WINGHOLDING ZRT

ANNUAL REPORT
2024

WING

Executive Summary Report

WINGHOLDING Zrt. (hereinafter referred to as the 'Company or WING Group') in 2023 faced dramatic changes in macroeconomic conditions – inflation, interest rate hikes, yield increases, economic slowdown – and the slowdown of the group's markets, which also caused the WING Group's growth to decelerate. Despite this, stable operations were maintained throughout the year, and with realized investments and property transactions, the group's future profit-generating capability was further strengthened. In 2024, the group maintained its stable operations, and its earnings before taxes, unrealized exchange rate differences, interest payments, and depreciation (EBITDA) amounted to HUF 68.7 billion.

In 2023, amidst a continued negative external environment and economic slowdown, particularly in Hungary, there was a significant decline in consumer spending and lending. In the first half of 2024, challenges affecting the economic environment persisted, but certain indicators (such as declining inflation and interest rates, slow start to lending) projected a more positive outlook. Despite the substantial decrease in interest rates, the forint interest rates remained just at a bearable level, and the fluctuation in the forint exchange rate continued to deteriorate the operating conditions for all economic actors. Nevertheless, we continued with the initiated real estate investments, and the preparation of new developments is ongoing. Bauwert AG, successfully acquired in 2023, and the WING Group's Polish subsidiary, ECHO Investment, similar to the company's activities in Hungary, continued their planned real estate development activities in 2024, adapting to the changed conditions. With all this, the WING Group has become even stronger and in 2024 positive profitability (besides the profit before taxation and unrealized exchange rate differences) steadily continues its activities. While the Company's interests in Poland and Germany are active in residential and office development, the WING Group is an active developer and investor in all real estate segments in Hungary. In Hungary, the industrial and residential segments continued to develop over the past year, with new developments launched.

At the request of the MNB, Scope Ratings GmbH first conducted the credit rating in 2019 and most recently reviewed it in July 2024. As a result of the latest review, in the report issued on 5 July 2024, Scope maintained the Company's B+ rating based on its tightened assessment guidelines, and assigned a B+ rating to its senior, unsubordinated, unsecured debt (bonds).

In 2024, the Company issued bonds totaling EUR 54.030.000, while ECHO Investment executed bond issuances amounting to PLN 958.000.000.

The WING Group continued its domestic and international real estate investment market involvement in 2023. During this period:

- The Company, through its indirect ownership, entered into a sale agreement for the office building located exclusively at 1055 Budapest, Honvéd u. 20, owned by TCW Honvéd Irodaház Kft. The sales transaction was successfully completed following the fulfillment of the pending conditions.
- The Gladiátor VI. Ingatlan Befektetési Alap, part of the Company's consolidation scope, entered into a sale agreement for the sale of a ½ ownership share of the office building located at 1117 Budapest, Szerémi út 4 – Kaposvári u. 3-11, which constitutes a ½ ownership share of the Fund, with AKKO Invest Nyrt.

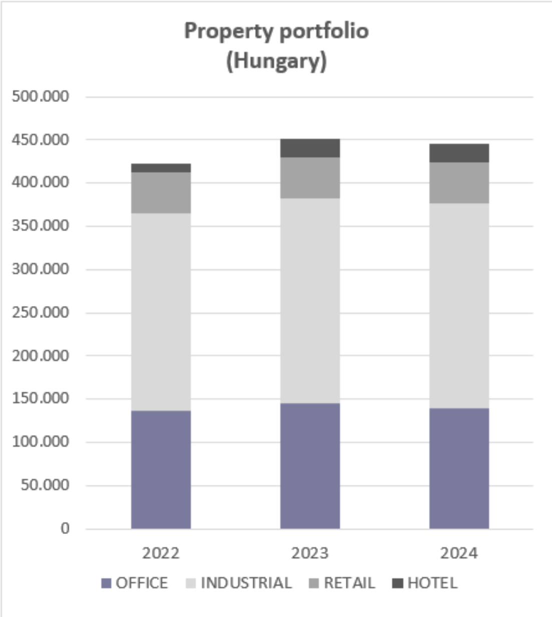
Besides its real estate investment activities, the WING Group also continued its real estate development activities:

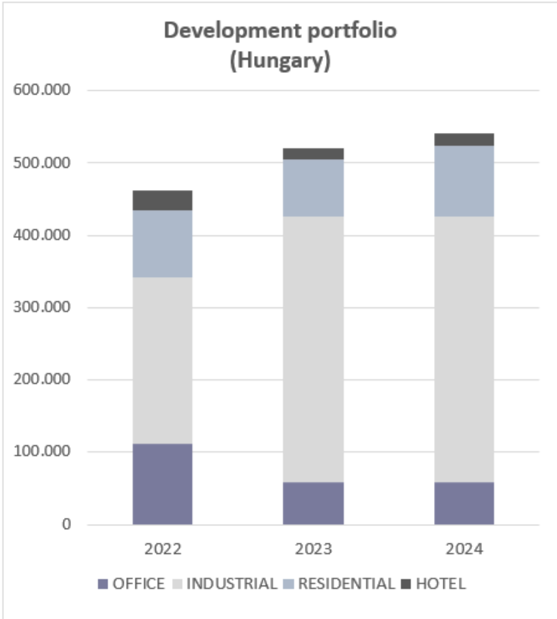
- As one of the first successes in mitigating the crisis caused by the pandemic, a lease agreement was established with Magyar RTL Televízió Zrt. for the buildings of Liget Center and Auditorium.[2]After a complete heritage restoration tailored to specific needs, the Liget Auditorium building, overlooking Városligeti fasor, is being transformed into a modern, A+ category media complex, where approximately 9,000 sqm will house RTL Hungary's news directorate and news studios, handed over to the tenant in June 2024 according to the schedule.
- Next to the Magyar Telekom headquarters handed over in 2018 - which, with its approximately 58,000 sqm of office space, is Hungary's largest contiguous office space development -[2]the Liberty office building was developed on an area totaling 41,000 sqm[2] with rentable area, designed as a mixed-use project, with both office and hotel functions. The office area of Liberty Phase 1 was handed over in the

first half of 2023 following the acquisition of the occupancy permit, while the hotel handover took place in December 2023. The handover of Liberty Phase 2 occurred in August 2024, with leasing ongoing and interior fit-out works in progress.

