

2024 Half-Year Report

**Budapesti Ingatlan Hasznosítási
és Fejlesztési Nyrt.**



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- Declaration of liability



**Consolidated, non-audited Financial
Statements of Budapesti Ingatlan
Hasznosítási és Fejlesztési Nyrt.
prepared in accordance with International
Financial Reporting Standards (IFRS) for
the period ending on 30 June, 2024 –
Interim Consolidated Financial
Statements for the first half of 2024**



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Consolidated Interim Financial Statements

HUF '000'	Explanations*	30.06.2024	31.12.2023
ASSETS			
Non-current assets			
Investment property	1	80,115,940	78,581,204
Intangible assets	2	5,544	3,215
Goodwill	2	0	0
Land, buildings and related rights	2	83,098	84,106
Plant, other equipment and installations	2	138,578	116,368
Construction and reconstruction in progress	2	2,660,657	764,224
Investments in related companies	3	0	0
Deferred tax assets	4	0	0
Non-current assets, total		83,003,817	79,549,117
Current assets			
Inventories	5	73,917	100,600
Trade receivables	6	126,916	84,603
Other short-term receivables and prepaid expenses and accrued income	7	164,567	369,787
Cash and cash equivalents	8	5,432,069	6,336,433
Current assets, total		5,797,469	6,891,423
Assets, total		88,801,286	86,440,540
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	-2,304,224	-2,304,224
Profit reserve	12	54,928,034	44,360,298
P/L for the reporting year	12	3,770,355	10,567,736
Equity allocated to the parent company, total:		66,044,528	62,274,173
Long-term liabilities			
Financial liabilities	13	18,257,328	18,886,201
Provisions for expected liabilities	14	28,624	19,760
Deferred tax liabilities	15	0	0
Other long-term liabilities	16	1,532,464	1,376,527
Long-term liabilities, total		19,818,416	20,282,488
Current liabilities			
Financial liabilities	17	1,446,747	1,446,747
Trade payables	18	469,953	313,890
Other short-term liabilities, accrued expenses and deferred income	19	1,021,642	2,123,242
Current liabilities, total		2,938,342	3,883,879
Liabilities and equity, total		88,801,286	86,440,540

*No. of additional explanations

Consolidated Interim Statement of Comprehensive Income

HUF '000'	Explanations*	H1 2024	H1 2023
Net sales revenue	20	6,327,412	4,057,953
Other operating income	21	83,427	158,682
Changes in internally generated inventories	22	-15,141	0
Capitalized value of internally generated assets	22	0	0
Raw materials, consumables and other external charges	23	-1,227,480	-988,669
Staff costs	24	-567,055	-389,776
Depreciation and impairment	25	-99,283	-27,963
Other operating expenditure	26	-770,961	-539,410
Operating P/L		3,730,919	2,270,817
Financial income	27	305,423	620,091
Financial expenses	27	-235,772	-253,991
P/L before tax		3,800,570	2,636,917
Actual tax expenditure	28	-30,215	-13,074
Deferred tax	29	0	0
P/L after tax		3,770,355	2,623,843
Of this:			
Parent company's share		3,770,355	2,623,843
External owner's share		0	0
Other comprehensive income		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		3,770,355	2,623,843
Of this:			
Parent company's share		3,770,355	2,623,843
External owner's share			
Weighted average ordinary shares		264,510,234	251,684,440
Earnings per share (HUF)			
Fund	30	14.25	10.43
Diluted	30	14.25	10.43

*No. of additional explanations



Consolidated Statement of Interim Changes in Equity

Explanations*	9	11	9	10	12	12	Equity allocated to the parent company, total	Non-controlling participation	Equity, total
	Subscribed capital	Equity shares repurchased	Capital reserve	Revaluation reserve	Profit reserve	P/L for the reporting year			
HUF '000'									
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					10,033,555	-10,033,555			
Dividend					-8,808,955		-8,808,955		-8,808,955
Total comprehensive income						2,623,843	2,623,843		2,623,843
30.06.2023	2,870,244	-3,048,120	6,048,215	731,904	40,104,194	2,623,843	49,330,280		49,330,280
Sale of equity share		743,896			4,256,104		5,000,000		5,000,000
Total comprehensive income						7,943,893	7,943,893		7,943,893
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					10,567,736	-10,567,736			
Dividend									
Total comprehensive income						3,770,355	3,770,355		3,770,355
30.06.2024	2,870,244	-2,304,224	6,048,215	731,904	54,928,034	3,770,355	66,044,528		66,044,528

*No. of additional explanations

Consolidated Interim Cash-Flow Statement

HUF '000'	Explanations*	H1 2024	H1 2023
P/L before tax		3,800,570	2,636,917
Adjustments of the profit before taxes		-8,255	13,480
Adjusted profit before taxes		3,792,315	2,650,397
Net interest expenses	27	7,002	-369,696
Non-cash flow items			
Depreciation	25	31,375	27,963
Impairment (buyer)	25	0	0
Impairment of goodwill	25	67,908	0
Credit loss (buyer)	25	0	0
Unrealized exchange rate difference		0	0
Adjustment due to inventory fair valuation	26	10,893	0
P/L from a fair valuation	21, 26, 32	576,376	421,181
Provisions for liabilities	14	8,864	15,561
Non-operating cash flow P/L items			
Revenues from the sale of tangible assets		-732	-886
Assets provided for no consideration, scrapping	26	0	0
Net working capital flow			
Change in trade receivables	6, 25	-42,313	99,320
Change in other current assets	5 (7)	221,008	276,894
Change in accounts payable	18	156,063	-494,537
Changes in other short-term liabilities	19	-945,660	-262,261
Change in short-term financial liabilities	17	0	0
Non-refundable subsidy received		0	0
Interest paid	27	-215,089	-216,737
Interest received	27	208,087	586,432
Income tax paid	28	-30,215	-13,074
Damages paid		0	0
Cash-flow from business activity		3,845,882	2,720,557
Purchase of tangible assets	1, 2	-4,130,360	-760,403
Cash proceeds from the sale of property, plant and equipment		732	886
Funds used for investments		-4,129,628	-759,517
Income from capital issues		0	0
Dividend	12	0	-8,808,955
Equity purchase (-)/sale (+)		0	0
Interest paid		0	0
Loans	13	94,500	0
Loan repayment	13, 17	-723,373	-723,373
Cash flow from financing activity		-628,873	-9,532,328
Change in liquid assets		-912,619	-7,571,288
Revaluation of foreign currency-denominated liquid assets		8,255	-13,480
Balance-sheet change in liquid assets		-904,364	-7,584,768
Cash flow from financing activities	8	-904,364	-7,584,768
Opening cash and cash equivalents	8	6,336,433	8,130,618
Closing cash and cash equivalents	8	5,432,069	545,850

*No. of additional explanations

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

I. General company information

1. Company profile

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. (hereinafter: the "Company" 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 dematerialized form.

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 out, 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).

The chartered IFRS accountant responsible for the preparation of this IFRS Interim Consolidated Financial Statements for H1 2024 is Dr Katalin Horváth Kalácska (H-1082 Budapest, Hock János u. 4-6.; chartered accountant registration number: 123362).

