SHOPPER PARK+

SHOPPER PARK PLUS GROUP

ANNUAL FINANCIAL REPORT

2023

Content

CONSOLIDATED ANNUAL BUSINESS REPORT 2023

Financial and operational summary

Performance	Unit of measurement	Data	Comment	2023	2022
Rental income	MEUR	i	E1	22.2	11.0
Operating result	MEUR	i	E2	(2.9)	(2.2)
Gross profit	MEUR	i	E3	19.3	8.9
Administrative costs	MEUR	i	E4	(3.0)	(3.6)
Revaluation gain	MEUR	i	E5	5.9	22.0
Net financial result	MEUR	i	E6	(9.4)	(0.5)
Profit after tax	MEUR	i	E7	11.5	22.9
Share information					
Earnings per share	EUR	z	R1	1.12	4.13
Number of shares	pieces	z	R2	13 077 618	9 632 000
Equity per share	EUR	z		12.30	12.37
Share price	EUR	z		11.40	N/A
Market capitalization	MEUR	z		149.1	N/A
Financial position					
Value of investment properties	MEUR	z	P1	288.7	279.6
Own capital	MEUR	z		160.9	119.2
Loans	MEUR	z	P2	140.0	150.4
Leverage (loan/property value)	%	z	P3	49%	54%
Operational data					
Rentable area	sqm	z	M1	324 500	326 700
Endowment	%	z	M2	96%	97%
WAULB	year	z	M3	5.1	5.0
Ratio of qualified properties	%	z	M4	6%	0%

Data:
i: data of period, which is the 12-month financial year for both 2023 and 2022. Since the properties were purchased on 15 June 2022, data of last year only includes the last 6.5 months of revenue producing properties.
z: closing data of 31.12.2022 and 31.12.2023

Detailed report

	Performance	Comment
E1	Rental income	Proportioning the 2022 figure by the 6.5 months of the rental income generating period for the full year results in a turnover of MEUR 20.4, compared to a rental income of MEUR 22.2 in 2023, an increase of 9%. The increase was supported by the high inflationary environment through the indexation of rental income as an environmental effect.
E2	Operating result	The operating result was negative in both years, in line with the industry. However, the operating loss ratio improved from -20% in 2022 to -13% in 2023.
E3	Gross profit	The gross profit indicator reported by the Group is essentially the same as the NOI indicator commonly used for property valuations. Proportioning the 2022 figure by the 6.5 months of the rental income generation period for the full year results in a gross profit of MEUR 16.4, compared to an increase of 18% for the rental income of MEUR 19.3 in 2023. The increase is supported by the increase in rental income and the decrease in operating loss as a percentage of rental income.
E4	Administrative costs	The figure for 2022 was significantly affected by due diligence, legal and consultancy costs related to the acquisition of real estate, while the figure for 2023 did not include such an effect, so administrative costs decreased from MEUR 3.6 to MEUR 3 in 2023.
E5	Revaluation gain	The revaluation gain was a massive amount of MEUR 22 in 2022, which includes a transaction discount due to the volume of the sale of 18 properties. The unfavorable development of retail property valuations in 2023 resulted in a smaller revaluation gain.
E6	Net financial result	The net financial result for 2023 shows a significantly higher loss compared to 2022. In addition to the increase in interest expenses, this was also because in 2022 there was a gain on the valuation of purchase price retentions, while in 2023 there was a loss.
E7	Profit after tax	The profit after tax for 2022 was driven by high revaluation gains. In 2023, the impact of revaluation gains was significantly lower, but still contributed significantly to profitability.

Share information

R1	Number of shares	The number of shares was increased during 2023 by a share issue before the IPO.

Financial position

P1	Value of investment properties	There was no change in the properties owned by the SPP Group, with the increase in value being due to higher property valuations, mainly driven by NOI growth, and supported by investments in the properties.
P2	Loans	In addition to the amortization of the bank loan, the reduction in the loan portfolio was also supported by the repayment of the member loan amounting of MEUR 5 outstanding at 31.12.2022 in 2023.
P3	Leverage (loan/property value)	The strategic objective of the SPP Group is to maintain a leverage ratio between 50-60%. The actual figure as is slightly below this (49%) on 31.12.2023.

Operational data

M1	Rentable area	The amount of space available for rent has not changed significantly, as the range of properties owned has not changed and there has been no major investment in property capacity expansion.
M2	Endowment	There was no significant change in the endowment.
M3	WAULT	The SPP Group measures the current quality of its tenant portfolio using a well-established indicator in the international commercial real estate market, the weighted average unexpired lease term (WAULT). The calculated value does not consider any termination options that tenants may exercise, nor does it include any extension options that tenants may exercise. For leases with an indefinite term, a term of one year is included in the calculations.
M4	Ratio of qualified properties	List of qualified properties: Opava (BREEAM In-Use „Very Good"; qualification in progress: Érd, Szeged, Székesfehérvár, Chrudim, Karlovy Vary, Ostrava

Executive summary

For Shopper Park Plus Plc, the year 2023 was a clear success: it became a public limited company and its shares were listed in the Premium category of the Budapest Stock Exchange. The fresh capital raised for its listing was the largest transaction in its category in recent years in Hungary. With these results, Shopper Park Plus Plc. has also met the conditions and become a regulated real estate investment company, creating the corporate framework for future operations.

The market environment in 2023 was fundamentally unfavorable for SPP Group. A sharply rising interest rate environment, declining consumption and retail sales in Hungary, and historically high energy costs created also significant challenges. These adverse effects were only partially offset by high inflation, which boosted rental income through inflation clauses in rental contracts.

The SPP Group's operating result improved, demonstrating that the business strategy based on a crisis-proof tenant mix enables sound and stable operations in a difficult market environment. SPP Group has also been able to move forward in the implementation of its strategy: at the end of June 2023, it exercised its option to redeem the leasable space used by TESCO but not required for TESCO's operations, which will make around 30,000 sqm of leasable space available for re-let to SPP Group within one year of the exercise. The process of obtaining permits for the change of use of the sites and the signing of contracts with new major tenants, which will play a key role in shaping the tenant mix, has also been largely completed. New leases have been signed with Praktiker for the Székesfehérvár location in 2023, with Sinsay for 6 locations in the first quarter of 2024, and new leases and extensions have been signed with Rossmann for 3 locations, with Takko for 3 locations, with dm for 3 locations and with Jysk for 2 locations. The SPP Group's applications for change of use permits have already been accepted by the competent authorities for three locations (Kecskemét / Sinsay (2022), Budapest -Váci út, Székesfehérvár (2023)). Applications are being prepared and submitted for two more locations (2024), while the redevelopment planning is ongoing for the remaining locations.

The SPP Group's operational strategic objective is to reduce operating losses, which it plans to achieve through the development of real estate infrastructure and the rationalization of operations. The operating loss per rent ratio has been reduced from 20% in 2022 to 13% in 2023, driven by a number of factors and efficiency improvements, the most notable of which is the introduction of meter-based electricity rebilling in Hungarian properties from 01.04.2023. The SPP Group's operational strategy remains unchanged: to reduce operating losses to levels according to the industry average, at or below 5-10% of rental income. Achieving this target would obviously lead to further significant profit improvements even at the same rental level.

During 2024, significant cash flows are expected for investment purposes: around MEUR 8 are expected to be recognized as short-term payment liabilities due to the exercise of the option to redeem TESCO leasehold land, and around MEUR 5 as short-term payment liabilities due to the maturity of the retention of the pro rata rent. The lease of approximately 30,000 sqm taken over with the call option is expected to involve significant costs due to constructions. On the basis of the ideas for financing options - a possible free float of up to MEUR 30 under the existing bank loan agreement or a possible private or public capital increase - the Board of Directors believes that there is also the possibility to pay the maximum available dividend of around MEUR 10 and that regional acquisitions as set out in the strategy are also conceivable if shopping centers matching the existing property portfolio become available at a suitable price in the future.

Strategic overview

The SPP Group leases out food-focused shopping centers in Hungary and the Czech Republic, it owns, leases, and operates these properties on a long-term basis. The SPP Group develops the tenant mix of the acquired properties with the aim of creating a crisis-proof tenant mix, improves the properties considering the needs of consumers and tenants, and introduces sustainable solutions by modernizing the properties in line with its social and environmental responsibility. It believes that these actions will create value, increase tenant satisfaction, and improve business performance.

Value added:

The strategic objective of the SPP Group is to maximize the potential for real estate value creation. A complex green strategy has a key role to play in this, which requires further investment, management, and PR tools. The focus of the complex green strategy is on making the properties energy efficient, with a target of 30% energy savings at portfolio level compared to the properties' acquisition date of 15 June 2022. In addition, a further part of the strategy is to achieve at least a "very good" rating for the properties under the BREEAM rating system.

The complex green strategy will effectively contribute to reducing carbon emissions from buildings, increasing their sustainability, and improving their operational efficiency. In this way, the strategy will not only make buildings more cost-effective to run, but also more attractive to tenants.

Possible alternative utilization

The SPP Group plans to own and lease the properties for the long term. However, due to the good accessibility of the properties and the large areas of land, there may be market opportunities that could result in higher value appreciation through partial or full sale, non-retail or not fully retail use and which may justify the partial or full sale of certain properties.

Potential acquisitions

Another strategic objective is to diversify the specific country risk inherent in the SPP Group's real estate portfolio. To this end, provided that the SPP Group has the equity and bank financing for acquisitions and a suitable acquisition target is available, it intends to increase its geographical diversification, primarily through acquisitions in Poland, Slovakia and Romania. If this strategy is successfully implemented, the SPP Group could become a major food-focused supermarket operator in Central and Eastern Europe, which is the vision and long-term strategic goal of the SPP Group. This goal is currently being achieved in Hungary and the Czech Republic, and the aim is to achieve it in other countries.

Branding

The SPP Group has an European Union trademark over the Shopland brand, which it is gradually introducing across its entire portfolio and has already launched in one of its Czech locations. The SPP Group will launch it in case of some shopping centers with major new tenants or other major completed investments, following the shopping park already embodies the brand image. In parallel, a suitable website and app will be developed to provide shoppers with the right information. In the long term, the strategic objective is to ensure that shoppers can clearly identify the brand and identify it with the best budget brands by shopping conveniently and quickly, offering good value for money.

Risks

Risks	Description of the risk	Method of risk mitigation
Market and financial risks		
Macroeconomic risks	The profitability and value of real estate is significantly affected by macroeconomic trends in the country where it is located, and the level of returns expected from commercial real estate depending on these trends.	Cross-country diversification, creating a crisis-proof tenant mix, increasing property sustainability.
Financing risk	The SPP Group has a significant debt portfolio. Failure to refinance this debt could cause liquidity problems in the medium term. The rise in interest rates will impair the SPP Group's profitability.	Sound business planning, keeping indebtedness at a healthy level, allowing alternative financing options as a means of raising capital.
Foreign exchange risk	The majority of the rental contracts entered into by the SPP Group for the use of its real estate properties are denominated in euro, but some of the revenues are denominated in local currency. A weakening of the local currency against the euro could have a negative impact on revenues denominated in euro.	Establish a forward-looking lease structure to create a natural hedge against exchange rate risk.
Risk of increasing interest rates	Rising interest rates could have a negative impact on the SPP Group's profitability.	Entering interest rate hedges.
Evolution of market competition	If market competition increases, properties may become more difficult to rent or their rental prices may need to be reduced to remain competitive.	Maintain high occupancy levels at the properties through a strong tenant mix.
Risk of changes in retail trade channels	The potential increase in the share of online sales poses a challenge for the exploitation of real estate.	Forward planning of uses in the tenant mix, uses less sensitive to or complementary to online sales.
Inflation risk	If inflation were increase the SPP Group's costs more than its revenues, the SPP Group's profitability would decrease.	Most of the leases concluded by the SPP Group have an inflation clause, which allows for annual rent increases up to a certain rate of inflation.
Operating risks		
Risk of renovation, operation, and repair of real estate	The SPP Group runs the risk that it may decide to make large investments by choosing the wrong solution. In addition to the cost risk, this may also involve lost revenues.	Maintaining detailed, regularly updated renovation programs for the properties.

Increase in operating costs, risk of transfer	External circumstances, especially international political and economic factors, can significantly increase operating costs.	Investments for efficiency, a forward-looking lease structure and tenant mix.
Risk of rental activity	The profitability of the SPP Group depends on the profitability of a properly developed and maintained tenant mix.	Extensive market knowledge and constant learning to meet the changing needs of consumers and landlords.
Damage to real estate	Properties owned by the SPP Group are exposed to various types of damage, both natural (e.g. fire, storm, water damage) and other (e.g. vandalism, terrorism, equipment failure).	Diversification of properties by location, maintaining an insurance policy with adequate coverage.
Risk of TESCO leases	Under the lease agreements between SPP Group and TESCO, a reduction of the occupancy rate of a property below certain thresholds may result in a reduction of the rent payable by TESCO, which may adversely affect SPP Group's financial results.	Forward-looking rental activity, occupancy planning.
Business and environmental risks		
Exit risk of Adventum PENTA Co-Investment SCSp ("Penta Fund")	The Penta Fund, as the current indirect majority shareholder of Shopper Park Plus Plc ("Parent Company"), is a closed-end alternative investment fund with a fixed maturity in the medium term. The shareholder structure of the Parent Company will inevitably change with the termination of the Penta Fund, which may result in a change of control and thus of the previous corporate governance and business strategy, and thus may affect the profitability of the SPP Group and the valuation/value of its shares.	Establish and maintain sound corporate governance practices based on a strong strategic foundation that reduces volatility risk.
Risk of paying a success fee	Under its management contract with the trustee, the SPP Group would be required to pay a success fee on the occurrence of certain events, which could reduce the SPP Group's financial results, if any.	Sound business planning, monitoring the level of risk.
Environmental risk	The operation of the properties poses a risk to the environment. The SPP Group has a legal, financial, market and reputational responsibility to the authorities and to consumers, tenants and local communities to manage environmental risks in its operations.	Maintaining a strategic focus and high priority on sustainability and environmental issues.

Presentation of properties

Properties	Address	Gross leasable area (sqm)	Location
Budaörs	Kinizsi út 1-3., 2040 Budaörs, Hungary	35,111	The property is located along the M1/M7 motorway access road to Budapest, as a prominent part of a popular commercial area on both sides of the motorway.
Debrecen Airport	Mikepércsi út 73/A, 4030 Debrecen, Hungary	10,254	The property is located on the south side of the city of Debrecen, along the main road number 47, which is accessible from both directions. The Debrecen International Airport is located about 3 km to the south-east.
Debrecen Extra	Kishegyesi út 1-13., 4031 Debrecen, Hungary	26,974	The property is located on the border of Debrecen city centre, on the area bordered by the main road 35 and Kishegyesi road, and the rear part of the area borders the property of the Clinical Centre of the University of Debrecen. Due to its location, the property is highly visible and easily accessible by car and public transport.
Eger	Rákóczi Ferenc utca 100., 3300 Eger, Hungary	15,777	The property is located in the northern part of the town of Eger, along the main road 25. It is best accessible by car, but there are also several bus stops nearby.
Érd	Budafoki út 2., 2030 Érd, Hungary	16,282	The property is located close to the M6 motorway in the city of Érd, with good access from the motorway via a direct exit and a roundabout. It is also directly accessible from the main road number 7.
Kecskemét	Talfája köz 1., 6000 Kecskemét, Hungary	17,558	The property is located in the northern part of the city of Kecskemét, next to the road number 5. Continuing northwards, road 5 connects to road 445, which has a direct link to the M5 motorway. The property is easily accessible from the roundabout junction with road 5.
Miskolc Avas	Mésztelep utca 1/A, 3508 Miskolc, Hungary	9,519	The property is located in the southeastern part of Miskolc, accessible from Mésztelep street, which has a direct connection to the road number 3.
Miskolc Extra	Szentpéteri kapu utca 103., 3527 Miskolc, Hungary	18,236	The property is located in the northern part of Miskolc, in the Szentpéteri kapu street, which forms the urban section of the main road 26 - in the commercial zone that has developed here. Access by car is possible from this street, where the city bus stop is also a short walk away.

Nyíregyháza	Pazonyi út 36., 4400 Nyíregyháza, Hungary	17,977	The property is located in the northeastern part of Nyíregyháza, on Pazonyi road, which is also the urban section of the main road 4. Access by car is excellent, but public transport is also possible. There are several local bus stops on Pazonyi út. The property is part of a larger shopping park, located next to the most densely populated residential area of the city. The elegant suburbs of Nyíregyháza, Sóstógyógyfürdő and Sóstóhegy are also in the immediate vicinity. Sóstógyógyfürdő is also an important tourist destination, so in addition to local residents, tourists are also a target group for the property.
Pécs	Makay István út 5., 7634 Pécs, Hungary	23,984	The property is located in Pécs, in the established retail zone along the westbound section of the main road No. 6 towards Szigetvár. Access is optimal mainly by car, but it is also accessible by local buses - a few minutes' walk from the bus stop in Uranváros.
Sopron	Ipari krt. 30., 9400 Sopron, Hungary	15,907	The property is located in the south-eastern part of Sopron and can be reached from the Győri út roundabout junction on the main road 84. Access is optimal mainly by car, but there are also several local bus stops on Győri út, from where the property is a few minutes' walk away.
Szeged	Rókus krt. 42-64., 6724 Szeged, Hungary	17,748	The property is in the northern Rókus district of Szeged, along the outer Rókus boulevard of the city. It is accessible by car from the exit of Kiskundorozsma of the M5 motorway, continuing the M5 main road, which takes about 10 minutes by car. The property is also very accessible by public transport - tram and local bus stops can be found on Rókus boulevard. The immediate surroundings of the property are densely populated, with a mixture of residential development and small apartment and family houses.
Székesfehérvár	Aszalvölgyi utca 1., 8000 Székesfehérvár, Hungary	15,538	The property is located in the northeastern part of Székesfehérvár, along the St. Florian Boulevard, part of the ring road connecting the outer areas of the city - easily accessible by car from the main roads (81, 811, 801, 8 and 7). The property is also accessible by public transport - several local bus stops are within a few minutes' walk.
Váci út - Budapest	Gács utca 3., 1138 Budapest, Hungary	20,314	The property is located in the XIII. district of Budapest, in the part of Váci út close to the 4th district - in the block bordered by Váci út-Gács utca and Balzsam utca. Access by car is easiest from Váci út, but there are several public transport facilities nearby - a few minutes' walk away - at Újpest City Gate, including local bus stops and metro stations.
OC Galerie - Ostrava	Sjízdná 5554/2, 722 00 Ostrava-Třebovice, Czech Republic	23,174	The property is located west of Ostrava city center, along the Sjizdna road. The surrounding area is a mix of residential and retail buildings. The property can be accessed by car from Sjizdna Street, which runs perpendicular to Opavska Street, one of the main arterial roads in the city. The latter main road has a direct connection to the city ring road, providing access

			to the city center. The property is also easily accessible by public transport - the nearest bus stop is 'Trebovice, OC' - the latter of which has several local tram lines.
RP Chrudim	Dr. Milady Horákové 11, 537 03 Chrudim, Czech Republic	5,582	The property is located approximately 1.5 km south of Chrudim city center on Dr Milady Horakove road. Its immediate surroundings are mainly residential, with some urban public buildings such as the Municipal Hospital and the Winter Stadium. The area on the eastern side of the property is under retail regulation, while the areas on the southern side are still under agricultural use. The property is accessible by car from the roundabout at Dr. Milady Horakove Street, which is part of the city ring road. The property is also accessible by public transport - the 'Chrudim,stadion' bus stop is located directly in front of the property and the following local bus lines have stops here: no. 2,3, 620705 and 620704. The 'Vlakove nadrazi Chrudim' railway station is located approximately 2 km northeast of the property.
OC Silesia - Opava	Těšínská 2914/44, 746 01 Opava, Czech Republic	15,636	The property is located about 1 km southeast of the center of Opava. In the immediate vicinity there are residential and retail buildings, such as Ptacek, Breno, Lidl, Bivoj, Ostroj, Stavebniny DEK, Shell and Benzina petrol stations, as well as the 'Opava-vychod' railway station. Direct access to the property is possible from Tesinska road, which is part of the city ring road - through which the rest of the city and the city center are served by a free direct bus service to the property, with the 'Opava, Tesco' stop located next to the property, where the local bus no. 230 also stops. The property can also be reached by trolleybus with the following trolleybus lines available at the nearby stop 'Opava, Tesinska': no. 202,203,209 and 210.
OC Fontána_Karlovy Vary	Chebská 370/81A, Dvory, 360 06 Karlovy Vary, Czech Republic	18,928	The property is located on Chebska road, about 3 km west of the center of Karlovy Vary. In the surroundings of the property there are mixed residential and retail - commercial buildings. Examples of the latter are the OBI department store or light industrial buildings, hotels and office buildings. The easiest access to the property by car is via the roundabout junction of the D6 motorway on Chebska road. (This motorway, when fully completed, will provide a direct link between Prague-Karlovy Vary-Cheb and in the neighborhood of Germany) By public transport, the property is best accessed from the 'Tesco' bus stop serving bus routes 22 and 'T', located directly on the property, or by local bus routes No. 22 and 481810, which also stop at the nearby 'V Aleji' bus stop. The railway station 'Karlovy Vary' is located approx. 3.7 km northeast of the property.
TOTAL		324,500	

Environmental protection

The SPP Group has a legal, financial, market and reputational responsibility to public authorities, as well as to consumers, tenants, local communities and the natural environment, to manage environmental risks in its operations.

The SPP Group is committed to contributing to the fight against climate change through the investment and operation of its real estate portfolio. Real estate makes a significant contribution to greenhouse gas emissions during its life cycle, and it is necessary to take this objective into account during both operation and renovation and demolition works.

The focus of the SPP Group's ESG strategy is to reduce carbon emissions in line with the principles of the Paris Agreement and other international sustainability frameworks.

In addition to reducing carbon emissions over the lifetime of buildings, the ESG strategy also places a strong emphasis on the following elements that contribute to sustainability:

- a 30% reduction in the energy consumption of the real estate portfolio compared to the level at the time of purchase
- use of renewable energy
- creating sustainable infrastructure
- obtaining at least "very good" certification for all properties under the BREEAM rating system
- use of "green" lease clauses
- use of recycled building materials and rainwater

The SPP Group aims to make its real estate investments resilient to the volatility of utility costs, while reducing adverse environmental impacts and creating long-term value for its investors. The energy efficiency and other investments and measures outlined above will help to achieve these objectives.

In line with its ESG strategy, the SPP Group aims to achieve green building certification for all elements of its shopping center portfolio. As a first result, the Opava Shopping Park, owned by a subsidiary of the SPP Group, has been awarded a BREEAM In-Use "Very Good" rating. The SPP Group expects that within the next 18 months all shopping parks owned by the SPP Group, or its subsidiaries will have this rating.

In preparation for the planned solar panel installations, SPP Group has commissioned a review of the roof structures of the shopping centers, including the inspection of the supporting structures and the water and thermal insulation of the roofs. Based on the results of the studies, the detailed preparation and start of these investments is expected in 2024.

The SPP Group is working to improve the energy efficiency of its shopping centers. The next work in this area will be the replacement of the current outdoor car park lighting systems with new high-efficiency LED lighting. The SPP Group has recently installed heat shields on the skylights of the shopping centers, reducing the energy footprint of the buildings and the running costs. In addition, the installation of high-capacity electric vehicle chargers is in the planning phase for most of the shopping parks, and the process of installing solar panels on the roofs of the parks has also started.

Financing

The SPP Group's strategic objective is to finance its activities while maintaining a leverage (debt / real estate value) of around 50-60%. This leverage is in line with the relevant legal requirements and provides a favorable return to the owners with a moderate level of risk.

Bank loan

The SPP Group financed the acquisition of the Hungarian properties and the ownership of the Czech subsidiaries partly through a bank loan. Shopper Park Plus Plc and its 100% owned subsidiary, Gradevel Ltd., as borrowers, and the lenders entered into a loan agreement on 8 April 2022, under which ERSTE Group Bank AG, ERSTE BANK MAGYARORSZÁG Zrt. and OTP Bank Nyrt. as lenders provided financing to the borrowers on the following material terms:

Maturity of the loan:	31 March 20227
Credit limit amount:	MEUR 150
Loan amount	MEUR 150
Loan capital balance on 31.12.2023:	MEUR 140.5
Interest rate:	The interest rate on each loan for each interest period is the annual percentage rate, which is the sum of: - an interest rate premium of 2.5%, and - EURIBOR for the 3 months preceding the interest period in question, with a minimum of zero for the 3 months preceding the interest period in question, with a minimum rate of zero.
Interest period:	3 months
Schedule of repayments:	at the end of calendar quarter
Amortization	The loan has a 20-year amortization period with 80% repayment at maturity. In addition, the credit agreement provides for the possibility to draw up to MEUR 30 of additional uncommitted credit over the remaining term of the Credit Agreement, subject to the achievement of certain performance indicators, in excess of the principal repayments to be made over the remaining term, excluding the final repayment.

Hedging transactions and collateral

Hedge of interest rate risk

The SPP Group has covered the variable rate bank loan agreement up to 70% of the principal amount for the period from 1 January 2023 until the maturity of the bank loan on 31 March 2027. The hedge is an interest rate cap (so-called CAP) transaction with a 3-month EURIBOR capped at 2.4% as the interest rate base. The collateral for the hedge is identical to the collateral for the bank loan agreement.

The hedging policy and the accounting treatment of the interest rate cap transaction and hedge effectiveness are described in note 12 of the consolidated accounts and the impact on profit or loss is described in note 11.2 (ii) of the consolidated accounts.

Expanded collaterals

In the context of the bank loan agreement, collateral typical of such transactions has been created in favour of the creditors, covering the assets of the Parent Company and its subsidiaries, as well as the shares in these companies.

In respect of the parent company and Gradevel Ltd., collateral contracts under Hungarian law have been concluded on the usual market terms and conditions, on the basis of which:

(i) the Parent Company's 100% shareholdings in Gradevel Ltd. was pledged,
(ii) the Hungarian properties were mortgaged and pledged,
(iii) the movable assets, rights and claims of the Parent Company and Gradevel Ltd. were pledged,
(iv) the bank accounts of the Parent Company and Gradevel Ltd. have been pledged or secured by a lien or security,
(v) the ordinary shares and preference shares issued by the Parent Company and owned by PENTA CEE Holding Plc. have been pledged; and
(vi) the Penta Fund, PENTA CEE Holding Plc., the Parent Company and Gradevel Ltd. have entered into a subordination, sponsorship and ownership commitment agreement.

The relevant security agreements under Hungarian law contain restrictions on the disposal and encumbrance of the assets concerned.

Collateral agreements under Czech law have been concluded for the Czech subsidiaries and their assets, under which a pledge has been created:

- receivables arising from the lease contracts of the Czech subsidiaries,
- shares in Czech subsidiaries,
- bank account receivables of the Czech subsidiaries and Gradevel Ltd,
- Czech real estate,
- insurance claims of the Czech subsidiaries, and
- the assets of the Czech subsidiaries ("*enterprise pledge*").

To redeem the advances on the electricity supply contracts, the Parent Company entered into a bank guarantee agreement with the account holder's bank on 26 September 2023 for a total amount of MEUR 5. In connection with the provision of the guarantee, a second ranking lien will be created in favour of the account bank in respect of the property in Budaörs and a prohibition of alienation and encumbrance will be established to secure this lien.

Events after the balance sheet date

Shopper Park Plus Plc was registered as a regulated real estate investment company by the Hungarian Tax Authority on 12 January 2024, with effect from 26 October 2023.

Other information

- The SPP Group does not carry out research and experimental development.
- The SPP Group has no employees and therefore no employment policy.

Owners and ownership rights

Listing and presentation of owners of more than 5% (at the end of the period)

For the series(s) introduced:

Name	Residency	Activity	Quantity (pieces)	Ratio (%)	Voting right (%)
PENTA CEE Holding Zrt.	Domestic	Company	4,554,678	39.34%	39.34%
Adventum PENTA Co-Investment SCSp	Foreign	Institutional	1,457,322	12.59%	12.59%
PortfoLion Partner Magántőkealap	Domestic	Institutional	1,200,147	10.37%	10.37%
Note: PENTA CEE Holding Zrt. and Adventum PENTA Co-Investment SCSp vote together through their final decision maker, Kristóf Péter Bárány.					
Kristóf Péter Bárány					51.93%

Regarding the total share capital:

Name	Residency	Activity	Quantity (pieces)	Ratio (%)	Voting right (%)
PENTA CEE Holding Zrt.	Domestic	Company	6,054,678	46.30%	46.30%
Adventum PENTA Co-Investment SCSp	Foreign	Institutional	1,457,322	11.14%	11.14%
PortfoLion Partner Magántőkealap	Domestic	Institutional	1,200,000	9.18%	9.18%
Note: PENTA CEE Holding Zrt. and Adventum PENTA Co-Investment SCSp vote together through their final decision maker, Kristóf Péter Bárány.					
Kristóf Péter Bárány					57.44%

With respect to the total share capital, in relation to the shares with preferential voting rights:

Name	Residency	Activity	Quantity (pieces)	Ratio (%)	Voting right (%)
PENTA CEE Holding Zrt.	Domestic	Company	6,054,678	46.30%	73.58%
Adventum PENTA Co- Investment SCSp	Foreign	Institutional	1,457,322	11.14%	5.48%
PortfoLion Partner Magántőkealap	Domestic	Institutional	1,200,000	9.18%	4.52%
Note: PENTA CEE Holding Zrt. and Adventum PENTA Co-Investment SCSp vote together through their final decision maker, Kristóf Péter Bárány.					
Kristóf Péter Bárány					79.06%

Additional information to be published required by § 95/A of Act C of 2000 on Accounting ("Accounting Act")

a) the composition of the registered capital, including those issued shares whose stock exchange trading is not permitted on the recognized (regulated) market (stock exchange) of a member state of the European Union, in the case of a joint-stock company, broken down by type of share, indicating the proportion of these types within the subscribed capital, as well as the related rights and obligations.