- Owned by the WING Group, the REALWINGEST Ingatlanfejlesztő Kft. owns a site located in the inner area of Fót, totaling 139,547 m^2. The construction work for the logistics development of the property with a plot area continued. The East Gate Pro project is the second phase of the East Gate Business Park, which will offer a total of 60,000 m^2 of leasable area across six halls. The first two hall buildings, totaling more than 20,000 square meters, are operating at 96.4% occupancy. The construction of the next hall (9,800 m^2) has also been completed, we have received the occupancy permit, and the leasing negotiations are ongoing, while the handover of the fourth building (9,100 m^2) took place in January 2025, which has a 100% lease through BTS development.
- Located in the XIII district, the Park West residential development, which will be completed in three phases and comprises 700 apartments, is being carried out by Living Szabolcs Kft. 45% of the project company's business shares are owned by Shael Kft., whose owner is independent of the WING Group. Parallel to the completion of the first phase of Park West in 2021, the Park West II phase began and was handed over in Q3 2023, during which the construction of 234 apartments was completed. In the summer of 2022, the construction of Park West III started. Within the framework of the project planned to be handed over in 2025, 230 apartments will be built in the vicinity of the existing phases I and II.
- The construction work of the Kassák project III phase began in the summer of 2022. Within the framework of Kassák Terrace, handed over in 2024, a total of 246 apartments were built.
- The Le Jardin residential development project, also located in District XIII and launched in 2022, completed its structural construction works in the first half of 2023. The development, which is situated directly next to the Rákos-patak, will see a total of 314 apartments built in 2 phases. Construction began in the summer of 2022, and new residents are expected to take possession of their completed apartments at the end of 2024 in the first phase. The development of the second phase will start in Q2 2025.
- Meanwhile, preparations for the second phase of the Le Jardin project are underway in the vicinity of the first phase. The sale of the 147-apartment project is expected to start in Q2 2025, with new residents anticipated to move into their new apartments in the first half of 2027.
- The first Buda development by the WING Group is taking place on Pünkösdfürdő Street in District III. The Római Park project began its development in the second half of 2022, with the handover of 257 apartments expected in 2026. The sale of the apartments commenced in the first half of 2024, as planned.

At the end of 2024, the size of the WING Group's real estate portfolio in Hungary, considering the leasable areas without parking spaces, was 445,116 m^2, which is 6,620 m^2 less than at the end of 2023. Simultaneously, the size of the development portfolio, which includes potentially buildable leasable areas without parking spaces, grew from 521,170 m^2 to 541,644 m^2 by the end of 2024, as a result of developments delivered in 2024 and closed residential development plot acquisitions (+ 20,473m^2).



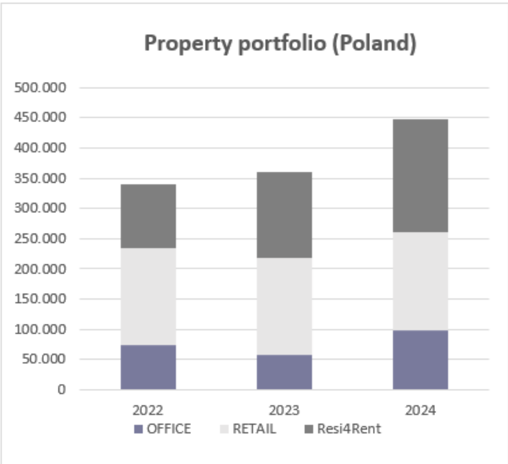


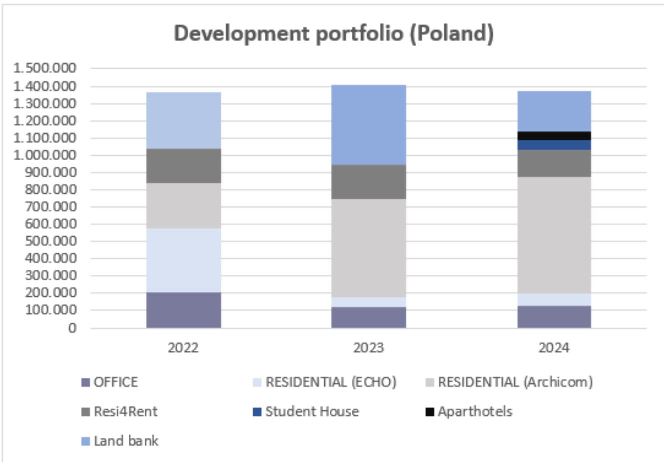
In addition to its domestic investment and development activities, the WING Group continued its real estate market activities in Poland through the majority-owned Echo Investment group in 2024:

- In 2024, a total of 725 apartments were sold and 260 apartments were handed over, while the construction of 2,598 apartments began. Currently, the preparation for the construction of more than 9,000 apartments is underway.
- In the rental housing segment (Resi4Rent with a 30% Echo ownership stake), in 2024, the inventory was expanded by 991 rental apartments, increasing the rental housing stock to 5,396 units. At the end of 2024, the construction of 3,444 rental apartments was underway, and preparations for an additional 1,342 apartments were ongoing, with construction expected to start in 2025. Currently, the group is present in 16 locations, including the 6 largest cities in Poland (Gdansk, Lodz, Poznan, Warsaw, Wroclaw, and Krakow).
- At the end of 2024, the Echo Invest group had over 47,000 m2 of leased space, which expanded during the year with the final phase of the Brain Park office complex in Krakow.
- Within the Echo Investment group, the CitySpace business unit, which operates serviced office spaces, provides flexible office solutions to its tenants. In 2024, the business line had a total of 30,500 m2 of serviced office space – an increase of 1,800 m2 – across 12 locations in 6 cities (Warsaw, Wroclaw, Krakow, Katowice, Gdansk, and Łódź), providing 4,050 workstations, including this year's addition of 273 workstations.
- Echo Investment aimed to strengthen the position of its two shopping centers (Libero in Katowice and Galeria Mlociny in Warsaw) which were being prepared for sale, and this was successfully achieved. Currently, both units operate with nearly 100% occupancy.
- Towarowa 22 is a mixed-use site suitable for development, covering 6.5 hectares in the center of Warsaw. ECHO Investment and AFI Europe own the office and residential project, aimed at leasing, in a 30%-70% ratio. The project will have a usable area of approximately 200,000 m2, with the tallest building reaching 150 meters. As part of the agreement, ECHO Investment is the developer of the entire project and the sole owner of the part of the site suitable for residential development for sale.
- In the first half of 2023, ECHO Investment commenced the development of 31,100 m2 of new office space with the launch of the Towarowa 22 project in Warsaw, which is set to be completed in the second quarter of 2025 and currently has a 90% lease rate.