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

2. Officers and controlled companies

2.1. Officers in H1 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
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

Members of the Company's Audit Committee

Name	Position	Beginning of assignment	End of assignment
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

**Ownership interest of executives, employees in strategic positions in the Company
(30 June, 2024)**

Nature	Name	Position	Beginning of assignment	End of assignment	Direct shareholding (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 as from 1 December, 2018, CEO	30.04.2022	30.04.2027	0	67.73%
MBoD	Dr Frigyes Hárshegyi	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MBoD	Julian Tzvetkov	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MBoD	Miklós Vaszi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Open-ended***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

2.2. Change in senior executives, employees in strategic positions in H1 2024

There was no change in the composition of the Board of Directors or the Audit Committee in the period between 1 January, 2024 and 30 June, 2024.

Changes to the management of the Company in H1 2024

By its resolution No. 1/2024. (02.29), the Board of Directors amended the Bylaws of the Company. Effective from 1 March, 2024, the Property Development Directorate was established, with Attila Seres holding the position of Director. The Real Estate Development and Construction Department, headed by Attila Seres, reports to this Directorate, as well as the CAPEX and Fit-out Department, which is still led by Attila Fábián.

2.3. Remuneration of senior executives in H1 2024

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.

2.4. Persons authorized to sign the Interim Consolidated Financial Statements

According to Article 15.2 of the Articles of Association, the following persons are authorized 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 authorized to represent the Company,
- The Vice-President of the Board of Directors, jointly with another member of the Board of Directors or an employee authorized to represent the Company.

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

2.5. Ownership structure

Company owners holding more than 5% of the shares based on the shareholder register and on the individual statements of the owners

Shareholder	31 December, 2023		30 June, 2024	
	Number of shares	Participation (%)	Number of shares	Participation (%)
PIÓ-21 Kft.	194,389,885	67.73*	194,389,885	67.73*
MBH Bank Nyrt.	28,702,440	9.99	0	0***
Equity shares**	22,514,206	7.84	22,514,206	7.84
Other shareholders	41,417,909	14.44	70,120,349	24.43
Total	287,024,440	100.00	287,024,440	100.00

* Of which an indirect share of 0.57% through the Company's subsidiary, BFIN Asset Management AG

** The Company may not exercise shareholder rights by the BIF ordinary shares in its ownership

***Based on the notification received by the Company on 2 July, 2024 from the owner of MBH Bank Nyrt.

2.6. Information on the consolidated companies

Subsidiary	Registered office	Vote and ownership shares	
		30 June, 2024	31 December, 2023
Harsánylejtő Kft.	1033 Budapest Polgár u. 8-10.	100.00%	100.00%

The equity data of Harsánylejtő Kft., as of 30 June 2024, HUF '000':

Equity	127,017
Subscribed capital	3,000
Committed reserve	792,500
Profit reserve	-765,822
P/L after tax	97,339

The managing director of Harsánylejtő Ingatlanforgalmazó és -kezelő Kft. (hereinafter: "Harsánylejtő Kft." or "Subsidiary") is Kristóf Berecz, holding full power signatory rights with effect from 28 February 2019.

The result of Harsánylejtő Kft. for the reporting period primarily came from consultancy activities related to real estate development carried out by a third party on plots previously sold by the Company, as well as from leasing activities that began at the end of the reporting half-year.

Sub-subsidiary	Registered office	Vote and ownership shares	
		30 June, 2024	31 December, 2023
Marischka Kft.	1012 Budapest Logodi u. 42.	100.00%	0.00%

The equity data of Marischka Kft. as of 30 June 2024, HUF '000':

Equity	806
Subscribed capital	3,000
Committed reserve	71,000
Profit reserve	-70,808
P/L after tax	-2,386

With the acquisition of 100% of the shares of Marischka Kft. by Harsánylejtő Kft. on 9 May 2024, this company was also included in the scope of consolidation. The managing director of the limited liability company is János Bokor, who has full power signatory rights, with effect from 1 January 2021.

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. In addition, the restaurant in the Flórián Udvar Office Building has also been operated by Marischka Kft. since 1 August 2024.

II. Key elements of the accounting policy

In these Consolidated Interim Financial Statements, the Company has applied the same accounting policies and the same method of computation as in the last annual financial statements.

There is no cyclicity or seasonality in the operation of the Company.

These interim consolidated financial statements have not been audited by an independent auditor.

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

The Board of Directors has approved the Interim Consolidated Financial Statements. These Interim 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). Unless otherwise indicated, the Interim Consolidated Financial Statements are presented in Hungarian forint, rounded to the thousand.

2. Basis of preparing the report

The Interim Consolidated Financial Statements were prepared according to the standards and on the definitions given by IFRIC as released on and in force until 1 January 2024.

The Interim Consolidated 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.

3. Valuation basis

For the Interim 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 policy and on the sum total of the assets and liabilities, revenues and costs recognized 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.

4. Details of the business combination and the consolidated companies

Subsidiary	Registered office	Vote and ownership shares	
		30 June, 2024	31 December, 2023
Harsánylejtő Kft.	1033 Budapest Polgár u. 8-10.	100.00%	100.00%
Sub-subsidiary	Registered office	Vote and ownership shares	
		30 June, 2024	31 December, 2023
Marischka Kft.	1012 Budapest Logodí u. 42.	100.00%	0.00%

III. Additional explanation

1. Investment property

HUF '000'	
as at 31 December 2023	78,581,204
Change in fair value	-576,376
Change in assets in the course of construction	1,707,328
Capitalisation	403,784
Sales	0
as at 30 June 2024	80,115,940
as at 31 December 2023	78,581,204
as at 30 June 2024	80,115,940

Investment properties are valued by an independent valuer based on the following criteria: According to 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 method based on cost appraisal

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 value of the investment property changed in H1 2024 as a result of the following:

- change to the fair value of investment properties (see also paragraphs 21 and 26);
- change in assets in the course of construction: 90% of the growth was due to the successful acquisition of a property in Croatia (Croatia, 320170 Volosko, (plot no.: 132/9) (Volosko) in early 2024. The remaining 10% resulted from ongoing developments of existing properties;
- investments realized in the course of the year on the existing properties, completion of developments in progress.
- There were no sales in the six months under review.

The Volosko property is measured at cost in accordance with the point 53 of IAS40.

Profit from income-generating investment property		
HUF '000'	H1 2024	H1 2023
Net sales revenue	4,964,963	4,020,578
Other operating income	9,804	154,677
Capitalized value of internally generated assets	0	0
Changes in internally generated inventories	0	0
Raw materials, consumables and other external charges	-1,036,704	-887,300
Staff costs	0	0
Depreciation and impairment	-11,414	-10,716
Other operating expenditure	-750,389	-534,861
Revenues from financial operations	7,541	0
Expenses on financial operations	-199,861	-201,168
P/L before tax	2,983,940	2,541,210

The 23.5% increase in 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 Road, District X of Budapest).

Other operating income decreased by 93.7% compared to the base period, as there was no significant income from compensation and penalties in the first half of 2024, unlike in the previous year when the Company received such income related to a specific property development. Furthermore, no market value appreciation was recognized in the current period (as, apart from the new property acquisition, only value-maintaining statements were prepared for the other properties).

Of other operating expenses, HUF 174 million is accounted for by building taxes settled with various municipalities, and also includes the market "depreciation" (about HUF 576 million) (see also Section 26).

