

**Fotex Holding S.E.**

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**Unaudited interim condensed consolidated financial statements as at 30 June 2024  
Management report as at 30 June 2024**

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## Management Report

### Review and development of the groups business and financial position

The net turnover for the six months ended June 30, 2024, was EUR 19,809,151 compared with EUR 19,935,033 for the same period in 2023 representing no increase over the same period in 2023. The net turnover is mainly composed of income from operating a real estate portfolio in Hungary and the Netherlands. The main reason for the revenue levels is an increase in the groups Hungarian business from indexed rent and the leasing of existing properties to new tenants which was offset by the loss of tenants in certain of the group's properties in the Netherlands.

The overall income for the six months amounts to EUR 20,184,671 which is impacted by the net sales and the financial revenue (30 June 2023: EUR 19,939,428).

The net result for the six months is a gain amounting to EUR 4,448,177 (30 June 2023: EUR 4,552,042).

During the period the group acquired 98,061 of its own shares at a cost of Euro 307,650.

The shareholders meeting on April 18<sup>th</sup>, 2024 approved a 0.20 Euro dividend to the preference shares issued to key members of management in 2023. The total amount of the dividend of Euro 180,000 has been included as part of the salary cost of the group.

As of December 7<sup>th</sup>, 2023, the Group invested EUR 3.4 million to acquire a 20% stake in APF International BV, an entity specialising in real estate services in the Netherlands for which 2 of their directors also serve as independent directors of Fotex Holding and are therefore related parties. This agreement became effective as of 1 January 2024, and from that date this investment has been shown as an investment accounted for using the equity method in the accompanying financial statements

On January 30<sup>th</sup>, 2024, Fotex established, with the participation of APF International, a new company "Avenue Building BV". Fotex owns both directly and indirectly 78.09% of this company. On February 24<sup>th</sup>, 2024, Avenue Building acquired a property in the Netherlands at a cost of Euro 10,307,078.

### Principle risks and uncertainties

The Group's business, financial condition or results can be affected by risks and uncertainties. Management has identified the following risks that are relevant for the period to date and the remaining second half of the year:

- Change in laws and regulations governing the operations of the Company and its subsidiaries which may affect their business, investments and results of operations.
- Foreign currency risk
- Credit risk
- Liquidity risk
- Country risk

Management monitors these risks and applies the following risk management procedures:

#### *Foreign currency ("FX") risk*

Financial instruments that potentially represent risk for the Group include deposits, debtors and credit balances denominated in foreign currency, creditors in foreign currency and deposits in foreign currency other than EUR. The Group's rental contracts are stipulated in EUR or on EUR basis thus mitigating FX risk associated with non-EUR based revenues. As of 30 June 2024, the Group does not have any open forward transactions.

### *Credit risk*

The Group aims to mitigate lending risk by its careful and continuous debtor portfolio monitoring process and by requiring bank guarantees and collateral. In addition, the Group regularly follows up information about the main debtors in the market. Concentrations of credit risk, with respect to trade accounts receivable, are limited due to the large number of customers and due to the dispersion across geographical areas. Receivable balances are monitored on an ongoing basis.

Investments of surplus funds are made only with reliable counterparties and are allocated between more banks and financial institutions in order to mitigate financial loss through potential counterparty failure.

### *Liquidity risk*

Liquidity risk is monitored as follows:

- Monitoring daily available deposited and free cash by entity.
- Monitoring weekly cash flows by entity.
- As part of the management information system, the Group monitors the operations of each entity on a monthly basis.
- The Group monitors its long-term cash flows in order to match the maturity patterns of its assets and liabilities.

### *Country risk*

The Group has operations in Luxembourg, in the Netherlands and in Hungary. By the geographical diversification of the operations, the Group mitigates the effects of country risk. Notwithstanding the, as yet unknown, impact of the global coronavirus pandemic, the Group has not identified any significant risks that may affect the financial performance of Group members associated with the countries in which the Group operates. Further as members of the European Union and the legal structure associated with it, management believes that country risk is not a matter of significant concern.