- In 2024, the ECHO group launched the WITA mixed-use project in Kraków, which encompasses 26,000 m2 of office space and 176 apartments over five buildings on 3 hectares. Planned completion is in 2026.
- In 2024, the ECHO group executed a total bond issuance of 600 mPLN (~141 mEUR).
- In the first half of 2024, a new business division was launched under the name Student House within a JV partnership framework with a 30% ownership stake, involving ECHO Investment from the WING group. This new business division aims to facilitate student housing, initially preparing the construction of a total of 2,289 places across 5 projects in 2 cities (Warsaw, Krakow), with the first 1,200 places expected to be delivered at the start of the 2025-2026 academic year in Krakow, and the Warsaw project beginning in early 2025. Plans are to create approximately 5,000 places over the next 3-5 years. This new business division represents further diversification, with the WING group present in every segment of the real estate business area.
- In the spring of 2024, the Company published its ESG report for the fourth time, applying the CSRD and ESRS standards for the first time. The report uses the Scope 3 carbon footprint for the first time, which includes the Company's commitments regarding CO2 emissions.

Following the transactions that took place in 2024 and the handover of certain developments, the size of the ECHO group's operating real estate portfolio (in terms of leasable area) changed to 446,999 m2 (+86,099 m2) by the end of 2024 compared to the end of 2023. Simultaneously, the size of the development portfolio containing potentially buildable leasable areas changed to 1,374,600 m2 (-30,404 m2) in 2024 thanks to acquisitions. The development portfolio includes not only areas of projects under development and preparation but also the development potential of plots purchased for future development purposes (Land bank), which includes office, residential (Resi4Rent), and commercial functional areas.





Besides its activities in the domestic and Polish real estate markets, the WING Group began its operations in Germany in 2023 through acquiring the majority ownership of Bauwert AG:

- Bauwert is one of Germany's leading real estate developers in the market for high-quality residential and commercial properties in Berlin and its surroundings.
- Bauwert employs a team of more than 80 staff with exceptional expertise. This ensures their reliability towards both their partners and clients.
- Since its founding in 1983, BAUWERT has completed over 330 projects, built over 2 million m2, and sold over 12,000 apartments. The volume of the developments carried out exceeds 5 billion euros. More than 70% of these projects have focused on the Berlin market.
- In the first half of 2024, three major projects were under construction, totaling 60,979 m2 NLA of residential and commercial space in Berlin and its vicinity, and currently, the preparation of further 357,606 m2 NLA development is underway in a total of 7 additional projects.

- On 1 July 2024, the LIV - Prenzlauer Berg (Berliner Strasse 74a) project, consisting of 99 rental apartments, received the occupancy permit, and simultaneously, the buyer of the forward transaction paid the purchase price of the property
- The first phase of the Square 1 office park, a 26,000 m2 fully leased building, was completed in May 2024, where the Berliner Sparkasse's new headquarters operates with a 15-year lease term.

Key financial data

IFRS consolidated, HUF million

	2024.12.31
Profit (+) / loss (-) from investment	25.148
Revenue	197.993
Share of net profit (+) / loss (-) of associates and gain on disposal of associates	12.434
Operating expenses	-160.954
Other income, expenses	-5.890
EBITDA	**68.731**
Depreciation and amortization	-3.102
Results of financial operations	-35.823
Profit before tax and unrealized foreign exchange differences	**29.806**

Based on the IFRS report covering activities in Hungary, Poland, and Germany:

The WING Group's equity increased by HUF 23 billion to HUF 312 billion in 2024, and the total assets increased by 18%, i.e., HUF 217 billion, to a total of HUF 1.436 billion.

The WING Group's profit on investment amounted to HUF 25,148 million during the 2024 financial year. The result from the investment includes the revaluation of the real estates to fair value for the year (a profit of HUF 20,717 million), the result of sales of investment properties (a profit of HUF 4,486 million), and the total of other, non-significant items (a loss of HUF 55 million). The investment profit (+) / loss (-) was 242% higher, by HUF 42,906 million, compared to the result accounted for in the previous year.

As a result of the above items, WING Group's EBITDA before taxation, unrealized exchange rate differences, interest payments, and depreciation for the period is HUF 30 billion.

Of the increase mentioned of HUF 217 billion in asset values, HUF 87 billion was due to inventory, and HUF 79 billion was due to the increase in investment properties. The value of assets classified as held for sale decreased by HUF 10 billion.

The total amount of loans and bond debts increased by HUF 122 billion compared to 31 December 2023. The proportion of short-term loans was low, at 26% on 31 December 2024, and 29% on 31 December 2023

On 31 December 2024, WING Group shows HUF 45 billion in other financial liabilities on its balance sheet (31 December 2023: HUF 36 billion), which include contingent and deferred purchase price and investment units not qualifying as equity.

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Consolidated Management and Business Report

Business Environment

The Hungarian, Polish, and German, as well as the global macroeconomic environment, influence the activities and success of the WING Group.

Business Environment in Hungary

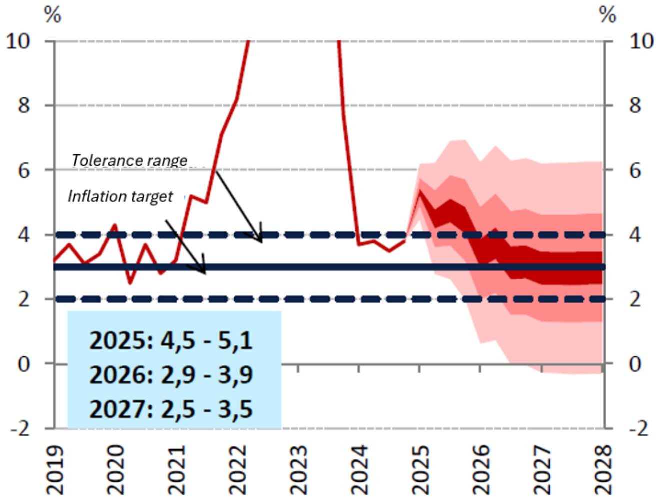
The previously supportive macroeconomic environment was fundamentally changed first by the rapidly spreading coronavirus pandemic in Europe in March 2020, and then by the outbreak of the Russian-Ukrainian war at the end of February 2022. Due to the geographical proximity and the greater weight of foreign trade with the affected countries, the economic impacts of the war were primarily felt in Europe, particularly in the East-Central European region. Inflation reached multi-decade highs in many countries in 2022, and in the first quarter of 2023. Thanks to monetary and economic policy measures, the global economy slowed down, demand weakened, and due to a decrease in global energy and raw material prices, as well as international shipping costs, and the easing of difficulties affecting production chains, global price increases started to decline in 2023. However, in the significant part of the global economy, inflation has not yet returned, or not permanently, to the tolerance band expected by central banks by the end of 2023. Therefore, values continue to remain above the inflation levels prior to the Russian-Ukrainian war. In 2023, the European Union managed to avoid a recession with a 0.1% GDP growth. Due to the gradual easing of inflation and the deterioration of the European economic situation, the European Central Bank implemented a total of four interest rate cuts of 0.25% each in 2024 (June, September, October, December). According to the central bank's expectations, inflation will already settle near the inflation target this year and reach it by early 2026. The ongoing geopolitical conflicts and the tensions caused by the trade war emerging in early 2025 continue to create an uncertain global economic environment. In the European Union, the announced spending increase programs could invigorate the economic growth that has been subdued for years in 2025.