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	487,629	764,224	1,386,177
Increase	4,414	0	46,094	1,896,433	1,946,941
Reclassification (acquisition)	2,551		17,765		20,316
30 June, 2024	39,947	101,342	551,488	2,660,657	3,353,434
Depreciation					
31 December, 2023	29,767	17,236	371,261	0	418,264
Annual write-off	2,792	1,008	27,575		31,375
Reclassification (acquisition)	1,844		14,074		15,918
30 June, 2024	34,403	18,244	412,910	0	465,557
Net book value					
31 December, 2023	3,215	84,106	116,368	764,224	967,913
30 June, 2024	5,544	83,098	138,578	2,660,657	2,887,877

Increase in the gross value of technical machinery and equipment was due to the acquisition of cars and office administrative and computer equipment.

Increase in intangible assets resulted from the acquisition of various software tools.

There were no changes in the other real property category in H1 2024.

The significant increase in assets in the course of construction is due to the ongoing acquisition of fixed assets by Harsánylejtő Kft.

The reclassification (acquisition) line includes the intangible assets and fixed assets of Marischka Kft.

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 recognized.

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 line for "Investments in subsidiaries" in the 2024 balance sheet shows no amount, just as in 2023, despite Marischka Kft. being acquired by the group on 9 May 2024 as a 100% subsidiary of Harsánylejtő Kft. However, since the Company fully consolidates both the subsidiary and the "sub-subsidiary," the value of the investments is eliminated during the consolidation process.

4. Deferred tax assets

Due to its REIT status, the Company has no deferred tax assets.

5. Inventories

HUF '000'	30.06.2024	31.12.2023
Raw materials	15,290	0
Work in progress	26,376	26,376
Finished product	0	15,141
Goods	32,251	59,083
Prepayments on inventories	0	0
Total	73,917	100,600

The overwhelming majority (79%) 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 H1 2024.

With the acquisition of Marischka Kft., raw materials (restaurant) have been added to the inventory, accounting for 21% of the total inventory.

6. Trade receivables

HUF '000'	30.06.2024	31.12.2023
Trade receivables	129,954	55,756
Impairment	-213,059	-213,059
Credit loss	-16,645	-16,645
Adjustment due to trade debtors with a credit balance	226,666	258,551
Total	126,916	84,603

Trade receivables increased by HUF 74 million (133%) compared to the year-end, while the amount of recognized impairment and credit losses remained unchanged, and the balance of trade receivables due to prepayments also decreased by HUF 32 million (12%).

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

HUF '000'	30.06.2024	31.12.2023
Other receivables	29,014	280,153
Accruals	73,327	50,625
Suppliers with a debit balance, and taxes	62,226	39,009
Total	164,567	369,787

Nearly 93% of the other receivables in the base period were VAT receivables arising from advances received from customers. However, due to the land sale completed in the reporting period, as mentioned in the inventory section, these receivables have been derecognized, resulting in a 90% decrease in this line item.

Among the suppliers and taxes with a debit balance for Harsánylejtő Kft., there is a VAT receivable of HUF 7.5 million and an overpayment of local taxes amounting to HUF 4.5 million. A further significant reclassification of HUF 48 million results from prepayments to suppliers.

Accrued income and prepaid expenses increased by HUF 23 million (45%), partly due to the accrual of pro-rata fees and costs paid to suppliers in H1 2024 but to be recognized in the second half of the year (HUF 25 million) and partly due to the accrual of revenues relating to H1 2024 but only due in H2 2024 (HUF 48 million).

8. Cash and cash equivalents

HUF '000'	30.06.2024	31.12.2023
Cash on hand	8,488	1,516
Bank	5,423,581	6,334,917
Total	5,432,069	6,336,433

Decrease in cash and cash equivalents of around HUF 904 million (14%) in H1 2024 is due to payments for purchases of fixed assets.

9. Subscribed capital and capital reserve

The share capital of the Company is HUF 2,870,244,000, consisting of 287,024,440 ordinary shares of HUF 10 each in dematerialized form as of 30 June 2024. The share capital according to IFRS is the same as the share capital registered by the Companies Court.

The amount of the subscribed capital of the Company did not change in H1 2024.

Subscribed capital

HUF '000'	30.06.2024	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'	30.06.2024	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, however, there was no such share transaction performed in H1 2024.

10. Revaluation reserve

HUF '000'	30.06.2024	31.12.2023
Opening	731,904	731,904
Increase	0	0
Decrease	0	0
Closing	731,904	731,904

In the balance sheets of 2023 and H1 2024, the Company recognises in the valuation reserve the previous revaluation of the Aranykéz Street Parking Garages (the property at 4-6 Aranykéz Street, District V of Budapest), recognized in accordance with the fair value model under IAS16 (and adjusted for deferred tax).

11. Repurchased treasury shares

The Company recognizes its equity shares in the balance sheet at cost as repurchased treasury shares reducing the equity.

At the beginning of the base year, the Company owned 35,340,000 treasury shares. However, in December 2023, 12,825,794 treasury shares were sold, with a derecognized book value of 743,896 thousand forints, reducing the number of shares to 22,514,206.

During the reporting period, the number of treasury shares held by the Company remained at 22,514,206, as there were no transactions involving treasury shares in H1 2024.

HUF '000'	30.06.2024	31.12.2023
Opening	-2,304,224	-3,048,120
Increase	0	0
Decrease	0	743,896
Closing	-2,304,224	-2,304,224

12. Profit reserve and profit for the year

HUF '000'	30.06.2024	31.12.2023
Profit reserve		
Opening	44,360,298	48,913,149
Increase	10,567,736	4,256,104
Decrease		-8,808,955
Closing	54,928,034	44,360,298
P/L for the reporting year	3,770,355	10,567,736
Closing	58,698,389	54,928,034

The opening value of the profit reserve shows an increase due to the transfer of the 2023 profit of 10,567,736 thousand forints, and no dividend payments were made during the reporting period.

13. Non-current financial liabilities

HUF '000'	30.06.2024	31.12.2023
Long-term loans	18,257,328	18,886,201

Long-term loans include the full amount of long-term bank loans. The main figures for each bank loan are given in Section IV.1.1.

The instalments of these bank loans due in H2 2024 and H1 2025 are included in short-term borrowings (see Explanation 17).

14. Provisions

HUF '000'	30.06.2024	31.12.2023
Provisions for contingent liabilities	28,624	19,760
Total	28,624	19,760

In H1 2024, in its accounts the Company only recognized a provision for untaken holidays of approximately HUF 19.7 million, with a further provision of approximately HUF 8.9 million arising from the provision for expected liabilities recognized by the Subsidiary in previous years.

15. Deferred tax liabilities

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

16. Other long-term liabilities

HUF '000'	30.06.2024	31.12.2023
Other long-term liabilities	1,532,464	1,376,527
Total	1,532,464	1,376,527

The value of other long-term liabilities arises from the reclassification of deposits related to long-term lease agreements (maturing more than 12 months after the end of the reporting period). The Company reviewed these obligations and reclassified those with maturities exceeding one year into this category.

17. Short-term financial liabilities

HUF '000'	30.06.2024	31.12.2023
Short-term portion of loans	1,446,747	1,446,747
Total	1,446,747	1,446,747

Current financial liabilities include the reclassification of short-term bank loans (falling due in H2 2024 or H1 2025, see also Explanation 13 above).

18. Trade payables

HUF '000'	30.06.2024	31.12.2023
Trade payables	469,953	313,890
Total	469,953	313,890

The supplier balance increased by HUF 156 million (50%) compared to the end of 2023, 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.

