



**Annex 3 to the proposal of the Annual General Meeting of
Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.**

**Report of the Auditor on the Annual Financial Statements of the Parent
Company prepared in accordance with the International Financial
Reporting Standards (IFRS) for 2021 and the related Business
(Management) Report for 2021**

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
BUDAPESTI INGATLAN HASZNOSÍTÁSI ÉS FEJLESZTÉSI NYRT.

Opinion

We have audited the financial statements in the BIF Éves Jelentés 2021.xhtml¹ digital file of **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** („the Company”) prepared in accordance with the International Financial Reporting Standards, which financial statements comprise the statement of financial position for the year ended on 31 December 2021 – in which the identical total amount of assets and liabilities is **HUF 74.667.596 thousand** –, the statement of comprehensive income for the financial year then ended – in which the net profit for the year is **HUF 8.171.169 thousand in profit**, and the total comprehensive income for the year is **HUF 8.171.169 thousand in profit** –, a statement of changes in equity, a statement of cash flows, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the Company's financial position as at 31 December 2021 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards adopted by the EU and with the Act C of 2000 on accountancy applicable in Hungary (hereinafter: „Accountancy Act”).

Basis for the opinion

The audit was performed in line with the Hungarian National Audit Standards and in compliance with the acts and laws on accounting applicable in Hungary. A more thorough description of our liability prescribed by these standards is contained in the section of this report titled „The liability of the auditor for the audit of the financial statements”.

We are independent of the Company in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, as well as with respect to issues not covered by these Rules, with the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we also comply with further ethical requirements set out in these.

We are convinced that the audit evidence obtained by us provides sufficient and suitable ground for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the current financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

¹ The digital identification of BIF Éves Jelentés 2021.xhtml financial statements referred to above with SHA 256 HASH algorithm: be939f0ceba49ce7e187eb141b65e007b06d262ea3f28c892bcefb654a82dbc

We have fulfilled our responsibilities set out in the “The liability of the auditor for the audit of the financial statements” section of this audit report, including those related to the topics below. As a consequence of this, our audit covered the execution of the audit procedure based on our risk assessment about the existence of material misstatements in the financial statements. Results of our audit procedures – including those aiming to cover the matters below – are the basis of our audit opinion on the financial statements.

Key audit matters	Audit procedures carried out
<i>Investment properties</i>	
<p><i>The matter below has been described in detail in points II/1.3.1. és III/1. „Investment Properties” of the Notes to the financial statement.</i></p> <p>Investment properties of the Company are valued based on the fair value model. Market value of the investment properties are determined for every period end. Valuation is based on internationally accepted valuation methods, using the three internationally acceptable method (cost-based method, market-based comparison, cash-flow based method), where the value of the property is determined using the precautionary principle.</p> <p>Gain or loss arising in the period from valuation effect of investment properties is accounted through the profit and loss statement (other operating revenue or loss).</p> <p>Valuation of investment properties at the period end was considered to be a key audit matter, as investment properties represent a major part of the Company’s assets, furthermore the valuation of investment properties includes significant estimates of future rents, inflation and property occupancy.</p>	<p>During the course of our audit we have examined the control procedures related to the valuation of the investment properties.</p> <p>With the involvement of our property valuation specialists we have also examined the report of the independent valuation expert and the adequacy of the methods used by the expert, reliability of the input data and the used presumptions – including management judgements – to assess the expertise of the external expert in such assessments.</p> <p>We have tested the valuation of the investment properties and examined that the accounting of the valuation is in line with the relevant standards.</p> <p>We have examined the ownership documents of the properties, and the accounting of the new purchases in the period.</p> <p>We have examined the disclosures connected to the investment properties.</p>
<i>Loans</i>	
<p>A detailed explanation of the issue is provided in Section II.1.9 of the Annual Financial Statements. and III. It is included in paragraphs 13 and 17 “Financial liabilities”, “Long-term financial liabilities” and “Short-term financial liabilities”.</p> <p>Loan collateral is provided in Note IV. 1.1.</p> <p>The examination of loans is a key area, as they form a significant part (85%) of the Liabilities, in the total amount of HUF 20,484,305 thousand.</p>	<p>During our loan verification procedures, we asked for confirmation from the financial institutions providing the loans. We asked for loan agreements and examined compliance with the conditions. We also checked the adequacy of the settlement of interest and the reclassification of installments due next year.</p> <p>We examined the proper application of the rules used by the Company for the registration and settlement of financial liabilities, and their compliance with the requirements of the relevant standards.</p> <p>We have examined the adequacy of the disclosures.</p>