From the third quarter of 2022, Hungarian **economic growth** slowed down and was in a technical recession for four quarters. Looking at the whole of 2023, the Hungarian economy eventually decreased by 0.9%, which is considered a significant decline compared to the previous 2022 increase of 4.6%. Both internal and external demand factors slowed down the growth of 2023. In the first quarter of 2024, domestic economic growth began, with a 0.7% increase, but the significant uncertainty of economic prospects is well demonstrated by the fact that in 2024 Q2, compared to the previous quarter, the domestic GDP decreased by 0.2%, while in the fourth quarter, the Hungarian economy expanded by 0.4% in annual comparison. According to the expectations of the MNB, the performance of the Hungarian economy is expected to increase by 1.9–2.9% in 2025, by 3.7–4.7% in 2026, and further expand by 2.8–3.8% in 2027.

The annual growth rate of the **corporate lending** of the entire financial intermediation system slowed to 2.8% by the end of the fourth quarter of 2024. The credit stock of micro, small, and medium-sized enterprises increased by 1.9% compared to the previous year. By the first half of 2025, partly due to the impact of the Demján Sándor Credit Program available from January 2025, a quarter of banks expect increased demand for credit. The average interest rate on contracted corporate forint loans continued to decline overall, reaching 8.4% at the end of December 2024. In the fourth quarter of 2024, banks overall left corporate loan conditions unchanged, and they do not plan to change them in the next half year. Regarding credit demand, in the fourth quarter of 2024, banks reported unchanged demand for corporate loans: for small and micro enterprises, a net 10% of banks experienced a decrease in credit demand, while for large and medium-sized enterprises, 17% reported increasing demand. Due to the impact of the Demján Sándor Program starting in January 2025, a quarter of banks expect increased demand for credit across all company size categories, primarily for forint loans. As the economy strengthens and uncertainty diminishes, the annual growth rate of corporate credit stock could gradually rise to 6% by the end of 2025, then stabilize around 9-10% from mid-2026.

The **labor market** is easing, with a decrease in labor demand. In the fourth quarter of 2024, a broad range of sectors in the competitive sphere continued to see a year-on-year decline in the number of vacant positions. The number of vacant positions decreased most significantly in the administrative and support services sector, which includes labor leasing, compared to the same period of the previous year. Over the course of a year, the number of vacant positions fell by nearly one-third in the construction industry. According to the latest ESI survey, improvements were noted in construction, industry, and trade areas, although overall, employment prospects for companies remain negative. Despite high employment levels, the unemployment rate may hover between 4.2–4.3% in 2025, 3.6–4.1% in 2026, and 3.3–4.0% in 2027, indicating a persistently tight labor market environment. The 2025 wage dynamics are primarily determined by the early-year minimum wage increase, easing labor market tightness, and strengthening household inflation expectations. The fundamental wage processes remain strong, with the MNB forecasting average wage growth in the competitive sector of 9.6–10.4% in 2025 and 8.8–9.9% next year. The real value of earnings continues to rise.

Despite favorable wage dynamics, retail sales can only grow modestly. Retail sales expanded by 4.7% year-on-year in January 2025. Inflation forecast fan chart



Source: MNB Inflation Report, March 2025

The decline in domestic inflation continued at the beginning of 2024, with the consumer price index at 3.7% in June. The consumer price index of January and February of 2025 exceeded expectations from December. Larger price adjustments at the start of the year project a higher inflation path than previously anticipated for this year. The consumer price index moderates following its peak in February. Inflation is expected to remain above the central bank's tolerance band for the rest of the year. In 2025, inflation is anticipated to average between 4.5–5.1%. The pace of price increases will enter the central bank's tolerance band sustainably at the beginning of 2026, then approach the 3% inflation target by the end of the year. The annual average inflation may decrease to 2.9-3.9% next year and to 2.5–3.5% in 2027. Core inflation capturing the underlying processes will moderate to around 5.0% by April and will remain at a similar level until the end of the year.

Since the start of its tightening cycle in June 2021, until the end of September 2022, the MNB raised the **base rate** to 13.00%, which was kept unchanged until the end of October 2023. Following this, the MNB started its base rate reduction cycle, gradually lowering the reference interest rate to 6.50% by the end of September 2024, which has remained unchanged since. At its January and March monetary policy meetings, the ECB reduced its key deposit rate by 25–25 basis points to 2.50%, similar to previous rate decisions. In the United States, at its December monetary policy meeting, the Fed reduced the target range of the reference rate by 25 basis points to 4.25–4.50% and then decided to keep it unchanged in January and March. Regional central banks have also begun their rate-cutting cycles, resulting in the Czech rate being reduced to 3.75%, the Polish rate remaining unchanged at 5.75%, while the Romanian central bank lowered its reference rate to 6.50% at the beginning of 2025. According to the Hungarian National Bank, a stability-oriented approach is justified, so disciplined, strict, and patient monetary policy is expected in the future, suggesting that the 6.50% base rate achieved by the end of September 2024 may persist. Analysts expect significant easing of monetary conditions could be possible at the earliest in 2026-2027.

The **exchange rate of the forint** in 2023 was able to strengthen significantly up to the level of 370 Ft due to strict central bank interest rate policy and macroeconomic processes. In the second half of the year, a moderate weakening was observed, and the exchange rate remained stuck in the 380-385 HUF range. In the first half of 2024, it became more volatile and further weakening was experienced, resulting in fluctuations in the 385-398 HUF range. The causes of the weakening include geopolitical (e.g., Gaza war), domestic economic (high budget deficit, EU funds uncertainty), and monetary policy reasons (base rate reduction). The exchange rate closed the year 2024 at 410.09 HUF/EUR. According to forecasts, the average HUF exchange rate in 2025 will be around 410 Ft/EUR.

