shareholder cannot be obliged to repay the dividend accepted in good faith. Dividends are received in good faith only if the dividends due for the shareholder's shares are received from the dividend fund determined on the basis of the balance sheet approved by the general meeting, provided that no criteria excluding dividend acquisition are applicable to the shareholder and the shareholder does not know or should not have known of the absence of any statutory conditions for payment.”

1.17. P/L on financial operations

The financial P/L includes interest and dividend revenues, interest and other financial expenditures, the profit and loss on the fair valuation of financial instruments, and any realised or non-realised exchange rate differences.

1.18. State aid

A state aid is recognised if the aid is likely to be recovered and the conditions of reimbursement have been fulfilled. If the aid serves the purpose offsetting a cost, it must be recognised to the benefit of the profit and loss account in the period when the cost to be offset is incurred (among other revenues). If an aid is linked to asset acquisition, it is recognised as deferred income and during the related useful life of the underlying asset it is recognised annually in equal amounts to the benefit to the P/L.

1.19. Items of exceptional amounts and occurrence

An exceptional amount of revenue is revenue arising from a business event or contract that amounts to or exceeds 25% of the total accounting revenue for a given financial year.

A revenue of exceptional occurrence is any income not closely or directly related to the business operation of the company, or is outside the regular course of business, and its occurrence is ad hoc. An exceptional cost is the cost of a business event or contract that amounts to or exceeds 25% of the total costs and expenses for a given financial year.

Exceptional costs are all costs or expenses that are not closely or directly related to the business operation of the company, fall outside the regular course of business, and are incurred on an occasional basis.

1.20. Events after the balance sheet date

The events that took place after the end of the reporting period and provide additional information about the circumstances prevailing at the end of the Company's reporting period (amending items) are presented in the report.

The events that took place after the reporting period and not requiring the modification of the reporting data are presented in notes, if relevant.

2. Changes in the accounting policy

The Company has compiled its financial statements in accordance with the provisions of all the standards and interpretations that entered into force on 1 January 2024.

The Company's accounting policy has been changed on 1 January 2017 to apply the IFRS standards.

In 2024 the Company applied all the IFRS standards, amendments and interpretations effective as from 1 January 2024 and relevant for the operation of the Company.

The following standards and interpretations (including their amendments) entered into force in 2024 (new and amended standards and interpretations issued by the IASB and adopted by the EU).

- Amendment to IAS 7 (issued on 25 May 2023, effective for the financial year beginning on 1 January 2024, adopted by the EU) - Disclosures: Supplier financing agreements. Further disclosure requirements are established regarding the presentation of qualitative and quantitative information related to supplier financing agreements.
- Amendment to IAS 1 (issued on 23 January 2020, effective for the financial year beginning on 1 January 2024, adopted by the EU) – Classification of liabilities as short-term or long-term. Amendment to IAS 1 (issued on 31 October 2022, effective for the financial year beginning on 1 January 2024, adopted by the EU) – Long-term liabilities with contractual provisions. This includes clarifications on the conditions that must be met for long-term liabilities with contractual provisions within 12 months following the reporting date. Long-term liabilities with credit covenants – The purpose of the amendments is to clarify the principles in IAS 1 regarding the classification of liabilities as short or long-term. The amendments primarily clarify the concept of recognition, define how an entity should classify liabilities arising from loan agreements as short- or long-term, and regulate the disclosure obligation when an entity has a loan agreement that includes covenants which may require the loan to become due within twelve months after the reporting period.

- Amendment to IFRS 16 (issued on 22 September 2022, effective for the financial year beginning on 1 January 2024, adopted by the EU) – Lease liabilities in sale and leaseback transactions.

The amendments clarify how the seller-lessee should measure those sale and leaseback transactions that comply with the revenue recognition requirements in IFRS 15 Contracts with Customers, and how these should be accounted for as sales. The amendments only affect the accounting treatment of sale and leaseback transactions by the seller-lessee that meet the requirements in IFRS 15 to be recognised as a sale.

The application of the above amendments did not have a significant impact on the Company's consolidated financial statements.

Standards and interpretations issued by the IASB and adopted by the EU, effective from 2025

- Amendment to IAS 21 (issued on 15 August 2023, effective for the financial year beginning on 1 January 2025, adopted by the EU) – Effects of changes in foreign exchange rates: Lack of convertibility.

This amendment clarifies when a currency can be exchanged for another currency and when it cannot. It specifies how an entity should choose an exchange rate when a currency is not convertible. Additional disclosure requirements are imposed.

No significant impact on the Company's consolidated financial statements is expected from the above amendments.

Amendments not yet adopted by the EU

- Amendments to IFRS 7 and IFRS 9 (issued on 18 December 2024, effective for financial years beginning on 1 January 2026) – Contracts relating to nature-dependent electricity.
- Amendments to IFRS 7 and IFRS 9 (issued on 30 May 2024, effective for financial years beginning on 1 January 2026) – Amendments to the classification and measurement of financial instruments.
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for financial years beginning on or after 1 January 2027).
- IFRS 19 Accountability of Subsidiaries without Public Accountability: Disclosures (effective for financial years beginning on or after 1 January 2027).

3. Uncertainty factors

When the accounting policy described in Section 1 is applied, estimates and assumptions not clearly definable from other sources need to be used for the determination of the values of the individual assets and liabilities at the given moment of time. The estimation procedure includes the decisions adopted on the basis of the available information and the relevant factors. These significant estimates and assumptions influence the value of the assets and liabilities, revenues and expenditures recognised in the financial statements, as well as the presentation of contingent assets and liabilities in the Notes. The actual results may differ from the estimated data.

The estimates are updated on a regular basis. If a change only affects a specific period, it must be recognised in the period of change in accounting estimates, and if the change affects both the period of change and future periods, it must be recognised in both periods.

The main areas of the critical decisions made on the uncertainty of estimation and on the accounting policy, which have the most significant impact on the financial statements include the following:

3.1. Impairment on irrecoverable and doubtful receivables

The Company accounts impairment on irrecoverable and doubtful receivables and for the coverage of any losses arising from them, if customers are unable to pay. The estimates used for measuring the conformance of impairment recognised on irrecoverable and doubtful receivables must be based on the aging of receivables, customer rating, changes in the customer's payment habits.

3.2. Fair value determination

The uncertainty in determining fair value arises from the fact that the investment property representing a significant ratio of assets is valued by an authorised company, which may pose a risk but such risk is significantly mitigated by the following factors:

- an independent valuer, qualified and accepted by both the market and the lending banks, provides market value data,
- the valuation methods comply with the international standards,
- the fair value data are compiled from the data estimated using different methods on a prudent basis by the valuation company.

Another factor of uncertainty may include unexpected market developments, possibly an unexpected crisis situation, as a result of which the fair value of assets and real estate would suddenly change significantly.

The Company seeks to mitigate this risk by conducting property valuations every year so that the report always includes the most up-to-date information possible.

4. Basis for the compilation of the financial statements

4.1. Approval and statement on compliance with the International Financial Reporting Standards

The Board of Directors has approved the consolidated financial statements. These consolidated financial statements have been compiled on the basis of the Financial Reporting Standards promulgated and filed in the form of a regulation in the Official Journal of the European Union (EU). IFRS comprises standards and interpretations worded by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The Company is required by law to prepare consolidated IFRS financial statements as of January 1, 2017.

Unless otherwise indicated, the consolidated financial statements are presented in Hungarian forint, rounded to the thousand.

The Company Group's financial year is identical with the calendar year. The balance sheet date for the 2024 financial year is 31 December 2024.

4.2. Basis of preparing the report

The consolidated financial statements have been prepared in accordance with the standards and IFRIC interpretations published and effective as of 31 December 2024, as adopted by the European Union (hereinafter referred to as "IFRS"). The financial statements have been compiled on the basis of the direct cost principle, with the exception of the cases where IFRS requires the application of a different method of measurement, as described in the accounting policy.

4.3. Valuation basis

For the consolidated financial statements, the measurement basis is the original cost, except for the following assets and liabilities, which are stated at fair value: derivative financial instruments, financial instruments at fair value through profit or loss and investment property.

During the compilation of the financial statements compliant with the IFRS standards the management needs to apply professional judgment, estimates and assumptions that have an impact on the applied accounting policies and on the sum total of the assets and liabilities, revenues and costs recognised in the report. The estimates and related assumptions are based on past experiences and numerous other factors, which can be considered as reasonable under the given conditions, and which have a result that lays the ground for the estimate of the book value of the assets and liabilities that cannot otherwise be clearly specified from other sources. The actual results may differ from these estimates.

Estimates and basic assumptions are regularly reviewed. Modifications of the accounting estimates are disclosed in the period when a particular estimate is modified if the modification only affects the given year, and in the period of modification as well as in future periods if the modification affects both the current and the future years.

5. Details of the business combination and the consolidated companies

Subsidiary

	Registered office	Percentage of votes	
		31/12/2024	31/12/2023
Harsánylejtő Ingatlanforgalmazó és -kezelő Kft. (hereinafter: Harsánylejtő Kft.)	H-1033 Budapest, Polgár u. 8-10.	100.00%	100.00%

Sub-subsidiary

Sub-subsidiary	Registered office	Vote and ownership shares*	
		31/12/2024	31/12/2023
Marischka Kft. <i>*indirect ownership through the subsidiary</i>	1012 Budapest Logodi u. 42.	100.00%	0.00%

III. Additional explanations

1. Investment property

(HUF '000')	
as at 31 December 2023	78,581,204
Change in fair value	3,001,338
Change in assets in the course of construction	2,079,874
Capitalisation	638,366
Sales	0
as at 31 December 2024	84,300,782*
as at 31 December 2023	78,581,204
as at 31 December 2024	84,300,782*

*Within this, the value of the property located in Croatia, 320170 Volosko, plot number 132/9 (Volosko) is HUF 1,606,278,000.

Investment properties are valued by an independent valuer based on the following criteria:

Article 11 (1) of Act CII of 2011 on regulated real estate investment companies: The valuation of properties in the portfolio of a regulated real estate investment company may be performed by

- the market sales comparison appraisal method,
- the income appraisal method, or
- the cost appraisal method,

with the proviso that the choice of the appraisal method must be justified in detail and subsequently, the same method must be used for each property in each period.

The market value of the investment properties increased by approximately HUF 5.7 billion compared to the previous year. This increase includes the value of value-enhancing investments and capitalisations beyond the fair value increase.

Changes in the fair value of investment property in 2024 were as follows:

- The change in the fair value of the investment properties is primarily justified by the lease agreements (indexation of rental and operational fees, higher occupancy rates) for the office buildings that are generating income through leasing. (See also Sections 22 and 27).
- change in assets in the course of construction; 77% of the increase is attributed to the successful acquisition of the Volosko property aimed at development, realised at the beginning of 2024, while the remaining 23% arises from ongoing developments of existing properties;
- investments realised in the course of the year on the existing properties, completion of developments in progress.
- There were no sales in 2024.

The Volosko property is evaluated by the Company at cost, based on paragraph 53 of IAS 40 – given that the fair value of the property cannot be reliably measured, the market for comparable properties is inactive, and alternative reliable measurements of fair value are not available.

Profit from Income-generating investment properties

HUF '000'	2024	2023
Net sales revenue	11,164,331	8,083,191
Other operating income	3,031,348	6,250,310
Capitalised value of internally generated assets	0	0
Changes in internally generated inventories	0	0
Raw materials, consumables and other external charges	-3,508,617	-1,792,648
Staff costs	0	0
Depreciation and impairment	-28,586	-219,402
Other operating expenditure	-300,774	-832,205
Revenues from financial operations	50,108	371
Expenses on financial operations	-417,796	-403,701
P/L before tax	9,990,014	11,085,916

The approximately 38% increase in net sales revenue from investment property compared to the base period is primarily attributed to the implementation of rental and operating fee increases (indexations) specified in lease agreements, as well as the income related to the leasing of the BIF Tower (a 13-storey Grade A office building located at 114-116 Üllői Street, District X, Budapest), in addition to revenues derived from properties rented by the subsidiary and subsequently leased out. The effect on the profit and loss statement primarily reflects the positive impact of the fair valuation of the investment properties under the line of "Other operating income" (+ HUF 3,001,338,000).

The 96% increase in raw materials, consumables and other external charges is primarily due to significant subcontractor services used for tenant improvements, as well as rising costs for security, cleaning, and maintenance necessary for the operation of the properties (see also: Section 24).

Taxes on buildings settled with various municipalities are recorded under "Other operating expenses". There was no negative impact from the fair valuation of the investment properties in the current year (see also Section 27).

The interest on loans taken out for property developments is included under Financial Transaction Expenses.

2. Intangible and tangible assets

HUF '000'	Intangible assets	Other properties	Machinery and equipment	Assets in the course of construction and advances	Total
Gross book value					
31 December, 2023	32,982	101,342	376,600	764,224	1,275,148
Increase and reclassification	7,047	0	2,625,629	0	2,632,676
Decrease and reclassification	-21,507		-84,397	-499,135	-605,039
31 December, 2024	18,522	101,342	2,917,832	265,089	3,302,785
Depreciation					
31 December, 2023	29,767	17,236	260,232	0	307,235
Annual write-off	6,202	2,027	106,631	0	114,860
Decrease and reclassification	-21,507		-81,605		-103,112
31 December, 2024	14,462	19,263	285,258	0	318,983
Net book value					
31 December, 2023	3,215	84,106	116,368	764,224	967,913
31 December, 2024	4,060	82,079	2,632,574	265,089	2,983,802

Increase in intangible assets resulted from the acquisition of various software tools. There were no changes in the other real property category in 2024.