Series of shares	ISIN code	Nominal value (EUR)	Issued quantity (pieces)	Noun value (EUR)	Ratio within registered capital
Common stock	HU0000192786	0.1	11,577,618	1,157,761.8	88.5%
Voting Preference Share	HU0000198684	0.1	1,500,000	150,000	11.5%
Total share capital:			13,077,618	1,307,761.8	

There are not any different rights to the Common stocks.

The Voting Preference Share shall be associated with a 10-fold (tenfold) voting right in the following decisions within the competence of the General Meeting: (i) the election of 3 (three) members of the Board of Directors and the removal of members elected under such decision-making order; and (ii) the election of 2 (two) members of the Supervisory Board and the removal of members elected under such decision-making rules. The decision of the General Meeting to elect a member of the Board of Directors or Supervisory Board shall clearly indicate whether the decision on the candidate will be taken as the member affected by the multiplication of votes. In the election (and removal) of 3 (three) members of the Board of Directors (member 1, member 2 and member 3), the Voting Preference Shares grant voting rights ten times (10 times) their nominal value, while during the election (and removal) of the remaining 2 (two) members of the Board of Directors (members 4 and 5), the Voting Preference Shares do not have a voting preference right and are also entitled to vote proportional to their nominal value. In order to enforce this decision-making mechanism, when electing board members, it must be made clear to shareholders (the General Meeting) in the proposed resolution that the candidate for that membership must be decided as a 1st or 3rd member, and thus the Voting Preference Shares entitle to multiple votes, or be decided as 4th or 5th member, and thus the Voting Preference Shares do not entitle to multiple votes on the issue. Similarly, if a decision to remove a member of the Board of Directors is placed on the agenda of the General Meeting, the proposal for a resolution should clarify whether that member was elected as a 1st or 3rd member and thus the Voting Preference Shares are entitled to multiple votes in the decision on the removal or whether that member was elected as the 4th or 5th member, so that the Voting Preference Shares do not entitle to multiple votes in the decision on recall.

The following rights are attached to the shares (hereinafter collectively: "**Shares**") of the Parent Company (hereinafter the "Company"):

Right to participate in the General Meeting, the right to vote

The shareholder is entitled to participate in the General Meeting, to request information within the framework set out in the Civil Code and the current Articles of Association, as well as to make comments and motions and vote.

However, when calculating voting rights, the following restrictions under Act CII of 2011 on Regulated Real Estate Investment Companies (hereinafter: "**SZIT Act**") must be considered:

Pursuant to Section 3 (3)(ha) of the SZIT Act, if the Company – with the exception of preference shares – holds only shares admitted to trading on a regulated market, then at the time of registration as SZIT the amount of shares whose owners individually own, directly or indirectly, not more than 5% (five percent) of the total nominal value of the total registered capital must amount to at least 25% (twenty-five percent).

The Company has admitted all of the Common Shares to trading on the BSE regulated market. Voting Preference Shares are not admitted to trading on the BSE regulated market. Consequently, once registered as a SZIT, the Company is no longer obliged to ensure that at least 25% (twenty-five percent) of its shares are held by owners who do not own, directly or indirectly, more than 5% (five percent) of the total nominal value of the subscribed capital.

Pursuant to Section 3 (3) (e) of the SZIT Act, insurance companies and credit institutions may jointly exercise up to 10% (ten percent) of the total voting rights in the Company directly. The Company meets this requirement. Should insurance companies and credit institutions nevertheless acquire a stake in the Company exceeding 10% (ten percent) of the Company's share capital, they shall not be able to exercise their voting rights in excess of the 10% (ten percent) limit.

At the request of the Board of Directors, the shareholder registered in the share register (depositary, proxy holder, joint representative in the case of jointly owned shares) must immediately declare how much influence he or she has in the Company as beneficial owner. If he fails to do so within the deadline, his voting rights shall be suspended until he has fulfilled his obligation to provide information.

Act CXX of 2001 on the Capital Market (hereinafter: "Tpt.") Pursuant to Section 61, shareholders are obliged to inform the Company and the Hungarian National Bank immediately, but no later than within two calendar days, if the proportion of their directly and indirectly held shares and voting rights reaches, exceeds or falls below the following levels: 5, 10, 15, 20, 25, 30, 35, 40, 45, 75, 80, 85, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99%.

A shareholder who has acquired 1% (one percent) of influence must notify the Board of Directors of the acquisition within 2 (two) days.

Right to information, right to comment

The Board of Directors shall provide all shareholders with the necessary information on matters placed on the agenda of the General Meeting upon written request submitted at least eight (8) days prior to the date of the General Meeting, no later than three (3) days before the date of the General Meeting. The Board of Directors may refuse to provide information only if, in its opinion, it would infringe the business secrets of the Company. In this case, the provision of information shall be obligatory if the Board of Directors is obliged to do so by a decision of the General Meeting. The provision of information which does not contain trade secrets shall not be restricted. The shareholder shall not have access to the Company's books or other business documents.

Dividend right

The shareholder shall be entitled to a proportional share (dividend) of the nominal value of the Shares from the profit of the Company that may be distributed pursuant to Section 3:261 (1) of the Civil Code and ordered to be distributed by the General Meeting.

The Company shall pay dividends in the form of cash benefits. A shareholder is entitled to dividends if he is entered in the share register at the time of the final General Meeting on the payment of dividends. A shareholder shall be entitled to dividends only in proportion to the financial contribution already made.

On the basis of its articles of association, the Company in the submission of the management shall propose at the annual General Meeting to approve dividends at least equal to the expected dividends, which, if accepted, shall be paid within 30 (thirty) trading days of the approval of the accounting report, provided that in the event that the amount of free funds of the regulated real estate investment company does not reach the expected amount of dividends, then the management proposes to pay at least 90% (ninety percent) of the amount of free funds as dividends.

Pursuant to Section 2(7) of the SZIT Act, demand and fixed-term bank deposits (excluding funds over which the regulated real estate investment company, regulated real estate investment pre-company or their project company has limited right of disposal), government securities issued by States party to the Agreement on the European Economic Area or a Member State of the Organisation for Economic Cooperation and Development may be considered free funds, the value of debt securities issued by an international financial institution and securities admitted to trading on a recognized capital market as shown in the balance sheet of the annual accounts of the regulated real estate investment company, the regulated real estate investment precursor and, in the case of their project company, the project company.

The Board of Directors may decide to pay an advance dividend between the adoption of two successive accounts if the legal conditions for doing so are met. The decision to pay an interim dividend may be taken on the basis of a proposal from the Board of Directors and the approval of the Supervisory Board. If it is established from the annual accounts prepared after the payment of the interim dividend that dividends cannot be paid, the shareholders shall repay the interim dividend upon the Company's request.

Pursuant to Section 6:22 of the Civil Code, the entitlement to dividends as a claim expires within 5 (five) years, unless otherwise provided by law. The limitation period begins when the claim falls due, i.e. on the specified starting date for the payment of dividends. If the shareholder was unable to enforce the claim for excusable reasons, the limitation period is suspended, in which case the claim may be enforced within a period of 1 year from the termination of the obstacle, even if the limitation period has already expired or less than one year remains. If the claim for dividends is time-barred, this does not affect the Company's obligation to pay dividends, but the dividend cannot be enforced in legal proceedings.

Right to liquidation share

In the event of dissolution of the Company without a legal successor, the assets remaining after the debts of the Company have been settled and available for distribution shall be vested in the shareholders in proportion to the nominal value of their shares in relation to the share capital.

Right to petition

If shareholders owning at least 1% of the shares communicate to the Board of Directors a proposal for supplementing the agenda of the General Meeting in accordance with the rules on itemisation of the agenda, or a draft resolution relating to an item on the agenda or to be included on the agenda, within 8 (eight) days of the publication of the notice convening the General Meeting, the Board of Directors shall communicate the supplemented agenda, publish a notice of draft decisions after communication of the proposal to it. The item indicated in the notice shall be deemed to be placed on the agenda.

Priority note

In the event of an increase in share capital by consideration in cash, shareholders and, in particular, shareholders holding shares in the same series as the shares put out for sale shall have a preferential right to receive the shares.

The Board of Directors shall inform shareholders in the manner laid down in Chapter 17 of the Articles of Association of the nominal value or issue value of the shares to be acquired, the starting and closing dates of the period for exercising the right and the way the right may be exercised.

A shareholder who is a shareholder of the Company on the date of priority determined by the Board of Directors and the General Meeting on the basis of the entry in the share register is entitled to exercise the right of preference. The General Meeting may, on the basis of a written proposal by the Board of Directors, restrict or exclude the exercise of the subscription preference right, or authorize the Board of Directors in its decision authorizing the increase in share capital to restrict or exclude the exercise of the subscription preference right for the duration of the authorization to increase the capital. In that case, the Board of Directors shall set out in the submission the reasons for the motion to restrict or exclude the right of priority of subscription.

b) any restrictions on the transfer of shares issued representing registered capital (including restrictions on the acquisition or the requirement for the consent of the company or other holders of the shares issued)

The Company's consent is not required for the transfer of shares.

The transfer of shares shall be governed by the provisions of the Civil Code, the Tpt. and other relevant laws. The transfer of shares is made by crediting the acquirer's securities account.

4,554,678 ordinary shares of Penta CEE Holding Plc., each with a nominal value of 0.1 euro cents, and 1,500,000 voting preference shares with a nominal value of 0.1 euro cents each with multiple voting rights (or, if applicable, replacement shares issued in lieu thereof, including, but not limited to, issued in dematerialized form or as a result of the conversion into another currency of the accounting currency and share capital of Shopper Park Plus Plc. shares issued after cancellation and reissue of shares) is subject to a bail established on 14 April 2022 for OTP Bank Nyrt. (registered office: 1051 Budapest, Nádor u.16., company registration number: 01-10-041585) as security agent.

c) investors who have significant direct or indirect holdings in the equity capital of the entrepreneur (including pyramid structures and cross-shareholdings), even if the shares are held by means of certificates representing shares

Name	Residency	Activity	Quantity (pieces)	Ratio (%)	Voting right (%)
Penta CEE Holding Plc.	Domestic	Company	6,054,678	46.30%	73.58%

d) holders of shares issued conferring special control rights and those rights

1,500,000 registered Series B Voting Preference Shares with a nominal value of EUR 0.1 (i.e. ten euro cents) were issued by the Company on a dematerialized way. The Voting Preference Shares are owned by Penta CEE Holding Zrt.

The Voting Preference Share shall be associated with a 10-fold (tenfold) voting right in the following decisions within the competence of the General Meeting: (i) the election of 3 (three) members of the Board of Directors and the removal of members elected under such decision-making order; and (ii) the election of 2 (two) members of the Supervisory Board and the removal of members elected under such decision-making rules. The decision of the General Meeting to elect a member of the Board of Directors or Supervisory Board shall clearly indicate whether the decision on the candidate will be taken as the member affected by the multiplication of votes. In the election (and removal) of 3 (three) members of the Board of Directors (member 1, member 2 and member 3), the Voting Preference Shares grant voting rights ten times (10 times) their nominal value, while during the election (and removal) of the remaining 2 (two) members of the Board of Directors (members 4 and 5), the Voting Preference Shares do not have a voting preference right and are also entitled to vote proportional to their nominal value. In order to enforce this decision-making mechanism, when electing board members, it must be made clear to shareholders (the General Meeting) in the proposed resolution that the candidate for that membership must be decided as a 1st or 3rd member, and thus the Voting Preference Shares entitle to multiple votes, or be decided as 4th or 5th member, and thus the Voting Preference Shares do not entitle to multiple votes on the issue. Similarly, if a decision to remove a member of the Board of Directors is placed on the agenda of the General Meeting, the proposal for a resolution should clarify whether that member was elected as a 1st or 3rd member and thus the Voting Preference Shares are entitled to multiple votes in the decision on the removal or whether that member was elected as the 4th or 5th member, so that the Voting Preference Shares do not entitle to multiple votes in the decision on recall.

e) governance mechanism provided for by any employee shareholding system in which control rights are not exercised directly by employees

There is no employee shareholding system.

f) any restriction of voting rights (in particular restrictions on voting rights linked to a specified share or number of votes, time limits for exercising voting rights and schemes whereby the financial benefits attaching to shares are separated, in cooperation with the entrepreneur, from the holding of shares issued)

There is no such a right.

g) any agreement between owners of which the entrepreneur is aware and which may result in restrictions on the shares issued or on the transfer of voting rights

Penta CEE Holding Plc. and PortfoLion Partner Magántőkealap entered into an agreement establishing a so-called tag-along right on 9 May 2022, according to which if any person makes a purchase offer for part or all of Penta CEE Holding Plc.'s shares in the Company, which Penta CEE Holding Plc. wishes to accept, PortfoLion Partner Magántőkealap will be entitled to sell the shares he owns (or, if the offer relates to a part of the shares of Penta CEE Holding Plc., their proportional share) together with Penta CEE Holding Plc. to the person making the bid on the same terms.

h) rules on the appointment and removal of senior officials and amendments to the articles of association

Rules on the appointment and removal of senior officials

The following matters shall have the exclusive competence of the General Meeting and shall be decided by a decision taken by a majority of more than 75% of the votes cast by those present:

- appointment and removal of 3 (three) members of the Board of Directors (members 1, 2 and 3) in respect of which Voting Preference Shares confer a voting preference right, in accordance with Article 9.3 of the Articles of Association.

The Voting Preference Share shall be associated with a 10-fold (tenfold) voting right in the following decisions within the competence of the General Meeting: (i) the election of 3 (three) members of the Board of Directors and the removal of members elected under such decision-making order; and (ii) the election of 2 (two) members of the Supervisory Board and the removal of members elected under such decision-making rules. The decision of the General Meeting to elect a member of the Board of Directors or Supervisory Board shall clearly indicate whether the decision on the candidate will be taken as the member affected by the multiplication of votes. In the election (and removal) of 3 (three) members of the Board of Directors (member 1, member 2 and member 3), the Voting Preference Shares grant voting rights ten times (10 times) their nominal value, while during the election (and removal) of the remaining 2 (two) members of the Board of Directors (members 4 and 5), the Voting Preference Shares do not have a voting preference right and are also entitled to vote proportional to their nominal value. In order to enforce this decision-making mechanism, when electing board members, it must be made clear to shareholders (the General Meeting) in the proposed resolution that the candidate for that membership must be decided as a 1st or 3rd member, and thus the Voting Preference Shares entitle to multiple votes, or be decided as 4th or 5th member, and thus the Voting Preference Shares do not entitle to multiple votes on the issue. Similarly, if a decision to remove a member of the Board of Directors is placed on the agenda of the General Meeting, the proposal for a resolution should clarify whether that member was elected as a 1st or 3rd member and thus the Voting Preference Shares are entitled to multiple votes in the decision on the removal or whether that member was elected as the 4th or 5th member, so that the Voting Preference Shares do not entitle to multiple votes in the decision on recall.

The General Meeting shall have exclusive competence to decide on the following matters and shall take decisions on such matters by a decision taken by a majority of more than 80% of the votes cast by those present:

- appointment and removal two members of the Board of Directors (members 4 and 5) in respect of which Voting Preference Shares do not confer a voting preference right, in accordance with Article 9.3 of the Articles of Association, and the appointment and removal of members of the Company's supervisory board and Audit Committee;
- determining the remuneration of members of the Board of Directors, the Supervisory Board and the Audit Committee.

Rules on the amendments of Articles of Association

The General Meeting shall have exclusive competence to decide on the following matters and shall be decided by a decision taken by a majority of more than 50% of the votes cast by those present:

- change of the company name, registered office, permanent establishments, branches of the Company and the related amendment of the Articles of Association.

The General Meeting shall have exclusive competence to decide on the following matters and shall be decided by a decision taken by a majority of more than 80% of the votes cast by those present:

- adoption or amendment of the Company's Articles of Association (unless the Board of Directors is also entitled to do so under the Articles of Association);
- appointment of the Company's auditor, approval of its terms and conditions and related amendments to the Articles of Association.

The Board of Directors is entitled to decide on amendments to the Articles of Association that become necessary in connection with a decision made in a matter within its jurisdiction.

i) rights of directors, in particular their rights to issue and buy back shares

The management of the Company is carried out by the Board of Directors.

The rights of the Board of Directors to issue and buy back shares:

The General Meeting may authorize the Board of Directors to increase the share capital. The authorization shall specify the maximum amount for which the Board of Directors may increase the share capital of the Corporation and the maximum period of five years during which such increase in share capital may take place.

The Board of Directors shall inform shareholders on the way described in Chapter 17 of the Articles of Association of the nominal value or issue value of the shares to be acquired, the starting and closing dates of the period for exercising the right and the manner in which the right may be exercised.

A shareholder who is a shareholder of the Company on the date of priority determined by the Board of Directors and the General Meeting on the basis of the entry in the share register is entitled to exercise the right of preference. The General Meeting may, based on a written proposal by the Board of Directors, restrict or exclude the exercise of the subscription preference right, or authorize the Board of Directors in its decision authorizing the increase in share capital to restrict or exclude the exercise of the subscription preference right for the duration of the authorization to increase the capital. In that case, the Board of Directors shall set out in the submission the reasons for the motion to restrict or exclude the right of priority of subscription.

If the Board of Directors is authorized to increase the share capital, the Board of Directors shall also decide on matters relating to the increase in share capital which otherwise fall within the competence of the General Meeting.

The General Meeting of the Company may authorize the Board of Directors to acquire its own shares by a decision taken by a majority of more than 80% of the votes cast by those present, in which case the Board of Directors may decide on the matter by a decision taken by a majority of 4/5 of the votes cast by those present.

The rights of the Board of Directors specified in the Articles of Association are:

The Board of Directors has exclusive competence to make decisions on the following matters, and the Board Directors may take decisions on these matters by a majority of 4/5 of the votes cast, provided that the quorum for decisions on these matters is only achieved if at least 4 executive board members are present at the meeting (at least 4 executive board members participate in decision-making without holding a meeting):

- approval and amendment of the Company's business plan for OPEX and/or CAPEX expenditures with an aggregate deviation exceeding EUR 2,000,000, i.e. EUR two million (provided that if a new business plan is not approved by 31 December of the previous year, the business plan for the previous year shall be duly applicable after indexation);
- prior approval of the business plan of the subsidiaries of the Company (provided that if a new business plan is not approved by 31 December of the previous year, the business plan for the previous year shall be duly applicable after indexation);
- prior approval in the event of deviations from the approved business plan of more than EUR 2,000,000 for OPEX and/or CAPEX expenditure, i.e. EUR two million;
- acquisition of assets with a value exceeding 10% of the balance sheet total;
- making decisions relating to the financing of the Company and its subsidiaries above a threshold of EUR 5,000,000, i.e. EUR five million, such as taking out loans, granting loans, providing collateral, issuing debt securities or drawing down loan(s) amounts on the basis of previously concluded loan(s);
- foundation or dissolution of subsidiaries, the acquisition or disposal of shares in subsidiary undertakings;
- entering into, modifying or terminating a contract not included in the business plan or entering into an obligation by the Company or a subsidiary, the aggregate value of which in the given financial year amounts to EUR 1,000,000, i.e. EUR one million, and differs from the retail park profile;
- deciding on the disposal or reduction of shares in another company owned by the Company and on investments (foundation, capital increase, purchase of shares) leading to the acquisition of such shares (in another company) if their cost or market value exceeds EUR 5,000,000, i.e. EUR five million;
- granting prior approval for the sale, encumbrance or reduction of ownership of tangible property, assets or real estate owned by the Company (or another subsidiary owned by the Company), provided that tangible property is defined as one whose cost or market value exceeds EUR 5,000,000, i.e. EUR five million;
- approval of the conclusion of a contract exceeding EUR 500,000, i.e. five hundred thousand euros, concluded by a shareholder, executive officer or CEO of the Company who has achieved a 5% (five percent) shareholding (Section 8.1 (1) of the Civil Code), his partner, or any shareholder who has reached a 5% (five percent) shareholding, or by any shareholder reaching 5% (five percent) with a managed company,
- approval the rules of organization and operation of the Company and all internal rules, including remuneration policies, and amendments thereto (except accounting policies);
- decisions on the basis of the authorization granted to the Board of Directors by the General Meeting (e.g. capital increase, exclusion of subscription preference rights, acquisition or disposal of own shares, adoption of interim balance sheets, issues relating to redeemable shares and convertible bonds);
- conclusion of contracts with intercompanies, modification and termination of contracts with such intercompanies;
- selection of the Company's real estate appraiser and approval of his terms of contract;

- approval of the Company's regulations on property valuation.

The Board of Directors shall have exclusive competence to take decisions on the following matters by a decision taken by a majority of more than 50% of the votes cast:

- decision on any issue which does not fall within the competence of the General Meeting and in respect of which at least 2 (two) members of the Board of Directors initiate discussion of the matter in the college and the decision of the college.

The Board of Directors shall be entitled to decide on any amendment of the Articles of Association which becomes necessary in connection with a decision taken in a matter falling within its competence.

All issues and matters that do not fall within the competence of the General Meeting either by the Articles of Association or by law, and which have not been mentioned above as the competence of the Board of Directors, shall be dealt with by the operational managers of the Company, including, but not limited to, the following cases:

- making decisions on entries in the share register;
- convocation of a General Meeting;
- submission of the report on corporate governance to the General Meeting;
- granting representative rights for the Company's employees;
- decision to submit annual accounts to the General Meeting;
- approval of a proposal by the General Meeting concerning interim dividends;
- approval, amendment of accounting policies;
- deciding on any other issue where legislation refers the decision on a specific (not in general terms, but precisely) to the management.

The operative managers of the Company are those members of the Board of Directors who have the right of representation. As operational managers, the framework of their actions is aligned with their right of representation (joint or autonomous).

The Company is represented and thus registered by the 1st member, the 2nd member and the 3rd member from among the board members, while the 4th member and the 5th member have no right of representation.

Board members with representation rights have joint representation and registration rights. The right to sign employees authorized by the Board of Directors to sign up can only be joint.

j) any material agreements in which the contractor participates which take effect, are amended or terminated following a takeover bid due to a change in the contractor's control and the effects of those events, unless disclosure of such information would be seriously prejudicial to the contractor's equitable commercial interests, provided that it is not required to disclose it under other laws

There is not such an agreement.

k) any agreement concluded between the contractor and its executive officer or employee providing for compensation in the event of the resignation of the executive officer or termination by the employee, the termination of the employment relationship of the executive officer or employee or the termination of the legal relationship due to a takeover bid

There is not such an agreement.

Corporate governance

The Company makes the following statements according to Section 95/B of Act on Accounting:

1. The corporate governance rules applicable to the Company are regulated by Act V of 2013 on the Civil Code, the SZIT Act and other Hungarian and European Union legislation governing the operation of the Company. The Company's corporate governance practices are in line with the requirements of the Budapest Stock Exchange and the currently valid capital market regulations, within the framework of which the Company publishes a Corporate Governance Report in accordance with the Corporate Governance Recommendations published by Budapest Stock Exchange Plc. In the Corporate Governance Report, the Company summarizes its current information on corporate governance on an annual basis. In addition to the mandatory requirements, the voluntarily applied corporate governance rules are contained in the Company's Articles of Association, which are available on the Company's website.
   If there is a significant change in corporate governance, the Company will publish a notice to that effect.
2. With regard to Section 95/B (2) (c) of Act C of 2000:

   The Company has departed from the following rules of the Responsible Corporate Governance Recommendations:

   Recommendations:

   The company has published a summary document on its website setting out the rules for the conduct of general meetings and the exercise of shareholder voting rights.

   Yes **No**

   Explanation: the company published the relevant rules on its website before its first general meeting in 2024.

   The company has disclosed the date on which the number of persons entitled to participate in the relevant corporate event will be determined (record date) and the last date on which the shares entitling the holder to participate in the relevant corporate event will be traded.

   Yes **No**

   Explanation: the company did not hold a general meeting in the form of a public limited company in 2023.

   The company has published on its website, within three working days after the general meeting, its answers to questions which could not be answered satisfactorily by the representatives of the company's bodies present at the meeting or by its auditor or has published information on the reasons for not answering them.

   Yes **No**

   Explanation: the company did not hold a general meeting in the form of a public limited company in 2023, and the general meeting held in the form of a private limited company did not raise any questions that the representatives of the company's bodies or auditor present were unable to answer satisfactorily.

The chairman of the general meeting shall order a recess or propose the suspension of the general meeting if a motion or proposal has been received on the items on the agenda of the general meeting which the shareholders were not able to know before the general meeting.

Yes **No**

Explanation: no motions or proposals were received at the general meetings held by the Company during the period covered by the report that were not known to shareholders prior to the meeting.

The company has published the resolutions and the minutes of the general meeting, including a description of the proposed resolutions and any relevant questions and answers to the proposed resolutions, within 30 days of the general meeting.

Yes **No**

Explanation: the company did not hold a general meeting in the form of a public limited company in 2023.

The company's disclosure policy includes procedures for electronic, internet-based disclosure.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has an internal policy on disclosure, which covers the treatment of the information listed in section 1.6.2 of the Offers.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above Recommendation during the period but plans to ensure compliance with the Recommendation during 2024.

The company's internal rules cover the classification of events that are significant for disclosure.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The Board of Directors/Board of Directors has assessed the effectiveness of the disclosure processes.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance during 2024.

The company has published the results of its review of the disclosure process.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has published its strategy, business ethics and policies on other stakeholders.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has disclosed relevant information on the work of the Board of Directors/CEO, the Supervisory Board and management, their assessment and changes during the year.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has published its risk management policies and disclosures on its system of internal controls, as well as information on the main risks and the principles for managing them.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has disclosed its policy on insider trading in the company's shares.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has disclosed the shareholdings of the members of the Board of Directors / Management Board, Supervisory Board, and management in the company's securities in the annual report or otherwise.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has disclosed the relationship of its Board of Directors/CEO, Supervisory Board and management with any third parties that may affect its operations.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The procedure for the nomination of the members of the board of directors/management board shall be made public by the company.

Yes **No**

Explanation: the issuer has only taken into account the legal requirements but will endeavor to comply with the requirement in the following period.

Board members have had access to the proposals of the relevant board meeting at least five working days before the meeting.

Yes **No**

Explanation: board meetings were conducted with the presence of all board members, board members consented to the holding of the meeting and to the adoption of resolutions on the agreed agenda items, while the issuer endeavors to comply as strictly as possible with the above requirement.

The nomination and election of the members of the management board / supervisory board and the supervisory board was carried out in a transparent manner, with information on the candidates being made public in due time before the general meeting.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The Management Board/Supervisory Board has periodically (in connection with the preparation of the annual corporate governance report) requested confirmation of independence from its members who are considered independent.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company will provide information on the tools that will ensure that the Board of Directors / Board of Directors objectively assesses the activities of management.

Yes **No**

Explanation: the management functions of the company are carried out by the Board of Directors.

The company has published on its website its policy on the independence of the board of directors/supervisory board, the independence criteria applied.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The Board of Directors / Management Board has established a policy on the flow of information within the company, the handling of inside information and monitors compliance with this policy.

Yes **No**

Explanation: policies on the flow of information within the company were not developed during the period covered by the report, but a policy on insider dealing was.

The company has established an independent internal audit function reporting to the Audit Committee / Supervisory Board.

Yes **No**

Explanation: Given that the company became a public company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

Internal Audit has unrestricted access to all information necessary for its investigations.

Yes **No**

Explanation: The company did not have an internal auditor during the period covered by this report.

Shareholders have been informed of the operation of the system of internal controls.

Yes **No**

Explanation: Given that the company became a public company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has a compliance function.

Yes **No**

Explanation: Given that the company became a public company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The appropriate body of the company and the General Meeting have been informed of the effectiveness of the risk management procedures.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The Board of Directors/CEO has developed risk management principles in line with the sector and company specificities, with the involvement of the relevant areas.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The Board of Directors / Management Board has formulated the principles for a system of internal controls to ensure that the risks affecting the company's activities are managed, controlled and that the company's performance and profit targets are achieved.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The internal control systems functions have reported at least once to the authorized board on the functioning of the internal control mechanisms and corporate governance functions.