In 2024, the the total volume of the Hungarian **real estate investment transactions** further decreased even compared to the low volume of 2023, reaching 315 mEUR, which represents a 21% decline compared to the previous year. Overall, the year has so far been characterized by very subdued investment activity due to the uncertain market environment, recession fears, unfavorable global economic outlook, increased financing costs, and the ongoing war conflicts nearby pushing investors towards a wait-and-see approach, resulting in real estate investment volumes dropping to levels not seen since the 2008 global financial crisis. Retail projects accounted for 33% of the realized transactions. The industrial segment's share was 14%, while office projects accounted for 20%, and hotels for 16%.

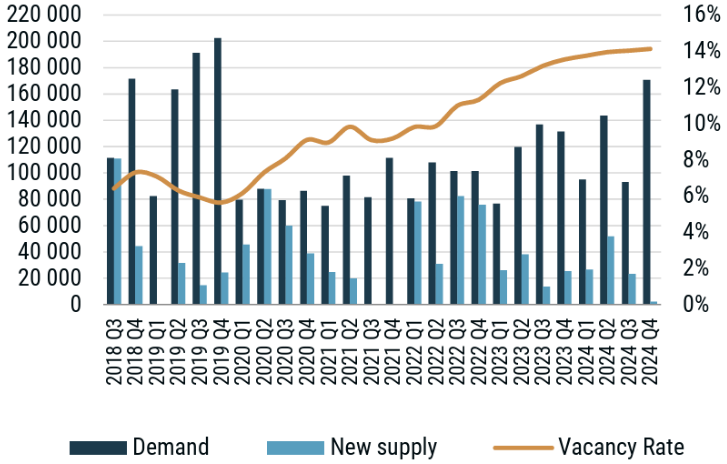
In 2024, similar to 2023, the extent of **premium yields** was most influenced by higher interest rates than before and changes in the financing environment. In 2024, yield levels in the Central and Eastern European region rose in several markets. Since yields in Hungary did not decrease, a larger yield differential developed, making the Hungarian market more attractive compared to other markets in the region. Nevertheless, yields are still difficult to determine due to the low level of liquidity. According to CBRE's assessment, currently in Budapest, the yield for premium offices is 7.00%, for retail properties 6.75% (shopping centers) and 7.35% (retail parks), for industrial-logistics properties 7.00%, and for hotels, yields stand at 7.50% at the end of February 2025. Risk-averse capital remains distant, however, Chinese capital could represent a new driving force in 2025-2026. Considering the stronger activity at the beginning of 2025 and the projects in the pipeline waiting for sale, the investment volume in 2025 could reach 700-800 mEUR.

Real estate investment volume development in Hungary by sector

Source: CBRE 2024.12.31.

On the **office market** the total modern office stock at the end of 2024 amounted to 4.46 million m2, within which there are 3.6 million m2 of 'A' and 'B' category modern speculative office space, and 852 thousand m2 of privately-owned office buildings. At the end of 2024, the modern office stock in Budapest expanded by 2,150 m2 (Liget Center Vitrum), while one building (10,230 m2) exited the office market stock due to a change in utilization. In 2024, a total of 103.6 thousand m2 were handed over (similar to 2023), with the most significant ones being the northern wing of Liberty, Richter Gedeon's new privately-owned headquarters, and the southern wing of Millennium Garden. Total demand in the fourth quarter of 2024 exposed 170,630 square meters, representing a 30% increase compared to the same period of the previous year. The vacancy rate reached 14.1% by the end of 2024, which is an increase of 0.8 percentage points compared to the same period last year. In the fourth quarter of 2024, the lowest vacancy rate was registered in the Central Buda submarket (8.0%), while the highest rate remained measurable in the Agglomeration (28.6%). Rental rates showed a slight increase in both 2023 and 2024, with prime rent at 25.0 EUR/m2, while rental rates for 'A' category offices hovered around 17.0 EUR/m2. The average rental rate in Budapest was 14.85 EUR/m2, marking a 2% increase on an annual basis.

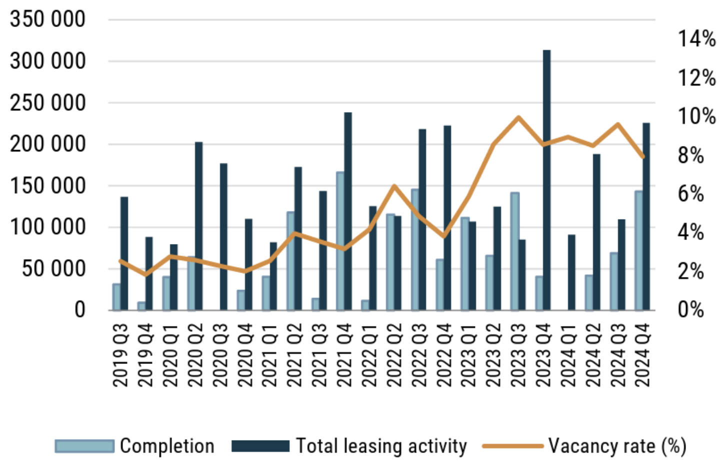
Demand, supply, utilization in the Budapest office market



Source: BRF Office Market 2024Q4

By the end of 2024, the entire nationwide modern **industrial-logistics** stock amounted to 5.55 million m2, with the majority located in Budapest and its surroundings. In the fourth quarter of 2024, the speculative stock in the capital increased by five buildings, totaling 143,295 m2. In regional markets, even more, 8 new buildings were handed over, totaling 132,760 m2. In 2024, the national total demand reached 832,575 m2, which represents a 7.3% decrease compared to the volume of 2023. The net absorption in the capital and its surroundings amounted to 177 thousand m2 in 2024, and 120 thousand m2 in regional markets. The vacancy rate in Budapest at the end of 2024 stood at 7.9%, which is 1.7% lower than the figure registered in the previous quarter and 0.6% lower than the value measured a year earlier. At the end of the quarter, a total of 298,250 m2 of industrial-logistics area was vacant in Budapest and its surroundings. In the regional domestic speculative real estate stock, there was 122 thousand m2 of vacant space, which corresponds to a 6.8% vacancy rate. The national vacancy indicator is currently 7.6%. In terms of rental fees, minimal movement was observed: in the case of 'A' category prime big-box properties, the offer rent is 5.7 EUR/m2, while for city logistics it is 6.9 EUR/m2, the former representing a 2% increase, and the latter a 1% decrease compared to the previous year's value.