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

HUF '000'	30.06.2024	31.12.2023
Advances + security deposit + VAT adjustment	402,124	1,463,796
Bér + taxes + wage taxes	252,630	90,460
Liabilities to owners in relation to dematerialization	75,280	75,280
Accruals	64,942	159,530
Adjustment due to trade debtors with a credit balance	226,666	258,551
Other	0	75,625
Total	1,021,642	2,123,242

The change in other current liabilities and accrued expenses was mainly influenced by the change in trade advances, which decreased by HUF 1,062 million (due to the sale of land in the reporting half-year). The line "Wages + taxes + contributions" shows the Company's tax and contribution liability, which is approximately HUF 162 million higher than the 2023 year-end balance. Accruals decreased by about HUF 95 million. The accruals include partly the value of expected utility costs and partly the value of accrued interest related to the Company's loan portfolio. The balance of the reclassified customer overpayments decreased by HUF 32 million.

20. Net sales revenue

HUF '000'	H1 2024	H1 2023
Revenue from rents and operating fees	4,212,899	3,241,917
Revenue from parking fees	383,519	383,880
Revenue related to intermediary services	384,163	382,333
Revenue from services	0	0
Revenue from the sale of properties/land	1,168,920	0
Other sales revenues	177,911	49,823
Total	6,327,412	4,057,953

The 30% 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. The great majority of revenue from mediated services (85%) comes from re-invoiced utility and other service charges related to the Company's rented own properties. Additionally, significant revenue (15%) was generated from costs recharged to tenants for office fit-outs, renovations, or restoration. Significant revenue was generated from property/land sales at the BIF Group during the reporting period, as a sales contract signed in the fourth quarter of 2021 (which was executed with a retention of ownership and payment made in installments) was realized in H1 2024. Other sales revenues include revenues that cannot be classified in the above groups.

21. Other operating income

HUF '000'	H1 2024	H1 2023
Fair valuation	0	7,350
Sale of real property and movable property	732	886
Additional cash contribution	71,000	0
Other income	11,695	150,446
Total	83,427	158,682

Among "Other operating income", the line for "Fair value assessment" includes the increase in the fair value of the Company's investment properties. This increase was related to properties acquired during the base period, but there were no such positive valuation results in the current period.

Within “Other operating income”, the largest item is the value of the supplementary payment of HUF 71 million made by the previous owner in connection with the purchase of Marischka Kft. This value was adjusted during the debt consolidation process. The most significant item among the higher revenues in the base period was a penalty of HUF 140 million.

22. Own performance capitalized

HUF '000'	H1 2024	H1 2023
Changes in internally generated inventories	-15,141	0
Capitalized value of internally generated assets	0	0
Total own performance capitalized	-15,141	0

The value of own work capitalized has changed due to the sale of land in the reporting half-year, with the value of inventories written off.

23. Raw materials, consumables and other external charges

HUF '000'	H1 2024	H1 2023
Material costs	217,106	152,121
Value of services used	633,188	444,094
Cost of other services	24,709	20,386
Cost of goods sold	15,672	60
Cost of services sold (mediated)	336,805	372,008
Total	1,227,480	988,669

Overall, raw materials, consumables and other external charges increased by HUF 239 million (24%) in the reporting period compared to the base period. The change was mainly due to an increase in the value of services used and in the cost of materials. The significant increase in services used was mainly due to higher costs for security guarding, cleaning and maintenance. The derecognized value of the land sold, recorded under goods, appears on the ACOGS line.

24. Staff costs

HUF '000'	H1 2024	H1 2023
Wage costs	469,772	325,238
Other payments to staff	32,090	19,527
Wage taxes	65,193	45,011
Total	567,055	389,776

On a company group level, payments to staff increased by around 45% in the first six months of 2024 compared to the previous year, which was caused by the combined effect of the enhancement of staff numbers related to the implementation of the strategic goals of the Company, organisational development and wage increase.

The average statistical headcount of the Company's employees was 64 in H1 2024 (the average statistical headcount in H1 2023 was 62; as of 30 June, 2024, the active headcount was 66, while the same indicator was 61 on 30 June, 2023, and 65 on 31 December, 2023.).

The administrative, legal and management tasks related to the operation of Harsánylejtő Kft. are carried out by BIF employees in a dual employment.

The average statistical headcount of Marischka Kft.'s employees was 30 in H1 2024 (the average statistical headcount in H1 2023 was 28; as of 30 June, 2024, the active headcount was 30, while the same indicator was 29 on 30 June, 2023, and 33 on 31 December, 2023.).

25. Depreciation and impairment

HUF '000'	H1 2024	H1 2023
Depreciation and impairment	99,283	27,963
Depreciation	31,375	27,963
Inventory impairment	0	0
Impairment of goodwill	67,908	
Impairment of financial assets	0	0
Impairment of additional payment	0	0
Impairment of receivables	0	0
Credit loss	0	0
Total	99,283	27,963

In the Depreciation line, the depreciation on non-investment property, plant and equipment is recognized. No additional depreciation was recognized either on trade receivables or inventories in the period under review, moreover, the receivables which gave rise to the recognition of additional credit loss were assessed in compliance with the provisions of the IFRS 9 standard as well. 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).

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.

26. Other operating expenditure

HUF '000'	H1 2024	H1 2023
Impact of fair valuation on inventories	10,893	0
Fair valuation	576,376	428,531
Sale of real property and movable property	0	0
Scrapping	0	0
Assets provided for no consideration	0	0
Taxes	183,221	110,718
Other expenditures	471	161
Total	770,961	539,410

Other operating expenses increased by 43%, and more specifically, the impact of fair valuation recognized in the line of Fair valuation and recognized based on the IAS40 standard and reducing the profit exceeds the value recognized in the base period by 35% (the adverse impact of fair valuation recognized in the period under review was caused by the fact that the value of investments made and recognized in the period under review in connection with investment properties did not yet appear in the market value of the given properties as of 30 June 2024), and the value of land tax also increased as a result of property investments.

With the derecognition of the inventory value of the land sold, the difference previously recognized under IAS2 was also derecognized in the amount of HUF 11 million.

27. Income from and expenses of financial operations

Revenues from financial operations		
HUF '000'	H1 2024	H1 2023
Interest received	208,087	586,432
Exchange rate gain	97,336	33,659
Other	0	0
Total revenues	305,423	620,091

Expenses on financial operations		
HUF '000'	H1 2024	H1 2023
Interest paid	215,089	216,737
Exchange rate loss	20,683	37,254
Other	0	0
Expenses, total	235,772	253,991

Decrease in the interest received is related to decrease in the free cash holdings and interest rates.

28. Actual tax expenditure

HUF '000'	H1 2024	H1 2023
Corporation tax	8,241	1,904
Business tax	4,874	569
Contribution to innovation	17,100	10,601
Other	0	0
Total actual tax	30,215	13,074

Pursuant to the relevant legal rules, 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 corporation tax was set at HUF 3,654,000 (see the calculation below), and the payable innovation contribution obligation of HUF 16,706,000 was calculated as payable by the Company. Based on the H1 2024 profit of Harsánylejtő Kft., we have calculated local business tax liability in the amount of HUF 3.630,000 and HUF 394,000 in innovation levy, as well as corporation tax in the amount of HUF 4,587,000. In the case of Marischka Kft., we have calculated HUF 1,244,000 business tax.