Yes **No**

Explanation: Given that the company became a public company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The Board of Directors/Board of Directors has invited the company's auditor to attend its meetings to discuss the financial statements with the right to deliberate.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

Proposals:

The company has decided on the venue and date of the general meeting initiated by the shareholders, taking into account the proposal of the initiating shareholders.

Yes **No**

Explanation: there was no shareholder-initiated general meeting during the period covered by the report.

The Board of Directors/ Management Board and the Supervisory Board were represented at the general meeting.

Yes **No**

Explanation: given that the company became a public limited company at the end of the period covered by the report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The absence of the Board of Directors/Management Board and the Supervisory Board, if any, was duly announced by the Chairman of the General Meeting prior to the substantive discussion of the items on the agenda.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The annual report of the company under the Accounting Act provides shareholders with a short, clear and concise summary of the company's annual operations.

Yes **No**

Explanation: Given that the company became a public limited company at the end of the period covered by this report, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

The company has paid the dividend within 10 business days to its shareholders who have provided all the necessary information and documents to this effect, as stated in section 1.4.1.

Yes **No**

Explanation: the company intends to comply with the legal requirements applicable to regulated real estate investment companies.

The company has internal procedures to be followed in the event of the use of outsourcing consultant(s) and their outsourced services.

Yes **No**

Explanation: Given that the company became a public company at the end of the reporting period, it has not yet complied with the above recommendation during the period but plans to ensure compliance with the recommendation during 2024.

3. With regard to Section 95/B (2) (d) of Act C of 2000 the Company shall publish a responsible corporate governance report together with the annual report, which shall include the reasons for not applying any provision of the rules set out in Section 1.
4. The Company has not yet set up an internal control and risk management system but it will do so during 2024.
5. Information for Section 95/A (c), (d), (f) and (i) of the Act on Accounting is contained in the previous chapter.
6. With regard to Section 95/B (h) of the Accounting Act: the Company, given that it started operating as a public limited company on 27 October 2023, does not yet apply a diversity policy, but plans to develop and enact a diversity policy during 2024.
7. **With regard to Section 95/B(2)(g) of Act C of 2000: information on the members and operation of the Company's executive management body, the management body and the supervisory body and their committees:**

Board of directors:

Members:

Name	Role	Duration of Mandate	
		start date	end date
Kristóf Péter Bárány	Member of the Board of Directors (President of the Board of Directors)	02.12.2021	indefinite
András Marton	Member of the Board of Directors	02.12.2021.	indefinite
Gábor Németh	Member of the Board of Directors	02.12.2021.	indefinite
András Molnár	Member of the Board of Directors	23.05.2022	indefinite
Balázs Sándor Deim [1]	Member of the Board of Directors	27.10.2023	22.01.2024

The management of the Company is carried out by the Board of Directors. The Board of Directors shall consist of five members, and shall elect its President from among its members. The members of the Board of Directors shall carry out their duties without remuneration.

[1] Balázs Sándor Deim resigned from his position as a member of the Board of Directors due to other commitments in his resignation statement dated 19 December 2023 and published on 20 December 2023. Her resignation in view of Section 3:25 (4) of the Civil Code became effective on 22 January 2024, when the General Meeting of the Company decided on the appointment of Michele Sharon Small as a member of the Board of Directors.

Operation:

The responsibilities of the Board of Members were described in the previous chapter. The Board of Members shall not have committees.

The members of the Board of Directors shall act with the utmost diligence expected of persons holding such positions and shall give priority to the interests of the Company. The members of the Board of Directors shall be liable to the Company for damages caused by the breach of contract in accordance with the Civil Code and other legislation, the Articles of Association, resolutions made by the General Meeting and the rules of liability for damages caused by breach of contract against the Company.

The Board of Directors shall act in accordance with these Statutes and its own Rules of Procedure, which rules of procedure shall be established at its own discretion, provided that the Board of Directors shall have a quorum if at least 3 (three) members are present or participate in the decision at the meeting, and in the subjects listed in Section 8.4 of the Articles of Association if at least 4 (four) members are present or participate in the decision.

Supervisory Board/Audit Committee:

Members:

Name	**Role**	**Mandate starting date**	**Mandate ending date**
Dr. Gergely Szűcs	Member of Supervisory Board (President), member of Audit Committee	27.10.2023	indefinite
Dr. József Berecz	Member of Supervisory Board, member of Audit Committee	27.10.2023	indefinite
Sándor Makra	Member of Supervisory Board, member of Audit Committee	27.10.2023.	indefinite

Operation of the Supervisory Board:

The Company does not have an executive supervisory board.

The Supervisory Board supervises the management of the Company for the supreme body of the Company, within which it may inspect the Company's documents, accounting records and books, request information from the company's executive officers and employees, examine the Company's payment account, cash register, stock of securities and commodities and contracts and have it examined by an expert.

The Supervisory Board consists of 3 (three) members, acts as a collegiate body, elects a president from among its members. The term of office of members of the Supervisory Board shall be indefinite.

The Supervisory Board shall establish its own rules of procedure.

The members of the Supervisory Board are independent of the management of the Company and cannot be instructed in the course of their activities. A member of the Supervisory Board shall not be considered independent if:

- an employee or former employee of the Company for a period of five years from the date of termination of that relationship;
- performs activities for and for the benefit of the Company or Board of Directors on the basis of an expert or other agency relationship;
- a shareholder of the Corporation who directly or indirectly holds thirty per cent or more of the votes cast, or who is a close relative or partner of such a person;
- is a close relative or partner of a non-independent executive officer or senior employee of the Company;
- in the event of successful operation of the public limited liability company, it is entitled to financial benefits by virtue of its membership of the supervisory board or receives any remuneration from the Company or from an undertaking affiliated to the Company other than the fee for membership of the Supervisory Board;
- has a legal relationship with a member of the Board of Directors in another company on the basis of which the member has the right of management and control;
- an auditor of the Company or a member or employee of the firm of auditors for a period of three years from the date of termination of that relationship;
- a senior executive or senior employee in a company of which the member of the Supervisory Board is also a senior executive of the Company.

The tasks and competences, organization and operation of the Supervisory Board shall be governed by the provisions of the Civil Code.

In particular, but not exclusively, the rights and responsibilities of the Supervisory Board include:

- if, according to the Supervisory Board, the activities of the management are contrary to law or Articles of Association, contrary to the decisions of the General Meeting or otherwise prejudicial to the interests of the Company, the Supervisory Board shall be entitled to convene a meeting of the General Meeting in order to consider the matter and to take the necessary decisions;
- the General Meeting may decide on the financial statements and the use of profit after tax in accordance with the Act on Accounting only after obtaining a written report from the Supervisory Board;
- the Board of Directors may decide on the payment of interim dividends only with the approval of the Supervisory Board;
- the acquisition by the Company of assets with a value exceeding 10% of the total balance sheet is possible only after prior approval by the Supervisory Board;

- the Supervisory Board shall examine all major proposals submitted to the General Meeting or the Board of Directors and present its position thereon at a meeting of the General Meeting or the Board of Directors;
- a member of the Supervisory Board may apply to the court to set aside a decision taken by the General Meeting and other organs of the Company if the decision is unlawful or contrary to the Articles of Association;
- If a decision taken by the General Meeting or other organs of the Company were challenged by a senior executive of the Company and there were no other executive officer of the Company who could represent the Company, the Company shall be represented in the suit by a member of the Supervisory Board appointed by the Supervisory Board.

Operation of Audit Committee

The Company has 3 (three) members Audit Committee. The Audit Committee shall act as a body and elect a president from among its members. The Audit Committee may share its audit tasks among its members on a permanent basis or on the basis of ad hoc decisions. The term of office of members of the Audit Committee shall be indefinite.

The members of the Audit Committee are elected by the General Meeting from among the members of the Supervisory Board. The president of the Audit Committee shall be elected by the members of the Audit Committee from among their number.

The Audit Committee shall establish its own rules of procedure.

The members of the Audit Committee shall perform their activities without remuneration.

The Audit Committee shall assist the Supervisory Board in auditing the financial reporting system, selecting the auditor and cooperating with the auditor. The Audit Committee shall have the competence of all matters assigned to it by law or by virtue of its authority by these Statutes. The functions of the Audit Committee shall be:

- monitor the effectiveness of the Company's internal control and risk management systems, as well as the financial reporting process and, if necessary, make recommendations;
- monitor the statutory audit of the annual accounts, taking into account the findings and conclusions of the quality control procedure conducted by the Public Audit Authority pursuant to Act LXXV of 2007 on the Chamber of Hungarian Auditors, Audit Activities and Public Audit Supervision;
- review and monitor the independence of the auditor or audit firm, in particular with regard to compliance with Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

The Audit Committee shall provide the General Meeting with a written report on its findings on matters falling within its remit at least 21 (twenty-one) days prior to the Annual General Meeting.

The General Meeting may decide on the accounts and the use of profit after tax only after obtaining a written report from the Audit Committee.

The Audit Committee may review the Company's files, accounting records and books, may request information from the Company's executive officers and employees, may examine the Company's payment account, cash register, stock of securities and commodities and contracts may be examined and examined by an expert.

Statement of disclaimer in relation to annual accounts

Shopper Park Plus Plc. declares that the consolidated annual accounts, prepared to the best of its knowledge on the basis of applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, profit and loss of Shopper Park Plus Plc. and the companies included in the consolidation, furthermore, the consolidated annual report gives a reliable picture of Shopper Park Plus Plc. and the companies involved in the consolidation its situation, development and performance, describing the main risks and uncertainties.

Budapest, 08.04.2024

Board Member Board Member

SHOPPER PARK+

Shopper Park Plus Plc.

Consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

for the financial year ending 31.12.2023

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Consolidated statement of comprehensive income

Amounts are in EUR

Data in EUR	Note	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Rental income	4	22 197 068	11 046 927
Operating fees and other revenue	5	25 994 052	13 088 187
Operating and other property-related expenses	5	(28 898 239)	(15 273 876)
Gross result		**19 292 881**	**8 861 238**
Administrative expenses	6	(2 963 549)	(3 647 358)
Fair valuation gains on investment properties	7	5 890 179	22 002 204
Operating result		**22 219 511**	**27 216 084**
Financial income	8	2 122 548	2 922 730
Financial expenses	8	(11 553 287)	(3 386 253)
Profit before tax		**12 788 772**	**26 752 561**
Income tax	9	(1 298 720)	(3 838 587)
Result of the current year		**11 490 052**	**22 913 974**
Of which attributable to owners of the parent company		11 490 052	22 913 974
Other comprehensive income to be reclassified to profit or loss for the period			
Fair value change of cash-flow hedge	12	(1 431 590)	262 797
Other comprehensive income not to be reclassified to profit or loss for the period:			
Result on financial instruments measured against other comprehensive income		0	0
Other comprehensive income for the year		**(1 431 590)**	**262 797**
Overall comprehensive income		**10 058 462**	**23 176 771**
Of which attributable to owners of the parent company		10 058 462	23 176 771
Earnings per share	23	1,12	4,13
Basic EPS for share type A	23	1,12	4,13
Diluted EPS for share type A	23	1,12	4,13
Basic EPS for share type B	23	1,12	4,13
Diluted EPS for share type B	23	1,12	4,13

Consolidated statement of financial position (balance sheet)

Amounts are in EUR

	Note	31.12.2023	31.12.2022
Assets			
Fixed assets		**288 659 065**	**279 647 973**
Investment properties	10	288 650 000	279 645 000
Other fixed assets		9 065	2 973
Current assets		**49 389 451**	**31 233 796**
Lease and other accounts receivables	13	6 014 227	3 711 138
Current income tax receivable	13	354 962	249 483
Other receivables	13	3 449 003	13 069 018
Positive fair value of cash-flow hedge	12	0	262 797
Bank security accounts	14	9 932 613	9 449 567
Cash and cash equivalents	14	29 638 646	4 491 793
Total assets		**338 048 516**	**310 881 769**
Equity and liabilities			
Equity		**160 884 261**	**119 169 072**
Registered capital	15	1 307 762	963 200
Capital reserve	15	130 521 762	95 356 800
Cash-flow hedge	15	(1 168 792)	262 797
Retained earnings	15	18 733 477	(327 699)
Profit of the year	15	11 490 052	22 913 974
Non-current liabilities		**145 740 650**	**159 368 971**
Long-term loans and borrowings	16	134 091 701	139 833 824
Tenant deposits	17	6 454 241	5 948 701
Deferred tax liabilities	18	4 646 884	3 590 305
Other non-current liabilities	19	547 824	9 996 141
Current liabilities		**31 423 605**	**32 343 726**
Short-term loans and borrowings	16	5 906 250	10 531 250
Accounts payables	20	397 457	238 205
Current income tax liabilities	20	204 006	25 270
Provisions		0	154 662
Negative fair value of cash-flow hedge	12	1 168 792	0
Other current liabilities	20	23 747 100	21 394 339
Total liabilities		**177 164 255**	**191 712 697**
Total equity and liabilities		**338 048 516**	**310 881 769**

Consolidated statement of changes in equity

Amounts are in EUR

	Note	Registered capital	Capital reserve	Cash-flow hedge	Retained earnings	Profit of the current year	Total
Balance on 01.01.2022		**16 200**	**1 603 800**	**0**	**(701 693)**	**373 994**	**1 292 301**
Total comprehensive income for the year	15	0	0	0	0	22 913 974	**22 913 974**
Total other comprehensive income for the year	15	0	0	262 797	0	0	**262797**
Transfer of previous year's profit to retained earnings	15	0	0	0	373994	(373 994)	**0**
Dividends paid to shareholders of the parent company		0	0	0	0	0	**0**
Transaction cost related to the issue of capital instrument		0	0	0	0	0	**0**
Increase in share capital and capital reserve		947 000	93 753 000	0	0	0	**94 700 000**
Balance on 31.12.2022		**963 200**	**95 356 800**	**262 797**	**(327 699)**	**22 913 974**	**119 169 072**
Total comprehensive income for the year	15	0	0	0	0	11 490 052	**11 490 052**
Total other comprehensive income for the year	15	0	0	(1 431 590)	0	0	**(1 431 590)**
Transfer of previous year's profit to retained earnings	15	0	0	0	22 913 974	(22 913 974)	**0**
Dividends paid to shareholders of the parent company		0	0	0	(3 852 800)	0	**(3 852 800)**
Transaction cost related to the issue of capital instrument	22	0	(1 703 151)	0	0	0	**(1 703 151)**
Increase in share capital and capital reserve	15	344 562	36 868 113	0	0	0	**37 212 675**
Closing balance on 31.12.2023		**1 307 762**	**130 521 762**	**(1 168 792)**	**18 733 477**	**11 490 052**	**160 884 261**

Consolidated cash flow statement

Amounts are in EUR

Data in EUR	Note	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Cash flow from operating activities:			
Profit before tax		12 788 772	26 752 561
Corrections:			
Fair value of investment properties	7	(5 890 179)	(22 002 204)
Currency conversion		(41 196)	(46 662)
Increase / decrease of provisions	20	(154 662)	154 662
Other corrections of the result	8	8 288 461	2 573 469
Changes in accounts receivables and other receivables	13	7 481 052	(17 636 666)
Increase / decrease in deposits and tenant deposits	17	505 540	5 948 701
Increase / decrease in restricted cash balances	11	(483 046)	(9 449 567)
Decrease / increase in account payables and other current payables	20	(6 351 119)	12 678 740
Income tax paid	9	(168 884)	(248 282)
Net cash flow from operating activities		**15 974 739**	**(1 275 248)**
Cash flow from investing activities			
Acquisition of investment properties	10	(3 114 821)	(239 088 218)
Purchase of other fixed asset		(8 967)	(3 099)
Net cash flow from investing activities		**(3 123 788)**	**(239 091 317)**
Cash flow from financing activities			
Repayment of loans/borrowings to 3rd parties	16	(5 531 250)	(3 937 500)
Drawdown of loans / borrowings from 3rd parties	16	0	150 000 000
Drawdown of loans from related parties outside the group	16	5 006 000	5 000 000
Repayment of loans / borrowings to related parties outside the group	16	(10 016 959)	0
Transaction cost related to the issue of capital instrument	22	(1 703 150)	
Capital increase	15	37 212 674	94 700 000
Interest paid	8	(8 859 809)	(2 573 343)
Dividends paid	15	(3 852 800)	0
Net cash flow from financing activities		**12 254 706**	**243 189 157**
Net change in cash and cash equivalents		**25 105 657**	**2 822 592**
Cash and cash equivalents at the beginning of the year	14	**4 491 793**	**1 622 539**
Exchange rate gains/ (losses) on foreign cash and cash equivalents	8	41 196	46 662
Period-end balance of cash and cash equivalents	14	**29 638 646**	**4 491 793**

Supplementary notes to the Consolidated financial statements

1. General background

Name of the parent company:	Shopper Park Plus Plc.
Tax number:	27033498-2-44
Registered seat:	1015. Budapest, Batthyány street 3. ground floor 1.
Company registration number:	01-10-140433
Webpage:	www.shopperparkplus.hu

Shopper Park Plus Plc. (hereinafter the "Company" or the "Parent Company") was incorporated on 9. July 2019 as Graduw Ltd. The Company transformed into a Public Limited Company on 27 October 2023, and its common shares are listed in the Premium category of the Budapest Stock Exchange. Its registered capital is EUR 1,307,762.

The majority shareholder of the Parent Company is Penta CEE Holding Ltd. from 20 December 2021, with its registered office at 1015. Budapest, Batthyány street 3. ground floor 1, Hungary. The ultimate Parent company of the Company is Adventum Penta Fund SCA SICAV-RAIF.

As of December 31, 2023, the Company's share capital consisted of 11,577,618 dematerialized common shares of series "A," each with a nominal value of EUR 0.1, representing equal and identical membership rights, and 1,500,000 dematerialized voting preference shares of series "B," each with a nominal value of EUR 0.1, also representing equal and identical membership rights. The series "B" voting preference shares provide ten times the voting rights compared to the series "A" shares in certain decisions. Convertible or exchangeable shares were not issued during the reporting period or in previous fiscal years. No transactions aimed at acquiring own shares occurred in either the year 2022 or 2023.

Registered principal activity of the Company: 6810 Sale of own real estate.

For a detailed description of the Parent Company's subsidiaries see note 2.3. The group is active in the development, management and renovation of commercial real estates. The Group develops its current properties with an intention to letting them on the basis of operating leases. However, this does not exclude the possibility of selling them in the future as part of the group's ongoing business activities.

Representatives of the Company:

Kristóf Péter Bárány	András Marton	Gábor Németh
1011 Budapest	1126 Budapest	1118 Budapest
Ponty street 6.	Nárcisz street 56. 2. em. 5.	Radóc street 10.
Joint representation right	Joint representation right	Joint representation right

Transformation into a regulated real estate investment company

The Company was registered by the Hungarian Tax Authority on 8 January 2022, with effect from 1 January 2022, as a Regulated Real Estate Investment Pre-Company. On 12 January 2024, with effect from 26 October 2023 the Company was registered as Regulated Real Estate Investment Company.

Shopper Park Plus Plc., as a Regulated Real Estate Investment Company is exempt from corporate income tax and local business tax obligations. Due to the status of the regulated real estate investment pre-company, the Company was obliged to pay a uniform 2% property acquisition duty on the properties purchased in 2022, contrary to the general rules.

There are no regulated real estate investment project companies among the companies directly or indirectly owned by the Company.

Comparative period

On 15 June 2022, Shopper Park Plus Group acquired the exclusive ownership of 14 Hungarian shopping centers and 100% ownership in 4 Czech companies, which owned a total of 4 Czech shopping centers. Prior to the acquisition of the shopping centers (in the first five and a half months of the reviewed period), the Group had no revenues from rents and had no assets to generate such revenues. Thus, data presented in the statement of comprehensive income and cash flow statement for 2022 only partially provide a clear picture of performance of the Shopper Park Plus Group with which the data for 2023 can be properly compared.

Financing and financial result

Shopper Park Plus Group partially financed the acquisition of the Hungarian shopping parks and the companies owning the Czech shopping parks through a bank loan. The loan agreement for the bank loan was concluded on 8 April 2022 and the loan was drawn down on 15 June 2022 in amount of MEUR 150. The comparative period, the first nine months of 2022, is affected by bank loan costs only for six and a half months.

Information on auditing and accounting

The Group is subject to an audit. The auditor fee of the consolidated and separate financial statements is EUR 131,000 + VAT.

The selected auditor of the Group provided the following audit and non-audit services to Shopper Park Plus Plc. in the business year from 1 January 2023 to 31 December 2023:

Shopper Park Plus - annual audit - separate financial statements: EUR 65,300
Shopper Park Plus - annual audit - consolidated financial statements: EUR 71,200
Other assurance services: EUR 12,500
Other non-audit services: EUR 251,910

Auditor of the Group:
Attila Kujbus
Auditor registration number: 009078

Ernst & Young Audit Limited Liability Company
1132 Budapest, Váci street 20.

BPiON Services Kft. (tax number: 26193616-2-41) is responsible for the financial records, as the Company's accounting service provider. The Financial Statements were compiled by: Csilla Bögre (registration number: 210898).

2. Significant parts of accounting policies

The most important accounting policies applied in the preparation of the Consolidated financial statements are set out below. The Group has applied the accounting policies set out here consistently for all years presented, any deviations are marked separately.

2.1 Basis of the financial statement's preparation

The financial statements of Shopper Park Plus Plc. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations of the Interpretations Committee of the International Financial Reporting Interpretations Committee (IFRS IC) on a going concern basis. The Group has applied the cost method in the preparation of its consolidated financial statements, except for investment property derivatives where the fair value method has been applied. The preparation of consolidated financial statements in line with IFRS requires the use of certain critical accounting estimates. Management must also select the accounting policies to be applied. Matters requiring more in-depth consideration or that are more complex, and those for which assumptions and estimates are significant to the financial statements, are disclosed in note 3.

2.2 Application of new and amended standards

For the reporting period ended 31 December 2023, the Group has prepared its financial statements in accordance with the provisions of all standards and interpretations that have become effective.

The accounting policies of the Group are consistent with the policies applied in previous years.

The following standards and interpretations (including amendments) came into force in in 2023:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting Policies (issued on 12 February 2021, effective for financial years starting from 1 January 2023)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (issued on 12 February 2021, effective for financial years starting from 1 January 2023)
- IFRS 17 Insurance contracts (issued on December 2021, effective for financial years starting from 1 January 2023)
- IAS 12 Income taxes: treatment of deferred tax assets and liabilities arising from a single transaction (Amendments)
- IAS 12 Income taxes: International tax reform - Second pillar model rules (Amendments)

The interpretation of the above amendments had no material impact on the Group's consolidated financial statements.

New and amended standards and interpretations issued by the IASB and adopted by the EU but not yet effective:

- Leasing liabilities in sale and leaseback transactions – amendment of IFRS 16 Leases standard (issued on 22 September 2022, effective for financial years starting from 1 January 2024)
- Long-term liabilities with covenants – amendment of IAS 1 Presentation of Financial Statements standard (issued on 31 October 2022, effective for financial years starting from 1 January 2024)
- Supplier financing – amendment of IAS 7 Statement of Cash flows and IFRS 7 Financial Instruments: Disclosures standards (issued on 25 May 2023, effective for financial years starting from 1 January 2024)
- IAS 21 The Effect of changes in foreign exchange rates: Non-convertibility (Amendments)
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Transfer of Assets between an Investor and its Associate or Joint Venture

The Group will apply the above amendments upon entry into force and will not apply the previous application in either case. The adoption of the above amendments will not have a material impact on the Group's consolidated financial statements.

In 2023, the Group applies all IFRS standards, amendments, and interpretations effective from 1 January 2023 that are relevant to the Group's operations.

2.3 Consolidation

The consolidated financial statements include data relating to Shopper Park Plus Plc. as the parent company and its subsidiaries, which are collectively referred to as the "Group". Subsidiaries are those entities over which the parent company exercises control, i.e. where the parent company can earn variable returns from its investments and can influence those returns by influencing the significant activities of the controlled entity.

The acquisition method of accounting is applied to acquired businesses that are considered as business combinations, based on the fair value of assets and liabilities at the acquisition date, i.e. the date on which control is obtained. The cost of acquisition is the sum of the consideration and the non-controlling interest's share in the acquired business. Companies acquired or disposed of during the year are included in the consolidated financial statements from the date of the transaction or up to the date of the transaction.

Transactions, balances and results between companies included in the consolidation, as well as unrealized results, are filtered out, unless such losses refer to the impairment loss of related assets. During the preparation of the consolidated financial statements, similar transactions and events are recorded following unified accounting principles.

The equity and profit or loss attributable to non-controlling interests are shown as separate line items in the balance sheet and profit and loss statements. For business combinations, non-controlling interests are measured either at fair value or at the non-controlling interests' share of the fair value of the net assets of the acquired company. The choice of valuation method is made individually for each business combination. Following an acquisition, the non-controlling interest is the amount initially recognized, adjusted by the amount of any changes in the equity of the acquiree attributable to non-controlling interests. Non-controlling interests also benefit from total comprehensive income for the period if this results in a negative balance of their interest.

Changes in the Group's ownership shares in subsidiaries that do not result in a loss of control are accounted as equity transactions. The Group's shares and those of non-controlling interests are adjusted to reflect changes in their interests in subsidiaries. The amount by which the non-controlling interests' shares are adjusted and the difference between the consideration received or paid is recognized in equity as a value attributable to equity holders of the company.

Business combination or asset acquisition

The Group accounted the businesses acquired in 2022 as asset acquisition, for which the following test was performed:

Concentration test: the entity optionally performed a so-called real value concentration test. The test was positive – i.e. the concentration is above 90% - the group of activities and assets is not a business activity and there was no need for further assessment. The test is positive if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. No deferred tax was considered during the calculation of the concentration test.

Based on the concentration test, the real estates and real estate holdings acquired in 2022 (Shopping Mall Ostrava s.r.o., Shopping Mall Opava s.r.o., Shopping Mall Karlovy Vary s.r.o., Shopping Mall Chrudim s.r.o.) were identified as asset acquisitions.

Accounting of the asset acquisitions

The Group recognizes the individually identifiable assets acquired (including assets that meet the definition and recognition criteria of intangible assets according to IAS 38 Intangible Assets) and liabilities assumed. The group allocates cost between individually identifiable assets and liabilities based on their relative fair values at the date of acquisition. Such transaction or event does not create goodwill or negative goodwill.

In 2021, Gradevel Ltd. was incorporated into the Group by way of establishment and the remaining subsidiaries were acquired by Gradevel Ltd. on 15 June 2022. There were no other subsidiary acquisitions by the end of 2023. The Group holds 100% of the shares in all subsidiaries and therefore has no non-controlling interests. The Company has voting rights in subsidiaries in proportion to its shareholding. Acquisitions of interests in Czech subsidiaries did not qualify as business combinations and were accounted by the Group using the asset purchase method.

As of 31 December 2023 and during the years 2023 and 2022 the Company had the following subsidiaries:

Name	Country of registration and place of activity	Nature of business activity	Date of registration	Date and method of deregistration	Percentage of ordinary shares held directly by the company (%) 31 December 2023 and 31 December 2022.	
					2023	2022
Gradevel Ltd.	Hungary	Property development project company	14.12.2021	-	100%	100%
Shopping Mall Ostrava s.r.o.	Czech Republic	Property development project company	15.06.2022	-	100%	100%
Shopping Mall Opava s.r.o.	Czech Republic	Property development project company	15.06.2022	-	100%	100%

Shopping Mall Karlovy Vary s.r.o.	Czech Republic	Property development project company	15.06.2022	-	100%	100%
Shopping Mall Chrudim s.r.o.	Czech Republic	Property development project company	15.06.2022	-	100%	100%

The Group acquired control of the subsidiaries from the dates described above and they are included in the consolidated financial statements from those dates. Gradevel Ltd. has a share capital of EUR 41,000 and its registered seat is at Batthyány street 3, ground floor, 1. door). The Czech companies have a share capital of CZK 100,000 per company and their registered seat is Londýnská 730/59, Vinohrady (Praha 2), 120 00 Praha.

Gradevel Ltd. prepares its separate financial statements with a balance sheet date of 31 December in accordance with Act C. of 2000 on Hungarian Accounting. The Czech subsidiaries prepare their separate financial statements based on the Czech Accounting Act. In 2022 the balance sheet date of Czech subsidiaries was 28 February, which – based on the owner's decision – was changed to 31 December starting from 2023, in order to standardize with the financial year of the other companies of the Group members. The accounting policies of the companies included in the consolidation have been harmonized prior to consolidation, and any differences between Czech GAP and IFRS; and between the Hungarian GAP and IFRS have been recognized. Regardless of the financial year of the separate accounts, the 12-month results of the Czech subsidiaries are included in the consolidated accounts (1 January 2023 - 31 December 2023).

2.4 Foreign currency conversions

(a) Functional and reporting currency

The currency of the primary operating environment of Shopper Park Plus Plc. and the other companies constituting the Group, i.e. its functional currency is the euro, and the reporting currency of the consolidated financial statements is the euro.