## **Related Party Transactions**

### **Principal related parties**

Gábor Várszegi, Chairman of the Board, directly or indirectly controls a part of the voting shares of Blackburn International Inc. ("Blackburn"), a Panama company, and Blackburn International Luxembourg S.à r.l. ("Blackburn Luxembourg"), a Luxembourg company. Blackburn Luxembourg has a controlling interest in Fotex Holding S.E. and in Fotex Ingatlan Kft. ("Fotex Ingatlan") and is the ultimate controlling party for Fotex Holding S.E. and Fotex Ingatlan. APF International provides real estate services to the group and is partly owned by two group directors. Whiteoak Management provides accounting and company secretarial services to the group and is owned by two group directors. One director rents sundry commercial property from the group on an arm's length basis. These companies are considered to be related parties.

There were no material related party transactions during the period.

### **Significant Events after the end of the reporting period**

There were no material significant events after the reporting period.

## Management Responsibility Statement

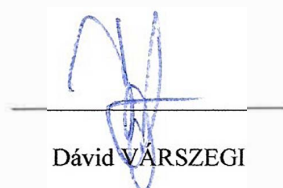
We confirm that, to the best of our knowledge, the condensed consolidated interim financial information as of 30 June 2024, which has been prepared in accordance with IAS 34, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Fotex Holding S.E. and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of Fotex Holding S.E. and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 14 August, 2024



Gábor VÁRSZEGI

Chairman of the Board of Directors



Dávid VÁRSZEGI

Member of the Board of Directors

**Fotex Holding S.E. and Subsidiaries**  
**Interim Condensed Consolidated Statement of Financial Position**  
**Figures in EUR**

	Note	30 June 2024	31 December 2023
		EUR	EUR
<b>Assets</b>			
Current Assets:			
Cash and short-term deposits		33,555,166	42,874,890
Current portion of other financial assets		5,430,651	1,328,628
Accounts receivable and prepayments		8,663,430	10,724,550
Inventories		3,892,835	3,907,066
Total current assets		51,542,082	58,835,134
Non-current Assets:			
Property, plant and equipment		2,719,406	3,014,084
Investment properties	8	140,490,694	132,219,565
Investments accounted for using the equity method		3,372,549	-
Deferred tax assets		422,890	422,891
Intangible assets		898,908	916,656
Non-current portion of other financial assets		4,651,801	3,131,199
Goodwill arising on acquisition		7,685,794	7,685,794
Total non-current assets		160,242,042	147,390,189
Total assets		211,784,124	206,225,323
<b>Liabilities and Shareholders' Equity</b>			
Current Liabilities:			
Accounts payable and other liabilities		10,973,187	11,039,418
Total current liabilities		10,973,187	11,039,418
Non-current Liabilities:			
Other long-term liabilities		3,895,153	3,801,822
Deferred tax liability		3,515,961	3,526,368
Total non-current liabilities		7,411,114	7,328,190
Shareholders' Equity:			
Issued capital		30,543,933	30,543,933
Additional paid-in capital		25,495,008	25,495,008
Retained earnings		188,171,982	183,723,805
Translation difference		(7,997,526)	(6,899,107)
Treasury shares, at cost		(45,328,172)	(45,020,522)
Equity attributable to equity holders of the parent company		190,885,225	187,843,117
Non-controlling interests in consolidated subsidiaries		2,514,598	14,598
Total shareholders' equity		193,399,823	187,857,715
Total liabilities and shareholders' equity		211,784,124	206,225,323