The increase in the gross value of machinery and equipment is mainly due to the acquisition of fixed assets by Harsánylejtő Kft., as well as the purchase of passenger cars, computer equipment, and office-administrative devices acquired by the group.

The significant decrease in work in progress is due to the activation of completed projects.

Goodwill is a new element in the Company Group's consolidated balance sheet, valued as the difference between the purchase price of the Marischka Kft. share and its net asset value at the time of acquisition, but with a value of zero due to the 100% impairment recognised.

HUF '000'	Goodwill			
	Opening	Increase	Decrease	Closing
Goodwill	0	67,908		67,908
Impairment of goodwill	0		-67,908	-67,908
Total	0	67,908	-67,908	0

3. Investments in related companies

The 2024 balance sheet does not include any amounts under Investments in associated companies, similar to the year 2023. Although Marischka Kft. entered the corporate group on 9 May, 2024 as a 100% subsidiary of Harsánylejtő Kft., the company fully incorporates both Harsánylejtő Kft. and Marischka Kft. into the consolidation process, thus the value of these investments is eliminated during consolidation.

4. Financial assets

In the consolidated balance sheet of the group, a new line item appears under Financial Assets, which relates to a long-term leased property managed by Harsánylejtő Kft. and subleased on a long-term basis. This line item represents the portion of the receivable treated as a long-term lease in accordance with IFRS standards that extends beyond one year.

HUF '000'	31/12/2024	31/12/2023
Financial assets	927,339	0
Total	927,339	0

5. Deferred tax assets

Due to the Pre-REIT transformation, the Company does not recognize a deferred tax asset.

6. Inventories

HUF '000'	31/12/2024	31/12/2023
Raw materials	18,892	0
Work in progress	26,376	26,376
Finished product	0	15,141
Goods	33,977	59,083
Prepayments on inventories	0	0
Total	79,245	100,600

The majority of Work in progress, Finished product and Goods consists of the cost of the cost value of the Company's building plots and the value of the real estate improvements accounted for these plots.

The overwhelming majority (76%) of the Inventories is made up of the cost of the Company's building plots and the value of the property developments booked on these plots. Decrease in the finished goods and inventories is due to the sale of a plot of land during the period, while there was no change in work in progress in the reporting year.

With the acquisition of Marischka Kft., raw materials (restaurant) have been added to the inventory, accounting for 24% of the total inventory.

The Goods are recorded at cost, adjusted as follows.

- The plots of land on Harsánylejtő were transferred to the Company's books in 2014 during the merger of one of the Company's subsidiaries (Katlan). Due to IFRS consolidation, the cost of inventories previously classified as investment property in the subsidiary and then accounted for as IAS2 inventories became the fair value previously reported by our Company in accordance with the IFRS, in both the consolidated and the separate IFRS statements. The higher cost so recognised is reviewed at the end of each period and adjusted to the fair value of the sale of the land in order to obtain the IFRS market value of the inventories.
- On behalf of the Company, Seratus Ingatlan Tanácsadó Igazságügyi Szakértő Kft., acting as an independent valuer, analysed the market value of the plots in stock; and the expert opinion confirmed that the market value of the plots far exceeds their value recorded at cost, so there was no need to account for impairment.

At the end of the reporting year, Harsánylejtő Kft. only had HUF 11,478,000 of advances on inventory in its books, for which a 100% impairment had been recognised earlier.

The inventory and the recognised impairment during the current year are shown in the table below:

HUF '000'	Inventory				Inventory impairment				Closing
	Opening	Increase	Decrease	Closing	Opening	Increase	Decrease	Closing	
Total	112,078	22,512	43,867	90,723	11,478	0	0	11,478	79,245

7. Trade receivables

HUF '000'	31/12/2024	31/12/2023
Trade receivables	-61,941	55,756
Impairment	-202,030	-213,059
Credit loss	-16,645	-16,645
Adjustment due to trade debtors with a credit balance	625,947	258,551
Total	345,331	84,603

The "accounts receivable" line shows a significant increase of approximately HUF 261 million compared to the end of 2023, primarily resulting from two opposing changes: (i) a visible decrease in accounts receivable and (ii) an increase in rent and operational fees that have been prepaid by tenants but only relate to the following year (reflected under the correction line for customers with outstanding balances). The amount of credit losses accounted for in accordance with IFRS 9 did not change in 2024.

The flows in recognised loan losses and impairments in the current year are shown in the table below:

HUF '000'	opening	increase	decrease	closing
Loan losses				
accounts receivable	16,645	0	0	16,645
other receivables	0	0	0	0
Impairment				
accounts receivable	213,059	1,202	12,231	202,030
other receivables	0	0	0	0
Loan losses and impairment	229,704	1,202	12,231	218,675

8. Other short-term receivables and prepaid expenses and accrued income

HUF '000'	31/12/2024	31/12/2023
Receivables from leases	752,607	0
Other receivables	483,072	280,153
Accruals	109,204	50,625
Suppliers with a debit balance, and taxes	3,829	39,009
Total	1,348,712	369,787

Reasons for the change in the current period:

- Lease receivables appeared as a new item under “Other short-term receivables”. This pertains to a long-term leased property managed by Harsánylejtő Kft. and subleased on a long-term basis, and represents the portion of the receivable treated as a long-term lease in accordance with IFRS standards that is due within one year.
- Other receivables show an increase of HUF 203 million, which includes the VAT on advance payments received from tenants, the VAT related to rent and operational fee billings affecting 2025, as well as the deductible VAT amounts that will appear in the next period's VAT return.
- The value of active prepaid expenses increased by HUF 59 million, and the year-end balance partly consists of revenue accrued for the subsequent annual adjustment of operational fee discrepancies and further unbilled utility accruals. A significant part consists of the accrued interest on fixed-term deposits. The value of prepaid utility costs, which will only impact the following year, is minimal.

9. Cash and cash equivalents

HUF '000'	31/12/2024	31/12/2023
Cash on hand	6,848	1,516
Bank	13,936,797	6,334,917
Total	13,943,645	6,336,433

The increase in cash and cash equivalents amounted to HUF 7,607 million, largely due to the sale of treasury shares realised in September 2024; furthermore, there was no dividend payment during the current year.

In the balance sheet 96% of the cash and cash equivalents come from the books of the Company, and 4% from the books of Harsánylejtő Kft.

10. Subscribed capital and capital reserve

The subscribed capital of the Company was HUF 2,870,244,400 as at 31 December 2024, which consisted of 287,024,440 dematerialised ordinary registered shares with a nominal value of HUF 10, i.e. ten forints, each. The share capital according to IFRS is the same as the share capital registered by the Companies Court.

Subscribed capital

HUF '000'	31/12/2024	31/12/2023
Opening	2,870,244	2,870,244
Increase	0	0
Decrease	0	0
Closing	2,870,244	2,870,244

Capital reserve

HUF '000'	31/12/2024	31/12/2023
Opening	6,048,215	6,048,215
Increase	0	0
Decrease	0	0
Closing	6,048,215	6,048,215

The capital reserve includes the amount of the difference between the nominal value and the consideration of the shares at the time of the share issue, and the value of the funds and assets placed in the capital reserve. As no such share transaction took place in the year under review, the value of the capital reserve did not change on a year earlier.

11. Revaluation reserve

HUF '000'	31/12/2024	31/12/2023
Opening	731,904	731,904
Increase	0	0
Decrease	0	0
Closing	731,904	731,904

In the balance sheets for 2023 and 2024, the Company reflects in the valuation reserve the prior revaluation of the Aranykéz Street Parking Garages (situated at 4-6 Aranykéz Street, District V, Budapest), which has been recognised in accordance with the fair value model under IAS 16, adjusted for deferred tax.

12. Repurchased treasury shares

The number of treasury shares owned by the Company was 22,514,206 at the end of the base year, while this decreased to 11,778,639 by the end of the current year, as 10,735,567 treasury shares were sold in September 2024, with a derecognised carrying amount of HUF 622,663,000.

The Company recognizes its equity shares in the balance sheet at cost as repurchased treasury shares reducing the equity. Cost of treasury shares: the consideration paid for the repurchase of treasury shares (the nominal value is included in this item, but is not deducted from the subscribed capital).

HUF '000'	31/12/2024	31/12/2023
Opening	-2,304,224	-3,048,120
Increase	0	0
Decrease	622,663	743,896
Closing	-1,681,561	-2,304,224

13. Profit reserve and profit for the year

HUF '000'	31/12/2024	31/12/2023
Profit reserve		
Opening	54,928,034	48,913,149
Increase	4,377,337	4,256,104
Decrease	0	-8,808,955
Closing	59,305,371	44,360,298
P/L for the reporting year	10,802,473	10,567,736
Closing	70,107,844	54,928,034

Reasons for the change in the profit and loss reserve during the reporting period:

- The opening value of retained earnings shows an increase reflecting the profit of HUF 10,567,736,000 from 2023.
- The increase in the balance during the year originates from the profit derived from the sale of treasury shares.
- There were no reducing items, as no dividend payment was made in 2024.

Taking into account the relevant provisions of the REIT Act, the Board of Directors proposes the payment of a dividend of HUF 5,974,072 thousand – corresponding to the expected dividend according to the SZIT Act – from the disposable profit for the year and from the retained earnings generated in the current year, based on the Company's audited Separate Annual Financial Statements for 2024, prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union.

If the general meeting does not vote on the above dividend payment proposal, the Board of Directors, taking into account the Company's ongoing and planned developments, proposes the payment of a dividend of HUF 2,752,458,010, HUF 10 per share, from the disposable profit for the year and from the retained earnings generated in the current year, based on the Company's audited Separate Annual Financial Statements for 2024, prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. During the above dividend calculation, the Company has already distributed the dividend on its own shares among the shareholders entitled to the dividend in proportion to the nominal value of their shares.

14. Non-current financial liabilities

HUF '000'	31/12/2024	31/12/2023
Lease liabilities	415,801	0
Long-term loans	17,479,802	18,886,201
Total	17,895,603	18,886,201

Lease liabilities have appeared as a new item under "Long-term financial liabilities", and pertain to a long-term leased property managed by Harsánylejtő Kft. This represents the portion of the obligation treated as a lease in accordance with IFRS standards that extends beyond one year.

Long-term loans include the full amount of the Company's long-term bank loans. The long-term loan portfolio increased by HUF 94.5 million as a result of the drawdowns performed in 2024, but decreased by HUF 1,500.9 million due to the interim repayments made in 2024 and the reclassification of the repayments due in 2025, resulting in a net change of HUF 1,406.4 million.

The main figures for each bank loan are given in Section IV.1.1.

The repayments of these bank loans and borrowings falling due in 2024 are included among short-term loans (see Section 17).

15. Provisions

HUF '000'	31/12/2024	31/12/2023
Provisions for contingent liabilities	26,733	19,760
Total	26,733	19,760

The Company reviews the provision for expected future payment obligations every year, and those formed in previous years are released annually in proportion to the obsolescence of liabilities, while new provisions are made in accordance with the expected payment obligations incurred in the current year.

In the reporting year, 50% of the aforementioned amount is found in the Company's books, while the other 50% is recorded in the books of Harsánylejtő Kft. Due to the holidays not taken in 2024, the Company has set aside a provision for expected future payment obligations. The total wages and contributions related to employees who did not take holidays show an increase of 23%, amounting to HUF 2,509,000 compared to the previous year.

The provision made by the Subsidiary for expected liabilities increased by 50%, or HUF 4,464,000.

16. Deferred tax liabilities

HUF '000'	31/12/2024	31/12/2023
Deferred tax liability	14,157	0
Total	14,157	0

Due to transformation into Pre-REIT, the Company has eliminated the previously recognised deferred tax liability, as in the future its tax liability is not expected to arise in the normal course of business.

However, due to the differing acquisition costs of high-value tangible assets purchased by the Subsidiary in the reporting year according to HAS and IFRS, as well as the differences in depreciation recognised by accounting and corporate tax laws, the subsidiary incurred a deferred tax liability of 14 million forints.

17. Other long-term liabilities

HUF '000'	31/12/2024	31/12/2023
Other long-term liabilities	898,676	1,376,527
Lease-related liabilities	965,045	0
Total	1,863,721	1,376,527

52% of the Other Long-Term Liabilities arise from the present value of the differences between those amounts treated as Lease Liabilities and Lease Receivables regarding a property leased long-term by Harsánylejtő Kft. This amounts to the portion extending beyond one year, which is 48%, and results from the transfer of deposits related to the Company's long-term lease agreements (those due beyond 12 months after the reporting period), which is 35% lower than the previous year.

18. Short-term financial liabilities

HUF '000'	31/12/2024	31/12/2023
Short-term portion of loans	1,500,899	1,446,747
Lease liabilities	274,657	0
Total	1,775,556	1,446,747

85% of the Current Financial Liabilities consist of the amounts due within one year from the Company's long-term bank loans (see also Section 13 above), while 15% relates to the portion of the lease liabilities of Harsánylejtő Kft. calculated according to IFRS that is due within the year.

19. Trade payables

HUF '000'	31/12/2024	31/12/2023
Trade payables	846,381	313,890
Total	846,381	313,890

The supplier balance increased by HUF 532 million (170%) compared to the end of the previous year, due to significant ongoing developments in the Company's properties, including modifications and installations to meet tenant needs, as well as upgrades aimed at improving energy efficiency, leading to an increase in the supplier balance related to designers and contractors involved in these works.

At the end of the year, 83% of the accounts payable derived from the Company, 14% from the Subsidiary, and 3% from the books of the sub-subsidiary.