(b) Transactions and balances

Foreign currency transactions are converted into the functional currency at the Hungarian National Bank's exchange rate on the valuation date in the case of a transaction or revaluation. Foreign exchange gains and losses resulting from the settlement of such transactions or from the year-end revaluation of financial assets and liabilities denominated in foreign currencies are recognized in the profit and loss statement under 'Financial income' or 'Financial expenses'. Foreign exchange gains and losses on loans and on cash and cash equivalents are presented in the profit and loss statement under 'Financial income' or 'Financial expenses'. Other exchange gains and losses are also presented in the profit and loss statement under 'Financial income' or 'Financial expenses'.

2.5 Investment properties

Property is recorded as investment property if it is held to earn rental or capital gains, or both, and not for the purpose of producing a product or providing a service, or for the conduct of a business.

Mixed-use properties (properties partly used by the Group and partly held for rental or capital increase purposes) shall be shared and the components accounted for separately if those components are available for sale separately.

Investment properties are primarily retail properties that are not used by the Group or in the course of the Group's activities or for sale in the ordinary course of business but are used primarily for rental income and capital increase purposes.

Investment properties are initially measured at cost, including transaction costs. Transaction costs include transfer duties, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be operational.

After initial recognition, investment properties are registered at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the continuing use of investment properties are included in the profit and loss statement in the period in which they arise, including the related tax effect. Initial costs associated with the acquisition of operating leases and lease incentives are capitalized at the value of the related investment property.

Transfers to or from investment property are made only when there is evidence of a change in use (such as the commencement of development or the commencement of operations for another party). In case of transfers from investment property to inventories, the assumed cost is the fair value at the date of the change in use. When a property held in inventories becomes investment property, the difference between the fair value of the property at the date of transfer and the former book values is recognized in the profit and loss. The Group considers as evidence the commencement of development for sale (in the case of a transfer from investment property to inventories) or the commencement of an operating lease to another party (in the case of a transfer from inventories to investment property).

Investment properties are derecognized either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. The difference between the net disposal income and the book value of the asset is recognized in the result of the period when the disposal happened. When calculating the amount of consideration to be included in the profit or loss from the disposal of the investment properties, the group takes into account the effects of the variable consideration, the existence of a significant financing component, the non-monetary consideration, and the consideration to be paid to the buyer, if any, in accordance with the requirements of IFRS 15 on the requirements for determining the transaction price.

The estimated fair value of investment properties and related assumptions are included in Note 10.

2.6 Accounting of income

The Group's income is derived from rental income, operating and other income related to the real estate rental.

Revenue from sales transactions is recognized when the conditions of the contracts are met. Sales revenue excludes value added tax. All income and expenses are recognized in the appropriate period based on the accrual principle.

Revenue is recognized in an amount that reflects the consideration to which the Group is expected to be entitled in exchange for the products or services. Sales revenue is recognized if it is probable that the company will realize the economic benefit related to the transaction, and its amount can be properly measured. Revenue is recognized when control of the goods and services is transferred to the customer.

The main elements of the Group's revenue are:

- Income from real estate rental, which is mostly reported to its tenants on monthly basis, based on the amount of rent established in the contract, in accordance with the requirements of the IFRS 16 standard.
- Operating fees: the Company invoices the tenants in addition to the rent. Operating fees include overhead costs, maintenance, cleaning and security costs in accordance with the requirements of the IFRS 15 standard.
- Rental fee in the proportion of turnover: In addition to the above, rentals are invoiced at intervals determined in each lease depending on the turnover of the tenants.

Property rental income: Rental income comes from operating leases. The Group realizes its income from the sale of real estate by renting out commercial properties. The sales revenue is accounted on a time-proportional basis, from the moment the right to collect rental fees opens up when the real estate is put into use. Rental fees are settled linearly during the term.

Operating fees: the Group accounts for these transactions gross in its financial statements as it acts as principal in these cases.

Interest income: interest income is recognized when the economic benefits will flow to the Company probably and the amount of income can be measured reliably. Interest income is recognized on a time proportion basis, taking into account the principal amount outstanding.

Income realized on other financial assets: Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of the income can be measured reliably. Interest income is recognized on a time proportion basis over the expected life of the financial asset, using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net book value of the financial asset at the time of initial recognition.

2.7 Leasing

The Group as lessee

The Group has no leased assets.

The Group as lessor

The Group has operating lease type rental agreements. An operating lease is a transaction that does not transfer substantially all the risks and benefits of ownership arising from the asset. This is usually a simple, short-term lease arrangement (operating lease), where the incoming rent appears in the income statement and its primary balance sheet impact is related to the schedule of lease payments.
Real estates leased under operating leases are presented under investment properties, rental income is recognized in revenue.

2.8 Financial assets and liabilities

The Group's financial assets typically comprise cash and cash equivalents, account receivables and other long-term receivables, which the Group measures at fair value through profit or loss, or at amortized cost. All financial instruments are recognized on the trade date.

Financial liabilities generally arise from the need to repay money and other financial assets. They mainly include other financial liabilities, account payables, liabilities to banks and related companies, lease liabilities and derivative financial liabilities.

All financial instruments should be initially recognized at fair value adjusted with transaction costs, except for instruments classified as FVTPL, where transaction costs should be recognized immediately in profit or loss.

The Group's financial assets are classified at initial valuation according to their nature and purpose. To determine the category of a financial asset, it is first necessary to clarify whether the financial asset is a debt instrument or an equity investment. Investments in equity are measured at fair value through profit or loss; however, a company may decide, on initial valuation, to measure investments in equity that are not held for trading at fair value through other comprehensive income. If the financial asset is a debt instrument, the following points should be considered in determining classification:

Amortized cost
Debt instruments shall be measured at amortized cost if they are held under a business model that is designed to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of capital and interest on the outstanding capital.

Fair value against other comprehensive income
Financial assets at fair value through other comprehensive income are financial assets held under a business model that achieves its objective by collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows at specified dates that are solely payments of capital and interest on the outstanding capital.

Fair value against PnL
The category of financial assets at fair value through PnL includes financial assets that do not fall into either of the above two categories of financial assets or were designated upon initial valuation as assets at fair value through PnL.
When the SPPI requirement is met, the Group assesses whether the cash flows arising from the contract are consistent with the underlying loan agreements in the denominated currency of the financial instrument.

The Group uses Level 3 in the fair value hierarchy for the fair value measurement of financial assets and liabilities.

To assess whether contractual cash flows include only capital and interest, the Group examines the contractual terms of the financial instrument. The assessment also considers whether the financial instrument contains contractual terms that would cause the amount or timing of the contractual cash flows to change such that the financial instrument no longer meets the SPPI requirement.

All other debt instruments are measured at fair value through profit or loss (FVTPL).

For debt instruments, certain assets are required to be classified as FVOCI or amortized cost if the fair value option is not chosen (which is an irrevocable choice).

Financial assets are classified on initial recognition when the company becomes a contracting party to the instrument. Under certain conditions, it may be necessary to change/reclassify the classification of the assets retrospectively.

When classifying financial assets into a valuation group, financial assets must be classified according to two criteria at the same time:
1. examine the nature of the cash flows associated with the financial asset; and
2. the business model of the company related to the financial instrument.

In the case of financial assets, reclassification between FVTPL, FVOCI and amortized cost is required only if and when changes in the business model justify it and the conclusions from previous business model measurement are no longer relevant.

All equity instruments are measured at fair value in the balance sheet and the effect of changes in fair value is recognized directly in profit or loss, except for those equity instruments where the enterprise has selected the Other Comprehensive Income (FVOCI) option.

Where an investment in an equity instrument is held by the Group for a non-trading purpose, there is an option to recognize the asset at FVOCI on a non-recourse basis (for example, a share is purchased for long-term holding).

For financial liabilities there are two valid classifications: FVTPL and amortized cost. Financial liabilities held for trading are measured at FVTPL (except for fair value changes arising from own credit risk, which are recognized in equity) and all other financial liabilities are measured at amortized cost, unless the fair value option is used. The Group does not use the fair value option, however, if the transaction is included in a cash flow hedge, the hedge is measured at fair value through other comprehensive income if it is effective.

The categories of financial liabilities are as follows:
1. liabilities at fair value against the PnL
2. liabilities valued at amortized cost

The Group offsets financial assets and financial liabilities and recognizes a net amount in the balance sheet only when the Group has a legally enforceable right to set off the amounts and intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.9 Derivative financial instruments and hedge accounting

Initial representation and subsequent evaluation

The Group uses derivative financial instruments to hedge interest rate risks. Such derivative financial instruments are initially recognized at fair value on the contract date and are subsequently remeasured at fair value. Derivatives are recorded as financial assets if the fair value is positive and as financial liabilities if the fair value is negative. For hedge accounting purposes, these hedges are classified as cash flow hedges. The effective portion of the hedge is recorded in equity under Cash flow hedge reserve line.

At the commencement of the hedging relationship, the Group formally designates and documents the hedging relationship to which hedge accounting will be applied and the risk management objectives and strategy for the hedge.

The documentation shall include identification of the hedging instrument, the hedged item, the nature of the hedged risk and how the Group will assess whether the hedging relationship meets the hedge effectiveness criteria (including an analysis of the sources of hedge ineffectiveness and how the hedge ratio will be determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness criteria:

- there is an economic connection between the hedged item and the hedging instrument,
- the effect of credit risk does not dominate in the changes in value resulting from the economic relationship,
- the hedge ratio of the hedging relationship is equal to the ratio of the amount of the hedged item actually hedged by the Group to the amount of the hedging instrument actually used by the Group to hedge that amount of the hedged item.

Hedging transactions that meet all the conditions for hedge accounting are accounted for as follows:

Cash flow hedges

For cash flow hedge accounting purposes, hedges are cash flow hedges if they hedge exposure to variability in cash flows that is attributable either to a specific risk associated with a recognized asset or liability or to a highly probable forecasted transaction.

The effective portion of the gain or loss on the hedging instrument is recognized in the cash flow hedging reserve through the other comprehensive income, while the ineffective portion is recognized immediately in the PnL. The cash flow hedge reserve is adjusted by the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item. The amount accumulated in equity is reclassified to the PnL as a reclassification adjustment in the same period or periods in which the hedged cash flows affect profit or loss, for example, when the hedged financial income or financial expense is recognized.

If cash flow hedge accounting is discontinued, the amount accumulated in the hedging reserve within equity remains in the accumulated hedging reserve if the hedged future cash flows are expected to continue to occur. Otherwise, the amount is immediately reclassified to profit or loss as a reclassification adjustment. After termination, as soon as the hedged cash flows occur, the amount remaining in the cumulative hedging reserve is recognized as a reclassification adjustment in the PnL.

2.10 Impairment of financial assets

The IFRS 9 impairment model is based on the expected credit loss principle.

Receivables are stated at nominal value less an appropriate allowance for estimated impairment. The Group uses the simplified approach to calculate impairment losses on account receivables, contract assets and lease receivables.

The simplified impairment model is a provision matrix that takes into account the past 2 years of non-payment experience rates and provides a forward-looking calculation of expected impairment during the lifetime. Further impairment is recognized (e.g. probability of insolvency or significant financial difficulties of the debtor) when there is an indication that the Group will not be able to collect the full amount due according to the original terms of the invoice. A written-off receivable is derecognized when it is considered uncollectible.

A receivable is considered as bad debt, if at the end of the enforcement, liquidation, or debt settlement procedure against the debtor, there is no cover for the receivable, or the receivable cannot be effectively collected.

late payment days	condition	impairment
0-180 days	the partner is reliable, has a contract with us, no history of non-payment	2%
180-360 days	the partner is reliable, has a contract with us, no history of non-payment	50%
above 360 days	-	100%

In the case of claims overdue between 0 and 360 days, an individual assessment shall be made if:

- the partner terminated the contract, or the contract has been terminated by us
- partner is under liquidation, being wound up or is bankrupt
- the customer does not admit the claim.

The amount available and enforceable as security deposit shall be deducted from the basis of impairment.

2.11 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash and bank deposits. The Group has limited customer deposits and illiquid security deposits, which are presented in the financial statements under the line “Tenant deposit”.

2.12 Equity

Share capital
Share capital includes ordinary shares issued at nominal value for which the company received cash when issued.

Capital reserve
Capital reserve includes ordinary shares issued above nominal value. Costs of issuing shares are deducted from the capital reserve.

Cash-flow hedge reserve
This item includes the difference recognized on the fair value measurement of interest rate cap related to the Group's bank loans.

2.13 Account payables

Account payables include amounts payable for goods and services received from suppliers in the ordinary course of business. Account payables are classified as current liabilities if they are due within one year. Otherwise, they are presented as non-current liabilities.

2.14 Loans and interest liabilities

Loans/borrowings are initially recognized at fair value less transaction costs. Subsequently, loans/borrowings are recorded at amortized cost; the difference between the amount borrowed (less transaction costs) and the amount to be repaid is recognized in the income statement over the period of the loan using the effective interest method. Interest expense is recognized when it is probable that economic benefits will flow to the Company and the amount of the expense can be measured reliably. Interest expense is recognized on a time proportion basis, taking into account the principal outstanding using the effective interest method.

2.15 Dividend payment

Dividends payable to Group shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders. The dividend solvency of the parent company, Shopper Park Plus Plc. is relevant to the Group's ability to pay dividends to its shareholders. Section 114/A point 17 of the Act on Hungarian Accounting (2000. C) applies to the parent company (as an entity preparing financial statements in accordance with IFRSs) when determining the dividend payout limit. The adjustments relevant to the parent entity in determining the dividend payout limit are as follows: the amount of retained earnings available for dividend payment is the amount of retained earnings, including the profit after tax of the last closed financial year for which the financial statements are presented, less the amount of any cumulative unrealized gain on the increase in the fair value of investment property recognized in accordance with IAS 40 Investment Property. The amount of the retained earnings shall not include other comprehensive income as defined in IAS 1 Presentation of Financial Statements, except for reclassification adjustments. The parent company shall present in its financial statements a reconciliation table of equity, including a reconciliation of retained earnings available for dividends.

2.16 Fair value

Fair value measurement refers to an asset or liability. In determining fair value, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account in pricing the asset or liability at the measurement date. The unit of account for the asset or liability shall be determined in accordance with the IFRS that requires or permits fair value measurement.

The fair value is the price that would be received when selling an asset or paid when transferring a liability in a regular transaction between market participants at the time of valuation, regardless of whether the given price is directly observable or estimated using another valuation technique.

According to the IFRS 13 "Fair Value Valuation" standard, companies must classify fair value valuations in accordance with a fair value hierarchy that reflects the importance of the basic data used in the valuations.

Fair value hierarchy

Financial instruments measured at fair value are classified into a three-level fair value hierarchy for disclosure. The levels within the hierarchy reflect the significance of the inputs used in determining the fair value:

- level 1: quoted prices found in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices belonging to level 1, inputs that can be directly or indirectly observed in relation to the asset or liability, which are not observable inputs on the market.
- level 3: inputs based on unobservable market data

The Group uses level 3 assessment for fair value except of cash-flow hedge, where the determination is on level 2.

Among the financial assets, the Group evaluates loans and receivables as well as financial liabilities at amortized cost, but also presents their fair value in the notes to the financial statements. The fair value of these assets and liabilities is determined based on level 3 information, except for cash flow hedges, whose fair value is determined based on level 2 information. The fair value of financial instruments not listed on an active market is determined using valuation techniques, typically using the discounted cash flow method.

2.17 Affiliated parties

An enterprise is affiliated if it has a subsidiary, associate, joint venture, a key manager in the enterprise or parent enterprise, a close relative of any of the above individuals, a subsidiary, associate, joint venture owned by the individual or his/her close relative.

Related party transactions are any transactions between affiliated parties, regardless any price is charged or not.

In preparing its financial statements for each balance sheet date, the Group identifies related parties and reviews this identification on 1 January each year. It identifies the amounts receivable from and payable to the identified related parties in its records and discloses them in the notes to the financial statements.

In 2023, the Company reviewed its related party identification process and as a result identified a related party that has not been previously reported as such. The newly identified related party is Hümpfner Law Firm, with which the company had a business relationship in prior years, however it was not included as a related party in last year's financial statements. Therefore, the balance and turnover for 2022 and 2023 are presented retrospectively in note 21.

Data in EUR (turnover)	Type of transaction	Financial year ending 31.12.2023	Financial year ending 31.12.2022 're-reported'	Financial year ending 31.12.2022 'previously reported'
Turnover linked via key position				
Adventum Property Services Kft.	Management fee	1 603 486	813 534	813 534
Grw Invest Kft.	Legal and financial services	0	445 979	445 979
Grw Invest Kft.	Accounting and financial advice	6 731	141 050	141 050
MARTIG Kft.	Legal and financial services	560	609	609
Hümpfner Law Firm	Legal and financial services	555 042	387 642	0

Total turnover linked via key position		*2 165 818*	*1 788 814*	*1 401 172*

Data in EUR (year ending balance)	Balance sheet line	31.12.2023	31.12.2022 're-reported'	31.12.2022 'previously reported'
Balances linked via key position				
Adventum Property Services Kft.	Other current liabilities	437 672	363 342	363 342
Grw Invest Kft.	Account payables	6 731	0	0
Hümpfner Law Firm	Account payables	0	52 415	0
Total turnover linked via key position		*444 403*	*415 757*	*363 342*

2.18 Provisions

The Group recognizes provisions for obligations (legal or assumed) as a result of past events that are expected to be settled by the Group and where the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties specific to the obligation. If the expected cash flows required to settle the present obligation are used to measure the provision, the book value of the provision is the present value of those cash flows.
If some or all of the expenditures required to settle a provision is expected to be reimbursed by another party, the receivable is recognized as an asset if it is virtually certain that the entity will receive reimbursement and the amount of the receivable can be measured reliably.

Existing commitments arising from unfavorable contracts are recognized as provisions. The Group classifies a contract as an unfavorable contract when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected from it.

A provision for restructuring is recognized when the Group has prepared a detailed formal plan for the restructuring and, by commencing implementation of the plan or by announcing the main features of the plan to stakeholders, has created a legitimate expectation that it will carry out the restructuring. A provision for restructuring includes only direct costs incurred in connection with the restructuring that are necessarily incidental to the restructuring and not related to the ongoing business operation of the entity.

2.19 Earnings per share (EPS)

Earnings per share is determined by taking into account the Group's profit for the period and the number of shares less the average number of repurchased shares during the period.

Diluted earnings per share are calculated in a similar way as earnings per share. However, the calculation takes into account all dilutive shares outstanding plus the dividends and yields on ordinary shares that may be considered during the period, adjusted for additional income and expenses arising on convertible shares, - the weighted average number of shares outstanding plus the weighted average number of additional shares that would be outstanding if all convertible shares were converted.

2.20 Income taxes

The amount of income tax is based on the tax liability determined by law, adjusted by the deferred tax. The Group has identified corporate tax, local business tax and innovation contribution as income taxes based on a taxable profit. The corporate tax liability includes current and deferred tax elements.

The tax liability for the current year is determined based on the taxable profit for the current year. The taxable profit differs from the profit before tax shown in the consolidated accounts because of non-taxable gains and losses and items that are included in the taxable profit of other years. The Group's current tax liability is determined using the tax rate in effect or published (where publishment is equivalent to the effective date) at the balance sheet date. Deferred tax is calculated using the liability method.

Deferred tax arises when there is a timing difference between the recognition of an item in the consolidated financial statements and its recognition under the Tax Act. Deferred tax assets and liabilities are measured using the tax rates applicable to taxable income for the years in which the timing differences are expected to reverse. The amount of the deferred tax liability and asset reflects the Group's assessment at the balance sheet date of how the tax assets and liabilities will be recovered or settled.

A deferred tax asset is recognized for deductible temporary differences, carry forward tax discounts and tax loss carry forwards only to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

At each balance sheet date, the Group determines deferred tax assets not recognized in the balance sheet and book value of recognized tax assets. It recognizes the portion of receivables not previously recognized in the balance sheet that is expected to be recoverable through a reduction in future income taxes. Conversely, the Group reduces its deferred tax asset to the extent that no taxable profit is expected to be available to recover the amount.

Current and deferred tax is charged or credited directly to equity when it relates to items that were also charged or credited to equity in the same or a different period.

Deferred tax assets and liabilities may be offset when a company has a legally enforceable right to set off its current tax assets and liabilities against each other for the same tax authority and the Group intends to settle those assets and liabilities on a net basis.

2.21 Segment information

Segments are defined on the basis of the geographical breakdown of the Group's properties in Hungary and the Czech Republic.

The distribution in 2023 is as follows:

Data in EUR	Hungary	Czech Republic	Group level expenses and income	Total
Rental income	16 917 241	5 279 827		22 197 068
Operating fees and other revenue	21 736 720	4 257 331		25 994 052
Operating and other property-related expenses	(23 269 070)	(5 629 169)		(28 898 239)
Gross result	**15 384 892**	**3 907 989**		**19 292 881**
Administrative expenses			(2 963 549)	(2 963 549)
Fair valuation gains on investment properties	6 402 143	(511 964)		5 890 179
Operating result	**21 787 035**	**3 396 025**	**(2 963 549)**	**22 219 511**
Financial income			2 122 548	2 122 548
Financial expenses			(11 553 287)	(11 553 287)
Profit before tax	**21 787 035**	**3 396 025**	**(12 394 288)**	**12 788 772**
Income tax	(242 141)	(1 056 579)		(1 298 720)
Result of the current year	**21 544 894**	**2 339 446**	**(12 394 288)**	**11 490 052**
Assets classifiable to segments:				
Investment properties	218 310 000	70 340 000		288 650 000
Lease and other accounts receivables	5 713 204	301 023		6 014 227
Current income tax receivable	0	354 962		354 962
Other receivables	2 977 878	471 125		3 449 003
Cash and cash equivalents	28 750 892	887 754		29 638 646
Liabilities classifiable to segments:				
Tenant deposits	5 844 176	610 065		6 454 241
Deferred tax liabilities	0	4 646 884		4 646 884
Accounts payables	116 753	280 704		397 457
Current income tax liabilities	204 006	0		204 006
Provisions	0	0		0

The distribution in 2022 is as follows:

Data in EUR	Hungary	Czech Republic	Group level expenses and income	Total
Rental income	8 324 166	2 722 761		11 046 927
Operating fees and other revenue	10 845 691	2 242 496		13 088 187
Operating and other property-related expenses	(12 218 595)	(3 055 281)		(15 273 876)
Gross result	**6 951 262**	**1 909 976**		**8 861 238**
Administrative expenses			(3 647 358)	(3 647 358)
Fair valuation gains on investment properties	3 145 716	18 856 488		22 002 204
Operating result	**10 096 978**	**20 766 464**	**(3 647 358)**	**27 216 084**
Financial income			2 922 730	2 922 730
Financial expenses			(3 386 253)	(3 386 253)
Profit before tax	**10 096 978**	**20 766 464**	**(4 110 881)**	**26 752 561**
Income tax	(31 780)	(3 806 807)		(3 838 587)
Result of the current year	**10 065 198**	**16 959 657**	**(4 110 881)**	**22 913 974**
Assets classifiable to segments:				
Investment properties	209 530 000	70 115 000		279 645 000
Lease and other accounts receivables	3 047 059	664 079		3 711 138
Current income tax receivable	0	249 483		249 483
Other receivables	11 993 481	1 075 536		13 069 018
Cash and cash equivalents	4 006 079	485 714		4 491 793
Liabilities classifiable to segments:				
Tenant deposits	5 320 673	628 028		5 948 701
Deferred tax liabilities	0	3 590 305		3 590 305
Accounts payables	125 126	113 079		238 205
Current income tax liabilities	25 270	0		25 270
Provisions	0	154 662		154 662

Revenues from the TESCO Group were 20% of the total rental income in 2023 (21% in 2022). The Group has no other tenants in excess of 10% of rental revenue.

3. Significant estimates

In preparing financial statements under IFRS, management is sometimes required to make significant estimates and assumptions. These significant estimates and assumptions affect the reported amounts of assets and liabilities, income and expenses in the financial statements and the disclosure of contingent assets and liabilities in the notes. The Group applies the IFRS that is specific to the particular transaction, event or circumstance. Actual results may differ from those estimates.

Estimates and baseline assumptions should be reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only the current year, and in the period of the revision and future periods if the revision affects both current and future years.

The Group uses significant **estimates** in two areas, the fair value measurement of properties and the valuation of contingent purchase prices.

(a) Fair value measurement of investment property

When determining the fair value of properties, the Group has established an independent valuer of real estate, CBRE Ltd. The fair value determined by the independent valuer for all properties is the same as the value stated in the financial statements.

The valuation methods used and their application are in line with approaches commonly used in national and international practice. In determining the market value of the properties, estimates of market rents have been derived from a comparison of recent rental of the properties with rents paid by tenants of similar profile in similar properties.

The net annual income calculated using the above has been capitalized with the expected return on the property market on the balance sheet date. The valuation is based on the so-called "Hardcore and Top Slice" methodology.

(b) Valuation of contingent purchase prices

The Group acquired the investment properties during 2022, whereby the purchase agreement has determined significant future purchase prices payable, which are recognized in other non-current and other current liabilities, respectively, according to the maturity classification. The contingent purchase prices are determined at a future payment date based on the future business conditions and events specified in the purchase agreement and are payable by the Group to the seller. In closing the accounts for a financial year, the Group considers all information available at that date to make a realistic estimate of the amount and maturity (within or beyond one year) of the contingent purchase price that it expects to pay in the future. In accordance with this accounting estimate, the Group adjusts the amount of contingent purchase price liabilities recognized in the accounts based on the available information, with any differences being charged or credited to financial profit or loss, so that the amounts of contingent purchase price liabilities recognized in the current period approximate, as closely as possible, the amounts expected to be recognized in the future.

Presentation of purchase price retention agreements:

The Company and its 100% subsidiary Gradevel Ltd. and the sellers of the properties and shares have agreed on the withholding of the purchase price for Hungarian real estate and Czech properties in Opava, Ostrava and Karlovy Vary as follows. These amounts shall be paid to the Sellers by the Company and Gradevel Ltd. only in the event of the occurrence of the agreed events.

PURCHASE PRICE WITHHELD FOR HUNGARIAN REAL ESTATE:

Purchase price retention for the redemption of land used by TESCO

The Purchase Agreement and the related purchase price retention agreement define a total area of 30,743 m^2 currently leased by TESCO-GLOBAL that can be taken back unilaterally (in whole or in part) by the Company as lessor, thereby terminating the given lease agreement for the affected area. In this case, the Company shall pay TESCO the area-proportional amount of the withheld purchase price. The land take-back fee for the entire area concerned is EUR 10,366,765 on the basis of the withholding of the purchase price.

Purchase price retention for empty space

The Contract of Sale defines an area of 1,432 m^2 that is currently empty and is not covered by a valid lease. If they are leased (in whole or in part) within 3 years from the date of the purchase transaction, 15 June 2022, the Company is obliged to pay TESCO the amount of the purchase price withholding specified per rental property. The amount of the purchase price retention for the entire area concerned is EUR 572,892.

Purchase price retention based on turnover-based rent

When determining the purchase price, the parties to the purchase agreement did not use the amount of the turnover-proportional rent paid in 2019 for tenants paying turnover-based rent at the time of signing the purchase agreement. In order to determine the purchase price calculated on the basis of the actual turnover-based rent paid, the parties entered into an agreement on the payment of an ex post purchase price making its payment conditional on the actual turnover-based rents actually paid by the tenants.

The basis for calculating the purchase price to be paid retrospectively is the rent-based rent paid in 2019 by a tenant paying a turnover-proportional rent on a total area of 22,281 m2. The amount of the purchase price to be paid retrospectively within 12 months of the date of sale on 15 June 2022 (provided there are no nationwide opening restrictions affecting retail during this 12-month period) will be calculated on the basis of the turnover-based rent actually paid by the affected tenants. The total amount of the purchase price to be paid ex post is EUR 5,218,269, which is 40% of the 9% interest-capitalized amount of the turnover-based rent actually paid by tenants in 2019.

Prepaid purchase price for land lease agreements

As part of the purchase price, the Company has paid in advance the capitalized value of land leases that have not yet been handed over to tenants on the basis of lease agreements and payment of rent has not yet commenced.

As agreed by the Parties, if, under the terms of the lease agreement, the tenant does not take over the leased land for reasons for which the Company is not responsible and does not pay the first rent required therein within a period of 3 years after the date of sale on June 15, 2022, the Company shall be entitled to claim a subsequent reduction in the purchase price equal to the capitalized value of the lease of that land, on the basis of which that tenant did not take over the leased land and pay the first rent. On this basis, an amount of EUR 2,340,879 was paid in advance to TESCO on the basis of the purchase contract.

PURCHASE PRICE WITHHELD FOR CZECH REAL ESTATES:

Purchase price retention for empty space

The purchase agreement defined an area of 2,281 m^2 that is currently empty and not covered by a valid lease agreement. If – within 3 years from the date of sale on 15 June 2022 – these are leased (in whole or in part) Gradevel Kft. is obliged to pay the amount of the purchase price withholding specified per rental property to Tesco Holdings B. V. for. The amount of the purchase price retention for the entire affected area is EUR 912,500.