**Fotex Holding S.E. and Subsidiaries**  
**Interim Condensed Consolidated Income Statement**  
**Figures in EUR**

	Note	30 June 2024 EUR	30 June 2023 EUR
Revenue	3, 4, 5	19,809,151	19,935,033
Cost of sales		(336,557)	(279,973)
Gross Profit		19,472,594	19,655,060
Operating expenses		(14,038,079)	(13,591,835)
Operating profit (EBIT)		5,434,515	6,063,225
Interest income		375,520	4,395
Interest expenses		(471)	(273,091)
Share of post-tax result of equity accounted for investments		(27,451)	
Income before income tax		5,782,113	5,794,529
Income tax expense	6	(1,333,936)	(1,242,487)
Net income		4,448,177	4,552,042
Attributable to:			
Equity holders of the parent company		4,448,177	4,552,042
Non-controlling interests		-	-
Net income		4,448,177	4,552,042
Basic earnings per share		0.10	0.11
Diluted earnings per share		0.10	0.11

**Fotex Holding S.E. and Subsidiaries**  
**Interim Condensed Consolidated Statement of Comprehensive Income**  
**Figures in EUR**

	<u>Note</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
		EUR	EUR
Net income		<u>4,448,177</u>	<u>4,552,042</u>
Other comprehensive income:			
Exchange gain/(loss) on translation of foreign operations*		<u>(1,098,419)</u>	<u>2,856,180</u>
Total comprehensive income/ (loss)		<u><u>3,349,758</u></u>	<u><u>7,408,222</u></u>
Attributable to:			
Equity holders of the parent company		3,349,758	7,408,222
Non-controlling interests		<u>-</u>	<u>-</u>
		<u><u>3,349,758</u></u>	<u><u>7,408,222</u></u>

**Fotex Holding S.E. and Subsidiaries**  
**Interim Condensed Consolidated Statement of Changes in Equity**  
**Figures in EUR**  
**for the period ended 30 June 2024**

	Issued Capital	Additional Paid-in Capital	Retained Earnings	Translation Difference	Treasury Shares	Total	Non- controlling interests	Total Equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>1 January 2024</b>	<b>30,543,933</b>	<b>25,495,008</b>	<b>183,723,805</b>	<b>(6,899,107)</b>	<b>(45,020,522)</b>	<b>187,843,117</b>	<b>14,598</b>	<b>187,857,715</b>
Net income 2024	-	-	4,448,177	-	-	4,448,177	-	<b>4,448,177</b>
Other comprehensive income	-	-	-	(1,098,419)	-	(1,098,419)	-	<b>(1,098,419)</b>
Total comprehensive income	-	-	-	(1,098,419)	-	3,349,758	-	<b>3,349,758</b>
Purchase of treasury shares	-	-	-	-	(307,650)	(307,650)	-	<b>(307,650)</b>
Purchase of Minority shareholder	-	-	-	-	-	-	2,500,000	<b>2,500,000</b>
<b>30 June 2024</b>	<b>30,543,933</b>	<b>25,495,008</b>	<b>188,171,982</b>	<b>(7,997,526)</b>	<b>(45,328,172)</b>	<b>190,885,225</b>	<b>2,514,598</b>	<b>193,399,823</b>

**Fotex Holding S.E. and Subsidiaries**  
**Interim Condensed Consolidated Statement of Changes in Equity**  
**Figures in EUR**  
**for the period ended 30 June 2023**

	Issued Capital	Additional Paid-in Capital	Retained Earnings	Translation Difference	Treasury Shares	Total	Non- controlling interests	Total Equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>1 January 2023</b>	<b>30,543,933</b>	<b>25,495,008</b>	<b>174,960,731</b>	<b>(8,592,511)</b>	<b>(44,475,740)</b>	<b>177,931,421</b>	<b>16,224</b>	<b>177,947,645</b>
Net income 2023	–	–	4,552,042	–	–	<b>4,552,042</b>	-	<b>4,552,042</b>
Other comprehensive income	–	–	–	2,856,180	–	<b>2,856,180</b>	-	<b>2,856,180</b>
Total comprehensive income	–	–	4,552,042	2,856,180	–	<b>7,408,222</b>	-	<b>7,408,222</b>
Purchase of treasury shares	–	–	–	–	(162,237)	<b>(162,237)</b>	–	<b>(162,237)</b>
<b>30 June 2023</b>	<b>30,543,933</b>	<b>25,495,008</b>	<b>179,512,773</b>	<b>(5,736,331)</b>	<b>(44,637,977)</b>	<b>185,177,406</b>	<b>16,224</b>	<b>185,193,630</b>