HUF '000'	
Profit before taxes as per IFRS	3,800,570
Tax adjustment (innovation contribution)	16,706
Pre-tax profit (adjusted for innovation contribution) according to the IFRS	3,783,864
Adjusting items under IFRS	-305,008
Adjusted profit before corporation tax	3,370,956
Increasing items	940,065
Decreasing items	-788,948
Corporation tax based in H1 2024	3,522,073
The benefit on corporation tax to the REIT status is	0%
The ratio of related revenue to total revenue (rounded to 2 decimal places)	1.15%
Corporation tax base (prorated to revenue from related parties) in H1 2023	40,603
Corporation tax payable for related parties	3,654
Corporation tax liability, H1 2024	3,654

29. Deferred tax expense

The Company has no deferred tax.

30. Earnings per share

HUF '000'	H1 2024	H1 2023
P/L after taxes (HUF '000')	3,770,355	2,623,843
Weighted average ordinary shares	264,510,234	251,684,440
Earnings per share (basic) (HUF) ("profit after tax" to "the weighted average of ordinary shares")	14.25	10.43

There are no factors at the Company that would dilute the earnings per share.

31. Information on business lines

All of the Company's used 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, utilization, and trading of properties, the segments have been structured accordingly for both the current and the base periods. (1) 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. (2) In the "Income-Generating Investment Properties" segment, we report the results directly related to properties purchased by the Company for leasing purposes, as well as properties leased and operated by Harsánylejtő Kft. for leasing out purposes. (3) "Marischka Kft. (hospitality)" segment: This segment presents the results derived from the restaurant operations and management activities of Marischka Ltd., 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 for H1 2024 and H1 2023, are shown in the tables below based on the classification mentioned above:

H1 2024 (HUF '000')	Income-generating investment property	Harsánylejtő Project	Marischka Kft. (hospitality)	Operating	Total
Net sales revenue	4,964,963	1,260,622	100,289	1,538	6,327,412
Other operating income	9,804	0	221	73,402	83,427
Capitalized 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	-1,036,704	-43,656	-36,176	-110,944	-1,227,480
Staff costs	0	0	-43,805	-523,250	-567,055
Depreciation and impairment	-11,414	-1,008	-814	-86,047	-99,283
Other operating expenditure	-750,389	-13,024	-5,092	-2,456	-770,961
Revenues from financial operations	7,541	0	3	297,879	305,423
Expenses on financial operations	-199,861	0	-7	-35,904	-235,772
P/L before tax	2,983,940	1,187,793	14,619	-385,782	3,800,570



H1 2023 (HUF '000')	Income-generating investment property	Harsánylejtő Project	Marischka Kft. (hospitality)	Operating	Total
Net sales revenue	4,020,578	37,350	0	25	4,057,953
Other operating income	154,677	236	0	3,769	158,682
Capitalized value of internally generated assets	0	0	0	0	0
Changes in internally generated inventories	0	0	0	0	0
Raw materials, consumables and other external charges	-887,300	-5,671	0	-95,698	-988,669
Staff costs	0	0	0	-389,776	-389,776
Depreciation and impairment	-10,716	-1,005	0	-16,242	-27,963
Other operating expenditure	-534,861	-2,016	0	-2,533	-539,410
Revenues from financial operations	0	0	0	620,091	620,091
Expenses on financial operations	-201,168	0	0	-52,823	-253,991
P/L before tax	2,541,210	28,894	0	66,813	2,636,917

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

32. P/L from a fair valuation

Within the cash flow from operating activities, the result from fair valuation for H1 2024 includes the impact of the fair valuation of investment properties, as this is a non-cash item. The fair valuation gain of HUF 576,37,000 thousand recognized in operating cash flow is entirely the effect of market "depreciation" (see Explanations 21 and 26).

33. 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.

30 June 2024 HUF '000'	Book value	Fair value
Financial assets		
<i>Financial liabilities carried at amortized cost loans and receivables</i>		
Trade receivables	356,620	126,916
Cash and cash equivalents	5,432,069	5,432,069
Financial liabilities		
<i>Financial liabilities carried at amortized cost liabilities</i>		
Financial liabilities	19,704,075	19,704,075
Trade payables	469,953	469,953

31 December 2023	HUF '000'	Book value	Fair value
Financial assets			
<i>Financial liabilities carried at amortized cost</i>			
<i>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 amortized cost</i>			
<i>liabilities</i>			
Financial liabilities		20,332,948	20,332,948
Trade payables		313,890	313,890

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

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.

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 at 30 June 2024, the following pledges encumbered certain items constituting the Company Group's assets:

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:

HUF 20,000,000,000, i.e. twenty billion forints as principal and any interests and other charges accrued

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-year HUF-loans to the Company:

- in order to refinance 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 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' loan in the total amount of HUF 2,500,000,000 for financing real property renovation and investment, of which the first disbursement of HUF 524,141,008 was made on 16 September 2021, and the second disbursement of HUF 716,312,052 was made on 15 December 2021, while 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 title deed no. 6775, located in District XII of Budapest (H-1012 Budapest, Városmajor 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

a capital amount of HUF 2,500,000,000 and charges

Loan6

According to the loan agreement between the Company and MBH Bank Nyrt., dated 25 July 2023, MBH Bank Nyrt. provides the Company with a fixed-rate loan in Hungarian forints amounting to HUF 681,580,000, for property renovation and investment purposes, with an 8-year term. The disbursements are as follows: 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 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 title deed no. 6775, located in District XII of Budapest (H-1012 Budapest, Városmajor 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:

HUF 681,580,000 principal and charges

1.2. Litigation and other legal proceedings

As of 30 June 2024, Budapesti Ingatlan Nyrt. was not a defendant in any pending litigation.

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

2. Significant events after the end of the interim period (30 June 2024)

There were no significant events after the end of the interim period.

3. Extraordinary and other regulated disclosures in 2024

Date of publication	Subject of publication
31 July 2024	Monthly announcement of voting rights and 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 share capital
31 May 2024	Monthly announcement of voting rights and share capital
9 May 2024	Information on the conclusion of a share purchase agreement
30 April 2024	BIF Remuneration Report 2023
30 April 2024	Report on Responsible Corporate Governance, 2023
30 April 2024	2023 Annual Report, 2023
30 April 2024	Minutes of the 2024 Annual General Meeting of Budapesti Ingatlan Nyrt. with adopted resolutions
30 April 2024	Monthly announcement of voting rights and share capital
30 April 2024	BIF Non-Financial Report – Simplified ESG Report 2023
9 April 2024	Proposal to the General Meeting of the Members, 2024
2 April 2024	Monthly announcement of voting rights and share capital
26 March 2024	Invitation to the General Meeting
29 February 2024	Monthly announcement of voting rights and share capital
7 February 2024	Information on the conclusion of a property purchase agreement
31 January, 2024	Monthly announcement of voting rights and 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 share capital

4. Authorization to publish financial statements

The Board of Directors of the Company approved this Interim Consolidated Financial Statements on August 30, 2024 and authorized it for disclosure with its resolution.

Declaration of Liability

Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby declares that this Interim Consolidated Financial Statements has been prepared to the best knowledge of the Company, in accordance with International Financial Reporting Standards, providing a true and fair view of the assets, liabilities, financial position as well as profits and losses of the Company and the companies involved in the consolidation, and does not omit any facts that might have any significance concerning the assessment of the situation of the Company and the companies involved in the consolidation.