Purchase price retention based on turnover-based rent

When determining the purchase price, the parties to the Purchase Agreement did not base the purchase price on the amount of the turnover-proportional rent paid in 2019 for tenants paying a turnover-proportional rent at the time of signing the purchase agreement. In order to determine the purchase price calculated on the basis of the actual turnover-based rent paid, the parties entered into an agreement on the payment of an ex post purchase price making its payment conditional on the actual turnover-based rents actually paid by the tenants.

The basis for calculating the purchase price to be paid retrospectively is the rented rent, which was actually paid in 2019, by the tenant paying a turnover-proportional rent an area of 8,272 m^2.

The amount of the purchase price to be paid retrospectively within 12 months of the date of sale on 15 June 2022 (provided there are no nationwide opening restrictions affecting retail during this 12-month period) will be calculated on the basis of the turnover-based rent actually paid by the affected tenants. The total amount of the retrospective purchase price retention is EUR 1,578,762, which is 40% of the amount capitalized with interest of 10.20% of the actual pro rata rent paid in 2019.

4. Rental income

The Group has rental incomes from the investment properties shown in Note 10., its amounts were as follows:

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Rental income	22 197 068	11 046 927

The future minimum rental income for fixed-term leases (excluding the leasing fees of optional periods) at 31 December 2023 is as follows:

Data in EUR	within 1 year	within 1-5 years	after 5 years
Minimum rental income	15 778 429	43 092 828	48 244 385

5. Net service result

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Operating fees and other revenue	25 994 052	13 088 187
Operating and other property-related expenses	(28 898 239)	(15 273 876)
Net service result	*(2 904 187)*	*(2 185 689)*

As of 01.04.2023, electricity rebilling based on meter data was introduced in Hungarian properties, which led to an increase in the share of electricity directly billed to tenants and a decrease in the collective consumption volume of Hungarian properties. The reduction in the joint consumption volume and the more cost-efficient operation of the properties reduced the net service loss.

6. Administrative expenses

The breakdown of administrative expenses is shown in the table below:

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Audit expenses	231 382	144 598
Accounting and financial services	251 339	672 169
Legal fees	415 811	992 296
Management fee	1 546 252	797 312
Other administrative expenses	518 765	1 040 983
Total	2 963 549	3 647 358

The Group presents impairment on leases and other trade receivables within administrative expenses. The impairment on leases and other trade receivables changed the following way:

Amounts are in EUR

Balance on 1 January 2022	0
Preparing provision	209 502
Dissolving provision	0
Balance on 31 December 2022	209 502
Preparing provision	704 372
Dissolving provision	530 675
Balance on 31 December 2023	383 199

7. Results of fair valuation of investment properties

The Group has engaged an independent valuer, CBRE Ltd. to determine the fair value of the properties. The value determined by the independent valuer is the same as the values in the financial statements for all properties.

The analysis prepared by CBRE Ltd. is as follows:

The valuation reflects the amount that would be included in a hypothetical sales contract at the valuation date. The result of the valuation is not adjusted for any taxes, other than transfer tax, that may be payable on the sale.

The applied valuation methods are in line with approaches commonly used in national and international practice. In determining the market value of the properties, estimates of market rents have been derived from a comparison of recent rentals of the properties with rents paid by tenants of similar profile in similar properties.

During the valuation of the Investment properties, the net annual income on the real estate market was capitalized with the yield typical for the given real estate sector, which was between 7% and 8.1% in case of the Group's investment properties. The valuation is based on the so-called "Hardcore and Top Slice" methodology.

The valuation methodology used was in line with the valuation techniques described in IFRS 13.

Sensitivity analysis: If the value of the real estate is analyzed for the assumed shift in the yield, the following value would be obtained with yield changes of 0.5% for 2023:

Yield change sensitivity	-0,50%	0%	0,50%
Change in fair value (EUR)	311 890 000	288 650 000	268 502 000

The sensitivity analysis was as follows in 2022:

Yield change sensitivity	-0,50%	0%	0,50%
Change in fair value (EUR)	302 640 000	279 645 000	259 632 000

8. Financial result

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Change in the contingent purchase price of investment properties	811 074	2 529 152
Foreign exchange gains	931 741	314 713
Foreign revaluation gains	0	70 936
Other financial income	379 733	7 929
Total financial income	**2 122 548**	**2 922 730**
Change in the contingent purchase price of investment properties	1 550 191	0
Bank loan interest	8 335 744	2 573 343
Foreign exchange gains	755 104	241 468
Foreign revaluation gains	73 851	0
Other financial income	838 396	571 442
Total financial expenses	**11 553 287**	**3 386 253**
Financial result	**(9 430 739)**	**(463 523)**

Note 3 "Significant **estimates**" discloses the contingent purchase price to be paid in the future, as defined in the purchase agreement, upon the acquisition of investment property and its valuation. The contingent purchase prices were determined using accounting estimates based on available information at the time of acquisition of investment properties acquired during 2022 and are recognized in the accounts. At the close of the accounting for the year ended 31 December 2023, the Company re-performed the estimate and, based on the information available at the new date.

Other financial income includes financial income that does not fall into any of the above categories. These are typically bank deposit interests.
Other financial expenses include financial expenses that do not fall into any of the above categories. These are typically interest payables on loans received from outside the group and direct legal and bank charges on the bank loan.

9. Income taxes

Due to its REIT status, the Parent Company is not liable for corporate income tax, only for the innovation contribution, which is presented in income taxes.

Income taxes include a deferred tax expense which, due to the Parent Company's corporate tax exemption, only arises for Czech real estate.

The changes in IAS 12 Income Taxes - the introduction of a global minimum tax - do not affect the Group's tax liability, as the Group's consolidated revenue is below EUR 750 million.

Income taxes for Hungarian companies include corporate income tax (9% tax rate), local business tax (2% tax rate), innovation contribution (0.3% tax rate); for Czech companies corporate income tax (19% tax rate, from 1 January 2024 21%) and deferred tax. The effective tax rate is 10.2%.

In Czech companies, the Group does not recognize deferred tax on the losses carried forward because there is a question mark over the utilization of the losses. The deferred tax asset from the accumulated losses as at 31.12.2023 would be EUR 542 574 (31.12.2022: EUR 12 304). The accumulated losses can be rolled over for 5 years according to the Czech tax law and there is no limit on the amount.

The Group's parent company Shopper Park Plus Plc. was registered by the Hungarian Tax Authority as a Regulated Real Estate Investment Pre-Company with effect from 1 January 2022, and later as Regulated Real Estate Investment Company with effect from 27 October 2023, and is therefore not liable to pay corporate income tax and business tax in the financial year 2022 and 2023.

The amount of tax expenditure per year is as follows:

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Current income tax expenditure	242 141	248 282
Deferred tax expense	1 056 579	3 590 305
Total	**1 298 720**	**3 838 587**

The tax expenditure reconciliation is as follows:

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Profit before tax	12 788 772	26 752 562
Income tax expected at the corporate tax rate of the parent company (9%)	1 150 989	2 407 731
Tax effect of expenses that are not deductible under tax law	4 264 898	1 659 834
Tax effect of non-taxable income	(5 243 916)	(3 982 628)
Taxable income	0	1 700 671
Tax impact of countries with higher tax rates (Czech Republic)	0	2 021 200
Impact of Czech tax change (from 19% to 21%)	442 560	0
Effect of other income taxes	684 188	31 780
Tax expense reported in a consolidated comprehensive income statement	1 298 720	3 838 587

10. Investment properties

Data in EUR	Összesen
Fair value on 1 January 2022	**0**
Purchase of investment property	205 620 067
Investment property purchased through acquisitions	51 258 513
Change in fair value	0
Capitalized costs	764 217
Net gain on fair valuation of investment properties	22 002 204
Fair value on 31 December 2022	**279 645 000**
Purchase of investment property	0
Investment property purchased through acquisitions	0
Change in fair value	0
Capitalized costs	3 114 821
Net gain on fair valuation of investment properties	5 890 179
Fair value on 31 December 2023	**288 650 000**

Under IFRS 13, the fair value of the property presented are on the 3rd level of the fair value hierarchy. The fair value hierarchy is explained in note 2.16.

Income from the leasing of investment properties is set out in Note 4, the operating income and costs, and other property related income and costs are set out in Note 5.

In 2022, the Group acquired 18 investment properties, which are currently owned by the Group. There were no changes in the property portfolio during the period.

Investments

In the year 2023, the development costs for properties amounted to 3,114,821 EUR. There were no individual exceptional items among the investments. These expenses mainly included the renovation of technical rooms, installation of alarm systems, improvement of lightning protection, project management fees related to expansion, and leasing fees associated with new lease agreements.

Data in EUR	31.12.2023	31.12.2022
Amounts capitalised for investment property:	3 114 821	239 088 218
- of which leasing fee total:	369 646	48 803

11. Financial instruments and risk management

11.1 Financial instruments

Data in EUR	31.12.2023	31.12.2022
Financial instruments registered at amortised cost		
Financial instruments		
Current financial assets		
Leases and other account receivables	6 014 227	3 711 138
Other receivables	2 996 456	11 623 560
Bank security accounts	9 932 613	9 449 567
Cash and cash equivalents	29 638 646	4 491 793
Total current financial assets	**48 581 942**	**29 276 058**
Total financial assets in the balance sheet	**48 581 942**	**29 276 058**
Non-current financial liabilities		
Long-term loans and borrowings	134 091 701	139 833 824
Total non-current financial liabilities	**134 091 701**	**139 833 824**
Current financial liabilities		
Short-term loans and borrowings	0	5 000 000
Short-term financial debts (including debt instruments, but excluding the current portion of non current financial debt)	*0*	*5 000 000*
The current portion of non-current financial debts:	5 906 250	5 531 250
Total short-term loans and borrowings	*5 906 250*	*10 531 250*
Accounts payables	397 457	238 205
Other current liabilities	9 193 084	16 272 766
Total current financial liabilities	**15 496 791**	**27 042 221**
Total financial liabilities on the balance sheet	**149 588 492**	**166 876 045**
Financial instruments registered at fair value		
Financial instruments		
Current financial assets		
Shares		
Total financial assets on the balance sheet		
Positive fair value of cash-flow hedge	0	262 797
Total financial assets on the balance sheet	**0**	**262 797**
Non-current financial liabilities		
Other non-current liabilities	547 824	9 996 141
Current financial liabilities		
Negative fair value of cash-flow hedge	1 168 792	0
Other current liabilities	13 262 945	4 827 133
Total financial liabilities on the balance sheet	**14 431 737**	**4 827 133**

Other current liabilities include deferred income and accrued expenses and various other current liabilities, typically building and land tax liabilities.

For all financial instruments not measured at fair value, the fair value and amortised value are closely approximated. In the case of lease receivables, the Group monitors expected credit losses on an ongoing basis and recognizes these receivables at net value. For other receivables, trade and other current

payables, the maturity is very short and no difference to fair value arises. For loans, there are no significant differences from fair value due to variable interest rates and credit risk spreads that do not change significantly in 2023.
Cash and bank security accounts have no maturity.

11.2 Financial risk factors

The Group's activities expose it to the following financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

(a) Market risk

The Group sets consistent, predictable and competitive rental rates for its tenants. The current rental rates are in line with the environment and the quality of the properties. However, given the current global economic environment and the supply and demand conditions in the real estate market, there is no certainty that current rental rates and conditions will be sustainable in the future.

The Group's management is constantly monitoring the impact of the Russian-Ukrainian war, with rising inflation being tracked by rents, so the indirect impact does not pose a significant risk to the Group.

(i) Exchange rate risk

Exchange rate risk may arise from future commercial transactions, assets and liabilities recognized in the balance sheet.

Exchange rate risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency other than euro. Based on the lease agreements as of 31.12.2023, 83% of the rental income from rental agreements is denominated in euros, 15% is denominated in Hungarian forints and 3% is denominated in Czech crowns. In the current year, a 1% strengthening of the Hungarian forint against the euro would have increased rental income by around EUR 32,000, while a 1% weakening of the Hungarian forint against the euro would have reduced it by EUR 32,000.

Revenues generated in different currencies hedge the exchange rate risk in the sense that the outgoing cash flow is also generated in these different currencies. They can be predominantly paired on the income and expenditure side. The additional foreign exchange risk is not considered to be significant.

(ii) Interest rate risk

The Group's interest rate risk arises from its long-term debt. The interest rate base of the bank loan taken out by the Group is the 3-month Euribor, which means a variable interest rate. Due to this variable rate the Group is exposed to rate risk. The Group mitigates rate risk through interest rate ceiling hedging, significantly reducing its exposure to rate risk. See also Note 12.

A 50 basis points move in the 3-month Euribor would result in the following change in the Group's profitability for 2023. 0% is the data of real interest expense for the current year:

	Change of 3 months Euribor		
Data in EUR	-0.5%	0%	0.5%
Group interest expense	7 603 720	8 335 745	9 067 767
Net balance of cap	334 973	81 334	(250 357)
Group interest expense with cap	7 938 693	8 417 079	8 817 410

(b) Credit risk

Credit risk arises from accounts receivable and deposits with banks and financial institutions. A contractual credit relationship is based on both parties performing under the terms and conditions agreed. The risk element may arise from the counterparty's failure to perform as agreed.

The carrying amount of financial assets represents the maximum risk exposure. The table below shows the Group's maximum credit risk exposure as at 31 December 2023.

Maximum receivables exposure (data in EUR)	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Lease and other accounts receivables	6 014 227	3 711 138
Tenant deposits	(6 454 241)	(5 948 701)
Other current receivables	1 116 091	1 544 469
Prepayments	2 332 911	11 774 031
Bank security accounts	9 932 613	9 449 567
Cash and cash equivalents	29 638 646	4 491 793

The Group's credit risk exposure increased from previous year, but the credit risk of financial instruments has not increased significantly since initial recognition and financial instruments are classified by the Group as low credit risk. In the case of trade receivables, from a crediting point of view, one customer is considered significant, there is no other significant concentration of customers.

The Group covers non-payment risks or damages arising from trade receivables through tenant deposits, monitors non-paying buyers and, if necessary, terminates the contract. The credit risk for trade receivables is reduced by the associated tenant deposit.

(c) Liquidity risk

Liquidity means continuous compliance, the ability of a business to meet its payment obligations on time, every time. The risk arises from the fact that the realization of the funds needed to finance liabilities may be delayed, with the result that the company is unable to meet its commitments on time.

An analysis of the Group's financial liabilities by their respective maturity groupings based on the remaining contractual maturity at the balance sheet date is presented in the table below. The amounts shown in the table represent the contractual undiscounted cash flows. For information on the Group's borrowings, see Note 16 Loans.

Amounts are in EUR

On 1 January 2022	Registered value	Due in less than 3 months	Due within 3 months and 1 year	Due within 1 and 2 years	Due within 2 and 5 years	Due in more than 5 years
Loans/borrowings		0	0	0	0	0
Accounts payables and other liabilities	420 637	420 637	0	0	0	0

On 31 December 2022	Registered value	Due in less than 3 months	Due within 3 months and 1 year	Due within 1 and 2 years	Due within 2 and 5 years	Due in more than 5 years
Bank loan	145 365 074	3 245 515	10 011 123	13 375 010	150 272 543	0
Loan received from related party	5 000 000		5 400 000			
Accounts payables and other liabilities	21 632 544	21 632 544	0	0	0	0

On 31 December 2023	Registered value	Due in less than 3 months	Due within 3 months and 1 year	Due within 1 and 2 years	Due within 2 and 5 years	Due in more than 5 years
Bank loan	139 997 951	3 663 533	10 992 006	10 975 698	133 875 044	0
Loan received from related party	0	0	0	0	0	0
Accounts payables and other liabilities	24 144 557	24 144 557				

(d) Equity management

The Group may adjust dividends paid to shareholders, repay principal to shareholders or issue new shares or sell assets to reduce debt in order to maintain or correct the capital structure. Management confirms that all Group companies comply with their respective capital requirements. In assessing this, the Group monitors the provisions of Act V of 2013 on the Civil Code. Equity and its ratio to subscribed capital are shown in the table below. Equity capital is positive and significantly exceeds the registered capital in all years.

Data in EUR	31.12.2023	31.12.2022
Registered capital	1 307 762	963 200
Total equity	160 884 261	119 169 072

12. Receivables / liabilities from cash flow hedges

The Group borrowed where the interest rate base is the 3-month EURIBOR, which means variable rate. In accordance with the terms of the loan agreement, the Group mitigated its risk by entering into rate cap transactions. On June 28, 2022, the Group purchased an interest rate cap option on the three-month EURIBOR (as the underlying product), where the strike price is 2.4%. When the 3-month EURIBOR rises above 2.4%, the Group is covered by the interest rate cap transaction for the part above 2.4%, so the actual interest rate base payable for this 70% cannot exceed the 2.4% cap.

Interest rate risk management strategy

The Group is subject to interest rate risk in respect of interest-bearing debt. The Group purchased interest rate cap options to reduce its exposure to interest rate risk.

The fee for interest rate cap options is fixed in advance and payable quarterly in equal instalments over the life of the loan. The start of the hedge is 28 June 2022. The cap transaction matures on 31 March 2027, the hedge covers the interest rate exposure of 70% of the capital amount of the loan between 1 January 2023 and 31 March 2027. The repayment of the capital of the loan is followed by the hedge coverage - 70% of the capital is covered at any given time. The fixing date - when the EURIBOR as base of the cap transaction is set - is the same as the interest fixing date of the loan contract.

Identification of the hedged item

Transaction:	Bank loan in the amount of EUR 150 million
The covered item:	3-month EURIBOR + 2.5% loan interest rate bank loan of EUR 150 million and the interest cash flow of 70% of the principal amount of the bank loan at all times above the interest rate of 2.4%. Interest is paid quarterly on March 31, June 30, September 30 and December 31. The loan was disbursed on 15 June 2022, and the loan maturity is 31 March 2027.

Identification of the hedging instrument

Interest rate cap transactions with creditor banks. The strike price is 2.4%. The hedging instrument represents 70% of the current principal amount for interest payments between 1 January 2023 and 31 March 2027. The transaction date is June 28, 2022. Based on interest rate cap transactions, if the 3-month Euribor serving as the interest rate base for the next quarter is higher than 2.4%, the portion above 2.4% (the difference between the current 3-month Euribor and 2.4%) will be reimbursed to the Group under the interest rate cap option. The differential compensation under the interest rate ceiling shall be made at the end of the quarter at the time of payment of interest on 31 March, 30 June, 30 September and 31 December. On the same days, the fee for the interest rate hedging is also paid. The margin call and the interest rate hedge fee are also included in interest expense in the accounts.

Impact of credit risk

The credit risk arises from the credit rating of the Group and the contracting parties entering into interest-rate cap transactions with the Group, the creditor banks. The Group considers the risks associated with the Group and its banks to be minimal and will revalue interest rate cap transactions in the event of a significant change in the circumstances of either party.

Coverage ratio and hedging efficiency

In order to comply with the risk management policy, the coverage ratio is based on an initial loan of EUR 150 million, for which the Group pays quarterly variable interest based on 3-month EURIBOR, covered by a 3-month EURIBOR transaction with an interest rate cap of 2.4% of 70% of the outstanding principal amount. In the case of the hedging transaction efficiency exists, because the date of the payments is the same as the payment dates of the hedging transaction, the hedging instrument does not exceed the amount of the hedged item. The coverage ratio is therefore 1:1 or 100%, there is no margin inefficiency.

Frequency of hedging efficiency assessment

Hedging efficiency is assessed at the start of the hedging transaction at each reporting date and when there is a significant change in circumstances affecting hedging efficiency requirements.

Sources of inefficiency

Possible sources of inefficiency include:

- Change in credit risk of Group or interest rate cap counterparties.
- Reduction or modification of the covered item (e.g. debt repayment).
- The time value of the option.

The change in the internal value of the hedging instrument is recognized through other comprehensive income (and then in the cash flow hedging reserve in equity) and is released to the income statement over the life of the cash flow hedge.

Data in EUR	31.12.2023	31.12.2022
Positive fair value of cash-flow hedge	0	269 797
Negative fair value of cash-flow hedge	1 168 792	0

13. Lease and other accounts receivables; other receivables

Data in EUR	31.12.2023	31.12.2022
Lease and other accounts receivables		
Lease and other accounts receivables recognition value	6 397 426	3 920 640
Lease and other accounts receivables provision	(383 199)	(209 502)
Total lease and other accounts receivables	**6 014 227**	**3 711 138**
Current tax receivables	**354 962**	**249 483**
Other receivables		
Accrued income	2 046 824	8 216 858
Deferred expenses	329 421	3 557 173
Advances to suppliers	429 252	791 122
VAT receivable	23 296	391 538
Account payables with debit balance	619 399	112 327
Sundry other receivables	813	0
Total other receivables	**3 449 003**	**13 069 018**

Lease receivables of the Group arise due to the investment properties shown in Note 10.

Accrued income includes utility charges not invoiced but relating to the period under review.

The Group recognized an impairment loss of EUR 383,199 on leasing and other accounts receivables in 2023. The impairment was EUR 209,502 in 2022.

14. Cash and cash equivalents

Data in EUR	31.12.2023	31.12.2022
Cash	29 638 646	4 491 793
Cash and cash equivalents	**29 638 646**	**4 491 793**

15. Equity

As of 1 January 2022, the Company's share capital was EUR 16,200, represented by 162,000 registered dematerialized ordinary shares with a nominal value of EUR 0.1 each.

On 1 April 2022, Penta CEE Holding decided to increase the share capital through the issuance of new common shares, thereby raising the Company's share capital by EUR 120,000. During this capital increase 1,200,000 new dematerialized common shares with a nominal value of 0.1 EUR and an issuance value of EUR 10 were issued. Penta CEE Holding was the sole participant in the capital increase. The portion of the share issuance value exceeding the nominal value, which is EUR 11,880,000 (committed to be transferred permanently to the Company by Penta CEE Holding based on Section 36 (1) b) of the Accounting Act), was transferred to the Company by Penta CEE Holding on April 7, 2022, through a bank transfer to the Company's bank account.

Following the implementation of the capital increase on 1 April 2022, the Company's share capital amounted to EUR 136,200, represented by 1,362,000 registered dematerialized ordinary shares with a nominal value of EUR 0.1 each.

Subsequently, on 23 May 2022, Penta CEE Holding decided to increase the Company's share capital by EUR 827,000 through the issuance of new shares. This was achieved by issuing 6,770,000 dematerialized common shares of series "A" with a nominal value of EUR 0.1 and an issuance value of EUR 10 each, as well as 1,500,000 dematerialized preference shares of series "B" with a nominal value of 0.1 EUR and an issuance value of EUR 10 each, providing multiple voting rights. In addition to the Majority Shareholders, three minority shareholders participated in the capital increase. The portion of the share issuance value exceeding the nominal value, which is EUR 81,873,000, was committed by the shareholders to be permanently transferred to the Company based on Section 36 (1) b) of the Accounting Act. This amount was thus allocated to the Company's capital reserve. The shareholders fulfilled their financial contributions as described in this paragraph by 13 July 2022, through a bank transfer to the Company's bank account.

After the capital increase on 23 May 2022, and as of December 31, 2022, the Company's share capital amounted to EUR 963,200.

In October 2023, Shopper Park Plus Plc. conducted an initial public offering and subsequently became a public limited company. As of 21 November 2023, the common shares of Shopper Park Plus Plc. are listed in the Premium category of the Budapest Stock Exchange. During the public offering, 3,445,618 shares were issued at a subscription price of EUR 10.8 per share. Consequently, the registered capital increased by EUR 344,562. The total capital raised through the stock offering, before deducting associated costs, amounted to EUR 37,212,674. The issuance costs for the capital instruments totaled EUR 1,703,150.

The Company's share capital as of 31 December 2023 is EUR 1,307,762, which consists of

- 11,577,618 Series A dematerialized ordinary shares with a nominal value of EUR 0.1 each and an issue value of EUR 10, and
- 1,500,000 registered Series B dematerialized voting preference shares with a nominal value of EUR 0.1 each and an issue value of EUR 10 representing multiple voting rights;

The total issue value of all shares of the Company has been made available to the Corporation by the shareholders of the Company.

The Company has 9,632,000 shares with a nominal value of EUR 0.1 and a premium of EUR 9.90. Additionally, has 3,445,618 shares with a nominal value of EUR 0.1 and premium of EUR 10.7 EUR. The premium is presented in the accounts as Capital Reserve, from which expenses related to the initial public offering were deducted. In total the Capital Reserve amount is EUR 130,521,762.

Amounts are in EUR:

Share capital	
01.01.2022	**16 200**
Increase in share capital	947 000
31.12.2022	**963 200**
Increase in share capital	344 562
31.12.2023	**1 307 762**
Capital reserve	
01.01.2022	**1 603 800**
Increase in share capital	93 753 000
31.12.2022	**95 356 800**
Increase in share capital	35 164 962
31.12.2023	**130 521 762**
Cash-flow hedge	
01.01.2022	**0**
Fair value change of cash-flow hedge	262 797
31.12.2022	**262 797**
Fair value change of cash-flow hedge	(1 431 590)
31.12.2023	**(1 168 792)**
Retained earnings	
01.01.2022	**(327 699)**
Profit of the current year	22 913 974
Dividend payment	0
31.12.2022	**22 586 275**
Profit of the current year	11 490 052
Dividend payment	(3 852 800)
31.12.2023	**30 223 527**

16. Borrowings

On 8 April 2022, the Group signed a loan agreement under which on 15 June 2022, the Group obtained a syndicated loan of EUR 150 million from OTP Bank Nyrt., Erste Bank AG and Erste Bank Hungary Zrt. for the purchase of investment properties and Czech holdings. The loan expires on 31 March 2027.

To partially hedge the interest rate risk, an interest rate cap has been entered into to cover 70% of the outstanding capital, which has been measured at fair value in accordance with the accounting policy (see paragraph 2.8).

On 22 December 2022, the Group signed a loan agreement with Penta CEE Holding Zrt. for a EUR 22,000,000 revolving credit facility. The Group borrowed a total loan of EUR 6,000,000, which was fully repaid on 15 December 2023.

Within the Group, Shopping Mall Karlovy Vary signed a loan agreement with Penta CEE Holding Zrt. on 22 June 2023 for a EUR 5,000,000 revolving credit facility. Shopping Mall Karlovy Vary borrowed a total of EUR 3,000,000, which was fully repaid on 18 December 2023.

On 22 December 2022, the Group signed a loan agreement with Portfolion Private Equity Fund for a EUR 1,000,000 revolving credit facility. The Group borrowed a total of EUR 1,000,000, which was fully repaid on 15 December 2023.

The Group reclassifies the principal repayments due within one year to Short-term loans, which amounted to EUR 5,906,250 at the end of 2023.

The financial liabilities are measured at amortised cost, their carrying amount approximates their fair value as there has been no significant shift in credit risk since their inception.

17. Tenant deposits

The table below shows the changes of tenant deposits:

Data in EUR	31.12.2023	31.12.2022
Tenant deposits	6 454 241	5 948 701

18. Deferred tax liabilities

Deferred tax liabilities arise from the different valuation of investment properties in the Czech subsidiaries. There were no deferred tax liabilities recognized in the Group's accounts as at 1 January 2022. The Group does not recognize a deferred tax asset prior to the 2022 financial year in relation to the accrued loss because the Company planned to become a regulated real estate investment company not subject to corporate income tax, so it will not be able to use its accrued losses from previous financial years to reduce its corporate tax liability.

The changes of the deferred tax liability are presented in the table below:

Data in EUR	Deferred tax on valuation of difference if investment property	Total
01.01.2022	**0**	**0**
Registered during the acquisition	0	0
Registered in the PnL	3 590 305	3 590 305
31.12.2022	**3 590 305**	**3 590 305**
Registered in the PnL (expense)	1 056 579	1 056 579
31.12.2023	**4 646 884**	**4 646 884**

19. Other non-current liabilities

In 2022, the Group purchased investment properties and acquired Czech holdings. A contingent purchase price was established at the time of the acquisition, of which an amount of EUR 14,823,273 was recognized in the balance sheet at 31 December 2022: EUR 9,996,140 under Other non-current liabilities and EUR 4,827,133 under Other current liabilities (Note 20).
As at 31.12.2023, the contingent purchase price liability recognized in other non-current liabilities amounted to EUR 547,824. The significant decrease is due to the fact that the Group indicated that it intends in June 2023 to redeem the land used by TESCO within one year, so the purchase price retention liability carried under this heading became current.

20. Accounts payables and other liabilities

Data in EUR	31.12.2023	31.12.2022
Accounts payables	**397 457**	**238 205**
Current income tax liabilities	**204 006**	**25 270**
Provisions	**0**	**154 662**
Other current liabilities		
Contingent purchase price of investment property	13 262 945	4 827 133
Deferred income	2 736 289	2 668 334
Accrued expenses	5 560 215	12 772 767
Other accrued charges	50 162	10 959
Liabilities from property acquisition tax	0	262 661
Other current liabilities	846 418	852 486
Other, non-financial instruments	1 291 070	
Total other current liabilities	**23 747 100**	**21 394 339**

The category Other non-financial instruments includes in its entirety the Group's VAT and innovation contribution liabilities.

