

**Report of the Board of Directors
on the business activity of
Budapesti Ingatlan Hasznosítási és Fejlesztési
Nyrt. in 2025**



Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. (registered office: 1065 Budapest Bajcsy-Zsilinszky út 57.; Company Registration No.: 01-10-042813; website: www.bif.hu; hereinafter: the “Company” and/or “BIF”) hereby informs its shareholders, business partners and investors on the management, the business activity in 2025 and the financial position of Company.

I. Management of the Company

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 according to its Order of Procedure in 2025. 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 three in-person meetings in 2025. The Board made decisions electronically on 11 occasions in 2025.

Members of the Company's Board of Directors (as at 31 December 2025)

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 Hárshegyí	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

II. The Company's business policy and business activities in 2025

The business activity of BIF in 2025 was along the lines of realizing 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 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. 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 2025, the stock of modern offices in Budapest expanded with a new office building measuring a total of 50,380 m². By the end of 2025, the total office stock amounted to 4,461,680 m², comprising 3,518,820 m² of “A” and “B” category modern speculative office space, as well as 942,860 m² of owned office buildings. In addition to the handovers, 17,500 m² of speculative office space was removed from the stock due to conversion and changes in the ownership structure. The total gross demand in 2025 was 190,960 m², while the net demand during the same period was 56,105 m². Gross demand showed a 12%, and net demand exhibited a 39% increase compared to the 2024 figures. The vacancy rate in Q4 2025 stood at 12.5%, representing a decrease of 0.9 percentage points compared to the previous quarter and 1.6 percentage points compared to the same period last year. In Q4 2025, the lowest vacancy rate was registered in the Central Buda submarket (6.4%), while the highest value was still measured in the Agglomeration (20.7%). Net absorption moved into positive territory during Q4, reaching 84,015 square metres.

In terms of leasing activity in Q4 2025, the most popular submarket in Budapest was once again the Váci út office corridor, which attracted 32% of demand, an equal share to the Central Pest submarket. These were followed by the most active leasing activity in the South Buda submarket, which achieved a 14% share of the quarterly leasing volume. (Source: BRF Q4 2025 and irodakereso.hu)

Total demand in Q4 2025 amounted to 190,960 m², representing a 12% increase compared to the same period of the previous year, significantly supported by lease transactions linked to the public sector. Within total demand, lease renewals accounted for a 43% share. Owner-occupied transactions represented 28%, while new leases made up 24% of lettings. Pre-lease agreements accounted for 3% and expansions for only 2% of total demand in Q4 2025. A total of 176 lease agreements were registered in Q4 2025 with an average size of 1,085 m², showing a 23% increase in the number of transactions compared to the same period of the previous year. (Source: BRF Q4 2025, officerentinfo.hu, irodakereso.hu)

On 31 December 2025, 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 u. in District XII of Budapest (hereinafter referred to as the **“Major Udvar (Városmajor u. 12)”**) to convert it to Category ‘A’, practically 100% of the building has been leased since July 2023.

In the case of our office building at 8-10 Polgár u., District III, Budapest (hereinafter referred to as the **“Flórián Udvar Office Building”**), the occupancy of office spaces reached 100% at the beginning of 2025, thanks to the move-in of a new, larger tenant at the start of the year. Occupancy declined by only a few percent during the year, as our existing tenants carried out only minor space hand-backs.

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 by December 2023, the entire building had been leased to a single tenant as a standalone headquarters. In the case of the adjacent three-storey building, formerly operating as an training centre (hereinafter: **“Üllői Avenue Training Centre”**), our aim is to use it as an office, a warehouse or a training 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 2025, and 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)

In 2025, with the exception of a few prominent locations, parking remained free on weekends in all Budapest parking zones; however, stricter regulations are expected from 2026, requiring payment for

weekend parking in two of the four Budapest zones. (www.penzcentrum.hu, 24/05/2025). As a further tightening measure, daytime parking fees and monthly pass prices increased at ten P+R car parks from June 2025 (www.hvg.hu, 14/05/2025).

Our Company owns 2 **parking garages**, the **Parking Garage of Flórián Office Building** and the **Aranykéz Parking Garage** (Budapest V. district Aranykéz utca 4-6.), located next to the Vigadó Palota Office Building (Budapest V. district Apáczai Csere János utca 9.). 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 our Aranykéz Parking Garage, which boasts a city-centre location, short-term rentals for local events and conferences are popular alongside pass-based and hourly services; furthermore, an increasing number of our customers are using the electric vehicle charging service introduced in 2024.

Construction lots and residential properties

In 2025, a total of 12,062 new flats were built nationwide, which is 9.3% less than in the previous year. In Budapest, the number of newly occupied apartments fell by 14% on a year earlier. 62% of the new flats in Budapest were constructed in two districts (XI and XIII). Based on issued building permits and simple notifications, the number of dwellings to be built was 28,081, which is 37% more than in 2024. (Source: CSO, Housing constructions, building permits, Q1-Q4 2025)

With regard to residential property prices, the sharp price increase experienced in Q1 2025 moderated in Q2 and Q3; consequently, a nominal price increase of 9.4% occurred in Q1, followed by increases of 3% and 3.4% in Q2 and Q3, respectively. As a result, in Q3, residential properties were 21% more expensive in nominal terms and 16% more expensive in real terms compared to the same period of the previous year. Regarding housing market turnover, data available for Q1 2025 indicates that the expansion experienced in 2024 came to a halt, with 10% fewer transactions occurring during the period under review than a year earlier. (Source: CSO, Housing market prices, and apartment price index, Q1 and Q3 2025)

Within the framework of the **Harsánylejtő Kertváros** project (in 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 1,000 m² and a further 1,500 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 31 December, 2024, a residential property located at title number 6775 at 99 Attila Road and 42 Logodi Street in District I of H-1012 Budapest (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 was closed in Q1 2024, and the building permit was obtained.