20. Other short-term liabilities, accrued expenses and deferred income

HUF '000'	31/12/2024	31/12/2023
Advances + security deposit + VAT adjustment	1,154,821	1,463,796
Bér + taxes + wage taxes	501,177	90,460
Liabilities to owners in relation to dematerialisation	75,280	75,280
Accruals	1,045,714	159,530
Adjustment due to trade debtors with a credit balance	653,067	258,551
Other	0	75,625
Total	3,430,059	2,123,242

The balance of Other Current Liabilities and Accrued Expenses increased by a total of HUF 1,307 million; however, within this, the balance of customer advances and tenant deposits decreased by HUF 309 million (partly due to the realisation of land sales in the current year and partly due to the reclassification of deposits from short-term to long-term).

The "Wages + Taxes + Contributions" line reflects the Company's tax and contribution liabilities, which exceed the previous year's amount by approximately HUF 411 million, a significant portion of which is attributed to VAT obligations.

The balance of Accruals increased by approximately HUF 886 million (by about 6.5 times), which increase almost entirely results from revenue invoiced in relation to the development by one property tenant, which will only impact the following year. The remaining part of the accrued expenses consists of cost accruals, which include costs for utilities, services utilised (e.g., audit and consultancy fees), as well as the values of interest on loans calculated on a time-proportional basis for the reporting year.

The balance of the reclassified customer overpayments increased by HUF 395 million (153%).

Under "Other", there was an "other related" liability recorded in the base year, which existed between Harsánylejtő Kft. and another subsidiary of the parent company. However, this was settled in the reporting year.

21. Sales revenue

HUF '000'	2024	2023
Revenue from rents and operating fees	7,909,545	6,550,655
Revenue from parking fees	780,657	739,627
Revenue related to intermediary services	2,422,711	770,696
Revenue from services	0	0
Revenue from the sale of properties/land	1,168,920	0
Other sales revenues	1,105,953	127,998
Total	13,387,786	8,188,976

The revenue exclusively comprises the gross amounts received by the Company and its subsidiaries for their own account, representing the economic benefits entitled to the Company and its subsidiaries.

Rental fees are continuously recognised as revenue by the Company or subsidiary during the term of the respective lease agreement, while income from the sale of property/land is accounted for at the time of sale.¹

The factors determining the timing of revenue recognition from the sale of properties/land are as follows:

- payment of the full purchase price,
- the seller hands over possession of the land/property, and the buyer takes it over.
- the significant benefits and risks of ownership belong to the buyer.

Revenues from parking fees include, on the one hand, continuously accounted revenues related to lease contracts, and, on the other hand, one-off revenues of this kind generated during the utilisation of free parking spaces in parking garages providing temporary parking services.

¹An exception is made for the lease (leasing) agreement related to a property that is long-term leased by Harsánylejtő Kft. and also subleased long-term, which we treat as a lease under IFRS 16.

The 21% increase in rental and management fee income was mainly due to the implementation of rent and management fee increases (indexations) in the rental contracts and the leasing of the BIF Tower. 98% of the revenue was generated at the parent company. Parking fee revenues increased by 6% in the year under review.

HUF '000'	2024	2023
Parking revenues from lease contracts	659,971	592,544
Periodic parking revenues	120,686	147,083
Total	780,657	739,627

Revenues from intermediary services increased to more than three times compared to the previous period, with a significant portion of this growth stemming from costs related to office fit-outs, renovations, or restorations that were passed on to tenants. Additionally, significant income was generated from utility and other service fees re-billed in connection with rented properties, contributed by the subsidiary's property leasing activities initiated in the current year, along with the associated operational and utility services. 83% of the revenue from mediated services was generated at the parent company, while 17% came from the subsidiary.

Substantial revenue was recognised by the Company from the sale of real property/land in the reporting year, as a sales contract with a retention of title was signed in the fourth quarter of 2021 for the construction land property mentioned in Section 5. Given that the cessation of the retention of title, contingent upon the full payment of the purchase price, took place in H1 2024, the revenues were also realised in H1 2024 (in previous years, only advances were received on this item).

Among Other Revenues, 49% originated from the restaurant and catering services of Marischka Kft., 43% from consulting and advisory services provided by Harsánylejtő Kft., and only 8% was realised at the Company from revenues (e.g., contract fees, restoration fees for leased premises, etc.) that cannot be classified into the previous categories in the current year.

The Company has no income from accommodation or catering services, it only rents out the properties it owns.

22. Other operating income

HUF '000'	2024	2023
Fair valuation	3,001,339	6,099,220
Sale of real property and movable property	12,154	886
Additional cash contribution	71,000	0
Other income	84,327	186,032
Total	3,168,820	6,286,138

95% of the change in Other Operating Income made in 2024 was attributed to the favourable effect of the profit from the fair valuation of investment properties. The fair valuation results for the reporting year were significantly influenced by new developments and improving business conditions for various property portfolio elements.

The sale of Real Property and Movable Assets includes the results from the sale of redundant office and other equipment, as well as one motor vehicle.

Within Other Operating Income, the amount visible under Additional Contributions relates to the value of a supplementary payment of HUF 71 million made by the previous owner in connection with the purchase of Marischka Kft., which was eliminated during the debt consolidation process.

Within "Other revenues", the company received compensation and indemnities amounting to HUF 81 million in the reporting year, while the most significant item in the base year was a penalty received amounting to HUF 140 million.

23. Own performance capitalised

HUF '000'	2024	2023
Changes in internally generated inventories	-15,141	0
Capitalised value of internally generated assets	0	0
Total own performance capitalised	-15,141	0

In the category “change in internally generated inventories”, the Company recognizes the capitalised cost of its own work on the plots and the derecognition of the capitalised value of its plots sold. The value of capitalised own performance changed due to the land sales realised in the current year, which affected the derecognised inventory value, whereas no such changes occurred in the base year (neither in cost accounting nor in sales).

24. Raw materials, consumables and other external charges

HUF '000'	2024	2023
Material costs	514,580	289,474
Value of services used	1,307,189	980,066
Cost of other services	69,902	45,401
Cost of goods sold	15,764	115
Cost of services sold (mediated)	2,161,452	744,688
Total	4,068,887	2,059,744

Overall, “Raw materials, consumables and other external charges” increased by HUF 2.009 million (98%) in the reporting period compared to the base period. The change was primarily due to increases in the value of Services Sold (Mediated) (HUF 1,417 million) and the value of Services Used (HUF 327 million), as well as an increase in Material Costs (HUF 225 million). The value of Services Sold (Mediated) increased due to the acquisition costs of substantial subcontractor services utilised for tenant developments, while the significant rise in the Services Used was mainly driven by increases in security, cleaning, and maintenance costs.

Other Services increased by HUF 24.5 million (54%), and this change is almost entirely attributed to costs incurred in relation to the activities of the Subsidiary (insurance fees, banking costs, and regulatory fees).

The derecognised value of the land sold, recorded under goods, appears on the ACOGS line.

25. Staff costs

HUF '000'	2024	2023
Wage costs	1,040,698	757,442
Other payments to staff	107,547	51,771
Wage taxes	143,740	105,465
Total	1,291,985	914,678

Staff costs increased by approximately 41% compared to the previous year, driven in part by the Company's organisational and wage development linked to the implementation of its strategic objectives, as well as a higher average headcount. Additionally, this increase is related to the entry of Marischka Kft. into the group, which has a high employee demand due to its restaurant and catering operations.

The data includes the bonus and its contributions calculated based on the remuneration policy. The average statistical headcount at the Company in 2024 was 65 (compared to 62 in 2023), while the headcount on December 31, 2024, was 66.

The administrative, legal, and office management tasks, as well as engineering activities and technical consulting related to the operation of Harsánylejtő Kft., are carried out by the specialised departments of BIF under dual employment.

In 2024, the Company's average statistical headcount was 35 (against 29 in 2023), while at 31 December 2024 the headcount was 43.

26. Depreciation and impairment

HUF '000'	2024	2023
Depreciation and impairment	166,849	59,407
Depreciation	98,941	59,407
Inventory impairment	0	0
Impairment of goodwill	67,908	0
Impairment of financial assets	1,202	194,222
Impairment of additional payment	0	0
Impairment of receivables	1,202	194,222
Credit loss	0	0
Total	168,051	253,629

At the group level, the Company accounted for depreciation of HUF 98,941,000 on its non-investment-related tangible assets in the current year, with 64% arising at the Company, 32% at the subsidiary, and 4% at the sub-subsidiary.

As a result of the acquisition of Marischka Kft., the consolidated financial statements of Harsánylejtő Kft., prepared in accordance with IFRS rules, included goodwill of HUF 67,908,000. Due to the negative IFRS equity of the acquired subsidiary (Marischka Kft.), a 100% impairment of this goodwill was recorded.

The Company recorded a total impairment loss of HUF 1,202,000 on doubtful trade receivables in 2024.

The Company has assessed the need for credit losses to be recognised in relation to receivables in accordance with the requirements of IFRS 9. Expected loan losses have been assessed on an aggregate basis for each asset group, and in the case of receivables, the simplified model is used by the Company (lifetime method),

The following factors were considered in assessing credit loss:

- Has the credit risk of financial instruments increased significantly since initial recognition? / impaired financial assets:
 - In terms of trade receivables, the group recognised only HUF 1,202,000 in impairment based on individual assessment in the current year, while a significant impairment of HUF 194,222,000 at a 100% rate, was recorded in the base year (due to the termination of lease agreements, see also the relevant data in the second detailed table of Section 7).
- Predictive information was also taken into account when estimating the credit loss on trade receivables.
- Regarding trade receivables, the Company has re-examined the credit loss based on the year-end receivables in accordance with the requirements of the IFRS 9 standard. As a result, no additional credit loss was recognised in the reporting year beyond the previously established amount of HUF 16,645,000 (see also the relevant data in the detailed table of Section 7).

27. Other operating expenditure

HUF '000'	2024	2023
Impact of fair valuation on inventories	10,893	0
Fair valuation	0	602,495
Sale of real property and movable property	0	0
Scrapping	842	14,521
Assets provided for no consideration	0	0
Taxes	326,884	224,983
Other expenditures	15,428	29,917
Total	354,047	871,916

The value of Other Operating Expenses decreased by HUF 518,000,000 (59%) in the reporting period compared to the base year, which was the result of the combined effects of the following items:

- with the derecognition of the inventory value of the land sold, the difference previously recognised under IAS2 was also derecognised in the amount of HUF 11 million (see also: Section 6).
- in the base year, this line item included the negative profit impact from the fair valuation of investment properties; no such profit impact occurred in the reporting year (see also: Section 22);
- No value is reported under the sale of Property and Movable Assets, as the derecognised book values of the sold office and other equipment, as well as the motor vehicle, have been offset against the revenues, thus reflecting them in the net result (see also: Section 22);
- As a result of the inventory of tangible assets carried out at the end of the year, the worn-out equipment and fixtures were written off, with a book value of only HUF 842,000. In the base year, items that had previously been accounted for as investments and plans were also written off, as their implementation will not take place;
- in the reporting year, assets were not provided for no consideration;
- The value of taxes accounted for with local governments (property tax, land tax) and taxes and duties accounted for with the central budget in the reporting year exceeds the base year figure by approximately HUF 102,000,000, which is partly due to the increase in tax rates and partly due to the expansion of the property portfolio; 94.16% of the taxes were incurred at the parent company, 5.67% at the sub-subsidiary, and 0.17% at the subsidiary.
- Other Operating Expenses include, inter alia, the HUF 8 million foundation grant paid to the Ecumenical Charity Organisation of Hungary. In addition, the subsidiary recognised a provision of HUF 4.5 million for expected future liabilities.

28. Income from and expenses of financial operations

Revenues from financial operations		
HUF '000'	2024	2023
Interest received	580,168	659,146
Exchange rate gain	160,098	44,700
Other	0	0
Total revenues	740,266	703,846
Expenses on financial operations		
HUF '000'	2024	2023
Interest paid	445,175	434,636
Exchange rate loss	40,969	52,500
Other	0	0
Expenses, total	486,144	487,136

At the group level, the result of financial operations increased by 17%, within which income from interest decreased by 12%, while interest paid increased by 2%.

In the reporting period, the recognised foreign exchange gain increased by 258%, while the foreign exchange loss decreased by 22%, resulting from fluctuations in the exchange rate of the forint throughout the year.

29. Actual tax expenditure

HUF '000'	2024	2023
Corporation tax	40,669	2,293
Business tax	24,014	568
Contribution to innovation	31,304	21,260
Other	0	0
Total actual tax	95,987	24,121

Due to the Pre-REIT status, the Company was only obliged to pay corporation tax until the Pre-REIT status was obtained (20 October, 2017). At the same time, the Company, being a REIT, is required to determine its corporation tax base with a view to the provisions of the REIT Act, but it is only subject to corporation tax for the calculated base in certain cases (e.g. on a tax base proportionate to the income from related parties), and in view of this, the corporate income tax was set at HUF 20,537,000 (see the calculation below), and the payable innovation contribution obligation of HUF 28,602,000 was calculated as payable by the Company in 2024.

For Harsánylejtő Kft. corporation tax of HUF 20,132,000, a business tax liability of HUF 18,010,000 and an innovation contribution of HUF 2,702,000 was calculated for the reporting year.

At Marischka Kft., there was a corporate tax liability of HUF 6,004,000 incurred in the reporting year.