21. Related parties

The turnovers of transactions with related parties were as follows:

Data in EUR	Type of the transaction	31.12.2023	31.12.2022
Turnovers related through parent company			
Penta CEE Holding Zrt.	Borrowed	5 008 767	4 000 000
Portfolion Partner Magántőkealap	Borrowed	2 192	1 000 000
Penta CEE Holding Zrt.	Loan interest	503 566	8 767
Portfolion Partner Magántőkealap	Loan interest	76 661	2 192
Turnovers related through parent company total		*5 591 185*	*5 010 959*
Turnovers related through key personnel			
Adventum Property Services Kft.	Management fee	1 603 486	813 534
Grw Invest Kft.	Legal and financial services	0	445 979
Grw Invest Kft.	Accounting and financial consultancy	6 731	141 050
MARTIG Kft.	Legal and financial services	560	609
Hümpfner Legal	Legal and financial services	555 042	387 642
Turnovers related through key personnel total		*2 165 818*	*1 788 814*

The year-end balances of transactions with related parties were as follows:

Data in EUR	Balance sheet line	31.12.2023	31.12.2022*
Balances related through parent company			
Penta CEE Holding Zrt.	Short-term loans and borrowings	0	4 000 000
Portfolion Partner Magántőkealap	Short-term loans and borrowings	0	1 000 000
Penta CEE Holding Zrt.	Other current liabilities	0	8 767
Portfolion Partner Magántőkealap	Other current liabilities	0	2 192
Balances related through parent company total		*0*	*5 010 959*
Balances related through key personnel			
Adventum Property Services Kft.	Other current liabilities	437 672	363 342
Grw Invest Kft.	Accounts payables	6 731	0
Hümpfner Legal	Accounts payables	0	52 415
Balances related through key personnel total		*444 403*	*415 757*

* See changes in note 2.17 Related parties

The Group considers members of the Management Board and Supervisory Board as key management personnel, they don't receive any renumeration. The related parties were identified by the Company based on the IAS 24, the relationship was established by persons in key positions.

Adventum Property Services Kft. provides management services to the Group in exchange for a management fee.

The Group does not have any component that would significantly restrict access to or use of its assets or to settle any of its liabilities.

22. Expenses related to issuing of own equity instruments

The Group recorded expenses related to the initial public offering in the fourth quarter of 2023 (registration and regulatory fees, fees paid to legal, accounting and other professional advisors, printing costs, duties) as a deduction from equity in accordance with IAS 32. As at 31.12.2023, the balance of these costs is EUR 1,703,150.

23. Consolidated earnings per share

The calculation of basic and diluted earnings per share is described in Note 2.19.

Neither in current year, nor in the previous year the Group have any potential dilutive ordinary shares that would adjust basic EPS.

EPS (basic and diluted)	31.12.2023	31.12.2022
"A" and "B" share classes		
Profit of the year	11 490 052	22 913 974
Average number of shares	10 255 043	5 552 301
Earnings per share	**1.12**	**4.13**

24. Contingent assets, contingent liabilities and commitments

Contingent assets

A contingent asset is a possible asset that arises from past events, but the existence of which is uncertain and is not dependent on future events within the control of the Group. These assets do not appear on the balance sheet. The Group has no contingent assets for which an inflow of economic benefits is probable and significant.

Contingent liabilities

The Group has no contingent liabilities for which an outflow of economic benefits is probable and significant.

Commitments

There were no significant changes in the nature and amount of commitments in 2023.

25. Off balance sheet items

Success fee

Shopper Park Plus Plc under its management contract with Adventum Property Services Ltd, Shopper Park Plus Plc would be required to pay a success fee to Adventum Property Services Ltd if certain conditions are met. In addition to the fulfilment of the internal rate of return ratios, the triggering of the success fee payment obligation also requires the occurrence of exit events. Such an exit event is when the Issuer sells all of its properties or changes the majority ownership. The Issuer's management currently considers both exit events, separately and in combination, to be less than 50% probable in the future, so the Issuer does not recognise the success fee payment as a liability and expense, does not defer it, but recognises it as an off-balance sheet item. If the exit event had occurred on the balance sheet date at the property values entered in the property valuation as sales prices, Shopper Park Plus Plc would have had a success fee liability of EUR 6.2 million.

Insurances

Appropriate security has been created in favour of the creditors in connection with the loan agreement, covering the assets of all the members of the Group and their shareholdings in these companies.

Collateral agreements under Hungarian law have been concluded in respect of Shopper Park Plus Plc. and Gradevel Ltd.:

1. the Parent Company's interest in the Hungarian subsidiary (100%) has been pledged,
2. the Hungarian properties were pledged and pledged with a right of purchase,
3. the movable assets, rights and claims of SPP and Gradevel were pledged,
4. the bank accounts of Hungarian companies were pledged and secured by a lien or security,
5. the existing ordinary shares and preference shares issued by SPP and owned by Penta CEE Holding were pledged; and
6. the Penta Fund, Penta CEE Holding, SPP and Gradevel have entered into a subordination, sponsorship and ownership commitment agreement.

The relevant security agreements under Hungarian law contain restrictions on the disposal and encumbrance of the assets concerned.
Collateral agreements under Czech law have been concluded for the Czech subsidiaries and their assets, under which a pledge has been created:

1. for claims arising from the lease contracts of the Czech subsidiaries,
2. for shares in Czech subsidiaries,
3. bank account receivables of the Czech subsidiaries and the Hungarian subsidiary,
4. real estate in the Czech Republic,
5. insurance claims of Czech subsidiaries, and
6. the assets of the Czech subsidiaries ("enterprise pledge")

In order to redeem the advances on the electricity supply contracts, SPP entered into a bank guarantee agreement with its account bank on 26 September 2023 for an amount of EUR 5 million. In connection with the provision of the guarantee, a second ranking lien was created in favour of the account bank in respect of the Budaörs Property and a prohibition of alienation and encumbrance was established to secure this lien.

26. Events after the balance sheet date

Transformation into a regulated real estate investment company

On 12 January 2024 the Company was registered by the Hungarian Tax Authority with effect from 26 October 2023 as Regulated Real Estate Investment Company.

27. Adoption of the annual accounts

The report was approved by the Board of Directors on 8 April 2024 and submitted to the General Assembly for adoption. Simultaneously with the approval of the annual accounts, the Board of Directors proposes to approve a total dividend of EUR 9,968,847. The General Assembly is entitled to approve the accounts and may request amendments before their adoption.

Budapest, 8 April 2024

Board Member Board Member

SEPARATE ANNUAL BUSINESS REPORT 2023

Financial and operational summary

Performance	Unit of measurement	Data	Comment	2023	2022
Rental income	MEUR	i	E1	16.9	8.3
Operating result	MEUR	i	E2	(1.5)	(1.2)
Gross profit	MEUR	i	E3	15.4	7.1
Administrative costs	MEUR	i	E4	(2.2)	(3.6)
Revaluation gain	MEUR	i	E5	6.4	3.1
Net financial result	MEUR	i	E6	(5.5)	0.2
Profit after tax	MEUR	i	E7	14.1	6.9
Share information					
Earnings per share	EUR	z	R1	1.12	4.13
Number of shares	pieces	z	R2	13,077,618	9,632,000
Financial position					
Value of investment properties	MEUR	z	P1	218.3	209.5
Own capital	MEUR	z		147.8	103.1
Loans	MEUR	z	P2	104.5	113.5
Leverage (loan/property value)	%	z		48%	54%
Operational data					
Rentable area	sqm	z	M1	261,200	261,500
Endowment	%	z	M2	96%	98%
WAULB	year	z	M3	5.6	5.4

Data:
i: data of period, which is the 12-month financial year for both 2023 and 2022. Since the properties were purchased on 15 June 2022, data of last year only includes the last 6.5 months of revenue producing properties.
z: closing data of 31.12.2022 and 31.12.2023

Detailed report:

Performance

	Performance	**Comment**
E1	Rental income	Proportioning the 2022 figure by the 6.5 months of the rental income generating period for the full year results in a turnover of MEUR 15.4, compared to a rental income of MEUR 16.9 in 2023, an increase of 10%. The increase was supported by the high inflationary environment through the indexation of rental income as an environmental effect.
E2	Operating result	The operating result was negative in both years, in line with the separatestry. However, the operating loss ratio improved from -14% in 2022 to -9% in 2023.
E3	Gross profit	The gross profit indicator reported by the Company is essentially the same as the NOI indicator commonly used for property valuations. Proportioning the 2022 figure by the 6.5 months of the rental income generation period for the full year results in a gross profit of MEUR 13.2, compared to an increase of 17% for the rental income of MEUR 15.4 in 2023. The increase is supported by the increase in rental income and the decrease in operating loss as a percentage of rental income.
E4	Administrative costs	The figure for 2022 was significantly affected by due diligence, legal and consultancy costs related to the acquisition of real estate, while the figure for 2023 did not include such an effect, so administrative costs decreased from MEUR 3.6 to MEUR 2.2 in 2023.
E5	Revaluation gain	The revaluation gain was amount of MEUR 3.1 in 2022. The unfavorable development of retail property valuations in 2023 resulted in a revaluation gain of MEUR 6.4.
E6	Net financial result	The net financial result for 2023 shows a significantly higher loss compared to 2022. In addition to the increase in interest expenses, this was also because in 2022 there was a gain on the valuation of purchase price retentions, while in 2023 there was a loss.
E7	Profit after tax	Improved operating profit and higher revaluation gains offset the deterioration in net financial result. Proportioning the 2022 figure by 6.5 months of rental income generation period for the full year results in a full year after-tax result of MEUR 12.7, compared to an increase of 11% in the 2023 after-tax result of MEUR 14.1.

Share information

R1	Number of shares	The number of shares was increased during 2023 by a share issue at the same time as the IPO.

Financial position

P1	Value of investment properties	There was no change in the properties owned by the SPP Plc., with the increase in value being due to higher property valuations, mainly driven by NOI growth, and supported by investments in the properties.
P2	Loans	In addition to the amortization of the bank loan, the reduction in the loan portfolio was also supported by the repayment of the member loan amounting of MEUR 5 outstanding at 31.12.2022 in 2023.

Operational data

M1	Rentable area	The amount of space available for rent has not changed significantly, as the range of properties owned has not changed and there has been no major investment in property capacity expansion.
M2	Endowment	The coverage has decreased slightly from 98% at the end of 2022 to 96% at the end of 2023. The change is a consequence of the ongoing take-back of space from TESCO and the related restructuring of the tenant structure.
M3	WAULT	SPP Plc. measures the current quality of its tenant portfolio using a well-established indicator in the international commercial real estate market, the weighted average unexpired lease term (WAULT). The calculated value does not consider any termination options that tenants may exercise, nor does it include any extension options that tenants may exercise. For leases with an indefinite term, a term of one year is included in the calculations.

Presentation of properties

Properties	Address
Budaörs	Kinizsi út 1-3., 2040 Budaörs, Hungary
Debrecen Airport	Mikepércsi út 73/A, 4030 Debrecen, Hungary
Debrecen Extra	Kishegyesi út 1-13., 4031 Debrecen, Hungary
Eger	Rákóczi Ferenc utca 100., 3300 Eger, Hungary
Érd	Budafoki út 2., 2030 Érd, Hungary
Kecskemét	Talfája köz 1., 6000 Kecskemét, Hungary
Miskolc Avas	Mésztelep utca 1/A, 3508 Miskolc, Hungary
Miskolc Extra	Szentpéteri kapu utca 103., 3527 Miskolc, Hungary
Nyíregyháza	Pazonyi út 36., 4400 Nyíregyháza, Hungary
Pécs	Makay István út 5., 7634 Pécs, Hungary
Sopron	Ipari krt. 30., 9400 Sopron, Hungary
Szeged	Rókus krt. 42-64., 6724 Szeged, Hungary
Székesfehérvár	Aszalvölgyi utca 1., 8000 Székesfehérvár, Hungary
Váci út - Budapest	Gács utca 3., 1138 Budapest, Hungary

Environmental protection

SPP Plc. has a legal, financial, market and reputational responsibility to public authorities, as well as to consumers, tenants, local communities and the natural environment, to manage environmental risks in its operations.

SPP Plc is committed to contributing to the fight against climate change through the investment and operation of its real estate portfolio. Real estate makes a significant contribution to greenhouse gas emissions during its life cycle, and it is necessary to take this objective into account during both operation and renovation and demolition works.

The focus of the SPP Plc's ESG strategy is to reduce carbon emissions in line with the principles of the Paris Agreement and other international sustainability frameworks.

In addition to reducing carbon emissions over the lifetime of buildings, the ESG strategy also places a strong emphasis on the following elements that contribute to sustainability:

- a 30% reduction in the energy consumption of the real estate portfolio compared to the level at the time of purchase
- use of renewable energy
- creating sustainable infrastructure
- obtaining at least "very good" certification for all properties under the BREEAM rating system
- use of "green" lease clauses
- use of recycled building materials and rainwater

SPP Plc’s aims to make its real estate investments resilient to the volatility of utility costs, while reducing adverse environmental impacts and creating long-term value for its investors. The energy efficiency and other investments and measures outlined above will help to achieve these objectives.

In preparation for the planned solar panel installations, SPP Plc has commissioned a review of the roof structures of the shopping centers, including the inspection of the supporting structures and the water and thermal insulation of the roofs. Based on the results of the studies, the detailed preparation and start of these investments is expected in 2024.

SPP Plc is working to improve the energy efficiency of its shopping centers. The next work in this area will be the replacement of the current outdoor car park lighting systems with new high-efficiency LED lighting. SPP Plc has recently installed heat shields on the skylights of the shopping centers, reducing the energy footprint of the buildings and the running costs. In addition, the installation of high-capacity electric vehicle chargers is in the planning phase for most of the shopping parks, and the process of installing solar panels on the roofs of the parks has also started.

Bank loan

SPP Plc financed the acquisition of the properties in part through a bank loan, with ERSTE Group Bank AG, ERSTE BANK MAGYARORSZÁG Zrt. and OTP Bank Nyrt. as lenders:

Hedging transactions and collateral

Hedge of interest rate risk

SPP Plc has covered the variable rate bank loan agreement up to 70% of the principal amount for the period from 1 January 2023 until the maturity of the bank loan on 31 March 2027. The hedge is an interest rate cap (so-called CAP) transaction with a 3-month EURIBOR capped at 2.4% as the interest rate base. The collateral for the hedge is identical to the collateral for the bank loan agreement.

Expanded collaterals

In the context of the bank loan agreement, collateral typical of such transactions has been created in favour of the creditors, covering the assets of the parent company and its subsidiaries, as well as the shares in these companies.

To redeem the advances on the electricity supply contracts, SPP Plc entered into a bank guarantee agreement with the account holder's bank on 26 September 2023 for a total amount of MEUR 5. In connection with the provision of the guarantee, a second ranking lien will be created in favour of the account bank in respect of the property in Budaörs and a prohibition of alienation and encumbrance will be established to secure this lien.

Events after the balance sheet date

Shopper Park Plus Plc. was registered as a regulated real estate investment company by the Hungarian Tax Authority on 12 January 2024, with effect from 26 October 2023.

On 27 March 2024, Shopper Park Plus Plc. implemented a capital increase in its 100% owned subsidiary Gradevel Ltd. by a founding resolution, which increased the share capital of the subsidiary by EUR 1,000 and the capital reserve by EUR 4,999,000.

Other information

- SPP Plc does not carry out research and experimental development.
- SPP Plc has no employees and therefore no employment policy.
- SPP Plc risks are covered by the risks listed in the SPP consolidated annual business report.

Owners and ownership rights

Listing and presentation of owners of more than 5% (at the end of the period)

For the series(s) introduced:

Name	Residency	Activity	Quantity (pieces)	Ratio (%)	Voting right (%)
PENTA CEE Holding Zrt.	Domestic	Company	4 554 678	39,34%	39,34%
Adventum PENTA Co-Investment SCSp	Foreign	Institutional	1 457 322	12,59%	12,59%
PortfoLion Partner Magántőkealap	Domestic	Institutional	1 200 147	10,37%	10,37%
Note: PENTA CEE Holding Zrt. and Adventum PENTA Co-Investment SCSp vote together through their final decision maker, Kristóf Péter Bárány.					
Kristóf Péter Bárány					51,93%

Regarding the total share capital:

Name	Residency	Activity	Quantity (pieces)	Ratio (%)	Voting right (%)
PENTA CEE Holding Zrt.	Domestic	Company	6 054 678	46,30%	46,30%
Adventum PENTA Co-Investment SCSp	Foreign	Institutional	1 457 322	11,14%	11,14%
PortfoLion Partner Magántőkealap	Domestic	Institutional	1 200 000	9,18%	9,18%
Note: PENTA CEE Holding Zrt. and Adventum PENTA Co-Investment SCSp vote together through their final decision maker, Kristóf Péter Bárány.					
Kristóf Péter Bárány					57,44%

With respect to the total share capital, in relation to the shares with preferential voting rights:

Name	Residency	Activity	Quantity (pieces)	Ratio (%)	Voting right (%)
PENTA CEE Holding Zrt.	Domestic	Company	6 054 678	46,30%	73,58%
Adventum PENTA Co- Investment SCSp	Foreign	Institutional	1 457 322	11,14%	5,48%
PortfoLion Partner Magántőkealap	Domestic	Institutional	1 200 000	9,18%	4,52%
Note: PENTA CEE Holding Zrt. and Adventum PENTA Co-Investment SCSp vote together through their final decision maker, Kristóf Péter Bárány.					
Kristóf Péter Bárány					79,06%

Statement of disclaimer in relation to annual accounts

Shopper Park Plus Plc. declares that the separate annual accounts, prepared to the best of its knowledge on the basis of applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, profit and loss of Shopper Park Plus Plc. the separate annual business report gives a reliable picture of Shopper Park Plus Plc. its situation, development and performance, describing the main risks and uncertainties.

Budapest, 08.04.2024

Board Member Board Member

Shopper Park Plus Plc.

Separate financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

for the financial year ending 31.12.2023

Agenda

Comprehensive income

Amounts are in EUR

	Note	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Rental income	4	16 917 241	8 324 166
Operating fees and other revenue	5	21 759 893	11 063 297
Operating and other property-related expenses	5	(23 269 070)	(12 246 619)
Gross result		**15 408 064**	**7 140 844**
Administrative expenses	6	(2 153 303)	(3 580 956)
Fair valuation gains on investment properties	7	6 402 143	3 145 716
Operating result		**19 656 904**	**6 705 604**
Financial incomes	8	3 630 025	2 787 756
Financial expenses	8	(9 099 744)	(2 583 248)
Profit before tax		**14 187 185**	**6 910 112**
Income tax	9	(70 036)	(31 780)
Result of the current year		**14 117 149**	**6 878 332**
Other comprehensive income to be reclassified to profit or loss for the period			
Swaps transactions period end valuation difference	13	(1 073 661)	218 431
Other comprehensive income not to be reclassified to profit or loss for the period:			
Result on financial instruments measured against other comprehensive income		0	0
Other comprehensive income for the year		**(1 073 661)**	**218 431**
Overall comprehensive income		**13 043 488**	**7 096 763**
Earnings per share	22	1.38	1.24

Financial position (balance sheet)

Amounts are in EUR

	Note	31.12.2023	31.12.2022
Assets			
Fixed assets		**232 742 917**	**220 756 825**
Investment properties	10	218 310 000	209 530 000
Deferred tax assets		0	0
Shares	11	14 423 852	11 223 852
Other fixed assets		9 065	2 973
Current assets		**47 305 441**	**28 920 095**
Lease and other accounts receivables	14	5 739 342	3 047 059
Other receivables	14	2 971 076	12 210 010
Fair value of swap transactions in the nature of receivable	13	0	218 431
Bank security accounts	15	9 931 153	9 448 107
Cash and cash equivalents	15	28 663 870	3 996 488
Total assets		**280 048 358**	**249 676 920**
Equity and liabilities			
Equity	16	**147 789 276**	**103 089 064**
Registered capital	16	1 307 762	963 200
Capital reserve	16	130 521 762	95 356 800
Other comprehensive income	16	(855 230)	218 431
Retained earnings	16	2 697 833	(327 699)
Profit of the year		14 117 149	6 878 332
Non-current liabilities		**106 344 649**	**118 910 210**
Long-term loans and borrowings	17	100 115 578	104 401 114
Tenant deposits	19	5 844 176	5 320 673
Deferred tax liabilities		0	0
Other non-current liabilities	18	384 895	9 188 423
Current liabilities		**25 914 433**	**27 677 646**
Short-term loans and borrowings	17	4 410 000	9 130 000
Accounts payables	20	116 208	125 126
Current income tax liabilities		45 113	0
Provisions		0	0
Fair value of swap transactions in the nature of liabilities	13	855 230	0
Other current liabilities	20	20 487 882	18 422 520
Total liabilities		**132 259 082**	**146 587 856**
Total equity and liabilities		**280 048 358**	**249 676 920**

Statement of changes in equity

Amounts are in EUR

	Note	Registered capital	Capital reserve	Cash-flow hedge	Retained earnings	Profit of the current year	Total
Balance on 31.12.2021		**16 200**	**1 603 800**	**0**	**(701 693)**	**373 994**	**1 292 301**
Total comprehensive income for the year	16	0	0	218 431	0	0	**218 431**
Total other comprehensive income for the year	16	0	0	0	0	6 878 332	**6 878 332**
Transfer of previous year's profit to retained earnings	16	0	0	0	373 994	(373 994)	**0**
Capital increase	16	947 000	93 753 000	0	0	0	**94 700 000**
Balance on 31.12.2022		**963 200**	**95 356 800**	**218 431**	**(327 699)**	**6 878 332**	**103 089 064**
Total comprehensive income for the year	16	0	0	(1 073 661)			**(1 073 661)**
Total other comprehensive income for the year	16	0	0	0	0	14 117 149	**14 117 149**
Transfer of previous year's profit to retained earnings	16	0	0	0	6 878 332	(6 878 332)	**0**
Dividends paid to shareholders of the parent company	16	0	0	0	(3 852 800)	0	**(3 852 800)**
Transaction cost related to the issue of capital instrument	16	0	(1 703 151)	0	0	0	**(1 703 151)**
Capital increase	16	344 562	36 868 113	0	0	0	**37 212 675**
Closing balance on 31.12.2023		**1 307 762**	**130 521 762**	**(855 230)**	**2 697 833**	**14 117 149**	**147 789 276**

Cash-flow statement

Amounts are in EUR

	Note	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Cash flow from operating activities:			
Profit before tax		14 187 185	6 910 112
Corrections:			
Fair value of investment properties	7	(6 402 143)	(3 145 716)
Other corrections of the profit	8	(2 035 014)	126
Interest paid	8	6 647 462	1 944 581
Currency conversion		(41 186)	(46 687)
Changes in accounts receivables and other receivables	14	6 889 546	(15 695 556)
Increase / decrease in deposits and tenant deposits	19	523 503	5 320 673
Increase / decrease in restricted cash balances	15	(483 046)	(9 448 107)
Decrease/increase in account payables and other current payables	20	(6 954 556)	8 875 102
Income tax paid / payable	9	(24 923)	(31 780)
Net cash flow from operating activities		**12 306 828**	**(5 317 252)**
Cash flow from investing activities			
Acquisition of investment properties	10	(2 377 857)	(187 953 954)
Purchase of other fixed asset		(8 967)	(3 099)
Paid cash of acquisition	18	(3 200 000)	(11 213 852)
Dividends received	8	2 037 889	0
Net cash flow from investing activities		**(3 548 935)**	**(199 170 905)**
Cash flow from financing activities			
Repayment of loans/borrowings to 3rd parties	17	(4 130 000)	(2 940 000)
Drawdown of loans / borrowings from 3rd parties	17	0	112 000 000
Drawdown of loans from related parties	17	2 000 000	5 000 000
Repayment of loans / borrowings to related parties	17	(7 010 959)	0
Transaction cost related to the issue of capital instrument	22	(1 703 151)	
Capital increase	16	37 212 675	94 700 000
Interest paid	8	(6 647 462)	(1 944 581)
Dividends paid	16	(3 852 800)	0
Net cash flow from financing activities		**15 868 303**	**206 815 419**
Net change in cash and cash equivalents		**24 626 196**	**2 327 262**
Cash and cash equivalents at the beginning of the year	15	**3 996 488**	**1 622 539**
Exchange rate gains/ (losses) on foreign cash and cash equivalents	8	41 186	46 687
Period-end balance of cash and cash equivalents	15	**28 663 870**	**3 996 488**

Supplementary notes to the Separate financial statements

1. General background

Name of the parent company:	Shopper Park Plus Plc.
Tax number:	27033498-2-44
Registered seat:	1015. Budapest, Batthyány street 3. ground floor 1.
Company registration number:	01-10-140433
Webpage:	www.shopperparkplus.hu

Shopper Park Plus Plc. (hereinafter the "Company" or the "Parent Company") was incorporated on 9. July 2019 as Graduw Ltd. The Company transformed into a Public Limited Company on 27 October 2023, and its common shares are listed in the Premium category of the Budapest Stock Exchange. Its registered capital is EUR 1,307,762.

The majority shareholder of the Parent Company is Penta CEE Holding Ltd. from 20 December 2021, with its registered office at 1015. Budapest, Batthyány street 3. ground floor 1, Hungary. The ultimate Parent company of the Company is Adventum Penta Fund SCA SICAV-RAIF.

As of 31 December 2023, the Company's share capital consisted of 11,577,618 dematerialized common shares of series "A," each with a nominal value of EUR 0.1, representing equal and identical membership rights, and 1,500,000 dematerialized voting preference shares of series "B" each with a nominal value of EUR 0.1, also representing equal and identical membership rights. The series "B" voting preference shares provide ten times the voting rights compared to the series "A" shares in certain decisions. Convertible or exchangeable shares were not issued during the reporting period or in previous fiscal years. No transactions aimed at acquiring own shares occurred in either the year 2022 or 2023.

Registered principal activity of the Company: 6810 Sale of own real estate.

Representatives of the Company:

Kristóf Péter Bárány	András Marton	Gábor Németh
1011 Budapest	1126 Budapest	1118 Budapest
Ponty street 6.	Nárcisz street 56. 2. em. 5.	Radóc street 10.
Joint representation right	Joint representation right	Joint representation right

Transformation into a regulated real estate investment company

The Company was registered by the National Tax and Customs Administration on 8 January 2022, with effect from 1 January 2022, as a Regulated Real Estate Investment Pre-Company. On 12 January 2024, with effect from 26 October 2023 the Company was registered as Regulated Real Estate Investment Company.

Shopper Park Plus Plc., as a Regulated Real Estate Investment Company is exempt from corporate tax and local business tax obligations. Due to the status of the regulated real estate investment pre-company, the Company was obliged to pay a uniform 2% property acquisition duty on the properties purchased in 2022, contrary to the general rules.

There are no regulated real estate investment project companies among the companies directly or indirectly owned by the Company.

Comparative period

On 15 June 2022, the Shopper Park Plus Plc acquired the exclusive ownership of 14 Hungarian shopping centers. Prior to the acquisition of the shopping centers (in the first five and a half months of the reviewed period), the Company had no revenues from rents and had no assets to generate such revenues. Thus, data presented in the statement of comprehensive income and cash flow statement for 2022 only partially provide a clear picture of performance of the Shopper Park Plus Plc. with which the data for 2023 can be properly compared.

Financing and financial result

Shopper Park Plus Plc. partially financed the acquisition of the Hungarian shopping parks by a bank loan. The loan agreement for the bank loan was concluded on 8 April 2022 and the loan was drawn down on 15 June 2022 in amount of MEUR 112. The comparative period, the first nine months of 2022, is affected by bank loan costs only for six and a half months.

Information on auditing and accounting

The Company is subject to an audit. The auditor fee of the consolidated and separate financial statements is EUR 65,300 + VAT.

The selected auditor of the Company provided the following audit and non-audit services to Shopper Park Plus Plc. in the business year from 1 January 2023 to 31 December 2023:

Other assurance services: EUR 12,500
Other non-audit services: EUR 251,910

Auditor of the Company:
Attila Kujbus
Auditor registration number: 009078
Ernst & Young Audit Limited Liability Company
1132 Budapest, Váci street 20.

BPiON Services Kft. (tax number: 26193616-2-41) is responsible for the financial records, as the Company's accounting service provider. The Financial Statements were compiled by: Dániel Benkő (registration number: 193213).

2. Significant parts of accounting policies

The most important accounting policies applied in the preparation of the separate financial statements are set out below. The Company has applied the accounting policies set out here consistently for all years presented, any deviations are marked separately.

2.1 Basis of the financial statement's preparation

The financial statements of Shopper Park Plus Plc. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations of the Interpretations Committee of the International Financial Reporting Interpretations Committee (IFRS IC) on a going concern basis. The Company has applied the cost method in the preparation of its consolidated financial statements, except for investment property derivatives where the fair value method has been applied. The preparation of consolidated financial statements in line with IFRS requires the use of certain critical accounting estimates. Management must also select the accounting policies to be applied. Matters requiring more in-depth consideration or that are more complex, and those for which assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The Company prepares its accounts in accordance with IFRS and IAS 27 and, in addition to preparing these separate financial statements, the Company also prepares consolidated financial statements in accordance with IFRS.