Hotels

In December 2025, nearly 1.4 million guests spent 3.2 million guest nights at tourism accommodation (commercial, private, and others). The number of guests increased by 12%, and the number of guest nights rose by 9.2% compared to the previous year. The number of nights spent by domestic guests exceeded the December 2024 figure by 6.6%, while foreign guest nights surpassed it by 11%. In 2025, the number of guest nights in tourist accommodations was 7.3% higher than in the previous year. The total gross revenue from tourist accommodations amounted to HUF 103.9 billion, which is 14% higher than the previous year.

The number of domestic guests was 3.2% higher, while the number of foreign guests was 12% higher (nearly 9.7 million and approximately 9.9 million, respectively) at tourist accommodation establishments. (Source: KSH Monitor)

As of 31 December 2025, the Company owned two properties operated as hotels by the leasing entities (the Company does not derive income from accommodation or catering services, it exclusively leases properties owned by it).

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 and construction 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**, located in the airport corridor, in the vicinity of Liszt Ferenc International Airport (114-116 Üllői Avenue, District X of Budapest) was leased out by the Company in the reporting period for the purposes of a 2-star hotel (hereinafter: "**BIF HOSTEL**") taking advantage of the favourable conditions of the building.

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.

III. Key financial data

Key Financial Data of the Company's 2025 audited Consolidated Annual Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union

Profit and loss statement (IFRS consolidated, audited)

HUF '000'	2024	2025
Net sales revenue	13,387,786	14,902,313
Other operating income	3,168,820	3,610,633
Changes in internally generated inventories	-15,141	1,699
Capitalized value of internally generated assets	0	0
Raw materials, consumables and other external charges	-4,068,887	-5,207,623
Staff costs	-1,291,985	-1,688,437
Other operating expenditure	-354,047	-942,611
EBITDA	10,826,546	10,675,974
Depreciation and impairment	-168,051	-150,399
Operating P/L	10,658,495	10,525,575
Financial income	740,266	944,049
Financial expenses	-486,144	-534,408
P/L before tax	10,912,617	10,935,216
Actual tax expenditure	-95,987	-91,256
Deferred tax	-14,157	-26,747
P/L after tax	10,802,473	10,817,213

Key balance sheet items (IFRS consolidated, audited)

HUF '000'	31/12/2024	31/12/2025
Investment property	84,300,782	88,928,925
<i>Long-term assets, total</i>	<i>88,211,923</i>	<i>91,902,780</i>
Cash and cash equivalents	13,943,645	16,384,424
<i>Current assets, total</i>	<i>15,716,933</i>	<i>18,779,240</i>
Assets, total	103,928,856	110,682,020
Subscribed capital	2,870,244	2,870,244
<i>Equity allocated to the parent company, total</i>	<i>78,076,646</i>	<i>86,141,401</i>
Financial liabilities (long-term)	17,895,603	16,094,841
<i>Long-term liabilities, total</i>	<i>19,800,214</i>	<i>18,974,445</i>
Financial liabilities (short-term)	1,775,556	1,770,586
<i>Current liabilities, total</i>	<i>6,051,996</i>	<i>5,566,174</i>
Liabilities and equity, total	103,928,856	110,682,020

IV. Summary, proposals and recommendation of the Board of Directors

The Board of Directors proposes the general meeting to approve the Audited Separate Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2025 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union with the following main figures (data in thousand HUF):

Total assets	107,853,736
Equity	85,219,777
Sales revenue	11,456,078
Profit before taxes	10,539,587
Retained earnings	10,492,184

Taking into account the relevant provisions of the REIT Act, the Board of Directors proposes the payment of a dividend of HUF 5,176,041 thousand – corresponding to the expected dividend according to the REIT Act – from the disposable profit for the current year, based on the Company's audited Separate Annual Financial Statements for 2025, prepared in accordance with the 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 current year, based on the Company's audited Separate Annual Financial Statements for 2025, 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.

The Board of Directors proposes the general meeting to approve the Audited Consolidated Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2025 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union with the following main figures (data in thousand HUF):

Total assets	110,682,020
Equity	86,141,401
Sales revenue	14,902,313
Profit before taxes	10,935,216
Retained earnings	10,817,213

The Board of Directors of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby declares that the Audited Separate and Consolidated Annual Financial Statements for 2025, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and the Business (Management) Reports of the Company, contain true and correct data and statements and do not omit any fact that might have any significance concerning the assessment of the position of Company.

Budapest, 9 April, 2026



Dr. Anna Ungár
President of the Board of Directors

Annex

- Annual Report 2025 – Annual Financial Reports 2025
 - Annual Report 2025 – Annual Financial Report 2025 of the Parent Company (Audited Separate Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2025 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and Business (Management) Report)
 - Consolidated Annual Report 2025 – Consolidated Annual Financial Report 2025 (Audited Consolidated Annual Financial Statements of Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. for 2025 prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and Consolidated Business (Management) Report)