Calculation of the Company's corporation tax liability

HUF '000'	2024
Profit before taxes as per IFRS	10,285,363
Tax adjustment (innovation contribution)	28,602
Pre-tax profit (adjusted for innovation contribution) according to the IFRS	10,256,761
Adjusting items under IFRS	-585,856
Adjusted profit before corporation tax	9,670,905
Increasing items	2,043,545
Decreasing items	-1,606,532
Corporation tax base in 2024	10,107,918
The benefit on corporation tax to the REIC status is	0%
The ratio of related revenue to total revenue (rounded to 2 decimal places)	2.26%
Corporation tax base (to revenue from related parties) in 2024	228,187
Corporation tax payable for related parties	20,537
Corporation tax liability in 2024	20,537

30. Deferred tax expense

HUF '000'	2024	2023
Deferred tax	14,157	0
Total	14,157	0

The Company did not account for deferred tax liabilities; however, due to the differing acquisition values for the high-value tangible assets purchased by the Subsidiary within the financial year, as well as the discrepancies in the depreciations recognised under accounting and corporate tax legislation, the Subsidiary incurred a deferred tax liability amounting to HUF 14 million.

31. Other comprehensive income

Neither in the reporting year nor in the base year was there any transaction affecting Other Comprehensive Income. The tax effect of the change in the fair value of other real property was HUF 0 in both 2024 and 2023.

32. Earnings per share

HUF '000'	2024	2023
P/L after taxes (HUF '000')	10,802,473	10,567,736
Weighted average ordinary shares	267,942,096	252,316,945
Earnings per share (basic) (HUF) ("profit after tax" to "the weighted average of ordinary shares")	40.32	41.88

The share capital of the Company consists of 287,024,440 registered ordinary dematerialised shares with a nominal value of HUF 10 each, of which 11,778,639 are treasury shares owned by the Company and 267,942,096 constitute the weighted average of ordinary shares. There are no factors at the Company that would dilute the earnings per share.

33. Information on business lines

All of the Company's occupied income-generating properties are located in Budapest, so it is not justified to divide revenues and expenses by geographic regions. Since the Company is engaged in the leasing, utilisation, and trading of properties, the segments have been structured accordingly for both the reporting and the base year. (1) In the "Income-generating investment properties" segment, we report the results directly related to the investment properties owned by the Company, as well as that property leased, rented out, and operated by Harsánylejtő Kft. (2) The "Harsánylejtő Project" segment: this segment aggregates (i) the results of activities related to residential property development carried out under the Harsánylejtő Project, as well as (ii) the results of land sales and related activities – including advisory services on land developed with the involvement of the BIF Group, which have been sold and are now owned by third parties. (3) "Marischka Kft. (hospitality)" segment: this segment presents the results derived from the restaurant operations and management activities of Marischka Kft., a new group member. (4) The "Operating" segment reports the operating results of the Company that are not directly related to properties.

Developments in the revenues and expenses of the segments according to the above-mentioned classification in 2024 and 2023 is shown in the tables below:

2024 (HUF '000')	Income-generating investment property	Harsánylejtő Project	Marischka Kft. (hospitality)	Operating	Total
Net sales revenue	11,164,331	1,665,615	525,396	32,444	13,387,786
Other operating income	3,031,348	60,000	1,006	76,466	3,168,820
Capitalised value of internally generated assets	0	0	0	0	0
Changes in internally generated inventories	0	-15,141	0	0	-15,141
Raw materials, consumables and other external charges	-3,508,617	-65,985	-206,419	-287,866	-4,068,887
Staff costs	0	0	-233,548	-1,058,437	-1,291,985
Depreciation and impairment	-28,586	-2,027	-3,699	-133,739	-168,051
Other operating expenditure	-300,774	-20,376	-17,937	-14,960	-354,047
Revenues from financial operations	50,108	0	5	690,153	740,266
Expenses on financial operations	-417,796	0	-23	-68,325	-486,144
P/L before tax	9,990,014	1,622,086	64,781	-764,264	10,912,617

2023 (HUF '000')	Income-generating investment property	Harsánylejtő Project	Marischka Kft. (hospitality)	Operating	Total
Net sales revenue	8,083,191	105,623		162	8,188,976
Other operating income	6,250,310	5,703		30,125	6,286,138
Capitalised value of internally generated assets	0	0		0	0
Changes in internally generated inventories	0	0		0	0
Raw materials, consumables and other external charges	-1,792,648	-77,160		-189,936	-2,059,744
Staff costs	0	0		-914,678	-914,678
Depreciation and impairment	-219,402	-2,027		-32,200	-253,629
Other operating expenditure	-832,205	-15,809		-23,902	-871,916
Revenues from financial operations	371	0		703,475	703,846
Expenses on financial operations	-403,701	0		-83,435	-487,136
P/L before tax	11,085,916	16,330		-510,389	10,591,857

The Company's management does not monitor assets and liabilities at the segment level.

In the financial year 2024, the Company had two customers belonging to the "Income-generating investment properties" segment, where the annual net revenue derived from transactions with these customers exceeded 10% of the Company's total annual revenue (Customer1: HUF 2,547,889,206 and Customer2: HUF 2,655,338,110).

34. Risk Management

The Company's assets include cash and cash equivalents, securities, receivables from customers and other receivables and other assets – with the exception of taxes. Company liabilities include loans and advances, liabilities to customers and other liabilities, disregarding taxes and the gains and losses on the revaluation of financial liabilities at fair value.

The Company is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This section describes the above-described risks the Company is exposed to, the Company's objectives and policies, the measurement of procedures and risk management, and the Company's capital management. The Board of Directors have general responsibility for the Company's supervision and risk management.

The purpose of the Company's risk management is to screen and investigate the risks the Company may face, to set up adequate controls and to monitor risks.

34.1. Capital management

The Company's policy is to retain the share capital in an amount that is sufficient for ensuring that the investors' and creditors' confidence maintains the Company's development. Based on the benefits and security ensured by the Company's massive capital position, the Board of Directors makes efforts at maintaining the policy of only assuming higher exposure from lending if yield is higher.

The Company's capital structure comprises net debt and the Company's equity (the latter includes the subscribed capital, reserves and the shares and participations held by non-controlling owners).

In managing capital, the Company seeks to ensure that the Company's subsidiary can continue to operate while maximizing returns for owners through an optimal balance of debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Company also monitors whether or not its subsidiary's capital structure meets the local statutory requirements.

At the end of the reporting period the Company Group had the following net debt and equity:

HUF '000'	31/12/2024	31/12/2023
Financial liabilities	19,671,159	20,332,947
Cash and cash equivalents	13,943,645	6,336,433
Net debt portfolio	5,727,514	13,996,514
Equity	78,076,646	62,274,173

34.2. Credit risk

Credit risk is the risk that reflects if the debtor or the partner fails to fulfil his contractual obligations and this causes financial loss for the Company. Financial assets exposed to credit risks may include long- or short-term allocations, cash and cash equivalents, and receivables from customers and other receivables.

The book value of financial assets shows the maximum risk exposure. The following table shows the Company Group's maximum credit exposure on 31 December 2024 and 31 December 2023.

HUF '000'	31/12/2024	31/12/2023
Receivables from leases	1,679,946	0
Trade debtors	345,331	84,603
Cash and cash equivalents	13,943,645	6,336,433
Total	15,968,922	6,421,036

By continuously monitoring the collection risk of our overdue receivables and recognizing impairment, the risk is usually mitigated.

Customers are rated on an ongoing basis. Based on separate assessment, the Company Group recognised an impairment of HUF 1,202,000 on trade receivables in the reporting year and HUF 194,222,000 in the base year. The risk of recovery on trade receivables past due and not yet due is insignificant.

34.3. Liquidity risk

Liquidity risk is the risk that the Company is unable to fulfil its financial obligations when they are due. The Company's liquidity management approach is to reveal the extent to which adequate liquidity can be provided for the performance of its liabilities on the due dates, under both usual and stressed conditions, without incurring unacceptable losses or jeopardizing the Company's good reputation.

The Company prepares a consolidated cash-flow plan, and regularly updates it. The Company analyses the cash requirements by a rolling prediction in order to ensure adequate liquidity for operation and the fulfilment of the financial indicators specified in the relevant loan agreement. The excess cash generated at company level is held in deposit accounts and time deposits.

At the end of the reporting year, the group-level trade payables, valued at HUF 846,381,000, were mostly due within the year, except for the retention amounts recorded with general contractors in relation to property developments, which represented an amount of HUF 102,347,000 at the Company and HUF 56,274,000 at Harsánylejtő Kft. In the base year, trade payables amounted to HUF 313,890,000, of which the Company had HUF 22,757,000 and Harsánylejtő Kft. had HUF 63,453,000 as the total amount of retention.

The maturity structure of financial liabilities is shown in the following tables:

HUF '000'	as of 31/12/2024	Due within 1 year	Due within 2- 5 years	Due after 5 years	Total
Financial liabilities	19,671,159	1,775,556	9,198,581	8,697,022	19,671,159

HUF '000'	as of 31/12/2023	Due within 1 year	Due within 2-5 years	Due after 5 years	Total
Financial liabilities	20,332,948	1,446,747	5,786,987	13,099,214	20,332,948

34.4. Market risk

Market risk is the risk that the changes in market prices, exchange rates and interest rates may affect the Company's profit or the value of the investment embodied in the financial instruments. The purpose of managing market risk is to manage and control exposures to market risks among acceptable limits with simultaneous profit optimisation.

Since March 2018, when the then EUR loan owed to CIB Bank Zrt. was refinanced with a HUF loan, the Company has only had forint-based long-term loans. Considering that approximately 88% of the Company's revenues are realised in forints and that foreign currency revenues more than cover foreign currency expenses, the FX risk is virtually non-existent.

The Company eliminated its lending interest rate risk as a result of the refinancing transaction in September 2020, and following 15 September 2020, BIF has only had long-term fixed-rate loans denominated in HUF.

The Company does not conclude hedging transactions.

35. Sensitivity analysis

With a view to the fact that in the reporting year in the framework of the refinancing transaction described in Section 34.4. above the Company eliminated its credit risk it used to be exposed to in the previous years, no separate sensitivity test was performed.

36. Financial instruments

Financial instruments include the loans in question, the invested financial assets, the current assets such as receivables, securities, leasing receivables, and cash, as well as the borrowings, leasing obligations, loans, and trade liabilities.

31 December 2024	HUF '000'	Book value	Fair value
Financial assets			
<i>Financial liabilities carried at amortised cost loans and receivables</i>			
	Receivables from leases	1,679,946	1,679,946
	Trade receivables	564,006	345,331
	Cash and cash equivalents	13,943,645	13,943,645
Financial liabilities			
<i>Financial liabilities carried at amortised cost liabilities</i>			
	Financial liabilities	19,671,159	19,671,159
	Trade payables	846,381	846,381
<hr/>			
31 December 2023	HUF '000'	Book value	Fair value
Financial assets			
<i>Financial liabilities carried at amortised cost loans and receivables</i>			
	Trade receivables	314,307	84,603
	Cash and cash equivalents	6,336,433	6,336,433
Financial liabilities			
<i>Financial liabilities carried at amortised cost liabilities</i>			
	Financial liabilities	20,332,948	20,332,948
	Trade payables	313,890	313,890

37. Remuneration of the Board of Directors and the Supervisory Board

The members of the Board of Directors performed their duties in the 2024 business year without remuneration, and the members of the Audit Committee performed their duties in the 2024 business year for a gross monthly remuneration of HUF 300,000 per member.

The Company and the subsidiary included in consolidation do not have a Supervisory Board.

38. Remuneration of senior and middle managers in key positions

HUF '000'	2024	2023
Gross salary	310,787	239,324
Wage taxes	40,402	31,112
Total	351,189	270,436

For the purposes of the above table, the following persons are considered to be key management personnel: the CEOs, the Deputy-CEO and CFO, and the Heads of Department.

39. Items of exceptional amounts and occurrence

In 2024, the Company's annual net revenue from transactions with any customer belonging to the "Income-generating investment properties" segment did not exceed 25% of the Company's total annual revenue, and it also did not have any costs of exceptional magnitude or occurrence.

40. Presentation of related parties

40.1. Subsidiary

Subsidiary	Registered office	Vote and ownership shares	
		31/12/2024	31/12/2023
Harsánylejtő Kft.	H-1033 Budapest Polgár u. 8-10.	100.00%	100.00%

As of December 31, 2024, the equity data of Harsánylejtő Kft. was:

HUF '000'	31/12/2024	31/12/2023
Equity	602,598	29,677
Subscribed capital	3,000	3,000
Capital reserve	0	0
Profit reserve	-765,823	-788,731
Committed reserve	792,500	792,500
P/L after tax	572,921	22,908

The equity value of Harsánylejtő Kft. presented in its annual report for 2024 significantly exceeds that of the base year, as the activities initiated by the subsidiary in the reporting year led to a substantial positive result, in contrast to previous years, where the equity was negative. As a result, the founders of the Company resolved to address the equity situation of Harsánylejtő Kft. by making additional contributions totalling HUF 792.5 million on multiple occasions.

Transactions conducted with Harsánylejtő Kft. include:

HUF '000'	31/12/2024	31/12/2023
Loan granted by BIF	2,242,000	68,000
BIF revenue	166,354	1,175
BIF expenditure	14,241	0
Wage + contribution claim	25,089	2,163

40.2. Sub-subsidiary

Sub-subsidiary	Registered office	Vote and ownership shares*	
		31/12/2024	31/12/2023
Marischka Kft. <i>*indirect ownership through the Subsidiary</i>	1012 Budapest Logodi u. 42.	100.00%	0.00%

With the acquisition of 100% of the shares of Marischka Kft. by Harsánylejtő Kft. on 9 May 2024, this company was also included in consolidation. The acquisition was undertaken to leverage expected synergy opportunities from the activities of Marischka Kft., aiming to provide the tenants of the given property with the most comprehensive and high-quality service possible, considering that the target company operates restaurants located in properties owned by BIF.