Other matters

The Management is responsible for the presentation of financial statements in the format required by Article 3 of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (the "ESEF Regulation"). Our audit included the human-readable content of the digital file containing the financial statements, which is electronically identified in our report, and the scope of our audit did not extend to its examination and, accordingly, we do not express an opinion on whether the digitized information complies, in all material respects, with the requirements of the ESEF Regulation.

Other information: The Annual Report

Other information consists of the annual report of **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** for the year 2021. Management is responsible for the preparation of this annual report in accordance with the accounting act and applicable provisions of other legal regulations. The opinion on the financial statements expressed in the "Opinion" section of our independent auditor's report does not relate to the annual report.

Our responsibility in connection with our audit of the financial statements is to read the annual report and in the course of this, to assess whether the annual report is in any material way inconsistent with the financial statements or our knowledge obtained in the course of the audit or whether otherwise it appears that it contains any material misstatements. If on the basis of our work we reach the conclusion that the other information contains any material misstatement, it is our obligation to report this and the nature of the misstatement.

In accordance with the accounting act, we are also responsible for assessing whether the annual report is in accordance with the accounting act and applicable provisions of other legal regulations, and to express an opinion about this and the consistency between the annual report and the financial statements.

As the Company is a listed company, based on the Accounting Act, our responsibility is to consider whether the annual report is compliant with the requirements set out in points (e) and (f) of subsection (2) of Section 95/B of the Accounting Act. Based on the Accounting Act, we also have to declare whether the information set out in points (a) to (d) and point (g) of subsection (2) of Section 95/B of the Accounting Act has been made available in the annual report.

In our opinion, the 2021 annual report of **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** – including requirements set out in points (e) and (f) of subsection (2) of Section 95/B of the Accounting Act - is consistent with the 2021 financial statements of **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** prepared in accordance with the International Financial Reporting Standards, and the annual report has been prepared in accordance with the provisions of the Accounting Act.

The information set out in points (a) to (d) and point (g) of subsection (2) of Section 95/B of the Accounting Act has been made available in the annual report. The annual report does not consist non-financial information report set out in 95/C. §, and 134. § (5) points of the Accounting Act, as the Company is not obliged to report such information based on 95/C. section of the Accounting Act.

As other laws do not stipulate any other requirements on the annual report for the Company, we express no opinion in this respect.

We are not aware of any other material inconsistencies or material misstatements in the annual report, therefore we have nothing to report in this regard.

Management's [and appointed managers'] Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and according to the specific situation, to disclose information relating to the company as a going concern. Furthermore, management is responsible for preparing the financial statements based on the principle of going concern. Management must rely on the principle of going concern, unless a different provision prevents the application of such principle and there are any facts or circumstances inconsistent with continuing as a going concern.

Persons appointed as managers are responsible for supervising the process of the Company's financial reporting.

The liability of the auditor for the audit of the financial statements

It is our goal to obtain assurance during the audit that the financial statements do not contain any substantial false statements either originating from fraud or mistake, furthermore to issue our independent audit report containing our opinion based on the audit. The sufficient degree of certainty is a high-level certainty, yet there is no guarantee that the audit performed in line with the Hungarian National Audit Standards reveals all existing false statements. The false statements may originate from fraud or mistake and they qualify as substantial if it may be reasonably expected that these independently or jointly influence the business decisions of the readers of the financial statements.

We apply a professional perspective during the audit in line with the Hungarian National Audit Standards and we maintain professional scepticism.