**Fotex Holding S.E. and Subsidiaries**  
**Interim Condensed Consolidated Statement of Cash Flows**  
**Figures in EUR**

	Note	30 June 2024	30 June 2023
		EUR	EUR
<b>Cash flows from operating activities:</b>			
Income before income taxes	3, 4, 5	5,782,113	5,794,529
Depreciation and amortisation		3,777,464	3,106,778
Scrapped tangible assets		8,192	87,154
Gain on disposal of fixed assets		(39,051)	(98,161)
Share of result of equity investment		27,451	
Interest income		(375,520)	(4,395)
Scrapped inventories		-	99,521
Interest expenses		471	273,091
Changes in working capital:			
Accounts receivable and prepayments		(1,422,829)	(779,482)
Inventories		14,231	176,539
Accounts payable and other liabilities		643,563	(1,919,783)
Cash generated from operations		8,416,085	6,735,791
Income tax paid		(1,960,806)	(329,430)
Net cash flow from operating activities		6,455,279	6,406,361
<b>Cash flows from investing activities:</b>			
Additions to investment properties		(9,937,315)	(1,314,014)
Acquisition of tangible and intangible assets		(174,098)	(679,800)
Proceeds from disposal of fixed assets		47,244	149,270
Loan to equity investment		(1,000,000)	-
Interest received		375,520	4,395
Net cash flow received/(used) from investing activities		(10,688,649)	(1,840,149)
<b>Cash flows from financing activities:</b>			
Interest paid		(471)	(219,154)
Repayments of loan received		-	(47,036,021)
Purchase of short-term government bonds		(4,538,674)	-
Purchase of treasury shares		(307,650)	(162,237)
Net cash flow from financing activities		(4,846,795)	(47,417,412)
Change in cash and cash equivalents		(9,080,165)	(42,851,200)
Cash and cash equivalents at beginning of the year		42,874,890	83,656,881
Effect of foreign currency translation		(239,559)	244,806
Cash and cash equivalents at end of the period		33,555,166	41,050,487

## **1. Basis of presentation**

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2023 annual report.

## **2. Material accounting policies**

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2023 annual consolidated financial statements.

The following new standards and amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7) On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements. The amendments provide a transition relief whereby an entity is not required to provide the disclosures, otherwise required by the amendments, for any interim period presented within the annual reporting period in which the entity first applies those amendments. The Group carried out an assessment of its contracts and operations and concluded that these amendments have had no effect on the interim condensed consolidated financial statements, regardless of the transition relief provided.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16); On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. These amendments had no effect on the interim condensed consolidated financial statements of the Group.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1) The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Noncurrent and subsequently, in October 2022 Non-current Liabilities with Covenants. The amendments clarify the following:

- An entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity’s right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity’s own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument. These amendments have no effect on the measurement of any items in the financial statements of the Group.

### **3. Significant events and transactions**

There have been no significant events and transactions that have occurred since 31 December 2023, specifically:

- There group acquired, via its new subsidiary Avenue BV an investment property located in the Netherlands at a cost of Euro 10,307,078.
- The group acquired 20% of the shares of APF international at a cost of Euro 3,400,000. This investment has been shown as an investment accounted for using the equity method in the accompanying financial statements.
- There have been no significant acquisitions nor disposals of tangible and intangible assets
- There have been no significant changes in the activities of the group
- The annual shareholders meeting held on April 18, 2024, approved a dividend of Euro 0.2 to the holders of the preference shares. The total amount of the dividend of Euro 180,000 is included as part of the compensation cost for the period. For more details see note 7.

**Fotex Holding S.E. and Subsidiaries**  
**Notes to interim condensed consolidated financial statements**  
**30 June 2024**  
**Figures in EUR**

#### **4. Revenue**

##### Revenue

	2024	2023
	EUR	EUR
Sales revenue		
Rental income revenue	13,338,131	13,371,303
Revenue from contracts with customers	6,471,020	6,563,730
Total sales revenue	19,809,151	19,935,033

The revenues are similar to those generated last year.