Marischka Kft. has been operating restaurants under the name "Marischka" on the ground floor of the property located at 99 Attila Street and 42 Logodi Street (residential property), in District I of Budapest, H-1012, since 1 August 2021, as well as under the name "Babutzi Breakfast, Brunch & Lunch" on the ground floor of the Major Udvar (Városmajor u. 12) office building (located at 12-14 Városmajor Street in District XII of Budapest) since 17 October 2022.. Furthermore, the restaurant located in the Flórián Udvar Office Building (at 8-10 Polgár Street, Budapest) has also been operated by Marischka Kft. since 1 August, 2024, and the café located in the BIF Tower has also been operated by Marischka Kft. since 1 January, 2025.

The equity data of Marishcka Kft. (as of 31 December 2024, HUF '000'):

HUF '000'	31/12/2024	31/12/2023
Equity	-25,065	-15,620
Subscribed capital	3,000	3,000
Capital reserve	0	0
Profit reserve	-70,620	-52,028
Committed reserve	71,000	52,000
P/L after tax	-28,445	-18,592

On 13 February, 2025, Harsánylejtő Kft. settled the equity position of Marischka Kft. by paying an additional contribution of HUF 35 million, as ordered by the founders' resolution.

Transactions conducted with Marischka Kft. include:

HUF '000'	31/12/2024	31/12/2023
BIF revenue	97,701	0
BIF Other receivables	4,082	0

40.3. Other related party

In 2024, in addition to Harsánylejtő Kft and Marischka Kft, the Company had a business relationship with PIÓ-21 Vagyonkezelő és Szolgáltató Kft. as a related party, and realised an income of HUF 23,061,000 from property lease from this relationship. Furthermore, as from 23 February 2022, Kastélyszálló Kft. has also been considered an affiliated party, with which the Company did not generate any revenue in the reporting year, but accounted for HUF 2,749,000 in rental expenses, as well as purchased a motor vehicle valued at HUF 5,000,000 and outdoor lamps valued at HUF 1,442,000.

IV. Other additional information

1. Off-balance sheet items, litigation and other legal proceedings

1.1. Off-balance sheet items that may affect the Company's future liabilities

As of 31 December 2024, the following liens were in place on certain assets constituting the Company's property:

Loan1

Pursuant to the credit facility agreement concluded between the Company and MFB Magyar Fejlesztési Bank Zrt. on 7 November 2018 for HUF 20 billion, MFB Magyar Fejlesztési Bank Zrt. granted a loan of HUF 7,579,600,000 to the Company in accordance with the loan agreement concluded by the Company and MFB Magyar Fejlesztési Bank Zrt. on 3 September 2019.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 24408/4, located in District V of Budapest (H-1052 Budapest, Apáczai Csere János utca 9.)

Details of the contract containing the secured claim:

Loan agreement

Date: 3 September 2019

Real property mortgage agreement - to secure multiple claims

Date: 3 September 2019

Contract for a pledge of receivables

Date: 3 September 2019

Amount of secured claim/registered encumbrance:

a capital amount of HUF 20,000,000,000 and charges

Loans2-4

Based on the three loan agreements concluded between the Company and Takarékbank Zrt. on 31 August 2020, Takarékbank provided the following fixed-rate 15-years HUF-loans to the Company:

- in order to replace the total amount of debt owed under the two loan agreements concluded for HUF 20 billion on 7 November, 2018 between the Company and MFB Magyar Fejlesztési Bank Zrt., and the loan agreement concluded on 6 February, 2020, pursuant to the Credit Facility Agreement concluded by the Company and MFB on 7 November 2019, a loan was granted in the amount of HUF 9,707,551,770 and will be disbursed on 15 September 2020;
- a loan in the total amount of HUF 2,606,021,058 for the partial refinancing of the purchase of real estate and for financing real estate renovation and investment, of which the first disbursement of HUF 1,124,100,000 was made on 1 September 2020, the second disbursement of HUF 143,750,000 on 13 November 2020, the third disbursement of HUF 211,525,013 was made on 15 December 2021; the fourth disbursement of HUF 500,001,885 was made on 18 May 2022, the fifth disbursement of HUF 614,433,303 was made on 14 July 2022 and the sixth and last disbursement of HUF 12,210,857 was made on 22 September 2022.
- in order to refinance the total debt outstanding on the basis of the HUF 2,100,000,000 loan agreement concluded between the Company and Takarékbank on 8 March 2018, a loan was disbursed in the amount of HUF 1,661,513,172 on 15 September 2020.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 6979/1, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 12-14.)
- The real property of parcel No. 6866, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 35.)
- The real property of parcel No. 18059, located in District III of Budapest (H-1033 Budapest, Flórián tér)
- The real property of parcel No. 38315/42, located in District X of Budapest (H-1101 Budapest, Üllői út 114-116.)

- The real property of parcel No. 6775, located in District I of Budapest (H-1012 Budapest, Logodi utca 42).

Details of the contract containing the secured claim:

Loan agreements (3)

Date: 31 August 2020

Mortgage contract on real estate - with a fixed amount to secure several claims

Date: 31 August 2020

Agreement for the establishment of a charge on receivables - with a fixed limit to secure multiple claims

Date: 31 August 2020

Security deposit agreement for a charge on the receivables of a payment account

Date: 31 August 2020

Amount of secured claim/registered encumbrance:

HUF 14,700,000,000 limit

Loan5

Based on the loan agreement concluded between the Company and Takarékbank Zrt on 28 June 2021, Takarékbank Zrt granted the Company a fixed-rate 15-years HUF loan in the total amount of HUF 2,500,000,000 for financing real estate renovation and investment, of which the first disbursement of HUF 524,141,008 was made on 16 September 2021, the second disbursement of HUF 716,312,052 was made on 15 December 2021, and the third and last disbursement of HUF 1,259,546,940 was made on 17 March 2022.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 6979/1, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 12-14.)
- The real property of parcel No. 6866, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 35.)
- The real property of parcel No. 18059, located in District III of Budapest (H-1033 Budapest, Flórián tér)
- The real property of parcel No. 38315/42, located in District X of Budapest (H-1101 Budapest, Üllői út 114-116.)
- The real property of parcel No. 6775, located in District I of Budapest (H-1012 Budapest, Logodi utca 42).

Details of the contract containing the secured claim:

Loan agreement

Date: 28 June 2021

Real property mortgage agreement

Date: 28 June 2021

Agreement for the establishment of a charge on receivables

Date: 28 June 2021

Security deposit agreement for a charge on the receivables of a payment account

Date: 28 June 2021

Amount of secured claim/registered encumbrance:

HUF 2,500,000,000 and charges

Loan6

Based on the loan agreement concluded between the Company and MBH Bank Nyrt. on 25 July 2023, MBH Bank Nyrt. granted the Company a fixed-rate 8-years HUF loan in the total amount of HUF 351,986,659 for financing real estate renovation and investment, of which the first disbursement of HUF 9,220,101 was made on 3 October 2023, the second disbursement of HUF 41,183,112 was made on 6 October 2023, the third disbursement of HUF 52,216,131 was made on 3 November 2023, the fourth disbursement of HUF 154,867,235 was made on 28 November 2023 and the fifth and last disbursement of HUF 94,500,080 was made on 16 April 2024.

Description of the encumbered thing or right (asset)

- The real property of parcel No. 6979/1, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 12-14.)
- The real property of parcel No. 6866, located in District XII of Budapest (H-1122 Budapest, Városmajor utca 35.)
- The real property of parcel No. 18059, located in District III of Budapest (H-1033 Budapest, Flórián tér)
- The real property of parcel No. 38315/42, located in District X of Budapest (H-1101 Budapest, Üllői út 114-116.)
- The real property of parcel No. 6775, located in District I of Budapest (H-1012 Budapest, Logodi utca 42).

Details of the contract containing the secured claim:
Loan agreement

Date: 25 July 2023

Real property mortgage agreement

Date: 25 July 2023

Agreement for the establishment of a charge on receivables

Date: 25 July 2023

Amount of secured claim/registered encumbrance:

a capital amount of HUF 681,580,000 and charges

1.2. Litigation and other legal proceedings

As of 31 December 2024, Budapesti Ingatlan Nyrt. was not a defendant in any pending litigation.

2. Significant events after the balance sheet date

There were no significant events after the balance sheet date.

3. Extraordinary and other regulated disclosures in 2024 and until the date of preparation of the Consolidated Annual Financial Statements:

Date of publication	Subject of publication
31 March 2025	Monthly announcement of voting rights and the share capital
28 March 2025	Invitation to the General Meeting
28 February 2025	Monthly announcement of voting rights and the share capital
31 January, 2025	Monthly announcement of voting rights and the share capital
31 December 2024	Monthly announcement of voting rights and the share capital
20 December 2024	2025 calendar of corporate events
2 December 2024	Monthly announcement of voting rights and the share capital
31 October 2024	Monthly announcement of voting rights and the share capital
30 September 2024	Monthly announcement of voting rights and the share capital
6 September 2024	Sale of treasury shares
2 September 2024	Monthly announcement of voting rights and the share capital
30 August 2024	BIF 2024 Semi-Annual Report
31 July 2024	Monthly announcement of voting rights and the share capital
4 July 2024	Transaction by a person discharging managerial responsibilities
4 July 2024	Proprietary notification and disclosure of changes in voting rights
3 July 2024	Proprietary notification and disclosure of changes in voting rights
1 July 2024	Monthly announcement of voting rights and the share capital
31 May 2024	Monthly announcement of voting rights and the share capital
9 May 2024	Information on the conclusion of a share purchase agreement
30 April 2024	BIF Non-Financial Report – Simplified ESG Report 2023
30 April 2024	BIF Remuneration Report 2023

30 April 2024	Report on Responsible Corporate Governance, 2023
30 April 2024	Minutes of the 2024 Annual General Meeting of Budapesti Ingatlan Nyrt. with adopted resolutions
30 April 2024	2023 Annual Report, 2023
30 April 2024	Monthly announcement of voting rights and the share capital
9 April 2024	A proposal to the General Meeting and proposals for resolution
2 April 2024	Monthly announcement of voting rights and the share capital
26 March 2024	Invitation to the General Meeting
29 February 2024	Monthly announcement of voting rights and the share capital
7 February 2024	Information on the conclusion of a property purchase agreement
31 January, 2024	Monthly announcement of voting rights and the share capital
8 January 2024	Auxiliary information related to the announcement of dividend payment for 2022
2 January 2024	Monthly announcement of voting rights and the share capital

4. Authorisation to publish financial statements

The Board of Directors approved the 2024 audited IFRS Consolidated Annual Financial Statements of the Company and authorized it for disclosure with its resolution as of 9th of April, 2025.

Declaration of Liability

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby declares that the 2024 audited IFRS Consolidated Annual Financial Statements has been prepared to the best knowledge of the Company, in accordance with the International Financial Reporting Standards adopted by the European Union and provides a true and fair view of the assets, liabilities, financial position as well as profits and losses of the Company and its consolidated companies, and does not omit any facts that might have any significance concerning the assessment of the situation of the Company and its consolidated companies.

Budapest, 9 April, 2025

.....
 Dr Anna Ungár
 President of the Board of Directors and CEO
 Address: 1121 Budapest, Hegyhát út 23.

.....
 Kristóf Berecz
 Vice-President of the Board of Directors and CEO
 Address: 1121 Budapest, Hegyhát út 23.



**Consolidated Business (Management)
Report to the audited Consolidated Annual
Financial Statements for 2024 prepared in
accordance with the International Financial
Reporting Standards (IFRS) adopted by the
European Union**

**Budapesti Ingatlan Hasznosítási és Fejlesztési
nyilvánosan működő Részvénytársaság**



Table of Contents

I. Presentation of the objectives, strategy and activity of the Company	2
II. 2024 achievements, 2025 outlook and challenges.....	5
1. 2024 achievements	5
2. Outlook and challenges for the business year 2025	8
III. Major events at the Company in 2024.....	9
1. General Meeting	9
2. Personal changes.....	9
3. Major lawsuits	9
IV. Risk factors affecting the Company's performance	9
V. Material events after the balance sheet date	10
VI. General company information.....	10
VII. Changes in the number of employees; employment policy.....	15
VIII. Research and experimental development.....	15
IX. Personal changes in 2024.....	15
X. Introduction of the consolidated entities of the Company	15
XI. Environmental protection	16
XII. Report and statement on Responsible Corporate Governance.....	16
Declaration of Liability	16



I. Presentation of the objectives, strategy and activity of the Company

In 2024 **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** (registered office: H-1033 Budapest, Polgár utca 8-10., hereinafter: "Company" or "BIF") operated along the lines of the development strategy and objectives outlined below:

- seeking out office and other buildings that fit the existing revenue-generating property portfolio of the Company and performing acquisitions;
- utilizing the maximum revenue-generating potential in the existing property portfolio and the optimization of the operation of office buildings;
- the implementation of the fully developed concept of the 39 hectare Harsánylejtő development site in Budapest, District III., owned by the Company.

From 20 October, 2017 the Company was active as a regulated real investment pre-company (hereinafter: "SZIE/Pre-REIT") under Act CII of 2011 on regulated real estate investment companies (hereinafter: "SZIT/REIT Act"), and since 31 December, 2018 it has been active as a regulated real estate investment company (hereinafter: "SZIT/REIT"). The Company is engaged in real estate development and utilization for its own properties (offices and other buildings and parking garages) by leasing, further development and the sale of construction sites in its ownership, the implementation of real estate developments on them, and the utilization and sale of completed properties.