Industrial real estate market indicators in the capital agglomeration

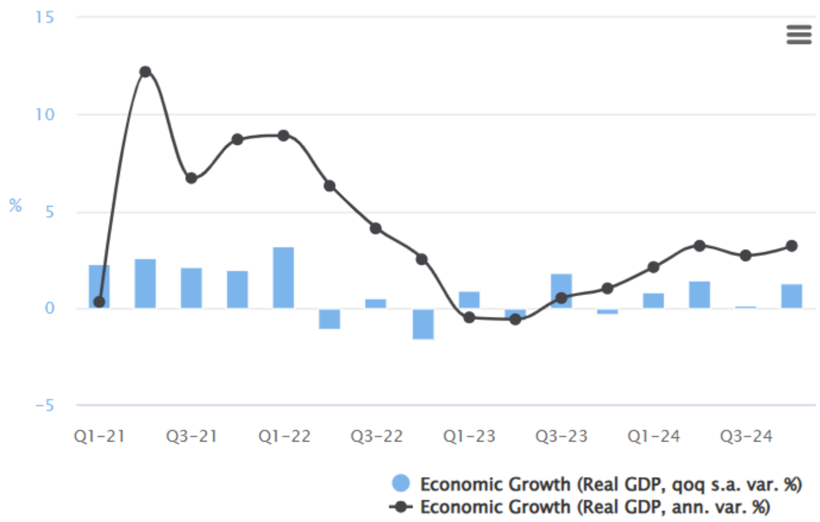


Source: BRF Industrial Real Estate Market 2024Q4

Business environment in Poland

Since acquiring a majority stake in Echo Investment SA, the performance of the WING Group has largely depended on economic processes and the business environment in Poland.

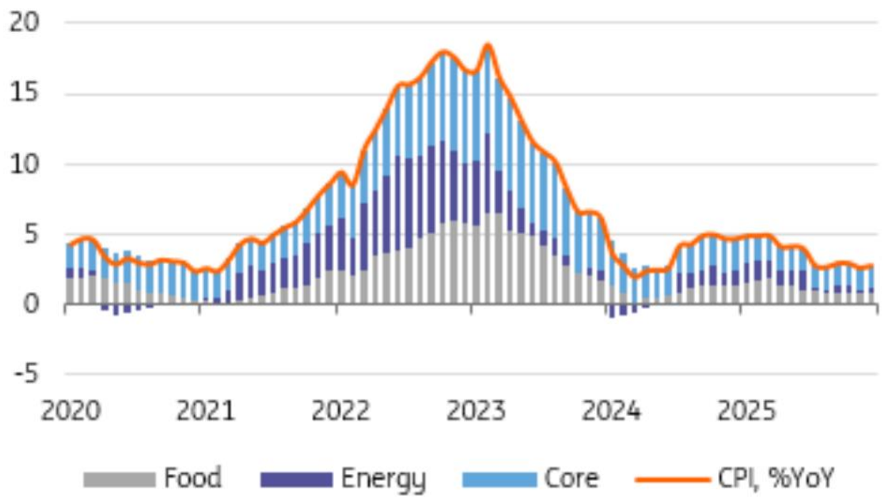
Economic growth trends in Poland



Source: Central Statistical Office of Poland

In 2024, the Polish economy performed exceptionally well, achieving a year-on-year growth of 2.9% following a modest 0.1% GDP growth in 2023. The **economic** Growth was primarily supported by consumption – increased by 3.5% – and investments – grew by 1.3%, however, in the last quarter of the year, state investments decreased to 3% (third quarter: +4.5% year/year). The economy may further accelerate in 2025: the influx of EU funds and increasing demand from the eurozone can positively impact fixed asset investments and export growth, based on which analysts predict a 3.4% growth. Additionally, household expenditures are expected to remain high despite higher inflation and elevated interest rates. Poland may draw on EU budgetary funds in 2025 following the release of frozen resources, leading to a recovery in investments. The picture is nuanced by potential delays in reforms, the trade war between the EU and the USA, and increased geopolitical uncertainty.

Inflation trends in Poland



Source: GUS, ING

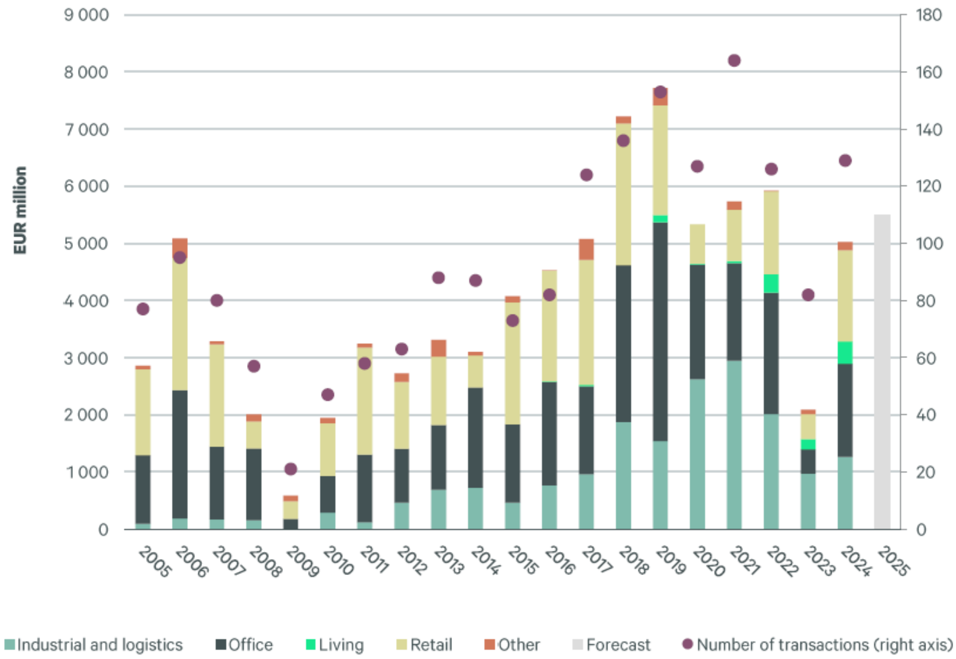
The **inflation** rate peaked at 18.4% in February 2023, then gradually decreased, with the annual average inflation being 11.4%. In 2024, the downward trend continued, and the annual average inflation rate eventually became 3.7% thanks to monetary measures and the stabilization of food and energy prices. The beginning of the year 2025 brought lower inflation than forecasted, and the outlook for the rest of the year also improved. Expectations suggest that in the first half of 2025, the inflation rate may slightly increase due to the removal of price caps, but afterwards, the downward trend could continue. The annual 2% inflation target set by the Polish Central Bank is expected to be met after 2026.