Budapest, 30 August 2024

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

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

**Consolidated Business (management)
Report
to the consolidated, non-audited Financial
Statements of Budapesti Ingatlan
Hasznosítási és Fejlesztési Nyrt. prepared
in accordance with the International
Financial Reporting Standards (IFRS) for
the period ended on 30 June, 2024**



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I. The Company's objectives, strategy and activities

In H1 2024 **Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.** (registered office: H-1033 Budapest, Polgár utca 8-10., hereinafter: "Company" or "BIF") performed its business activity in accordance with the development strategy and objectives listed below:

- identifying office and other buildings that fit into the Company's existing portfolio of income-generating real properties and making acquisitions;
- to maximise the income potential of the existing real property portfolio and optimise the operation of office buildings;
- the implementation of the fully developed concept for the 39-hectare Harsánylejtő development site owned by the Company in Budapest, District III.

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 out, 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 Company is active in the following main segments of the real estate market according to the types of properties owned:

- Office buildings
- Parking garages
- Building plots
- Residential properties
- Hotels

Office buildings

In H1 2024, the space of modern offices in Budapest increased by 78,285 m² with the addition of six new office buildings. By the end of Q2 2024, the total office space reached 4,440,490 m², of which 3,603,265 m² consisted of Category 'A' and 'B' modern speculative office space, and 837,225 m² were owner-occupied office buildings. Total gross demand in H1 2024 was 143,395 m², while net demand during the same period amounted to 105,860 m². Both gross and net leasing showed a 21% increase compared to the same period in 2023. The vacancy rate slightly increased in Q2 2024, reaching 13.9%.

The vacancy rate rose by 0.2 percentage points compared to the previous quarter and by 1.3 percentage points compared to the same period last year.

In the first half of 2024, the lowest vacancy rate was registered in the North Buda submarket (7.7%), while the highest rate remained unchanged in the agglomeration (33.2%).

In terms of tenant activity, in H1 2024 the most popular sub-market in Budapest was again the Váci út office corridor, which attracted 27% of demand. The second highest level of activity was recorded in the Pest Central and Pest Non-Central submarkets, with both markets achieving a 24% share by the second quarter of 2024. (Source: BRF Q1 2024 and Q2 2024)

A total of 162 lease agreements were registered during the second quarter of 2024, with an average size of 885 m². The number of transactions is consistent with the value recorded in Q2 2023, while the average transaction size increased by 20%. Five agreements were made for areas larger than 5,000 m², three of which were extensions, one was a new contract, and one was an acquisition. (Source: BRF Q2 2024)

On 30 June 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.

In H1 2020, our Company successfully acquired the former Posta Hotel at 114-116 Üllői Road, 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**”) 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 Road Educational Centre”), our aim is to use it as an office or educational centre in line with market demand. The two buildings added 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 zone system for paid public parking has continued in recent years, resulting in previously free zones becoming paid in certain districts. In addition to boosting the use of public transportation, these factors also improved the utilization of available capacities in parking garages and underground garages in the city.

Our Company owns 2 **parking garages**, the **Aranykéz Parking Garage** (Budapest V. district Aranykéz utca 4-6.) and the **Parking Garage of Flórián Udvar** Office Building (8-10 Polgár Street, District III of Budapest), 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. At the Aranykéz Parking Garage, we also provide electric vehicle charging services for our customers.

Building plots and residential properties

In H1 2024, 6,027 new flats were built nationwide, 18% fewer than a year earlier. In Budapest, the number of completed flats decreased by 8.3%, by 20% in cities with county rights, by 27% in other towns, and by 19% in villages. In Budapest, new residential developments continue to show a trend of geographical concentration, with 46% of new flats, nearly 1000 units, being handed over in District XI. The number of flats to be built based on issued building permits and simplified notifications was 8,972, 18% less than a year earlier. (Source: KSH)

In terms of the housing market, signs of recovery from the previous downturn were already evident in most of the country’s housing markets. In Q1 2024, the number of dwellings sold increased by 36% compared to the same period of the previous year, following a 23% decline in 2023. The number of sales has increased for both used and new flats.

In terms of prices, in the first quarter of 2024, the real price of used flats rose by 4.4%, while the real price of new flats increased by 10% compared to the same period in the previous year. The national average price for new flats, which remained below 1 million forints on average in 2023, approached 1.2 million forints during January to March 2024. While the cost of flat construction shows minor regional variations, market prices can vary significantly, sometimes by two to three times, depending on the location across the country. (Source: KSH)

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.
 - Of the plots suitable for residential property development, two had sales contracts signed with retained ownership in Q4 2021. Of these, one plot was handed over in 2022, while the handover of the other plot took place in Q1 2024.
- 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 December 31, 2022, a residential property located at parcel number 6775 at 99 Attila Road and 42 Logodi Street in District I of Budapest, 1022 (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 flats 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 and the building permit has been obtained.

Hotels

In H1 2024, there was a 7.6% increase in the number of guest nights at tourist accommodations compared to the same period in 2023, reaching a total of 17.8 million. Domestic guests accounted for 3% more nights, while foreign guests spent 12% more nights (8.5 million and 9.3 million, respectively) at tourist accommodations.

In June 2024, a total of 30,794 tourist accommodations were available, including 2899 commercial establishments and 27,895 private and other types of accommodations. Among the commercial accommodations, 1,004 hotels and 1,165 guesthouses were open for at least part of June. The total gross revenue from tourist accommodations amounted to HUF 95 billion, which is 14% higher than the previous year. Of the 825,000 foreign guests staying at tourist accommodations, approximately 2 million guest nights were recorded, with 584,000 guests and 1.4 million guest nights registered at commercial accommodations. Of the latter, 79% were spent in hotels, where the number of nights spent by foreign guests increased by 10% compared to the previous year. Foreign guest nights at private and other accommodations increased by 19% compared to June 2023. (Source: CSO and Tourism Online)

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. Company is currently planning the development and modernization of the property, taking into account the new tenant's requirements.

“**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) has been leased out by the Company for student accommodation (hereinafter: “**BIF HOSTEL**”) taking advantage of the favourable conditions of the building. Starting from September 2024, the tenant business will plans to operate a 2-3 star hotel in the building.

II. H1 2024 achievements and outlook for and challenges in 2024

1. H1 2024 achievements

Based on the unaudited consolidated income statement prepared in accordance with IFRS, the Company's **profit before tax for H1 2024 amounted to HUF 3,801 million**, while in the same period of the previous year the profit before tax amounted to HUF 2,637 million, whereas the **profit before tax adjusted for the impact of the fair valuation of investment properties increased to HUF 4,377 million** in the first half of 2024 compared to HUF 3,058 million in the same period of the previous year (+43%).

- In H1 2024, **net sales** totalled approximately HUF 6,327 million against HUF 4,058 million in the base period (+56%). Increase in revenues was significantly driven by the accounting recognition of a land sale agreement concluded in the last quarter of 2021 during the period in question (HUF 1,169 million). There was also a substantial increase in revenues from leasing and operational fees (+30%), mainly due to index-linked price adjustments implemented at the beginning of the year and revenues related to the leasing out of the BIF Tower. Additionally, consolidated revenue was boosted by the periodic revenue of Marischka Kft., acquired by Harsánylejtő Kft. on 9 May 2024 and included in the consolidation scope. In H1 2024, 79% of the consolidated net sales revenue achieved by the Company came from rental, parking, operational fees and revenues from intermediary services, while 18% was attributable to land sales revenue. The proportion of other revenues remained relatively small, at 3%.