According to the property types it owns the Company is active in the field of the following property market segments:

- Office buildings
- Parking garages
- Construction lots
- Residential properties
- Hotels

Office buildings

In Q4 2024, the stock of modern offices in Budapest expanded with a new office building measuring 2,150 m². By the end of 2024, the total office stock amounted to 4,455,615 m², comprising 3,604,010 m² of "A" and "B" category modern speculative office space, as well as 851,605 m² of owned office buildings. The total gross demand in 2024 was 502,151 m², while the net demand during the same period was 170,630 m². Gross demand showed an 8% increase, whereas net demand exhibited a 20% decrease compared to the 2023 figures. The vacancy rate reached 14.1% at the end of the previous year.

In Q4 2024, the vacancy rate increased by 0.1 percentage points compared to the previous quarter and by 0.8 percentage points compared to the same period of the previous year.

The lowest vacancy rate in Q4 2024 was recorded in the North Buda submarket (8%), while the highest rate was measured in the agglomeration (28.6%). Net absorption turned negative during the fourth quarter, at -2,880 square metres. However, the annual results still showed a positive value, totalling 47,665 square metres in 2024.

In terms of tenant activity, the most popular submarket in Budapest during Q4 2024 was again the Váci úti office corridor, which attracted 37% of the demand. Following this, the second highest activity was recorded in the South Buda submarket, which achieved a 22% share of the quarterly leasing volume. (Source: BRF 2024 Q4 és Colliers Market Snapshot, CBRE Budapest Office Figures)

Within overall demand, the proportion of new contract renewals was the highest, standing at 76%. New contracts accounted for 18% of all leases, while expansions and prelease contracts were 4% and 2%, respectively. A total of 143 lease agreements were registered in Q4 2024, with an average size of 1,195 m². (Source: BRF Q4 2024)

On 31 December 2024, our Company owned six Category 'B' and four Category 'A' office buildings with excellent location in terms of infrastructure and transport. Following the successful revitalization of one of the former Category 'B' office building at 12-14 Városmajor Street in District XII of Budapest (hereinafter: "**Major Udvar** (Városmajor u. 12)") to convert it to Category 'A' was completed and handed over in October 2022, and 100% of the building has been leased since July 2023.

For our office building located at 8-10 Polgár Street, Budapest (hereinafter referred to as the "**Flórián Udvar Office Building**"), a lease agreement was signed in the last month of 2024 covering 40% of the leasable office space in the building, resulting in the occupancy of Flórián Udvar Office Building reaching 100% by year-end. The new tenant is scheduled to move in during Q1 2025.

In H1 2020, our Company successfully acquired the former Posta Hotel at 114-116 Üllői út, District X of Budapest, an iconic 13-storey tower building in the area, which was converted into a Category "A" office building (hereinafter: "**BIF Tower Office Building**") in a development project launched in 2021. Construction was completed in January 2023, and the building was 98% leased by December 2023, reaching 100% occupancy by February 2024. In the case of the adjacent three-storey building, formerly operating as an educational centre (hereinafter: "Üllői Avenue Educational Centre"), our aim is to use it as an office or educational centre in line with market demand. The two buildings will add more than 10,000 m² of office space.

In the case of our office buildings, our main objective is to maintain tenant satisfaction and thus extend tenancy contracts. In all our office buildings the operator's staff is present on an uninterrupted basis and maintenance service for our tenants. In the case of our Class "A" office buildings, we pay particular attention to modernising public spaces, operating buildings efficiently, using environmentally friendly solutions and meeting tenants' custom needs.

Parking garages

In Budapest, the extension of the paid on-street parking zone system continued in 2024, particularly affecting certain areas of Districts XI and XIV. This may not only boost the use of public transportation but also improve the utilisation of vacant capacities in the city's parking buildings and underground garages. According to the regulation adopted by the General Assembly of Budapest in November 2024, Budapest plans to gradually phase out parking meters, and within two years, payment for street parking will only be possible via an application. At the same time, it was also proposed that from 2026 onwards, holders of public transport travel passes should receive significant discounts on parking fees for public parking, thereby encouraging the use of public transport. (Source: www.vg.hu, 27/11/2024)

Our Company owns 2 parking garages, the **Aranykéz Parking Garage** (Budapest V. district Aranykéz utca 4-6.) and the **Parking Garage of Flórián Office Building**, located next to the Vigadó Palota Office Building (9 Apáczai Csere János Street, District V of Budapest). The parking garage in the Flórián Udvar Office Building is primarily intended to serve the tenants of the office building. Both parking garages are equipped with the latest Hungarian mobile-app parking system and modern payment facilities to ensure maximum service quality. In addition to rental and hourly rates, short-term rentals are also becoming increasingly popular for events and conferences in the area at our Aranykéz Parking Garage with a downtown location. The electric car charging service we introduced at the Aranykéz Parking Garage in 2024 is becoming increasingly popular.

Construction lots and residential properties

In 2024, a total of 13,295 new apartments were built nationwide, which is 29% fewer than the previous year. In Budapest, the number of newly occupied apartments fell by 28% compared to the previous year. Half of the new apartments in the capital were constructed in two districts (XI and XIII). Based on the issued building permits and simple notifications, the number of planned apartments was 20,494, a decrease of 4.7% compared to 2023. (Source: CSO, Housing constructions, building permits, Q1-Q4 2024)

With regard to the housing market activity, following a decline in 2023, the number of sold used and new apartments both increased in Q1 to Q3 2024. The total housing market turnover in the third quarter exceeded the previous year's figure by 14%. However, the proportion of new apartments in the first three quarters was relatively low, accounting for only 3.9%. (Source: CSO, Housing market prices, and apartment price index, Q3 2024)

In terms of prices, in Q1 2024, prices increased by 8.5%, and by 1.8% in Q2 2024. In Q3 2024, the price of used apartments practically stagnated, while that of new ones decreased slightly by 2.2%. Overall, due to the rapid increase at the beginning of the year, the level of apartment prices in the combined housing market was nominally 12% higher and 8.5% higher in real terms than the previous year. (Source: CSO, Housing market prices, and apartment price index, Q3 2024)

Within the framework of the **Harsánylejtő Kertváros** project (District III of Budapest), the Company launched a development project (hereinafter: "**Harsánylejtő Project**") in several phases over the past years, covering an area of approximately 39 hectares. As part of the project, plots suitable for land development, residential development and the construction of commercial units were developed as follows:

- **Land development:** A total of 153 land plots have been developed, constructed and sold within the framework of Phases I-II. The project was successfully completed in terms of development and sales (the total area of the above-mentioned Phases I to II exceeds 25 hectares).
- **Residential property development**
 - In Phases I and II of the residential development, a total of 40 flats of floor areas between 55 and 99 m² were built on an area of about 1 hectare. The first phase of the residential property development was successfully completed in 2019, and the second phase was successfully completed in the first half of 2021. The owner of the project was Harsánylejtő Ingatlanforgalmazó és -kezelő Kft. (hereinafter: "Harsánylejtő Kft."), which is 100% owned by the Company.
 - In the case of two residential properties suitable for development, sale agreements were signed with a retention of title in Q4 2021. Of these, one was handed over in 2022, while the other was delivered in 2024 following the payment of the full purchase price.
- A plot suitable for the development of a **commercial unit**, comprising a retail unit of approximately 1000 m² and a further 1500 m² of office or other service functions on an area of approximately 0.4 hectares.
- A sale and purchase agreement was signed in Q4 2022 for a plot of more than 2.4 hectares suitable for the development of **buildings of other functions**, for which the transfer of ownership has also been completed.

The Company is also investigating possibilities other than indicated above in respect of the utilization and sale of the plots owned by the Company.

In addition to the residential property development carried out in the Harsánylejtő Project, the Company owned, as of December 31, 2024, a residential property located at parcel number 6775 at 99 Attila Road and 42 Logodi Street in District I of Budapest, H-1012 (hereinafter referred to as "**Attila99Loft**" or "Attila Road Property"). Attila99Loft was the winner of the **Real Estate Awards "Residential Property Development of the Year 2021"** competition. The property includes 16 exclusive flats, a 22-space automated parking system, a restaurant, and a bakery. In addition to its location in the Castle District and the unique style of the flats, the exclusive services available within the building ensure the uniqueness of the building modelled on the "New York" style. The flats and commercial premises are leased by the Company.

One of the most prominent properties in the Company's portfolio is located at 80-82 Andrásy Avenue, District VI of Budapest, a World Heritage Site (hereinafter: "**Andrásy Avenue Property**"). On the more than 1,400 m² site, the Company prefers the possibility of a residential development with upscale apartments and services, taking into account the changing market needs and the district regulatory conditions. The preliminary design for the development has been completed, the building permit procedure closed in Q1 2024, and the building permit was obtained.

Hotels

In December 2024, nearly 1.3 million guests spent 2.9 million guest nights at tourism accommodation (commercial, private, and others). The number of guests increased by 11%, and the number of guest nights rose by 8.4% compared to the previous year. The number of nights spent by Hungarian guests grew by 0.6%, while nights spent by foreign guests increased by 15% compared to December 2023. In 2024, the number of guest nights in tourist accommodations was 5.8% higher than in the previous year. The total gross revenue for all tourist accommodations was nearly HUF 90 billion, which is 22% higher than the previous year at current prices.

In 2024, Hungarian accommodations welcomed a record 18 million tourists, marking an 11% increase compared to 2023. Factors contributing to these outstanding results include data-driven tourism decision-making, influencer campaigns, and the acquisition of Budapest Airport by Hungarian ownership. Preliminary data indicate that approximately 17 million passengers passed through Budapest Liszt Ferenc International Airport last year, representing an increase of over 17%.

(Source: KSH Monitor, üzletem.hu)

The Company currently owns one property which is operated as a hotel by the tenant (the Company does not generate any income from accommodation or catering services, it only rents out the properties it owns). The **Madách Square property** has one of the most prominent downtown locations in terms of tourism, as it is situated at 3 Madách Square, District VII of Budapest, housing a 4-star hotel, as well as two independent restaurants operating on the street frontage. As of the end of October 2023, the hotel-operating section was repossessed from the operator. We received the building permit for the renovation and interior transformation from the heritage protection authority in January 2025. Demolition work related to the renovation has begun. The complete renovation is expected to be completed by the end of 2026.

“**Building C**” of the **Üllői Avenue property complex** (114-116 Üllői Avenue, District X of Budapest, hereinafter referred to as “**BIF HOSTEL**”), located within the catchment area of Budapest Ferenc Liszt International Airport will be leased for use as a 2-star hotel by the Company, taking advantage of the building’s favourable attributes starting in September 2024 (a student hostel previously operated in this building).

II. 2024 achievements, 2025 outlook and challenges

1. 2024 achievements

The BIF group concluded a challenging but successful year in 2024. Based on the audited consolidated profit and loss statement prepared in accordance with IFRS, BIF achieved a **pre-tax profit of HUF 10,913 million in 2024**, which represents an increase of HUF 321 million compared to the pre-tax profit of **HUF 10,592 million** recorded in 2023. The **pre-tax profit adjusted** for the fair value assessment of investment properties increased **significantly by more than 55% to HUF 7,911 million** in 2024, up from **HUF 5,095 million** in 2023.

- In 2024 the **net sales revenue** amounted to approximately HUF 13,388 million, compared to nearly HUF 8,189 million in 2023 (+63%). In 2024, revenues from rentals and operational fees increased significantly by approximately HUF 1,400 million (+21%) compared to the baseline figure. This growth can be attributed not only to the price increases and indexations implemented at the beginning of the year but also to the leasing of the BIF Tower Office Building, as well as the rental of the Dévai-Kassák Office Building by Harsánylejtő Kft. during the reporting period (located at 19 Váci Road, Budapest, District XIII, registered as a built-up area under title number 28208/2). Revenues related to mediated services also saw a considerable rise, growing from HUF 771 million to HUF 2,423 million, significantly influenced by the re-billing related to the establishment, restoration, and transformation of the leased property (primarily due to revenues realised from the BIF Tower Office Building). However, this line also includes further billed utility charges and service fees. The increase in revenues was significantly bolstered by the accounting recognition of a land sale agreement that was finalized in Q4 2021, which contributed HUF 1,169 million to the reporting period's figures. The increase in other revenues was primarily due to the periodic revenue of Marischka Kft., which was purchased by Harsánylejtő Kft. on 9 May 2024 and included in the consolidation, as well as the HUF 500 million revenue derived from the expert services provided by Harsánylejtő Kft.