2.2 Application of new and amended standards

For the reporting period ended 31 December 2023, the Company has prepared its financial statements in accordance with the provisions of all standards and interpretations that have become effective.

The accounting policies of the Company are consistent with the policies applied in previous years.

The following standards and interpretations (including amendments) became effective in 2023:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting Policies (issued on 12 February 2021, effective for financial years starting from 1 January 2023)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (issued on 12 February 2021, effective for financial years starting from 1 January 2023)
- IFRS 17 Insurance contracts (issued on December 2021, effective for financial years starting from 1 January 2023)
- IAS 12 Income taxes: treatment of deferred tax assets and liabilities arising from a single transaction (Amendments)
- IAS 12 Income taxes: International tax reform - Second pillar model rules (Amendments)

The adoption of the above amendments had no material impact on the Company's consolidated financial statements.

New and amended standards and interpretations issued by the IASB and adopted by the EU but not yet effective:

- Leasing liabilities in sale and leaseback transactions – amendment of IFRS 16 Leases standard (issued on 22 September 2022, effective for financial years starting from 1 January 2024)
- Long-term liabilities with covenants – amendment of IAS 1 Presentation of Financial Statements standard (issued on 31 October 2022, effective for financial years starting from 1 January 2024)
- Supplier financing – amendment of IAS 7 Statement of Cash flows and IFRS 7 Financial Instruments: Disclosures standards (issued on 25 May 2023, effective for financial years starting from 1 January 2024)

- IAS 21 The Effect of changes in foreign exchange rates: Non-convertibility (Amendments)
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Transfer of Assets between an Investor and its Associate or Joint Venture

The Company will apply the above amendments upon entry into force and will not apply the previous application in either case. The adoption of the above amendments will not have a material impact on the Company's consolidated financial statements.

In 2023, the Company applies all IFRS standards, amendments, and interpretations effective from 1 January 2023 that are relevant to the Company's operations.

2.3 Foreign currency conversions

(a) Functional and reporting currency

The currency of the primary operating environment of Shopper Park Plus Plc., i.e. its functional currency is the euro, and the reporting currency of the consolidated financial statements is the euro.

(b) Transactions and balances

Foreign currency transactions are converted into the functional currency at the Hungarian National Bank's exchange rate on the valuation date in the case of a transaction or revaluation. Foreign exchange gains and losses resulting from the settlement of such transactions or from the year-end revaluation of financial assets and liabilities denominated in foreign currencies are recognized in the profit and loss statement under 'Financial income' or 'Financial expenses'. Foreign exchange gains and losses on loans and on cash and cash equivalents are presented in the profit and loss statement under 'Financial income' or 'Financial expenses'. Other exchange gains and losses are also presented in the profit and loss statement under 'Financial income' or 'Financial expenses'.

2.4 Investment properties

Property is recorded as investment property if it is held to earn rental or capital gains, or both, and not for the purpose of producing a product or providing a service, or for the conduct of a business.

Mixed-use properties (properties partly used by the Company and partly held for rental or capital increase purposes) shall be shared and the components accounted for separately if those components are available for sale separately.

Investment properties are primarily retail properties that are not used by the Company or in the course of the Company's activities or for sale in the ordinary course of business but are used primarily for rental income and capital increase purposes.

Investment properties are initially measured at cost, including transaction costs. Transaction costs include transfer duties, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be operational.

After initial recognition, investment properties are registered at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the continuing use of investment properties are included in the profit and loss statement in the period in which they arise, including the related tax effect. Initial costs associated with the acquisition of operating leases and lease incentives are capitalized at the value of the related investment property.

Transfers to or from investment property are made only when there is evidence of a change in use (such as the commencement of development or the commencement of operations for another party). In case of transfers from investment property to inventories, the assumed cost is the fair value at the date of the change in use. When a property held in inventories becomes investment property, the difference between the fair value of the property at the date of transfer and the former book values is recognized in the profit and loss. The Company considers as evidence the commencement of development for sale (in the case of a transfer from investment property to inventories) or the commencement of an operating lease to another party (in the case of a transfer from inventories to investment property).

Investment properties are derecognized either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. The difference between the net disposal income and the book value of the asset is recognized in the result of the period when the disposal happened. When calculating the amount of consideration to be included in the profit or loss from the disposal of the investment properties, the Company takes into account the effects of the variable consideration, the existence of a significant financing component, the non-monetary consideration, and the consideration to be paid to the buyer, if any, in accordance with the requirements of IFRS 15 on the requirements for determining the transaction price.

The estimated fair value of investment properties and related assumptions are included in Note 10.

2.5 Shareholdings

An enterprise has three options for measuring and presenting investments in separate financial statements.

- cost value,
- fair value in accordance with IFRS 9 Financial Instruments,
- or the equity method as described in IAS 28 Investments in associates and joint ventures.

The Company shall apply the same accounting for each category of investment.

The Company applies the cost model. The Company carries investments at cost in accordance with IAS 27 paragraph 10. It calculates and records the amount of impairment required based on the information at the balance sheet date.

The calculation of impairment requires an estimate of the recoverable amount of the cash-generating units. Value in use is generally determined based on expected discounted future cash flows.

An impairment test should be carried out for an investment in a subsidiary if there are indications of potential impairment. If there is an indication of impairment, the recoverable amount of the investment should be determined and compared with the net carrying amount of the investment. If the recoverable amount of the investment is significantly or permanently lower than its net carrying amount, an impairment loss is recognized.

An enterprise that prepares its separate financial statements in accordance with IFRSs tests the value of subsidiaries (investments) against the equity value of the investments. The Company considers the net equity value of subsidiaries to be their market value. The dominant (often only material asset) of subsidiaries is an investment asset as defined in IAS 40, which is carried at a price adjusted for changes in market prices and yields. Other non-current assets of subsidiaries are not significant (tangible assets), receivables and payables are carried at amortised cost, and foreign currency items are revalued at the balance sheet date. Where the capital value of investments is less than the value recorded by the enterprise, the Company recognizes an impairment loss on the investment concerned. If a difference between expected future and historical equity values can be reliably estimated due to management's future planned contracts, an investment valuation model is used to value the investments, which forms the basis for the valuation of the investment.

2.6 Accounting of income

Revenue from sales transactions is recognized when the conditions of the contracts are met. Sales revenue excludes value added tax. All income and expenses are recognized in the appropriate period based on the accrual principle.

Revenue is recognized in an amount that reflects the consideration to which the Company is expected to be entitled in exchange for the products or services. Sales revenue is recognized if it is probable that the company will realize the economic benefit related to the transaction, and its amount can be properly measured. Revenue is recognized when control of the goods and services is transferred to the customer.

The main elements of the Company's revenue are:

- Income from real estate rental, which is mostly reported to its tenants monthly, based on the amount of rent established in the contract, in accordance with the requirements of the IFRS 16 standard.
- Operating fees: the Company invoices the tenants in addition to the rent. Operating fees include overhead costs, maintenance, cleaning and security costs in accordance with the requirements of the IFRS 15 standard.
- Rental fee in the proportion of turnover: In addition to the above, rentals are invoiced at intervals determined in each lease depending on the turnover of the tenants.

Property rental income: Rental income comes from operating leases. The Company realizes its income from the sale of real estate by renting out commercial properties. The sales revenue is accounted on a time-proportional basis, from the moment the right to collect rental fees opens up when the real estate is put into use. Rental fees are settled linearly during the term.

Initial costs related to the acquisition of operating leases and lease incentives are capitalised at the value of the related investment property.

Operating fees: the Company accounts for these transactions gross in its financial statements as it acts as principal in these cases.

Interest income: interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognized on a time proportion basis, considering the principal amount outstanding.

Dividend and interest income: dividends from investments are recognized when the right to receive payment is established (provided that it is probable that the benefits will flow to the Company and the amount of income can be measured reliably).

Income realized on other financial assets: Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of the income can be measured reliably. Interest income is recognized on a time proportion basis over the expected life of the financial asset, using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net book value of the financial asset at the time of initial recognition.

2.7 Leasing

The Company as lessee: The Company has no leased assets.

The Company as lessor: The Company has operating lease type rental agreements. An operating lease is a transaction that does not transfer substantially all the risks and benefits of ownership arising from the asset. This is usually a simple, short-term lease arrangement (operating lease), where the incoming rent appears in the income statement and its primary balance sheet impact is related to the schedule of lease payments.
Real estates leased under operating leases are presented under investment properties, rental income is recognized in revenue.

2.8 Financial assets and liabilities

The Company's financial assets typically comprise cash and cash equivalents, account receivables and other long-term receivables, which the Company measures at fair value through profit or loss, or at amortized cost. All financial instruments are recognized on the trade date.

Financial liabilities generally arise from the need to repay money and other financial assets. They mainly include other financial liabilities, account payables, liabilities to banks and related companies, lease liabilities and derivative financial liabilities.

All financial instruments should be initially recognized at fair value adjusted with transaction costs, except for instruments classified as FVTPL, where transaction costs should be recognized immediately in profit or loss.

The Company's financial assets are classified at initial valuation according to their nature and purpose. To determine the category of a financial asset, it is first necessary to clarify whether the financial asset is a debt instrument or an equity investment. Investments in equity are not classified as subsidiaries, associates or jointly controlled entities should be measured at fair value through profit or loss; however, a company may decide, on initial valuation, to measure investments in equity that are not held for trading at fair value through other comprehensive income. If the financial asset is a debt instrument, the following points should be considered in determining classification.

Amortized cost
Debt instruments shall be measured at amortized cost if they are held under a business model that is designed to hold financial assets to collect contractual cash flows and the contractual terms of the

financial asset give rise, at specified dates, to cash flows that are solely payments of capital and interest on the outstanding capital.

Fair value against other comprehensive income
Financial assets at fair value through other comprehensive income are financial assets held under a business model that achieves its objective by collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows at specified dates that are solely payments of capital and interest on the outstanding capital.

Fair value against PnL
The category of financial assets at fair value through PnL includes financial assets that do not fall into either of the above two categories of financial assets or were designated upon initial valuation as assets at fair value through PnL. When the SPPI requirement is met, the Company assesses whether the cash flows arising from the contract are consistent with the underlying loan agreements in the denominated currency of the financial instrument.

The Company uses Level 3 in the fair value hierarchy for the fair value measurement of financial assets and liabilities.

To assess whether contractual cash flows include only capital and interest, the Company examines the contractual terms of the financial instrument. The assessment also considers whether the financial instrument contains contractual terms that would cause the amount or timing of the contractual cash flows to change such that the financial instrument no longer meets the SPPI requirement.

All other debt instruments are measured at fair value through profit or loss (FVTPL).

For debt instruments, certain assets are required to be classified as FVOCI or amortized cost if the fair value option is not chosen (which is an irrevocable choice). The Company does not exercise the fair value option.

Financial assets are classified on initial recognition when the company becomes a contracting party to the instrument. Under certain conditions, it may be necessary to change/reclassify the classification of the assets retrospectively.

When classifying financial assets into a valuation group, financial assets must be classified according to two criteria at the same time:
1. examine the nature of the cash flows associated with the financial asset; and
2. the business model of the company related to the financial instrument.

In the case of financial assets, reclassification between FVTPL, FVOCI and amortized cost is required only if and when changes in the business model justify it and the conclusions from previous business model measurement are no longer relevant.

All equity instruments are measured at fair value in the balance sheet and the effect of changes in fair value is recognized directly in profit or loss, except for those equity instruments where the enterprise has selected the Other Comprehensive Income (FVOCI) option.

Where an investment in an equity instrument is held by the Company for a non-trading purpose, there is an option to recognize the asset at FVOCI on a non-recourse basis (for example, a share is purchased for long-term holding). The Company does not exercise the option.

For financial liabilities there are two valid classifications: FVTPL and amortized cost. Financial liabilities held for trading are measured at FVTPL (except for fair value changes arising from own credit risk, which are recognized in equity) and all other financial liabilities are measured at amortized cost, unless the fair value option is used. The Company does not use the fair value option, however, if the transaction is included in a cash flow hedge, the hedge is measured at fair value through other comprehensive income if it is effective.

The Company offsets financial assets and financial liabilities and recognizes a net amount in the balance sheet only when the Company has a legally enforceable right to set off the amounts and intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The categories of financial liabilities are as follows:
1. liabilities at fair value against the PnL
2. liabilities valued at amortized cost

2.9 Derivative financial instruments and hedge accounting

Initial representation and subsequent evaluation

The Company uses derivative financial instruments to hedge interest rate risks. Such derivative financial instruments are initially recognized at fair value on the contract date and are subsequently remeasured at fair value. Derivatives are recorded as financial assets if the fair value is positive and as financial liabilities if the fair value is negative. For hedge accounting purposes, these hedges are classified as cash flow hedges. The effective portion of the hedge is recorded in equity under Cash flow hedge reserve line.

At the commencement of the hedging relationship, the Company formally designates and documents the hedging relationship to which hedge accounting will be applied and the risk management objectives and strategy for the hedge.

The documentation shall include identification of the hedging instrument, the hedged item, the nature of the hedged risk and how the Company will assess whether the hedging relationship meets the hedge effectiveness criteria (including an analysis of the sources of hedge ineffectiveness and how the hedge ratio will be determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness criteria:
- there is an economic connection between the hedged item and the hedging instrument,
- the effect of credit risk does not dominate in the changes in value resulting from the economic relationship,
- the hedge ratio of the hedging relationship is equal to the ratio of the amount of the hedged item actually hedged by the Company to the amount of the hedging instrument actually used by the Company to hedge that amount of the hedged item.

Hedging transactions that meet all the conditions for hedge accounting are accounted for as follows:

Cash flow hedges

For cash flow hedge accounting purposes, hedges are cash flow hedges if they hedge exposure to variability in cash flows that is attributable either to a specific risk associated with a recognized asset or liability or to a highly probable forecasted transaction.

The effective portion of the gain or loss on the hedging instrument is recognized in the cash flow hedging reserve through the other comprehensive income, while the ineffective portion is recognized immediately in the PnL. The cash flow hedge reserve is adjusted by the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item. The amount accumulated in equity is reclassified to the PnL as a reclassification adjustment in the same period or periods in which the hedged cash flows affect profit or loss, for example, when the hedged financial income or financial expense is recognized.

If cash flow hedge accounting is discontinued, the amount accumulated in the hedging reserve within equity remains in the accumulated hedging reserve if the hedged future cash flows are expected to continue to occur. Otherwise, the amount is immediately reclassified to profit or loss as a reclassification adjustment. After termination, as soon as the hedged cash flows occur, the amount remaining in the cumulative hedging reserve is recognized as a reclassification adjustment in the PnL.

2.10 Impairment of financial assets

The IFRS 9 impairment model is based on the expected credit loss principle.

Receivables are stated at nominal value less an appropriate allowance for estimated impairment. The Company uses the simplified approach to calculate impairment losses on account receivables, contract assets and lease receivables. The simplified impairment model is a provision matrix that takes into account the past 2 years of non-payment experience rates and provides a forward-looking calculation of expected impairment during the lifetime. Further impairment is recognized (e.g. probability of insolvency or significant financial difficulties of the debtor) when there is an indication that the Company will not be able to collect the full amount due according to the original terms of the invoice. A written-off receivable is derecognized when it is considered uncollectible.

The Company has developed an impairment matrix (ageing list) for the valuation of trade receivables and lease payments, based on historical experience of credit losses, adjusted for forward-looking factors specific to the obligors and the economic environment.

late payment days	condition	impairment
0-180 days	the partner is reliable, has a contract with us, no history of non-payment	2%
180-360 days	the partner is reliable, has a contract with us, no history of non-payment	50%
above 360 days	-	100%

In the case of claims overdue between 0 and 360 days, an individual assessment shall be made if:

- the partner terminated the contract, or the contract has been terminated by us
- partner is under liquidation, being wound up or is bankrupt

- the customer does not admit the claim.

The amount available and enforceable as security deposit shall be deducted from the basis of impairment.

2.11 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash and bank deposits. The Company has limited customer deposits and illiquid security deposits, which are presented in the financial statements under the line "Tenant deposit".

2.12 Equity

Share capital
Share capital includes ordinary shares issued at nominal value for which the company received cash when issued.

Capital reserve
Capital reserve includes ordinary shares issued above nominal value. Costs of issuing shares are deducted from the capital reserve.

Cash-flow hedge reserve
This item includes the difference recognized on the fair value measurement of interest rate cap related to the Company's bank loans.

2.13 Account payables

Account payables include amounts payable for goods and services received from suppliers in the ordinary course of business. Account payables are classified as current liabilities if they are due within one year. Otherwise, they are presented as non-current liabilities.

2.14 Loans and interest liabilities

Loans/borrowings are initially recognized at fair value less transaction costs. Subsequently, loans/borrowings are recorded at amortized cost; the difference between the amount borrowed (less transaction costs) and the amount to be repaid is recognized in the income statement over the period of the loan using the effective interest method. Interest expense is recognized when it is probable that economic benefits will flow to the Company and the amount of the expense can be measured reliably. Interest expense is recognized on a time proportion basis, taking into account the principal outstanding using the effective interest method.

2.15 Dividend payment

Dividends payable to Company shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders. Paragraph 114/A § 17 of the Hungarian Accounting Act (2000 C) 114/A § 17 applies to the parent company as an entity preparing separate financial statements under IFRS when determining the dividend payout limit. The relevant adjusting items for the parent company in determining the dividend limit are as follows. The adjustments relevant to the parent entity in determining the dividend payout limit are as follows: the amount of retained earnings available for dividend payment is the amount of retained earnings, including the profit after tax of the last closed financial year for which the financial statements are presented, less the amount of any cumulative unrealized gain on the increase in the fair value of investment property recognized in accordance with IAS 40 Investment Property. The amount of the retained earnings shall not include other comprehensive income as defined in IAS 1 Presentation of Financial Statements, except for reclassification adjustments. The parent company shall present in its financial statements a reconciliation table of equity, including a reconciliation of retained earnings available for dividends.

2.16 Fair value

Fair value measurement refers to an asset or liability. In determining fair value, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account in pricing the asset or liability at the measurement date. The unit of account for the asset or liability shall be determined in accordance with the IFRS that requires or permits fair value measurement.

The fair value is the price that would be received when selling an asset or paid when transferring a liability in a regular transaction between market participants at the time of valuation, regardless of whether the given price is directly observable or estimated using another valuation technique.

According to the IFRS 13 "Fair Value Valuation" standard, companies must classify fair value valuations in accordance with a fair value hierarchy that reflects the importance of the basic data used in the valuations.

Fair value hierarchy

Financial instruments measured at fair value are classified into a three-level fair value hierarchy for disclosure. The levels within the hierarchy reflect the significance of the inputs used in determining the fair value:

- level 1: quoted prices found in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices belonging to level 1, inputs that can be directly or indirectly observed in relation to the asset or liability, which are not observable inputs on the market.
- level 3: inputs based on unobservable market data

The Company uses level 3 assessment for fair value except of cash-flow hedge, where the determination is on level 2.

Among the financial assets, the Company evaluates loans and receivables as well as financial liabilities at amortized cost, but also presents their fair value in the notes to the financial statements. The fair value of these assets and liabilities is determined based on level 3 information, except for cash flow hedges, whose fair value is determined based on level 2 information. The fair value of financial instruments not listed on an active market is determined using valuation techniques, typically using the discounted cash flow method.

2.17 Affiliated parties

An enterprise is affiliated if it has a subsidiary, associate, joint venture, a key manager in the enterprise or parent enterprise, a close relative of any of the above individuals, a subsidiary, associate, joint venture owned by the individual or his/her close relative.

Related party transactions are any transactions between affiliated parties, regardless any price is charged or not.

In preparing its financial statements for each balance sheet date, the Company identifies related parties and reviews this identification on 1 January each year. It identifies the amounts receivable from and payable to the identified related parties in its records and discloses them in the notes to the financial statements.

In 2023, the Company reviewed its related party identification process and as a result identified a related party that has not been previously reported as such. The newly identified related party is Hümpfner Law Firm, with which the company had a business relationship in prior years, however it was not included as a related party in last year's financial statements. Therefore, the balance and turnover for 2022 and 2023 are presented retrospectively in note 21.

Data in EUR (turnover)	Type of transaction	Financial year ending 31.12.2023	Financial year ending 31.12.2022 're-reported'	Financial year ending 31.12.2022 'previously reported'
Turnover linked via key position				
Adventum Property Services Kft.	Management fee	1 210 635	813 534	813 534
Grw Invest Kft.	Legal and financial services	0	445 979	445 979
Grw Invest Kft.	Accounting and financial advice	6 731	141 050	141 050
MARTIG Kft.	Legal and financial services	158	609	609
Hümpfner Law Firm	Legal and financial services	555 042	387 642	0
Total turnover linked via key position		***1 772 566***	***1 788 814***	***1 401 172***

Data in EUR (year ending balance)	Balance sheet line	31.12.2023	31.12.2022 're-reported'	31.12.2022 'previously reported'
Turnover linked via key position				
Adventum Property Services Kft.	Other current liabilities	332 558	363 342	363 342
Grw Invest Kft.	Account payables	6 731	0	0
Hümpfner Law Firm	Account payables	0	52 415	0
Total balance linked via key position		***339 289***	***415 757***	***363 432***

2.18 Earnings per share (EPS)

Earnings per share is determined by taking into account the Company’s profit for the period and the number of shares less the average number of repurchased shares during the period.

Diluted earnings per share are calculated in a similar way as earnings per share. However, the calculation considers all dilutive shares outstanding plus the dividends and yields on ordinary shares that may be considered during the period, adjusted for additional income and expenses arising on convertible shares, - the weighted average number of shares outstanding plus the weighted average number of additional shares that would be outstanding if all convertible shares were converted.

2.19 Income taxes

The amount of income tax is based on the tax liability determined by law, adjusted by the deferred tax. The Company has identified corporate tax, local business tax and innovation contribution as income taxes based on a taxable profit. As a regulated real estate investment trust or company, Shopper Park Plus Plc is exempt from corporation tax and local business tax, and therefore recognizes the innovation contribution as income tax in its accounts.

2.20 Segment information

The Company does not separate its activities into segments.

3. Significant estimates

In preparing financial statements under IFRS, management is sometimes required to make significant estimates and assumptions. These significant estimates and assumptions affect the reported amounts of assets and liabilities, income and expenses in the financial statements and the disclosure of contingent assets and liabilities in the notes. The Company applies the IFRS that is specific to the particular transaction, event or circumstance. Actual results may differ from those estimates.

Estimates and baseline assumptions should be reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only the current year, and in the period of the revision and future periods if the revision affects both current and future years.

The Company uses significant estimates in two areas, the fair value measurement of properties and the valuation of contingent purchase prices.

(a) Fair value measurement of investment property

When determining the fair value of properties, the Company has established an independent valuer of real estate, CBRE Ltd. The fair value determined by the independent valuer for all properties is the same as the value stated in the financial statements.

The valuation methods used, and their application are in line with approaches commonly used in national and international practice. In determining the market value of the properties, estimates of market rents have been derived from a comparison of recent rental of the properties with rents paid by tenants of similar profile in similar properties.

The net annual income calculated using the above has been capitalized with the expected return on the property market on the balance sheet date. The valuation is based on the so-called "Hardcore and Top Slice" methodology.

(b) Valuation of contingent purchase prices

The Company acquired the investment properties during 2022, whereby the purchase agreement has determined significant future purchase prices payable, which are recognized in other non-current and other current liabilities, respectively, according to the maturity classification. The contingent purchase prices are determined at a future payment date based on the future business conditions and events specified in the purchase agreement and are payable by the Company to the seller. In closing the accounts for a financial year, the Company considers all information available at that date to make a realistic estimate of the amount and maturity (within or beyond one year) of the contingent purchase price that it expects to pay in the future. In accordance with this accounting estimate, the Company adjusts the amount of contingent purchase price liabilities recognized in the accounts based on the available information, with any differences being charged or credited to financial profit or loss, so that the amounts of contingent purchase price liabilities recognized in the current period approximate, as closely as possible, the amounts expected to be recognized in the future.

4. Rental income

The Company has rental incomes its amounts were as follows:

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Rental income	16 917 241	8 324 166
Total	**16 917 241**	**8 324 166**

The future minimum rental income for fixed-term leases (excluding the leasing fees of optional periods) on 31 December 2023 is as follows:

Data in EUR	within 1 year	within 1-5 years	after 5 years
Minimum rental income	11 394 176	33 849 992	44 338 709

5. Net service result

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Operating fees and other revenue	21 759 893	11 063 297
Operating and other property-related expenses	(23 269 070)	(12 246 619)
Net service result	**(1 509 177)**	**(1 183 322)**

As of 01.04.2023, electricity rebilling based on meter data was introduced in Hungarian properties, which led to an increase in the share of electricity directly billed to tenants and a decrease in the collective consumption volume of Hungarian properties. The reduction in the joint consumption volume and the more cost-efficient operation of the properties reduced the net service loss.

6. Administrative expenses

The breakdown of administrative expenses is shown in the table below:

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Audit expenses	162 000	75 323
Accounting and financial services	197 448	395 167
Legal fees	321 643	916 656
Management fee	1 132 296	813 534
Other administrative expenses	339 916	1 380 276
Total	**2 153 303**	**3 580 956**

The impairment on leases and other trade receivables changed the following way:

Amounts are in EUR

Balance on 1 January 2022	0
Preparing provision	198 172
Dissolving provision	0
Balance on 31 December 2022	198 172
Preparing provision	702 349
Dissolving provision	(525 527)
Balance on 31 December 2023	374 994

7. Results of fair valuation of investment properties

The Company has engaged an independent valuer, CBRE Ltd. to determine the fair value of the properties. The value determined by the independent valuer is the same as the values in the financial statements for all properties.

The analysis prepared by CBRE Ltd. is as follows:

The valuation reflects the amount that would be included in a hypothetical sales contract at the valuation date. The result of the valuation is not adjusted for any taxes, other than transfer tax, that may be payable on the sale.

The applied valuation methods are in line with approaches commonly used in national and international practice. In determining the market value of the properties, estimates of market rents have been derived from a comparison of recent rentals of the properties with rents paid by tenants of similar profile in similar properties.

During the valuation of the Investment properties, the net annual income on the real estate market was capitalized with the yield typical for the given real estate sector, which was between 7% and 8.1% in case of the Company's investment properties. The valuation is based on the so-called "Hardcore and Top Slice" methodology.

The valuation methodology used was in line with the valuation techniques described in IFRS 13.

Sensitivity analysis: If the value of the real estate is analyzed for the assumed shift in the yield, the following value would be obtained with yield changes of 0.5% for 2023:

Yield change sensitivity	-0.50%	0%	0.50%
Change in fair value (EUR)	235 310 000	218 310 000	203 500 000

The sensitivity analysis was as follows in 2022:

Yield change sensitivity	-0.50%	0%	0.50%
Change in fair value (EUR)	226 170 000	209 530 000	194 960 000

8. Financial result

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Change in the contingent purchase price of investment properties	412 266	2 396 176
Foreign exchange gains	836 604	314 532
Foreign revaluation gains	0	70 936
Dividends received	2 037 889	0
Other financial income	343 266	6 112
Total financial income	**3 630 025**	**2 787 756**
Change in the contingent purchase price of investment properties	1 550 191	0
Bank loan interest	6 224 023	1 944 580
Foreign exchange gains	603 260	234 408
Foreign revaluation gains	22 385	0
Other financial income	699 885	404 260
Total financial expenses	**9 099 744**	**2 583 248**
Financial result	**(5 469 719)**	**204 508**

Shopper Park Plus Plc. received dividends from Gradevel Ltd. in 2023.

Note 3 “Significant **estimates**” discloses the contingent purchase price to be paid in the future, as defined in the purchase agreement, upon the acquisition of investment property and its valuation. The contingent purchase prices were determined using accounting estimates based on available information at the time of acquisition of investment properties acquired during 2022 and are recognized in the accounts. The Company has updated its estimate of the contingent purchase price value for both the 31 December 2022 and 31 December 2023 reporting dates.

In the financial year 2023, the Company recognized a total financial income of EUR 412,266 and a financial expense of EUR 1,550,191 from the changes in the estimate of the contingent purchase price.

Other financial income includes financial income that does not fall into any of the above categories. These are typically bank deposit interests.
Other financial expenses include financial expenses that do not fall into any of the above categories. These are typically interest payables on loans received from outside the group and direct legal and bank charges on the bank loan.

9. Income taxes

In 2023, the Company is not liable to pay corporate and business tax due to its status as an SZIT (see note 1). An innovation contribution expense is included in the income tax line.

Only an innovation levy (tax rate 0.3%) is included in income taxes. The effective tax rate is 0.49%.

The Company was registered by the Hungarian Tax Authority as a Regulated Real Estate Investment Holding Company with effect from 1 January 2022 and as a Regulated Real Estate Investment Company on 27 October 2023, and is therefore not liable for corporate and business tax for the financial years 2022 and 2023.

The accounting for deferred tax is not relevant for the Company as no temporary differences are recognized.

The changes in IAS 12 Income Taxes - the introduction of a global minimum tax - do not affect the Company's tax liability, as the Group's consolidated revenue is below EUR 750 million.