Breakdown of net revenue from sales

HUF '000'	H1 2023	H1 2024
Revenue from rents and operating fees	3,241,917	4,212,899
Revenue from parking fees	383,880	383,519
Revenue related to intermediary services	382,333	384,163
Revenue from services	0	0
Revenue from the sale of properties/land	0	1,168,920
Other sales revenues	49,823	177,911
Total	4,057,953	6,327,412

- Other operating income** amounted to HUF 83 million in H1 2024 compared to HUF 159 million in the base period. The operating income for the period was increased by HUF 71 million, recorded as other income related to the acquisition of Marischka Kft. (accounting for the supplementary payment made by the previous owner). Meanwhile, the most significant item among the higher revenues for the base period was a penalty amounting to HUF 140 million, and HUF 7.4 million from the revaluation of real property was also accounted for. This heading also includes interest and compensation for late payment, which generated income in both periods.

- In H1 2024, **raw materials, consumables and other external charges** amounted to approximately HUF 1,227 million, an increase of 24% compared to the HUF 989 million reported in H1 2023. The change was mainly due to an increase in the value of services used and in the cost of materials. The significant increase in services used was mainly due to higher costs for security guarding, cleaning and maintenance. Nearly half of the increase in material costs was due to the material costs of Marischka Kft., which was acquired in May 2024.
- On a company group level, **payments to staff** increased by around 45% in the first six months of 2024 compared to the previous year, which was caused by the combined effect of the enhancement of staff numbers, organizational development and wage increase. As a result of the acquisition of Marischka Kft., the number of staff also increased significantly at group level during the period.
- **Other operating income** amounted to HUF 771 million in the reporting period compared to HUF 539 million in the base period. The less favourable value compared to the base period was mainly due to the adverse impact of value measurement, which amounted to HUF 576 million in the reporting period compared to HUF 428 million in the previous year. (This adverse impact of fair valuation recognized in the reporting period was due to the fact that the value of investments made and recognized in connection with investment properties had not yet been reflected in the market value of these properties as of June 30, 2024.) Additionally, higher property tax due to completed real estate developments also increased other operating expenses.
- The **depreciation and impairment** heading shows an improvement of around HUF 71 million compared to the base period. The main reason for the change is that, 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 level of depreciation also increased by 12% compared to the base period.
- As a result of the above, the **operating P/L** for the period increased from HUF 2,271 million to HUF 3,731 million, while the consolidated **operating P/L** adjusted for the effect of fair valuation of investment property **increased from HUF 2,692 million** in the base period **to HUF 4,307 million** (+60%) in H1 2024.
- The **P/L on financial operations** for the period amounted to approximately HUF 70 million compared to HUF 366 million in the base period, which was about 296 million forints less favourable compared to the value in H1 2023. Revenues increased by around HUF 315 million and expenses decreased by HUF 18 million during the reporting period. The significant decrease in interest received was due to lower average free money and significantly lower interest rates.
- Based on the requirements of the REIT Act, BIF was only obliged to pay corporate tax until the Pre-REIT status was obtained (on 20 October, 2017). Having a REIT status, the Company is required, however, to determine its corporate tax base, but it is only subject to **corporate tax payment** for the calculated base in certain cases (e.g. on a tax base proportionate to the income from related parties). Taking the above into account, the actual tax expense of approximately HUF 30.2 million incurred by BIF Group in the year under review comprised the group-level corporate tax of approximately HUF 8.2 million, the group level innovation levy of approximately HUF 17.1 million, and a local tax liability of approximately HUF 4.9 million was incurred in Harsánylejtő Kft.



Profit and loss account / Income Statement (IFRS consolidated, non-audited)

HUF '000'	H1 2023	H1 2024
Net sales revenue	4,057,953	6,327,412
Other operating income	158,682	83,427
Changes in internally generated inventories	0	-15,141
Capitalized value of internally generated assets	0	0
Raw materials, consumables and other external charges	-988,669	-1,227,480
Staff costs	-389,776	-567,055
Other operating expenditure	-539,410	-770,961
EBITDA	2,298,780	3,830,202
Depreciation and impairment	-27,963	-99,283
Operating P/L	2,270,817	3,730,919
Financial income	620,091	305,423
Financial expenses	-253,991	-235,772
P/L before tax	2,636,917	3,800,570
Actual tax expenditure	-13,074	-30,215
Deferred tax	0	0
P/L after tax	2,623,843	3,770,355

- The **portfolio of investment properties** increased by about 1.5 billion in H1 2024 compared to 31 December 2023. The change in the portfolio was caused by a combination of investments and activations made on the properties in the portfolio, changes in the real value of the properties, and primarily the successful acquisition of a property in Croatia (Volosko¹) at the beginning of 2024. For the presentation of investment properties, the Company has chosen the fair value model in accordance with IAS40, with the exception that the Volosko property is valued at cost in accordance with the point 53 of IAS40. 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.)
- By the end of H1 2024, the Company's **net debt** (the value of financial liabilities less cash and cash equivalents) had slightly increased to around HUF 14.3 billion from HUF 14 billion at the end of 2023. This major decrease in cash was due to payments for the purchase of fixed assets. No dividends were paid during the period.

Key balance sheet items (IFRS consolidated, non-audited)

HUF '000'	31.12.2023	30.06.2024
Investment property	78,581,204	80,115,940
<i>Long-term assets, total</i>	<i>79,549,117</i>	<i>83,003,817</i>
Cash and cash equivalents	6,336,433	5,432,069
<i>Current assets, total</i>	<i>6,891,423</i>	<i>5,797,469</i>
Assets, total	86,440,540	88,801,286
Subscribed capital	2,870,244	2,870,244
<i>Equity allocated to the parent company, total</i>	<i>62,274,173</i>	<i>66,044,528</i>
Financial liabilities (long-term)	18,886,201	18,257,328
<i>Long-term liabilities, total</i>	<i>20,282,488</i>	<i>19,818,416</i>
Financial liabilities (short-term)	1,446,747	1,446,747
<i>Current liabilities, total</i>	<i>3,883,879</i>	<i>2,938,342</i>
Liabilities and equity, total	86,440,540	88,801,286

¹A property is located at Croatia 320170 Volosko, (parcel no.: 132/9)

Key indicators of the equity, financial and income position

Description	30.06.2023	30.06.2024
Long-term assets to total assets (Total long-term assets to total assets)	98.29%	93.47%
Indebtedness (total long-term liabilities to long-term liabilities and total equity allocated to the parent company)	30.12%	23.08%
Debt to equity ratio (total long-term liabilities to total equity allocated to the parent company)	43.10%	30.01%
Acid test ratio (Cash and cash equivalents to total short-term liabilities)	15.85%	184.87%
Return on sales (operating income to the net sales revenue)	55.96%	58.96%
Return on equity (operating income to total equity allocated to the parent company)	4.60%	5.65%

2. Outlook and challenges for H2 2024

In H2 2024, the Company will focus on the following areas:

- For the **Attila99Loft**, continuation of the sales activity for the rental of the building.
- **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**.
- Design and implementation of the fit-out works for the tenant following the full letting of the **BIF Tower**, according to the tenant's needs.
- Investigation of the possibilities of utilization of the **Üllői Road Educational Centre**.
- As a result of the successful acquisition in Croatia, at the beginning of 2024, in the case of the Volosko property, which was added to the portfolio, obtaining the building permit for the demolition of the old building and the development of the new one.
- The scheduled development of the **property** with outstanding features on **Madách Square** will proceed, taking tenant needs into account.
- Exploiting the development and efficiency improvement potential of existing properties (**portfolio "review"**).
- Monitoring tenant satisfaction in our existing office buildings; expanding and continuously improving the range of services to increase tenant satisfaction and retain tenants.
- 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 H1 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. Staff changes

Board of Directors, Audit Committee

There was no change in the composition of the Board of Directors or the Audit Committee in the period between 1 January 2024 and 30 June 2024.