Breakdown of net revenue from sales

HUF '000'	2023	2024
Revenue from rents and operating fees	6,550,655	7,909,545
Revenue from parking fees	739,627	780,657
Revenue related to intermediary services	770,696	2,422,711
Revenue from services	0	0
Revenue from the sale of properties/land	0	1,168,920
Other sales revenues	127,998	1,105,953
Total	8,188,976	13,387,786

- **Other operating income** amounted to HUF 3,169 million in 2024, mainly attributable to the favourable effect of the profit from the fair valuation of investment properties. The increase in other operating revenues was further boosted by HUF 71 million accounted for in connection with the acquisition of Marischka Kft. (accounting for the supplementary capital payment made by the previous owner), along with revenues derived from the sale of a passenger car and other assets, as well as compensations. In 2023, other operating revenues were also boosted by a significant penalty of HUF 140 million.
- The consolidated **raw materials, consumables and other external charges** nearly doubled in 2024 compared to the baseline period, reaching HUF 4,069 million versus HUF 2,060 million from the previous period. The largest contribution to this increase came from the change in the value of sold and mediated services (HUF +1,417 million), primarily driven by subcontractor services used for tenant installations. Furthermore, the value of services used and material costs also showed significant increases. The substantial rise in services used was primarily a result of increased security, maintenance, and cleaning costs. A significant part of the increase in material costs was due to the material costs of Marischka Kft., acquired in May 2024.
- Consolidated **staff costs** rose by approximately 41% in 2024 compared to the previous year, mainly driven by the organisation and salary development related to the Company's strategic objectives, as well as a higher average headcount, significantly influenced by the expanded group size resulting from the acquisition of Marischka Kft.
- As against HUF 872 million group-level **other operating expenses** recorded in the base period, in 2024, the expenditure dropped to HUF 354 million in the reporting period. The more favourable value of the previous period, amounting to approximately HUF 518 million, can primarily be attributed to the absence of any negative impact from the fair value assessment of investment properties during the reporting period.
- **Depreciation and impairment** decreased by about HUF 86 million in 2024 compared to the baseline period, due to lower impairment charges (HUF -193 million). During the acquisition of Marischka Kft., a full impairment of approximately HUF 68 million was recorded against the goodwill, due to the company's negative IFRS equity value. The higher depreciation accounted for non-investment tangible assets showed a slight increase (HUF +40 million).
- As a result of these factors, the consolidated **operating P/L** for the reporting period increased from HUF 10,375 million to HUF 10,658 million, while the **operating P/L** adjusted for the fair value assessment of investment properties increased from **HUF 4,878 million** in the baseline period to approximately **HUF 7,657 million (+57%)** in 2024.
- In 2024, **the consolidated P/L on financial operations** amounted to about HUF 254 million, compared to HUF 217 million in the baseline period. Revenues increased by nearly HUF 36 million, while expenses decreased by a slight HUF 1 million during the reporting period.
- Based on the requirements of the REIT Act, BIF was only obliged to pay corporation tax until the Pre-REIT status was obtained (on 20 October, 2017). Having a REIT status, the Company is required, however, to determine its corporation tax base, but it is only subject to **corporation tax payment** for the calculated base in certain cases (e.g. on a tax base proportionate to the income from related parties). With a view to this, from the BIF Group's actual tax expense of approximately HUF 96 million for the year, about HUF 40.7 million was calculated as the consolidated corporation tax, nearly HUF 31.3 million represented the total amount of the consolidated innovation contribution, and a local business tax obligation of HUF 24 million was incurred.

Profit and loss statement (IFRS consolidated, audited)

HUF '000'	2023	2024
Net sales revenue	8,188,976	13,387,786
Other operating income	6,286,138	3,168,820
Changes in internally generated inventories	0	-15,141
Capitalized value of internally generated assets	0	0
Raw materials, consumables and other external charges	-2,059,744	-4,068,887
Staff costs	-914,678	-1,291,985
Other operating expenditure	-871,916	-354,047
EBITDA	10,628,776	10,826,546
Depreciation and impairment	-253,629	-168,051
Operating P/L	10,375,147	10,658,495
Financial income	703,846	740,266
Financial expenses	-487,136	-486,144
P/L before tax	10,591,857	10,912,617
Actual tax expenditure	-24,121	-95,987
Deferred tax	0	-14,157
P/L after tax	10,567,736	10,802,473

- The **portfolio of investment properties** had increased by about 5.7 million by the end of 2024 compared to 31 December 2023. The change in inventory was caused by the impact of investments and activations in the properties within the portfolio, changes in the market value of the properties, and a property acquisition in Croatia (Volosko). No property was sold in 2024. For the presentation of investment properties, the Company has chosen the fair value model in accordance with IAS 40, with the exception that the Volosko property is valued at cost in accordance with paragraph 53 of IAS 40. In accordance with the provisions of the REIT Act, the market value of investment properties owned by the Company is determined by an independent valuer on a quarterly basis. (The valuations were made in both 2023 and 2024 by Seratus Ingatlan Tanácsadó Igazságügyi Szakértő Kft.)
- At the end of 2024, the Company's **net debt** (the value of financial liabilities reduced by cash and cash equivalents) had decreased to approximately HUF 5.7 billion, down from HUF 14 billion at the end of 2023, representing a reduction of about HUF 8.3 billion. The decrease is primarily justified by the larger cash asset base during the reporting period, which resulted from the sale of treasury shares that took place in September 2024, along with the fact that no dividends were paid in the reporting year.

Key balance sheet items (IFRS consolidated, audited)

HUF '000'	31/12/2023	31/12/2024
Investment property	78,581,204	84,300,782
<i>Long-term assets, total</i>	<i>79,549,117</i>	<i>88,211,923</i>
Cash and cash equivalents	6,336,433	13,943,645
<i>Current assets, total</i>	<i>6,891,423</i>	<i>15,716,933</i>
Assets, total	86,440,540	103,928,856
Subscribed capital	2,870,244	2,870,244
<i>Equity allocated to the parent company, total</i>	<i>62,274,173</i>	<i>78,076,646</i>
Financial liabilities (long-term)	18,886,201	17,895,603
<i>Long-term liabilities, total</i>	<i>20,282,488</i>	<i>19,800,214</i>
Financial liabilities (short-term)	1,446,747	1,775,556
<i>Current liabilities, total</i>	<i>3,883,879</i>	<i>6,051,996</i>
Liabilities and equity, total	86,440,540	103,928,856

Key indicators of the equity, financial and income position

Description	31/12/2023	31/12/2024
Long-term assets to total assets (Total long-term assets to total assets)	92.03%	84.88%
Indebtedness (total long-term liabilities to long-term liabilities and total equity allocated to the parent company)	24.57%	20.23%
Debt to equity ratio (total long-term liabilities to total equity allocated to the parent company)	32.57%	25.36%
Acid test ratio (Cash and cash equivalents to total short-term liabilities)	163.15%	230.40%
Return on sales (operating income to the net sales revenue)	126.70%	79.61%
Return on equity (operating income to total equity allocated to the parent company)	16.66%	13.65%

2. Outlook and challenges for the business year 2025

In 2025, the Company focuses on the following areas:

- The revitalisation of **Major Park** (Városmajor u. 35.), acquired successfully at the beginning of 2020, involves primarily the renovation of the exterior façade, as well as examining potential development functions and preparing development plans, taking into account changes in market conditions.
- **Harsánylejtő Project**
 - For those parcels of land in the Harsánylejtő Project where no decision has yet been taken to commence development, the options for commencing individual developments and/or selling them as parcels/projects will be investigated based on current market trends.
- Development concept of the **Bajcsy-Zsilinszky Avenue Office Building** (at 57 Bajcsy-Zsilinszky Avenue, District VI of Budapest), maximizing the occupancy of the property in its current state during the transition period.
- In the case of the **Andrássy Avenue property**, examining the potential for the use of the property in the light of changing market conditions.
- Maximizing occupancy and examining the introduction of new services for the **Aranykéz Parking Garage**.
- Investigation of the possibilities of utilization of the **Üllői Avenue Educational Centre**.
- As a result of the successful acquisition in Croatia, at the beginning of 2024, the property - **Volosko** - was added to the real estate portfolio, which involves the demolition of the old building, planning for a new building, and commencing construction.
- The demolition work related to the renovation of the **property on Madách Square**, which has outstanding attributes, has begun, and parallel to the construction work carried out under the already obtained building permit, potential tenants are being sought.
- Exploiting the development and efficiency improvement potential of existing properties (**portfolio "review"**).
- Identifying **acquisition opportunities** that fit in the Company's strategy, executing the acquisitions and integrating the property into the income generating portfolio.

III. Major events at the Company in 2024

1. General Meeting

The Company's General Meeting made decisions on all items listed on the agenda of the meeting invitation published on 26 March 2024, and these decisions were disclosed on 30 April 2024, in accordance with the relevant legal regulations. The resolutions can be found at the following link:

<https://www.bif.hu/investors/publicitans/stock-exchange-statements/bif-2024-agm-minutes-meeting-including-resolutions>

2. Personal changes

Board of Directors, Audit Committee

There was no change in the composition of the Board of Directors or the Audit Committee in 2024.

Changes to the management of the Company in 2024

By resolution No. 1/2024. (02.29.), the Board of Directors amended the Operating Procedures of the Company. On the date of the amendment, the Property Development Directorate was established, which includes the Property Development and Construction Department. Furthermore, the CAPEX and Fit-out Department was placed under this directorate, effective from 1 March 2024.

3. Major lawsuits

There were no major lawsuits subject to special notice at the Company.

IV. Risk factors affecting the Company's performance

The effectiveness of the Company's activities will continue to be significantly affected by the macroeconomic situation and the resulting company's business environment, as the occupancy rate of offices and the amount of rent realisable depend on the financial situation and prospects of the tenant companies.

The Company performs its activities related to real properties at relatively low risk; the majority of the lease contracts concluded is for a fixed term, with an average remaining term of between 2 and 3 years, but in special cases up to 5 or 10 years. Our open-ended lease contracts have typically been running for several years.

Due to the preliminary tenant risk analysis and security system, the level of outstanding receivables and non-payment remained negligible in 2024, similar to the previous year.

Since March 2018, the Company has only had long-term loans in Hungarian forints due to a refinancing transaction. Considering that approximately 88% of the Company's group-level revenues are realized in forints and that foreign currency revenues more than cover foreign currency expenses, the FX risk is virtually non-existent.

The Company eliminated its lending interest rate risk as a result of the refinancing transaction in September 2020, and following 15 September 2020, BIF has only had long-term fixed-rate loans denominated in HUF.

Detailed information on financial instruments is provided in Note 36 titled "Financial Instruments" in Chapter III (Additional Explanations) of the Notes to the Company's audited 2024 Consolidated Financial Statements compiled in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. Other than the BIF ordinary shares (treasury shares) held by the Company, the Company does not have any other securities and has not entered into any derivative transactions.

The outbreak of the Russian-Ukrainian war on 24 February 2022 and the related international sanctions have a significant impact on the economic outlook and increase economic risks. In order to minimize the exposures to risks caused by the war conflict (eventual request for the amendment or termination of lease contracts, substantial increase in operating costs, possible delays in ongoing developments projects, and the renegotiation of supplier/service provider partnerships), the Company will continue to closely monitor the current situation – especially actions by the government and other official bodies –, take new measures, and inform its employees and partners accordingly.

Risks related to the companies included in the consolidation scope

The position of Harsánylejtő Kft. is highly dependent on its parent company, and the market impacts on and the decisions made by its parent company. There could be a risk, if the general contractors were to refuse to fulfil the warranty obligations that have arisen or may arise in the future in relation to certain buildings completed in phases I-II of the residential property development implemented in the framework of the Harsánylejtő Project, because in that case the owners might take action, in addition to the general contractors obliged to provide a warranty, against Harsánylejtő Kft as well, based on former contractual relationships.

In strategic matters, Harsánylejtő Kft. must take its decisions in consultation with its parent company.

The economic effects of the Russian-Ukrainian war that began on 24 February 2022, and the related international sanctions may also affect Harsánylejtő Kft., as well as Marischka Kft., which became 100% owned by Harsánylejtő Kft. on 9 May 2024, along with its suppliers and service providers.

V. Material events after the balance sheet date

There were no significant events after the balance sheet date.

VI. General company information

1. Corporate data of the Company

Official name of the Company:	Budapesti Ingatlan Hasznosítási és Fejlesztési nyilvánosan működő Részvénytársaság
Abbreviated company name:	Budapesti Ingatlan Nyrt.
Registered office:	H-1033 Budapest, Polgár u. 8-10., Hungary
Postal address (place of central administration):	H-1033 Budapest, Polgár u. 8-10., Hungary
Central electronic contact:	info@bif.hu
Website:	www.bif.hu
Date of the Articles of Association:	31/01/1995
Date of commencement of operation:	01/05/1994
Registry court:	Superior Court of Budapest, as company registry court
Company registration number:	Cg. 01-10-042813
Statistical code of the Company:	12041781-6820-114-01
Tax Registration No.:	12041781-2-41
Community tax number:	HU12041781
Share capital on December 31, 2024	HUF 2,870,244,400
Term of the Company's operation:	open-ended
Business year of the Company:	identical with the calendar year.
Core activity of the Company (TEÁOR):	6820'08 Renting and operation of owned or leased real estate

2. Report on Responsible Corporate Governance

General Meeting

The appointment and removal of the executive officers is the exclusive competence of the General Meeting of the Shareholders. The Company has not concluded any special agreement with the executive officers and employees regarding severance payments, and thus in this respect, the relevant provisions of the Civil Code shall apply. No agreement has been entered into between the Company and any of its executive officers or employees providing for indemnification in the event of resignation of an officer or termination of employment by an employee, or in the event of wrongful termination of employment by an officer or employee, or termination of employment as a result of a public tender offer. The Company has not entered into any agreement that takes effect, is amended or terminated as a result of a change in control of the Company following a public purchase offer.

The General Meeting has exclusive power to amend the Statutes, with the following exceptions:

- If the amendment of the statutes only affects the name, registered office, places of business and branches of the Company, the place of central administration and the activities of the Company other than its principal activity, the General Meeting shall decide by simple majority, by virtue of which the statutes authorise the Board of Directors of the Company to amend the name, registered office, principal place of business, local offices and branches, central administration and the scope of activities of the Company other than its principal activities, by a decision of the Board of Directors, acting in its discretion.
- By resolution the General Meeting may authorise the Board of Directors to increase the share capital of the Company. The relevant resolution of the General Meeting must specify the maximum amount (authorized share capital) up to which the Board of Directors may increase the share capital of the Company. The General Meeting may authorise any type of increase in share capital by any means. The mandate of the General Meeting may be given for a maximum of five years. In the case of an increase in the share capital under the authority of the Board of Directors, the Board of Directors is obliged and entitled to amend the statutes.