Data in EUR	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Profit before tax	14 187 185	6 910 112
Calculated corporate income tax (9%)	1 276 847	621 910
Tax exempted due to SZIT status	(1 276 847)	(621 910)
Corporate income tax	0	0
Local business tax	0	0
Innovation contribution	70 036	31 780
Income taxes	70 036	31 780

10. Investment properties

Data in EUR

Fair value on 31 December 2021	**0**
Purchase of investment property	205 620 067
Capitalized costs	764 217
Net gain on fair valuation of investment properties	3 145 716
Fair value on 31 December 2022	**209 530 000**
Purchase of investment property	0
Capitalized costs	2 377 857
Net gain on fair valuation of investment properties	6 402 143
Fair value on 31 December 2023	**218 310 000**

Under IFRS 13, the fair value of the property presented are on the 3rd level of the fair value hierarchy. The fair value hierarchy is explained in note 2.16.

In 2022, the Company acquired 14 investment properties, which are currently owned by the Company. There were no changes in the property portfolio during the period.

11. Shareholdings

On 31 December 2023, the Company has an interest of EUR 14,423,852 in Gradevel Ltd., which is its 100% owned subsidiary and its only shareholding. On 31 December 2022, the same interest was valued at EUR 11,223,852. During the year 2023, a capital increase of EUR 3,200,000 was made in the subsidiary.

Gradevel Ltd. is a company registered in Hungary (registered office: 1015 Budapest, Batthyány street 3, ground floor)

The Company presents its investment in Gradevel Ltd. at cost. No impairment was required in 2023 and 2022.

Impairment analyses:

Data in EUR	31.12.2023	31.12.2022
Instruments	55 274 747	50 926 963
Liabilities	37 821 538	39 121 133
Net asset value	***17 453 208***	***11 805 830***
Accounting value of equity interest in the Company	***14 423 852***	***11 223 852***

Gradevel Ltd. has additional holdings in four Czech subsidiaries, which it owns 100%, each of which owns one investment property. The Czech subsidiaries, like the Company, value their properties at fair value under IFRS, which represent the vast majority of the value of Gradevel's investment holdings.

Data in EUR	31.12.2023	31.12.2022
Shopping Mall Chrudim s.r.o.		
Net asset value	2 160 200	2 765 538
Value of shareholding in the Gradevel accounts	1 274 183	1 274 183
Shopping Mall Karlovy Vary s.r.o.		
Net asset value	5 858 321	8 110 425
Value of shareholding in the Gradevel accounts	3 405 633	3 405 633
Shopping Mall Opava s.r.o.		
Net asset value	4 631 792	5 676 717
Value of shareholding in the Gradevel accounts	1 549 982	1 549 982
Shopping Mall Ostrava s.r.o.		
Net asset value	6 479 665	8 009 702
Value of shareholding in the Gradevel accounts	2 834 552	2 834 552

At year-end, Shopper Park Plus Plc performed an impairment test on its investments in its subsidiary and its subsidiaries. In accordance with IFRS accounting policies, the Company reviews the recorded asset value of its non-current financial assets at each balance sheet date to determine whether there is any indication of potential impairment. In doing so, both qualitative and quantitative factors are assessed. The assessment of qualitative factors (e.g. industry downturn or declining cash flows) did not indicate any indication of impairment, and based on current plans, no significant changes in the operations of the company and the subsidiary are forecast. For the quantitative factors, the Company has examined the relationship between the value of the investments and the assets of the subsidiaries. As a result, no impairment has been recognized.

The direct and indirect shareholdings of the Company:

Type of shareholdings	Company name	Shareholding rate
Direct shareholding	Gradevel Ltd.	100%
Indirect shareholding	Shopping Mall Chrudim s.r.o.	100% owned by Gradevel Ltd.
Indirect shareholding	Shopping Mall Karlovy Vary s.r.o.	100% owned by Gradevel Ltd.
Indirect shareholding	Shopping Mall Opava s.r.o.	100% owned by Gradevel Ltd.
Indirect shareholding	Shopping Mall Ostrava s.r.o.	100% owned by Gradevel Ltd.

12. Financial instruments and risk management

12.1 Financial instruments

Data in EUR	31.12.2023	31.12.2022
Financial instruments registered at amortised cost		
Financial instruments		
Current financial assets		
Leases and other account receivables	5 739 342	3 047 059
Other receivables	2 935 798	11 071 224
Bank security accounts	9 931 153	9 448 107
Cash and cash equivalents	28 663 870	3 996 488
Total current financial assets	**47 270 163**	**27 562 878**
Total financial assets in the balance sheet	**47 270 163**	**27 562 878**
Non-current financial liabilities		
Long-term loans and borrowings	100 115 578	104 401 114
Total non-current financial liabilities	**100 115 578**	**104 401 114**
Current financial liabilities		
Short-term loans and borrowings	4 410 000	9 130 000
Accounts payables	116 208	125 126
Other current liabilities	6 732 135	13 411 386
Total current financial liabilities	**11 258 343**	**22 666 512**
Total financial liabilities on the balance sheet	**111 373 921**	**127 067 626**
Financial instruments registered at fair value		
Financial instruments		
Current financial assets		
Positive fair value of cash-flow hedge	0	218 431
Total financial assets on the balance sheet	**0**	**218 431**
Financial assets		
Non-current financial liabilities		
Other non-current liabilities	384 895	9 188 423
Current financial liabilities		
Negative fair value of cash-flow hedge	855 230	0
Other current liabilities	11 571 178	3 381 347
Total financial liabilities on the balance sheet	**12 811 303**	**12 569 770**

Other current liabilities include deferred income and accrued expenses and various other current liabilities, typically building and land tax liabilities.

For all financial instruments not measured at fair value, the fair value and amortised value are closely approximated. In the case of lease receivables, the Company monitors expected credit losses on an ongoing basis and recognizes these receivables at net value. For other receivables, trade and other current payables, the maturity is very short and no difference to fair value arises. For loans, there are no significant differences from fair value due to variable interest rates and credit risk spreads that do not change significantly in 2023.
Cash and bank security accounts have no maturity.

12.2 Financial risk factors

The Company's activities expose it to the following financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

(a) Market risk

The Company sets consistent, predictable, and competitive rental rates for its tenants. The current rental rates are in line with the environment and the quality of the properties. However, given the current global economic environment and the supply and demand conditions in the real estate market, there is no certainty that current rental rates and conditions will be sustainable in the future.

The Company's management is constantly monitoring the impact of the Russian-Ukrainian war, with rising inflation being tracked by rents, so the indirect impact does not pose a significant risk to the Company.

(i) Exchange rate risk

Exchange rate risk may arise from future commercial transactions, assets and liabilities recognized in the balance sheet.

Exchange rate risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency other than the Company's functional currency.

Based on the lease agreements as of 31.12.2023, 81% of the rental income from rental agreements is denominated in euros, 19% is denominated in Hungarian forints. In the current year, a 1% strengthening of the Hungarian forint against the euro would have increased rental income by around EUR 32,000, while a 1% weakening of the Hungarian forint against the euro would have reduced it by EUR 32,000.

Revenues generated in different currencies hedge the exchange rate risk in the sense that the outgoing cash flow is also generated in these different currencies. They can be predominantly paired on the income and expenditure side. The additional foreign exchange risk is not considered to be significant.

(ii) Interest rate risk

The Company's interest rate risk arises from its long-term debt. The Company is exposed to interest rate risk due to variable rate loans.

(b) Credit risk

Credit risk arises from accounts receivable and deposits with banks and financial institutions. A contractual credit relationship is based on both parties performing under the terms and conditions agreed. The risk element may arise from the counterparty's failure to perform as agreed.
The carrying amount of financial assets represents the maximum risk exposure. The table below shows the Company's maximum credit risk exposure as on 31 December 2023.

Maximum receivables exposure (data in EUR)	Financial year ending 31.12.2023	Financial year ending 31.12.2022
Lease and other accounts receivables	5 739 342	3 047 059
Tenant deposits	(5 844 176)	(5 320 673)
Other current receivables	654 677	729 656
Prepayments	2 316 399	11 480 354
Bank security accounts	9 931 153	9 448 107
Cash and cash equivalents	28 663 870	3 996 488

The Company's credit risk exposure increased from previous year, but the credit risk of financial instruments has not increased significantly since initial recognition and financial instruments are classified by the Company as low credit risk. In the case of trade receivables, from a crediting point of view, one customer is considered significant, there is no other significant concentration of customers.

The Company covers non-payment risks or damages arising from trade receivables through tenant deposits, monitors non-paying buyers and, if necessary, terminates the contract. The credit risk for trade receivables is reduced by the associated tenant deposit.

(c) Liquidity risk

Liquidity means continuous compliance, the ability of a business to meet its payment obligations on time, every time. The risk arises from the fact that the realization of the funds needed to finance liabilities may be delayed, with the result that the company is unable to meet its commitments on time.

An analysis of the Company's financial liabilities by their respective maturity groupings based on the remaining contractual maturity at the balance sheet date is presented in the table below. The amounts shown in the table represent the contractual undiscounted cash flows. For information on the Company's borrowings, see Note 17 Loans.

Amounts are in EUR

On 31 December 2022	Registered value	Due in less than 3 months	Due within 3 months and 1 year	Due within 1 and 2 years	Due within 2 and 5 years	Due in more than 5 years
Loans/borrowings	108 531 114	2 262 000	12 005 131	9 347 950	110 777 374	0
Loan received from related party	5 000 000	0	5 400 000	0	0	0
Accounts payables and other liabilities	13 368 931	13 368 931	0	0	0	0

On 31 December 2023	Registered value	Due in less than 3 months	Due within 3 months and 1 year	Due within 1 and 2 years	Due within 2 and 5 years	Due in more than 5 years
Loans/borrowings	104 525 578	2 735 438	8 207 364	8 195 188	99 960 033	0
Loan received from related party	0	0	0	0	0	0
Accounts payables and other liabilities	20 649 203	20 649 203	0	0	0	0

13. Receivables / liabilities from cash flow hedges

The Company borrowed where the interest rate base is the 3-month EURIBOR, which means variable rate. In accordance with the terms of the loan agreement, the Company mitigated its exposure to changes in the interest rate base by entering into cap (interest rate cap) transactions. On 28 June 2022, the Company purchased interest rate cap options on the three-month EURIBOR (as the underlying) with a strike price of 2.4% with no margin, for an amount equal to 70% of the principal amount of the loan.

The fee for interest rate cap options is fixed in advance and payable quarterly in equal instalments over the life of the loan. The start of the hedge is 28 June 2022. The cap transaction matures on 31 March 2027, the hedge covers the interest rate exposure of 70% of the capital amount of the loan between 1 January 2023 and 31 March 2027. The repayment of the capital of the loan is followed by the hedge coverage - 70% of the capital is covered at any given time. The fixing date - when the EURIBOR as base of the cap transaction is set - is the same as the interest fixing date of the loan contract. The margin payment based on the interest rate cap and the interest rate hedge fee are also included in interest expense.

The cap transaction hedge ratio is 100%.

Possible sources of inefficiency include:
- Change in credit risk of Company or interest rate cap counterparties.
- Reduction or modification of the covered item (e.g. debt repayment).
- The time value of the option.

Hedging efficiency is assessed at the start of the hedging transaction at each reporting date and when there is a significant change in circumstances affecting hedging efficiency requirements.

The change in the internal value of the hedging instrument is recognized through other comprehensive income (and then in the cash flow hedging reserve in equity) and is released to the income statement over the life of the cash flow hedge.

Data in EUR	31.12.2023	31.12.2022
Positive fair value of cash-flow hedge	0	218 431
Negative fair value of cash-flow hedge	855 230	0

14. Lease and other accounts receivables; other receivables

Data in EUR	31.12.2023	31.12.2022
Lease and other accounts receivables		
Lease and other accounts receivables recognition value	6 054 942	3 211 854
Lease and other accounts receivables provision	(315 600)	(164 795)
Total lease and other accounts receivables	**5 739 342**	**3 047 059**
Other receivables		
Accrued income	2 046 824	7 732 512
Accrued public utilities costs	269 577	3 507 230
Other accrued costs	0	49 913
Advances to suppliers	35 278	532 928
VAT receivable	0	387 428
Account payables with debit balance	619 397	0
Total other receivables	**2 971 076**	**12 210 011**

Lease receivables of the Company arise due to the investment properties shown in Note 10.

The Company has an impairment balance of EUR 315,600 at the end of 2023, which was recognized for leasing and other trade receivables, compared to EUR 164,795 in 2022.

The increase in trade receivables is because the Company was only able to invoice a significant part of the 2022 utility costs to its landlord in 2023. Since then, the invoicing has been carried out continuously in several stages.

As an accrual of revenue, the Company recognizes operating costs and rentals sub-billed to tenants.

15. Cash and cash equivalents

Data in EUR	31.12.2023	31.12.2022
Cash	28 663 870	3 996 488
Cash and cash equivalents	**28 663 870**	**3 996 488**

The balance of the Company's restricted bank accounts under the bank loan agreement is shown in the bank security accounts line.

16. Equity

The Company was incorporated on 19 July 2019 with a share capital of HUF 5 million, represented by 4,594 ordinary dematerialized registered shares with a nominal value of HUF 1,000 each and 406 preference shares with a nominal value of HUF 1,000 each, dematerialized registered shares with no right to vote at general meetings.

On 12 November 2021, Penta CEE Holding acquired all the shares of the Company by way of a share sale, thus becoming temporarily the sole shareholder of the Company, and on 2 December 2021, Penta CEE Holding decided to acquire 406 shares of 1. 000 HUF, dematerialized, in registered form, not entitled to vote at general meetings, and that, since the Company will keep its books in EUR from 1 January 2022, it has converted the Company's share capital to EUR 13,624 based on the EUR exchange rate of EUR 367 HUF, by adjusting the nominal value of the Company's ordinary shares to EUR 0.1. Subsequently, Penta CEE Holding decided to increase the Company's share capital by EUR 2,576 by issuing new ordinary shares by issuing 25,760 dematerialized ordinary shares with a nominal value of EUR 0.1 each and an issue value of EUR 10 each. Only Penta CEE Holding participated in the capital increase. Penta CEE Holding has agreed to definitively transfer to the Company the excess of the issue value of the ordinary shares to be issued over the nominal value, i.e. EUR 255,024, and an additional amount of EUR 1,348,776, which has been transferred to the Company's capital reserve. Penta CEE Holding made the cash contributions under this item on 22 December 2022 by transfer to the Company's bank account.

Following the implementation of the capital increase on 2 December 2021, the Company's share capital amounted to EUR 16,200, represented by 162,000 dematerialized ordinary shares with a nominal value of EUR 0.1 each.

On 1 April 2022, Penta CEE Holding decided to increase the share capital through the issuance of new common shares, thereby raising the Company's share capital by EUR 120,000. During this capital increase 1,200,000 new dematerialized common shares with a nominal value of 0.1 EUR and an issuance value of EUR 10 were issued. Penta CEE Holding was the sole participant in the capital increase. The portion of the share issuance value exceeding the nominal value, which is EUR 11,880,000 (committed to be transferred permanently to the Company by Penta CEE Holding based on Section 36 (1) b) of the Accounting Act), was transferred to the Company by Penta CEE Holding on 7 April 2022, through a bank transfer to the Company's bank account.

Following the implementation of the capital increase on 1 April 2022, the Company's share capital amounted to EUR 136,200, represented by 1,362,000 registered dematerialized ordinary shares with a nominal value of EUR 0.1 each.

Subsequently, on 23 May 2022, Penta CEE Holding decided to increase the Company's share capital by EUR 827,000 through the issuance of new shares. This was achieved by issuing 6,770,000 dematerialized common shares of series "A" with a nominal value of EUR 0.1 and an issuance value of EUR 10 each, as well as 1,500,000 dematerialized preference shares of series "B" with a nominal value of 0.1 EUR and an issuance value of EUR 10 each, providing multiple voting rights. In addition to the Majority

Shareholders, three minority shareholders participated in the capital increase. The portion of the share issuance value exceeding the nominal value, which is EUR 81,873,000, was committed by the shareholders to be permanently transferred to the Company based. The shareholders fulfilled their financial contributions as described in this paragraph by 13 July 2022, through a bank transfer to the Company's bank account. In October 2023, Shopper Park Plus Plc. conducted an initial public offering and subsequently became a public limited company. As of 21 November 2023, the common shares of Shopper Park Plus Plc. are listed in the Premium category of the Budapest Stock Exchange. During the public offering, 3,445,618 shares were issued at a subscription price of EUR 10.8 per share. Consequently, the registered capital increased by EUR 344,562. The total capital raised through the stock offering, before deducting associated costs, amounted to EUR 37,212,674. The issuance costs for the capital instruments totaled EUR 1,703,150.

The Company’s share capital as of 31 December 2023 is EUR 1,307,762, which consists of

- 11,577,618 Series A dematerialized ordinary shares with a nominal value of EUR 0.1 each, and
- 1,500,000 registered Series B dematerialized voting preference shares with a nominal value of EUR 0.1 each;

The total issue value of all shares of the Company has been made available to the Corporation by the shareholders of the Company.

The Company has 9,632,000 shares with a nominal value of EUR 0.1 and a premium of EUR 9.90. Additionally, has 3,445,618 shares with a nominal value of EUR 0.1 and premium of EUR 10.7 EUR. The premium is presented in the accounts as Capital Reserve, from which expenses related to the initial public offering were deducted. In total the Capital Reserve amount is EUR 130,521,762.

Amounts are in EUR:

Share capital	
31.12.2021	**16 200**
Increase in share capital	947 000
31.12.2022	**963 200**
Increase in share capital	344 562
31.12.2023	**1 307 762**

Capital reserve	
31.12.2021	**1 603 800**
Increase in share capital	93 753 000
31.12.2022	**95 356 800**
Increase in share capital	35 164 962
31.12.2023	**130 521 762**

Cash-flow hedge	
31.12.2021	**0**
Fair value change of cash-flow hedge	218 431
31.12.2022	**218 431**
Fair value change of cash-flow hedge	(1 073 661)
31.12.2023	**(855 230)**

Retained earnings	
31.12.2021	**(327 699)**
Profit of the current year	6 878 332
Dividend payment	0
31.12.2022	**6 550 633**
Profit of the current year	14 117 149
Dividend payment	(3 852 800)
31.12.2023	**16 814 982**

Equity and its ratio to share capital are shown in the table below. Equity is positive and significantly exceeds subscribed capital in both years.

Data in EUR	31.12.2023	31.12.2022
Registered capital	1 307 762	963 200
Equity total	147 789 276	103 089 064

Equity capital matching table

Pursuant to Article 114/B § of Act C of 2000 on Accounting, an entity preparing annual financial statements in accordance with IFRS shall prepare an equity reconciliation table for the reporting date:

Data in EUR	31.12.2023	31.12.2022
Amount of equity under IFRS	147 789 276	103 089 064
Subscription	0	0
Corrected amount of Equity	**147 789 276**	**103 089 064**
Subscribed capital as defined in the Articles of Association	1 307 762	963 200
Capital reserve	130 521 762	95 356 800
Fair value reserve	(855 230)	218 431
Revenue reserve	2 697 833	(327 699)
Profit after tax	14 117 149	6 878 332
Total equity	**147 789 276**	**103 089 064**

Pursuant to Act C of 2000 on Accounting 114/B § (5) b), the calculation of the available retained earnings available for dividend payment is as follows:

Data in EUR	31.12.2023	31.12.2022
Revenue reserve	2 697 833	(327 699)
Profit after tax	14 117 149	6 878 332
Reduced: accumulated unrealised gains on investment property	(9 547 859)	(3 145 716)
Revenue reserve available for dividend payments	**7 267 123**	**3 404 917**

17. Borrowings

Financial liabilities are measured at amortised cost and their carrying amount approximates their fair value as there has been no significant shift in credit risk since their inception.

On 8 April 2022, the Company signed a loan agreement under which on 15 June 2022, the Company obtained a syndicated loan of EUR 112 million from OTP Bank Nyrt., Erste Bank AG and Erste Bank Hungary Zrt. for the purchase of investment properties. The loan expires on 31 March 2027.

To partially cover the interest rate risk, a cash flow hedge covering 70% of the outstanding principal has been entered into, which has been measured at fair value in accordance with the accounting policy (see paragraph 2.8).

18. Other non-current liabilities

In 2022, the Company purchased investment properties. A contingent purchase price was established at the time of the acquisition, of which an amount of EUR 12,569,770 was recognized in the balance sheet on 31 December 2022: EUR 9,188,423 under Other non-current liabilities and EUR 3,381,347 under Other current liabilities, while an amount of EUR 12,403,476 was recognized in the balance sheet at 31 December 2023: EUR 384,895 under Other non-current liabilities and EUR 12,018,581 under Other current liabilities (Note 20).

19. Tenant deposits

The table below shows the changes of tenant deposits:

Data in EUR	31.12.2023	31.12.2022
Tenant deposits	5 844 176	5 320 673

20. Accounts payables and other liabilities

Data in EUR	31.12.2023	31.12.2022
Accounts payables	**116 208**	**125 126**
Other current liabilities		
Accrued utility charges	1 581 719	8 728 054
Contingent purchase price of investment property	11 571 178	3 381 347
Accruals and deferrals of revenue	2 824 175	2 668 334
Transfer tax on immovable property	309 003	1 797 368
Accrued operating costs	832 119	916 841
Accrual of property management fees	349 983	363 342
Other accrued charges	1 097 937	535 456
Other current liabilities	1 921 768	31 780
Total other current liabilities	**20 487 882**	**18 422 520**

The decrease in accrued utility charges is explained by the fact that, due to the delay in the invoicing of the supplier, a significant part of the utility costs for the period 2022 was recorded as accruals, while at the end of 2023, however, typically only the utility costs corresponding to the normal course of business had to be accrued.
The significant increase in the contingent purchase price of investment property is because in June 2023 the Company indicated that it intended to redeem the land used by TESCO within one year, thus the payment obligation for the purchase price retention recorded under this heading became current.

The category other current liabilities include the Company records the VAT payable and items of a payable nature to customers.

21. Related parties

The turnovers of transactions with related parties were as follows:

Amounts are in EUR

Partner name	Type of the transaction	31.12.2023	31.12.2022
Turnovers related through parent company			
Penta CEE Holding Zrt.	Borrowed	2 008 767	4 000 000
Portfolion Partner Magántőkealap	Borrowed	2 192	1 000 000
Penta CEE Holding Zrt.	Loan interest	384 232	8 767
Portfolion Partner Magántőkealap	Loan interest	76 661	2 192
Turnovers related through parent company total		*2 558 290*	*5 010 959*
Turnovers related through a subsidiary			
Shopping Mall Chrudim s.r.o.	Cost sub-invoicing	33 130	0
Shopping Mall Karlovy Vary s.r.o.	Cost sub-invoicing	81 982	0
Shopping Mall Opava s.r.o.	Cost sub-invoicing	40 159	0
Shopping Mall Ostrava s.r.o.	Cost sub-invoicing	85 508	0
Turnovers related through a subsidiary total		*240 779*	*0*
Turnovers related through key personnel			
Adventum Property Services Kft.	Management fee	1 210 635	813 534
Grw Invest Kft.	Legal and financial services	0	445 979
Grw Invest Kft.	Accounting and financial consultancy	6 731	141 050
MARTIG Kft.	Legal and financial services	158	609
Hümpfner Legal	Legal and financial services	555 042	387 642
Turnovers related through key personnel total		*1 772 566*	*387 642*

The year-end balances of transactions with related parties were as follows:

Amounts are in EUR

Partner name	Balance sheet line	31.12.2023	31.12.2022*
Balances related through parent company			
Penta CEE Holding Zrt.	Short-term loans and borrowings	0	4 000 000
Portfolion Partner Magántőkealap	Short-term loans and borrowings	0	1 000 000
Penta CEE Holding Zrt.	Other current liabilities	0	8 767
Portfolion Partner Magántőkealap	Other current liabilities	0	2 192
Balances related through parent company total		*0*	*5 010 959*
Turnovers related through a subsidiary			
Shopping Mall Chrudim s.r.o.	Lease and other receivables	26 138	0
Turnovers related through a subsidiary total		*26 138*	*0*

Balances related through key personnel*			
Adventum Property Services Kft.	Other current liabilities	332 558	363 342
Grw Invest Kft.	Accounts payables	6 731	0
Hümpfner Legal	Accounts payables	0	52 415
Balances related through key personnel total		***339 289***	***415 757***

* See changes in note 2.17 Related parties

The Company repaid in 2023 the member loans received previously and during 2023, so the liability to related parties has decreased significantly.

The Company considers members of the Management Board and Supervisory Board as key management personnel, they don't receive any renumeration. The related parties were identified by the Company based on the IAS 24, the relationship was established by persons in key positions.

Of the related party transactions and balances described above, the following were generated through key positions:

- Adventum Property Services Kft.
- Grw Invest Kft.
- MARTIG Kft.
- Hümpfner Legal

22. Earnings per share and dividends

The calculation of basic and diluted earnings per share is described in Note 2.18.

As of 31 December 2023, and 31 December 2022, the Company did not have any potentially dilutive common shares that would adjust basic EPS.

The Company's share capital consists of 11,577,618 dematerialized ordinary shares of series A with a par value of EUR 0.1 each and representing equal and identical membership rights and 1,500,000 dematerialized voting preference shares of series B with a par value of EUR 0.1 each and representing equal and identical membership rights. No convertible or exchangeable shares were issued in the year under review or in previous financial years. There were no transactions to acquire treasury shares in either 2022 or 2023.

Amounts are in EUR

EPS (basic and diluted)	31.12.2023	31.12.2022
Profit of the year	14 117 149	6 878 332
Average number of shares	10 255 043	5 552 301
Earnings per share	**1.38**	**1.24**

At the time of the adoption of the annual accounts for 2022, the Company declared a dividend of EUR 3,852,800 on 24 April 2023, which was paid to its shareholders on 30 June 2023. The dividend per share was EUR 0.40.

23. Off balance sheet items

Success fee

Shopper Park Plus Plc under its management contract with Adventum Property Services Ltd, Shopper Park Plus Plc would be required to pay a success fee to Adventum Property Services Ltd if certain conditions are met. In addition to the fulfilment of the internal rate of return ratios, the triggering of the success fee payment obligation also requires the occurrence of exit events. Such an exit event is when the Issuer sells all of its properties or changes the majority ownership. The Issuer's management currently considers both exit events, separately and in combination, to be less than 50% probable in the future, so the Issuer does not recognize the success fee payment as a liability and expense, does not defer it, but recognizes it as an off-balance sheet item. If the exit event had occurred on the balance sheet date at the property values entered in the property valuation as sales prices, Shopper Park Plus Plc would have had a success fee liability of EUR 6.2 million.

Insurances

Appropriate security has been created in favour of the creditors in connection with the loan agreement, covering the assets of all the members of the Company and their shareholdings in these companies.

Collateral agreements under Hungarian law have been concluded in respect of Shopper Park Plus Plc. and Gradevel Ltd.:

1. the Parent Company's interest in the Hungarian subsidiary (100%) has been pledged,
2. the Hungarian properties were pledged and pledged with a right of purchase,
3. the movable assets, rights and claims of SPP and Gradevel were pledged,
4. the bank accounts of Hungarian companies were pledged and secured by a lien or security,
5. the existing ordinary shares and preference shares issued by SPP and owned by Penta CEE Holding were pledged; and
6. the Penta Fund, Penta CEE Holding, SPP and Gradevel have entered into a subordination, sponsorship and ownership commitment agreement.

The relevant security agreements under Hungarian law contain restrictions on the disposal and encumbrance of the assets concerned.
In order to redeem the advances on the electricity supply contracts, SPP entered into a bank guarantee agreement with its account bank on 26 September 2023 for an amount of EUR 5 million. In connection with the provision of the guarantee, a second ranking lien was created in favour of the account bank in respect of the Budaörs Property and a prohibition of alienation and encumbrance was established to secure this lien.

24. Events after the balance sheet date

Transformation into a regulated real estate investment company

On 12 January 2024 the Company was registered by the Hungarian Tax Authority with effect from 26 October 2023 as Regulated Real Estate Investment Company.

Dividend payment of Gradevel Ltd.

On 25 March 2024, the Company's 100% owned subsidiary Gradevel Ltd. declared a dividend of EUR 2,701,724 from the profit for 2023 to the Company, which, in addition to the amount available for dividend payment as set out in point 16, may be paid as dividend to the Company's shareholders simultaneously with the adoption of the annual accounts for 2023.

Capital increase of Gradevel Ltd.

On 27 March 2024, the Company carried out a capital increase in its 100% owned subsidiary Gradevel Ltd. by a founding resolution, which increased the share capital of the subsidiary by EUR 1,000 and the capital reserve by EUR 4,999,000.

25. Adoption of the annual accounts

The report of pages 1-39 was approved by the Board of Directors on 8 April 2024 and submitted to the General Meeting for adoption. Simultaneously with the approval of the annual accounts, the Board of Directors proposes to approve a total dividend of EUR 9,968,847. The General Meeting is entitled to approve the accounts and may request amendments before their adoption.

Budapest, 8 April 2024

Board Member   Board Member