Despite the unfavorable economic environment the **labor market** remained relatively strong, with the unemployment rate at 5.1% at the end of 2023, dropping to a record low of 3% by the end of 2024. Throughout the year, companies retained slightly more workforce than their current needs required, aiming to guard against future market uncertainties, expected increasing demand for labor, and potential difficulties in rehiring employees. The minimum wage increased in two steps during 2023, to 3,490 PLN in January and 3,600 PLN in July, then rose to 4,242 PLN in January 2024 and 4,300 PLN in July. Wage growth among companies was double-digit (10%) by the end of 2024. Despite rising wages, the salaries of highly skilled workers remain relatively low compared to Western European wages. The Polish labor market also faces additional challenges from an aging population and a shortage of skilled workers.

The National Bank of Poland in the first half of the year maintained the **base interest rate** at a 6.75% level, then despite relatively high inflation, it began a milder monetary policy, reducing the base rate by a total of 100 basis points to 5.75% in September and October. In line with market expectations, the interest rate will remain unchanged until the fourth quarter of 2024, thanks to favorable labor market conditions and the stabilization of inflation. If inflation data remains favorable, the Central Bank may decide on another interest rate cut in 2025, but this largely depends on international processes and the Zloty exchange rate. The interest rate cut could boost lending, which positively impacts investments and household consumption. Thanks to significant military spending increases, it will continue to rise, around 5.4%. Alongside the increase in the budget deficit, the level of national debt will also rise, from 49.6% of GDP in 2023 to an expected 53.7% in 2024, and 57.7% in 2025. Throughout the year, fiscal support for the economy continued, the **budget deficit** exceeded 5% of GDP in 2023, which in 2024 due to social measures (price caps on energy, state support for companies operating in energy-intensive sectors, and a 0% VAT rate on food), which were gradually phased out in 2024. The Polish government's aim is to stabilize public debt and reduce the deficit below 3% by 2027 through measures such as raising excise taxes and slowing wage growth in the public sector. Due to high military and social spending, the deficit accounted for 6.6% of GDP in 2024. The level of public debt increased from 49.6% of GDP in 2023 to 55.3% in 2024, and is expected to be around 57.7% in 2025.

The recovery of the Polish economy is expected to be gradual. The decreasing inflation and interest rates, increasing real wages, and easing economic uncertainties are driving the growth of consumption. In light of incoming EU funds and improving growth prospects, an increase in investments – primarily defense – remains likely. However, there is uncertainty in the outlook, with persistent inflation and potential fiscal spending posing upward inflationary risks, which could lead to stricter monetary policy. The escalation of the war in Ukraine may increase economic uncertainty and slow down the growth rate.

Real estate investment volume in Poland by sector



Source: CBRE, 2024.12.31.

In 2023, the total volume of **real estate investment transactions in Poland** was EUR 2.1 billion, representing a 65% decrease compared to the previous year. Since the 2023 volume was the weakest year for the Polish real estate sector since 2010, a significant gap formed in pricing between sellers and buyers, which began to close in 2024, causing an increase in transaction numbers. In 2024, the real estate sector gained new momentum and the transaction volume exceeded EUR 5 million, with the majority coming from the office (33%) and retail sectors (32%), industry accounting for 25%, and housing and hotels making up 10%. The first half of the year was relatively quiet, but the market picked up in the second half: approximately 46% of the annual transaction volume was completed in the last quarter. This was also the strongest quarter in recent years since the Covid pandemic and the second largest quarterly volume ever recorded in the Polish real estate market. The outlook for 2025 is even more positive, and most investors are confident that the Polish real estate market will clearly recover starting from the second half of 2025.

In the year, the premium yields in Poland **showed an upward trend** across all real estate market segments, similar to previous years. According to BNP's assessment, at the end of 2024, the yield was 6.25% for offices, 6.50% for retail properties, 6.25% for industrial-logistics properties, and 5.25% for logistics-e-commerce.

By the end of 2024, the stock of the Polish **office market** amounted to 13.1 million m2, of which 6.3 million m2 is located in Warsaw. Last year, 228,000 m2 of new office space was delivered, of which only 104,000 m2 was in Warsaw. Most of the new deliveries are located in central areas of Warsaw. In regional cities, around 124,000 m2 of new developments occurred in 2024, representing a drop of about 56% compared to the same period of the previous year and marking the lowest volume in the history of the modern Polish office market. The largest expansions were in Wroclaw (38,000 m2), Katowice (26,600 m2), and Krakow (24,000 m2). The volume of concluded lease transactions was 1.45 million m2, similar to the 2023 figure: 48% were renewals, 42% were new contracts, and 5% were expansions. Of this, 740,000 m2 were leased in Warsaw and 714,000 m2 in regional areas throughout 2024. Moderate developer activity was observed at the end of 2024: 530,000 m2 of office space was under construction, which is 22% less than a year prior. 51% of the developments are in Warsaw, the rest are in regional areas (the largest being in Wroclaw, Tricity, and Poznan). The vacancy rate averaged 14.3% across the nine major markets, slightly higher than the 14.1% of the previous year. Warsaw's vacancy rate was 10.6% at the end of 2024, up 0.2% from a year earlier. In regional cities, this was 17.8%, representing an increase of 0.3%.

Rental rates are showing an upward trend: in Warsaw, they range between 13.5-28 EUR/m2/month, while in regional areas they remain stable at 12-19.5 EUR/m2/month.

The modern **retail** stock in Poland amounted to 16.5 million m2 at the end of 2024, which grew by 545,000 m2 during the year, the largest increase since 2015. 90% of the projects are retail parks, which have become one of the most popular forms of development in recent years due to the short construction time, with most tenants coming from some discount store. Development activity is concentrated in the agglomeration (31%) and in towns with less than 100,000 inhabitants (47%). In the pipeline, around 260,000 m2 of new development is visible until the end of 2026. Demand for retail spaces remains strong, with the average vacancy rate similar to the previous year at 3.4% (-0.2%), and only 2.1% (-0.4%) in cities with 170,000 to 400,000 inhabitants. Retail sales increased by 3.5% in H1 2024, while the share of e-commerce fluctuated between 8% and 8.8% during the year, representing a year-on-year decrease of 0.6%.