##### Revenue from contracts with customers

	2024	2023
	EUR	EUR
Revenue from service charges to tenants	2,855,889	3,148,084
Ancillary mall revenue	1,444,848	1,637,582
Sale of goods	1,488,082	1,510,122
Royalty revenue	496,646	137,641
Other sales revenue	185,555	130,301
Total sales revenue	6,471,020	6,563,730

Revenues from selling of goods are generated primarily by sales of crystal and glass products in EUR and USD. The reason of the increase of sales is the increase in demand.

##### Geographical breakdown of revenues:

	2024	2023
	EUR	EUR
Hungary	13,477,702	13,024,154
Netherlands	6,331,449	6,910,879
Total sales revenue	19,809,151	19,935,033

#### **5. Seasonal business**

The groups' core activity is the provision of real estate to tenants through its investment property portfolio. These assets earn rent on a systematic basis throughout the year, with no contractual adjustments that effect the flow of income to the group. As a result, group revenues are unaffected by any seasonality. The costs of the running the business are also similarly unaffected. As a result, these financial statements require no further information to assist the user in understanding the seasonal effects on the business at the half year, nor for the remainder of the full year.

## **6. Taxation**

Tax is charged at 22.7 % for the six months ended 30 June 2024 (30 June 2023: 21.4%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax income of the six month period. The increase in the tax for the 6-month period is mainly arising from the increase in effective rate in the Netherlands due to a limitation in depreciation deductions where the incremental rate is 25.5%.

## **7. Issues, repurchases and repayments of debt and equity securities.**

### *Loans*

The group has no external debt throughout the period.

### *Equities*

The shareholders meeting held on April 18<sup>th</sup> 2024 approved a dividend of Euro 0.2 to the holders of preference shares, the total of Euro 180,000 has been included as part of the compensation cost of the group.

During the period the group acquired 98,061 of its own shares at a cost of Euro 307,650.

## **8. Fair Value**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Trade receivables
- Trade payables
- Cash and cash equivalents

Management formally assesses the fair values of its assets and liabilities as of December 31 each year. For the purposes of the disclosed financial information, management has assessed that there are no material differences between the fair values as of June 30, 2024, and December 31, 2023.

### **Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June, 2023 and December 31, 2023:**

		<b>Fair value measurement using</b>	
	<b>Date of valuation</b>	<b>Total</b>	<b>Significant unobservable inputs (Level 3)</b>
		EUR	EUR
<b>Assets for which fair values are disclosed:</b>			
<b>Investment properties:</b>			
Dutch commercial properties	31 December 2023	137,423,397	137,423,397
Hungarian commercial properties	31 December 2023	161,578,974	161,578,974
<b>Total</b>		299,002,371	299,002,371

Assets in the above table are not presented at fair value in the statement of financial position, but their fair value is disclosed. Receivables are presented in the consolidated statement of financial position at cost less impairment loss on doubtful accounts.

## **9. Related Party Transactions**

### **Principal related parties**

Gábor Várszegi, Chairman of the Board, directly or indirectly controls a part of the voting shares of Blackburn International Inc. ("Blackburn"), a Panama company, and Blackburn International Luxembourg S.à r.l. ("Blackburn Luxembourg"), a Luxembourg company. Blackburn Luxembourg has a controlling interest in Fotex Holding S.E. and in Fotex Ingatlan Kft. ("Fotex Ingatlan"). APF International provides real estate services to the group and is partly owned by two group directors. White Oak Management provides accounting and company secretarial services to the group and is partly owned by two group directors. One director rents sundry commercial property from the group on an arm's length basis. These companies are considered to be related parties.

### **Related party transactions**

There were no material related party transactions during the period.

## **10. Subsequent Events after the End of the Reporting Period**

There were no material significant events after the reporting period.