Board of Directors

The Company operates in a unified control system.

The Board of Directors is the executive body of the Company, which shall represent the Company in front of courts of law and other authorities, as well as third parties. The Board of Directors established the rules of its operation and operated in 2024 according to its adopted Bye-laws. The majority of the members of the Board of Directors are independent.

The Board of Directors performs its activities as a body. It designates the issues necessary to be put on the agenda of its meeting from the issues in its scope of responsibilities, appoints the member of the Board of Directors and/or management responsible for the preparation of the issue, discusses the issue presented at the meeting of the Board of Directors, passes a resolution in that regard, and provides for the monitoring of its implementation. The Board of Directors determines the dates of its regular meetings to be held in the period between its annual balance closing general meetings, as well as the expected agenda of such meetings to the necessary extent.

The Board of Directors held six in-person meetings in 2024. The Board made decisions electronically on 12 occasions in 2024.

Members of the Company's Board of Directors (as at 31 December 2024)

Name	Position	Beginning of assignment	End of assignment
Dr Anna Ungár	President	30.04.2022	30.04.2027
Kristóf Berecz	Vice-President	30.04.2022	30.04.2027
Dr Frigyes Hárshegyi	member	30.04.2022	30.04.2027
Julian Tzvetkov	member	30.04.2022	30.04.2027
Miklós Vaszi	member	30.04.2022	30.04.2027

Audit Committee

Pursuant to the statutes, the Audit Committee has competence in the following matters:

- expressing an opinion on the financial statements under the Accounting Act;
- follow-up the audit of the financial statements prepared in accordance with the Accounting Act;
- proposal on the appointment and remuneration of the permanent auditor;
- preparing the contract with the permanent auditor;
- monitoring the enforcement of professional requirements, conflicts of interest and independence standards for the permanent auditor, performing duties related to co-operation with the permanent auditor, monitoring the services provided by the permanent auditor to the Company other than the audit of the accounts under the Accounting Act, and, if necessary, proposing to the Board of Directors to take measures;
- assessing the functioning of the financial reporting system and proposing the necessary measures;
- assisting the Board of Directors in its work to ensure proper control of the financial reporting system; and
- monitoring the efficiency of the internal control and risk management system.

In addition to the meetings of the Board of Directors, the Audit Committee held one meeting in person and decided electronically on one occasion in 2024. The main items discussed at the meetings included: approval of the annual financial statements of the Company and the consolidated companies, proposal for the election of the Auditor, determination of his remuneration.

Members of the Company's Audit Committee (as at 31 December 2024)

Name	Position	Beginning of assignment	End of assignment
Julian Tzvetkov	member	30.04.2022	30.04.2027
Dr Frigyes Hárshegyi	member	30.04.2022	30.04.2027
Miklós Vaszi	member	30.04.2022	30.04.2027

Remuneration of the executive officers (Board of Directors and the Audit Committee)

By its resolution adopted on 30 April, 2024, the General Meeting of the Company decided that in the business year 2024, the members of the Board of Directors should perform their duties without remuneration, and the members of the Audit Committee should perform their duties for a gross monthly remuneration of HUF 300,000 per member in the business year of 2024.

3. Auditor

In 2024 the Company's auditor was:

- The Company's auditor a Quercus Audit Auditor és Gazdasági Tanácsadó Kft. (registered seat: H-8200 Veszprém, Radnóti tér 2/C, person responsible for the audit: Tölgyes András József).

4. Disclosures

The Company discloses its public notices on:

- The BSE website (www.bet.hu), the website of MNB (www.kozzetetelek.mnb.hu) and the Company's website (www.bif.hu).

5. Share information

As of 31 December 2024, the Company's share capital consisted of 287,024,440 dematerialised ordinary shares with a nominal value of HUF 10 each, of which 11,778,639 shares were held in treasury. Details of the rights and obligations vested in the shares are given in Section 6 of the Company's Articles of Association. As of 1 October 2018, the shares are traded in the "Premium" Category of the Budapest Stock Exchange and represent the total issued share capital; there are no other issued shares of the Company.

Sale of the shares is not restricted, no pre-emption right has been stipulated, but the shares can only be transferred by debit or credit to the relevant securities account. When a share is transferred, the shareholder may only exercise his right vis-a-vis the Company if the new owner's name has been registered in the share shareholders' register.

The register of the Company's shareholders is maintained by KELER Zrt.

No special control rights are currently stipulated.

At the Annual General Meeting of the Company held on 29 April 2019, the General Meeting authorized the Board of Directors to increase the share capital of the Company by issuing preference shares with voting rights, under the conditions set out in the resolution of the General Meeting. The Board of Directors did not use this authorization in 2024.

We are not aware of any shareholder agreement relating to management rights.

The Company does not currently have an employee share scheme. At the Annual General Meeting of the Company held on 29 April 2019, the General Meeting authorized the Board of Directors to increase the share capital of the Company by issuing employee shares under the conditions set out in the resolution of the General Meeting. The Board of Directors did not use this authorization in 2024.

Minority rights: The shareholders representing at least 1% of the votes may at any time request the convention of the Company's general meeting, giving reasons and specifying its purpose.

According to the Statutes, the general meeting elects officers with a simple majority of the votes.

On 30 April 2024, the General Meeting authorized the Board of Directors to purchase treasury shares. The authorization allows the Board of Directors to decide on the purchase by the Company of ordinary shares issued by the Company. The minimum amount of consideration that can be paid for a treasury share is HUF 1, and the maximum amount is up to 150% of the turnover-weighted average stock exchange price of the 180 days preceding the date of the transaction. The authorization is valid for a limited period from the date of the General Meeting until 30 October 2025. The maximum value of treasury shares acquired by the Company under the authorization may be up to 25% of the share capital.

Owners of the Company with more than 5% interest based on the current share register and on the individual statements of the owners

Shareholder	31 December, 2023		31 December 2024	
	Number of shares	Participation (%)	Number of shares	Participation (%)
PIÓ-21 Kft.*	194,389,885	67.73**	214,889,885	74.87**
MBH Bank Nyrt.	28,702,440	9.99		
Treasury shares	22,514,206	7.84	***	
Assets managed by Mónika Káldi, the trusted asset manager			16,101,240	5.61
Other shareholders	41,417,909	14.44	56,033,315	19.52
Total	287,024,440	100.00	287,024,440	100.00

*PIÓ-21 Kft. is the parent company of the Company and also its ultimate parent company.

**Of which, as of 31 December 2024, there is a 0.57% indirect stake through the company's subsidiary, BFIN Asset Management AG.

***The Company may not exercise shareholder rights by the BIF ordinary shares in its ownership. The number of ordinary shares of BIF owned by the Company does not exceed 5%.

**Ownership interest of executives and employees in strategic positions in the Company
(31 December 2024)**

Nature	Name	Position	Beginning of assignment	End of assignment	Direct share property (number of shares)	Percentage of BIF shares with indirect influence
MboD	Dr Anna Ungár	President of the BoD* and CEO as from 4 May, 2022	30.04.2022	30.04.2027	0	74.87%
MboD	Kristóf Berecz	Vice-President of the BoD and CEO as from 1 December, 2018	30.04.2022	30.04.2027	0	74.87%
MboD	Julian Tzvetkov	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MboD	Dr Frigyes Hárshgyi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MboD	Miklós Vasziy	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Unspecified***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

**Shares held in the Company by executives and employees in strategic positions
31 December, 2023**

Nature	Name	Position	Beginning of assignment	End of assignment	Direct share property (number of shares)	Percentage of BIF shares with indirect influence
MboD	Dr Anna Ungár	President of the BoD* and CEO as from 4 May, 2022	30.04.2022	30.04.2027	0	67.73%
MboD	Kristóf Berecz	Vice-President of the BoD and CEO as from 1 December, 2018	30.04.2022	30.04.2027	0	67.73%
MboD	Julian Tzvetkov	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MboD	Dr Frigyes Hárshgyi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MboD	Miklós Vasziy	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Unspecified***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

VII. Changes in the number of employees; employment policy

In 2024, the Company's average statistical headcount was 65 (62 in 2023), while at 31 December 2024 the headcount was 66.

The administrative, legal, and office management tasks, as well as engineering activities and technical consulting related to the operation of Harsánylejtő Kft., are carried out by the specialized departments of BIF under dual employment.

In 2024, the Company's average statistical headcount was 35 (against 29 in 2023), while at 31 December 2024 the headcount was 43.

The Company has no employment policy liabilities.

VIII. Research and experimental development

Due to the nature of its activities, the Company is not engaged in research and experimental development.

IX. Personal changes in 2024

They are described in Chapter III, Section 2.

X. Introduction of the consolidated entities of the Company

The Company included Harsánylejtő Kft. and, as of 9 May, 2024, Marischka Kft., which is 100% owned by Harsánylejtő Kft., in its annual Consolidated Financial Statements for 2024, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

Harsánylejtő Kft.

Harsánylejtő Kft. was founded on 25 August 2008 by Budapesti Ingatlan Nyrt. with a share capital of HUF 500,000 and has been 100% owned by the company since then. On 10 March 2016, the share capital of Harsánylejtő Kft. was increased to HUF 3,000,000. The company's core activity is the organization of building construction projects.

Harsánylejtő Kft. has performed the development of condominiums with 5 flats and a hall garage in two phases on 8 plots of land suitable for the construction of condominiums in the Harsánylejtő development area.

The completion of the construction works of the 4 condominiums of 5 flats each in Phase I and the closing of the sale of the flats and other premises took place in 2019, while the completion of the construction works of the 4 condominiums of 5 flats each in Phase II and the closing of the sale of the flats took place by the end of H1 2021.

Harsánylejtő Kft. financed the purchase of the building plots required for the development and the construction of the developments with market-rate loans from the parent company, which it repaid from the purchase price of the flats it sold after the completion of the developments.

Within the scope of the Harsánylejtő Project, Harsánylejtő Kft. provided advisory and expert services during the reporting period for a third-party project owner in relation to a construction project initiated in 2023 on land sold by the Company in 2022.

Since June 2024, Harsánylejtő Kft. has also been engaged in the leasing and operation of a rented property.

The parent company decides on the strategy for the business developments, while its subsidiary is responsible for the operational aspects.

Marischka Kft.

Marischka Kft was established on 9 November 2020 by a private person with a share capital of HUF 3,000,000. The core business activity of the company is: Restaurants and mobile food service activity. On 9 May 2024, Harsánylejtő Kft. acquired 100% of the shares of Marischka Kft. (registered office: 1012 Budapest, Logodi utca 42., tax identification number: 28833923-2-41, company registration number: 01 09 375996). The acquisition was undertaken to leverage expected synergy opportunities from the activities of Marischka Kft., aiming to provide the tenants of the given property with the most comprehensive and high-quality service possible, considering that the target company operates restaurants located in properties owned by BIF.

AMarischka Kft. has operated restaurants under the name Marischka on the ground floor of the Attila út property since 1 August 2021 and under the name Babutzi Breakfast, Brunch& Lunch on the ground floor of Major Udvar (Városmajor u. 12) since 17 October 2022. Furthermore, the restaurant located in the Flórián Udvar Office Building has also been operated by Marischka Kft. since 1 August, 2024, and the café located in the BIF Tower has also been operated by Marischka Kft. since 1 January, 2025.

XI. Environmental protection

Due to the nature of the activity, the Company does not generate or store hazardous waste, and the air pollution charge for the combustion products emitted is paid by BIF. No significant costs were directly related to environmental protection, neither in the previous financial year nor in the reporting year.

XII. Report and statement on Responsible Corporate Governance

The Company has a Report and Statement on Responsible Corporate Governance, and reviews and, if required, amends its corporate governance annually.

By its resolution passed at its Annual General Meeting convened to 30 April 2024, the Company's General Meeting approved the Company's 2023 Report on Responsible Corporate Governance, which was prepared in accordance with the Recommendation of the Budapest Stock Exchange for Responsible Corporate Governance, and published on the Company's publication venues on 30 April 2024.

At the Annual General Meeting, the shareholders vote on the approval of the Company's Report on Responsible Corporate Governance, and the Company publishes its Report on Responsible Corporate Governance after the meeting.

- The “Report on Responsible Corporate Governance” is accessible on the websites www.bet.hu, www.bif.hu and www.kozzetetelek.hu.
- The Company compiles its report and statement on its responsible corporate governance on the basis of the Recommendations for Responsible Corporate Governance, published by Budapesti Értéktőzsde Zrt.
- The Report on Responsible Corporate Governance is adopted by the Board of Directors and approved by General Meeting. The Report on Responsible Corporate Governance includes BSE's recommendations and gives details and reasons for any deviation from them.
- The Report on Responsible Corporate Governance includes BSE's recommendations and gives details and reasons for any deviation from them.
- The Report on Responsible Corporate Governance contains the main features of the Company's internal control and risk management practices.
- The Report on Responsible Corporate Governance includes the Company's statement regarding its diversity policy.

No company secretary has been appointed the Company.

Declaration of Liability

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby declares that this Consolidated Business (Management) Report 2024 contains real data and statements, providing a true, correct and complete view of the position, development and performance of the Company and its consolidated companies presenting the main risks and uncertainty factors and does not omit any facts that might have any significance concerning the assessment of the position of the Company and its consolidated companies.

Budapest, 9 April, 2025

.....
Dr Anna Ungár
President of the Board of Directors and CEO

.....
Kristóf Berecz
Vice-President of the Board of Directors and CEO