Changes in the management off the Company in H1 2024

By its resolution No. 1/2024. (02.29.), the Board of Directors amended the Bylaws of the Company. Effective from 1 March, 2024, the Property Development Directorate was established, with Attila Seres holding the position of Director. The Real Estate Development and Construction Department, headed by Attila Seres, reports to this Directorate, as well as the CAPEX and Fit-out Department, which is still led by Attila Fábíán.

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.

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

Since March 2018, the Company has only had long-term loans in HUF due to a refinancing transaction. Considering that approximately 90% of the Company's group-level revenues are realized in HUF 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 detailed data pertaining to financial instruments are provided in Section 33 of Chapter III of the Consolidated, non-audited Financial Statements of the Company, prepared in accordance with the International Financial Reporting Standards (IFRS) for the period ending on 30 June 2024. 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, 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. Significant events after 30 June 2024

No significant events took place after 30 June 2024.

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:	1033 Budapest, Polgár u. 8-10.
Postal address (place of central administration):	1033 Budapest, Polgár u. 8-10.
Central electronic contact:	info@bif.hu
Website:	www.bif.hu
The Company's memorandum of association is dated:	31.01.1995
The date of commencement of the Company's operations is:	01.05.1994
Court of registration:	Companies Court of the Court of Budapest
Company registration number:	Cg. 01-10-042813
Statistical code of the Company:	12041781-6820-114-01
Tax ID:	12041781-2-41
Community tax ID:	HU12041781
Share capital of the Company as at 30 June 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:	6820'08 Letting and operation of property owned or leased

2. 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 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 Management 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 H1 2024. 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.

In H1 2024, the Board of Directors held three meetings in person. In H1 2024, the Board of Directors passed decisions through electronic means on 12 additional occasions.

Members of the Company's Board of Directors (30 June 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 H1 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 (30 June 2024)

Name	Position	Beginning of assignment	End of assignment
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

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

The Company's auditor in H1 2024:

- 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: András Tölgyes).

4. Disclosures

The Company discloses its public notices on:

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

5. Share information

As of 30 June 2024, the Company's share capital consisted of 287,024,440 dematerialized ordinary shares with a nominal value of HUF 10 each, of which 22,514,206 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. This authorization was not used by the Board of Directors in H1 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. This authorization was not used by the Board of Directors in H1 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 28 October 2025. The maximum value of treasury shares acquired by the Company under the authorization may be up to 25% of the share capital.

Company owners holding more than 5% of the shares based on the shareholder register and on the individual statements of the owners

Shareholder	31 December, 2023		30 June, 2024	
	Number of shares	Participation (%)	Number of shares	Participation (%)
PIÓ-21 Kft.	194,389,885	67.73*	194,389,885	67.73*
MBH Bank Nyrt.	28,702,440	9.99	0	0***
Equity shares**	22,514,206	7.84	22,514,206	7.84
Other shareholders	41,417,909	14.44	70,120,349	24.43
Total	287,024,440	100.00	287,024,440	100.00

* Of which an indirect share of 0.57% through the Company's subsidiary, BFIN Asset Management AG

** The Company may not exercise shareholder rights by the BIF ordinary shares in its ownership

***Based on the notification received by the Company on 2 July 2024 from the owner of MBH Bank Nyrt.

**Ownership interest of executives, employees in strategic positions in the Company
(30 June, 2024)**

Nature	Name	Position	Beginning of assignment	End of assignment	Direct shareholding (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 as from 1 December, 2018, CEO	30.04.2022	30.04.2027	0	67.73%
MBoD	Dr Frigyes Hárshegyi	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MBoD	Julian Tzvetkov	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MBoD	Miklós Vaszi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Open-ended***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

**Ownership interest of executives, employees in strategic positions in the Company
(30 June 2023)**

Nature	Name	Position	Beginning of assignment	End of assignment	Direct shareholding (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 as from 1 December, 2018, CEO	30.04.2022	30.04.2027	0	67.73%
MBoD	Dr Frigyes Hárshegyi	member of the BoD and the AC**	30.04.2022	30.04.2027	0	0
MBoD	Julian Tzvetkov	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
MBoD	Miklós Vaszi	member of the BoD and the AC	30.04.2022	30.04.2027	0	0
SP	Róbert Hrabovszki	Deputy CEO, CFO	19.03.2018	Open-ended***	0	0

*Board of Directors

**Audit Committee

***Nature of employment

VII. Changes in the number of employees; employment policy

The average statistical headcount of the Company's employees was 64 in H1 2024 (the average statistical headcount in H1 2023 was 62; as of 30 June, 2024, the active headcount was 66, while the same indicator was 61 on 30 June, 2023, and 65 on 31 December, 2023).

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.

The average statistical headcount of Marischka Kft.'s employees was 30 in H1 2024 (the average statistical headcount in H1 2023 was 28; as of 30 June, 2024, the active headcount was 30, while the same indicator was 29 on 30 June, 2023, and 33 on 31 December, 2023.).

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. Staff changes in H1 2024

They are described in Chapter III, Section 2.

X. Companies consolidated by the Company

The Company included Harsánylejtő Kft. and, as of May 9, 2024, Marischka Kft., which is 100% owned by Harsánylejtő Kft., in its Interim Consolidated Financial Statements for the first half of 2024 prepared in accordance with IFRS.

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 out 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).

Marischka Kft. has operated restaurants under the name Marischka on the ground floor of the Attila Road 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. In addition, the restaurant in the Flórián Udvar Office Building has also been operated by Marischka Kft. since 1 August 2024.

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 Corporate Governance Report, 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 Corporate Governance, and the Company publishes its Report on 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 and Statement 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 Corporate Governance contains the main features of the Company's internal control and risk management practices.

No company secretary has been appointed the Company.

Declaration of Liability

The Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby declares that this Consolidated Business (management) Report contains real data and statements, providing a true and fair view of the position, development and performance of the Company and the companies involved in the consolidation, presenting the main risks and uncertainty factors for the remaining six months of the financial year and does not omit any facts that might have any significance concerning the assessment of the position of the Company and the companies involved in the consolidation.

Budapest, 30 August 2024

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

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

Declaration of liability

The Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt. hereby (hereinafter: Company) declares that the 2024 Half-Year Report published by the Company was prepared to the best knowledge of the Company, in accordance with International Financial Reporting Standards, providing a true and fair view of the position, assets, liabilities, development and performance of the Company and the companies involved in the consolidation, 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 the companies involved in the consolidation.

Budapest, 30 August 2024

.....
dr. Ungár Anna
President of the Board of Directors, CEO

.....
Berecz Kristóf
Vice President of the Board of Directors, CEO