Furthermore:

- Risks of substantial false statements of the financial statements, either originating from fraud or from mistake, are identified and assessed; we create and execute auditing processes suitable for the handling of such risks, furthermore sufficient and adequate audit evidence is obtained to be able to base our opinion. The risk of not revealing a substantial false statement due to fraud is greater than not revealing the same caused by mistake as fraud may include conspiracy, falsification, wilful omissions, false statements or the ignoring of internal controls;
- We become familiar with the internal control mechanisms relevant for the audit in order to design such audit procedures that suffice among the given circumstances but we do not analyse them for the purpose to form an opinion about the efficiency of the internal control system of the Company.
- The adequacy of the accountancy policy applied by the management, furthermore the rationality of the accountancy assessments and the related publications made by the management are evaluated.
- Conclusions are drawn based on the obtained audit evidence, whether the management was right to apply the principle of „going concern” by preparing the financial statements, furthermore whether substantial insecurities exist concerning such events or conditions that might raise significant doubts about the ability of the Company to conduct its business. If conclusion is drawn that substantial insecurities exist, then in our independent audit report we

have to bring the attention to the related publications in the financial statements or if the publications in this regard are not suitable, then our opinion has to be qualified. Our conclusions are based on the audit evidence obtained before the date of the independent audit report. Nonetheless, future events or conditions might cause the Company ceasing its business.

- The comprehensive presentation, structure and content of the financial statements are evaluated, including the publications in the supplementary appendix, furthermore it is also assessed whether the financial statements presents the transactions and events realistically.
- We inform, inter alia, the planned scope and schedule of the audit, the substantial findings of the audit to the persons authorized for control tasks, including significant deficiencies of the internal control mechanisms applied by the Company identified during our audit if there was any.

We hereby issue a declaration to persons entrusted with management to the effect that we complied with relevant ethical requirements concerning independence and that we communicate them all contacts and other issues where it can be reasonably assumed that they affect our independence, together with, as and where appropriate, the precautionary measures adopted.

Out of matters communicated to persons entrusted with management, we determined the ones that were the most important in the course of auditing the financial statements for the current period and that, thus, were also key audit issues. We disclose these matters in our audit report, unless the law or other regulations forbid us to disclose them publicly or if – under very rare circumstances – we conclude that a specific matter cannot be communicated in the auditor’s report as, based on reasonable expectations, the detrimental implications would be more profound than the public benefits of their communication.

Declaration about other legal and regulatory requirements

In accordance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we hereby make the following statements in our independent auditor’s report, in addition to reporting obligations required by Hungarian National Auditing Standards.

Appointment of the auditor and the duration of its appointment

The General Meeting of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. elected INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Kft. (registered office: 1074 Budapest, Vörösmarty u. 16-18. 1/F.; company registration number: 01-09-063211) on 27 April 2021 to audit the consolidated financial statements of 4iG Nyrt. for the year 2021. INTERAUDITOR Neuner, Henzl, Honti Tanácsadó Kft. will transfer its auditing activities for public interest entities to INTERAUDITOR Consulting Kft. (registered office: 1074 Budapest, Vörösmarty u. 16-18. building A. fsz. 1/F.; company registration number: 01-09-388885) as its legal successor. As a result of this succession, the auditing of the Company will be performed by INTERAUDITOR Consulting Kft. from 29 November 2021. Our mandate will expire on 15 May 2022 at the latest.

The mandate of our Company has been practically continuous since May 1, 2012, it was interrupted from May 15, 2017 to August 15, 2017 due to the election and recall of another auditing Company.

Consistency between the auditor’s report and the supplementary report addressed to the audit committee

We confirm that our audit opinion in this auditor’s report concerning the individual financial statements is consistent with the supplementary report addressed to the audit committee of the Company that we issued on 08 April 2022, in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council

The provision of non-audit services

We hereby declare that we did not provide the company with any prohibited, non-audit services outlined in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council. In addition, we declare that we did not provide the Company and the businesses controlled by the Company with such other, non-audit services that are not included in the annual report.

The persons signing the report qualify as the partners responsible for the audit appointment resulting in the present independent auditor's report.

Budapest, 08 April 2022



Péter Honti
Managing Director



Zsuzsanna Freiszberger
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