The Polish **residential real estate sector for sale** after the very weak performance of 2022 – which brought the lowest sales volume of the last 10 years – in 2023 showed a positive picture. In the second quarter of 2024, the market was characterized primarily by waiting: the previous state housing support program ended, and the new government hinted that it would not be followed by another support system, which encouraged developers and potential buyers to postpone their decisions. Besides the uncertain governmental program, low accessibility of loans and high prices also limited demand. In 2024, developers sold fewer than 40,000 apartments, which is 31% less than in 2023. Sales fell by 33% in Warsaw, 42% in Kraków, 19% in Poznań, and 23% in Łódź compared to 2023. Despite unfavorable demand conditions, developers handed over approximately 56,500 apartments during 2024, and by the end of the year, 54,400 apartments were waiting for buyers, representing a 50% increase compared to the previous year. The most unsold apartments were in Warsaw, Wrocław, Kraków, and Poznań. Average apartment prices showed minor fluctuations: the largest price increase was in Łódź (16.4%), in Warsaw, Kraków, and Tricity, prices rose by 8-10%, in Wrocław by 4.5%, and in Poznań by 5%. Many new projects targeted wealthy buyers with significantly larger savings or strong creditworthiness.

At the end of 2024 the Polish **rental residential property sector** (PRS) consisted of 20,000 apartments with an additional 10,000 under development. Forecasts suggest the sector could expand by about 12,000 apartments over the next two years. The outbreak of the Russian-Ukrainian war had a strong impact on the market, resulting in the number of refugees living in the country rising to more than 1.5 million, most of whom are forced to stay in Poland for a longer period. Currently, nearly half of the rental apartments are in Warsaw, with the rest located in the five largest cities, in areas with good public transport, usually near universities or office districts. The market is also expected to expand towards smaller towns and less central areas. The highest development activity is found in Warsaw and Gdansk, where 2,500 apartments are under development, with an additional 2,000 in Poznan, 1,200 in Wroclaw and Krakow, and nearly 400 in other cities. Rental fees remained stable in 2024: the slight increase did not exceed the inflation rate. In Poland's largest cities, renting remains more profitable than purchasing a home combined with a mortgage. Despite dynamic growth, the rental housing market faces several challenges: the lack of comprehensive legal and tax regulations increases uncertainty among developers, who also have to contend with a changing market environment. The slowdown in the purchase housing market has not increased the volume of the rental housing market. Nevertheless, analysts forecast growth in the sector due to increasing social mobility, stable demographic forecasts, and the high costs of home purchases. The future decrease in interest rates could also enhance the sector's performance.

In the **industrial and logistics** sector, the Echo group is not active.

German business environment

Since acquiring a majority stake in Bauwert AG, the performance of the WING Group has been exposed to the economic processes and business environment in Germany, primarily in Berlin.

Inflation **in Germany,** similar to other regional countries, reached several decades high in the past 2 years. Inflation slowed from a peak of 11.6% in October 2022 to 2.8% by December 2024, mainly due to falling energy prices, which decreased by 5.1% year over year. The slowing inflation is partly due to the slowdown of the German economy. Considering the whole of 2024, the annual average price increase was 2.2%, which analysts expect to continue to decrease in the future, but the inflation may remain at a higher level compared to the period before the inflation shock.

Considering that Germany is a member of the eurozone, the country's key **interest rate is influential** its level also depends on the monetary policy determined by the European Central Bank. Since the German economy is the most significant in the European Union and thus in the eurozone, the monetary policy of the common currency largely depends on the German macroeconomic situation. In 2022, as a result of the accelerated inflation shock—in parallel with other central banks—the ECB significantly increased its base interest rate, which rose from the previous 0% to 4.5% from July 2022 to September 2023. From the peak of 10.6% in October 2022, inflation fell to 2.6% by February 2024, then dropped back to 1.8% by September, showing a value of 2.8% at the end of the year. This opens up room for interest rate cuts for the ECB, which forecasts a reduction in financing costs in the German economy. Thanks to favorable inflation values and the consequences of recessionary prospects, the ECB made three interest rate cuts in 2024, reducing the benchmark rate from 4.5% to 3.25%. According to the latest forecasts, a further 1.5% rate cut may occur in 2025, which could further increase the weakening of the EUR against the USD. In 2024, the average exchange rate was around ~1.08, although since the American presidential election, the rate has been around 1.03-1.05.

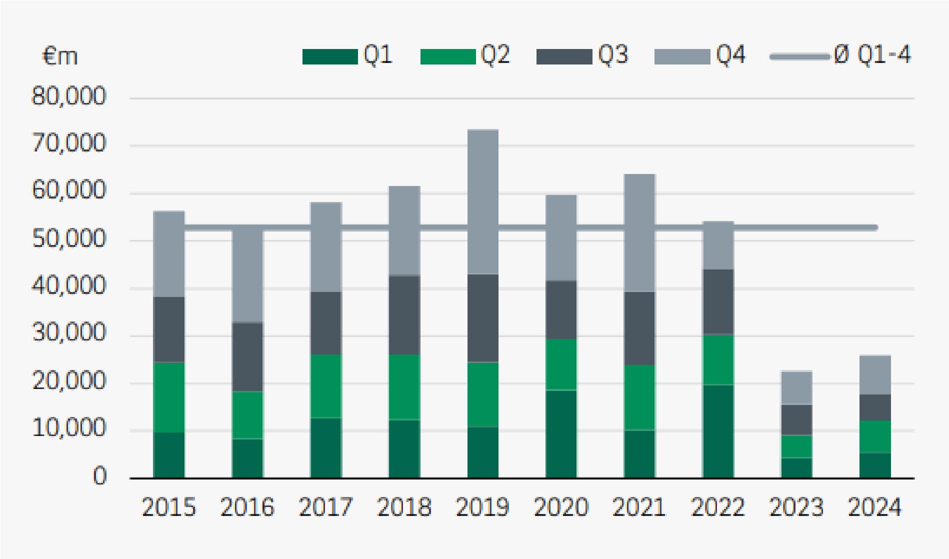
The external environmental shock to the German economy – particularly the industry, through the rise in energy prices –, a decline in investment volume, through the increased financing costs, and a drop in purchasing power due to high inflation restrained German household consumption. These three factors placing pressure on German **economic growth**, and its future prospects. In 2023, the German GDP shrank by 0.3% overall. According to the latest Reuters analysis, it decreased by another 0.2% in 2024. The outlook for the German economy remains uncertain, yet forecasts suggest a gradual recovery with growth expectations of 0.7% by 2025 and 1.3% by 2026.

The **investments** according to the latest forecasts, they will remain at a low level – compared to pre-pandemic conditions – for the rest of the year. An upturn driven by the commercial sector is also not expected, as the export recovery in 2024 fell short (-0.8%). Stricter fiscal policy conditions are also expected to have a dampening effect on short-term growth prospects. On the positive side, market financing conditions have moderately eased, and further easing is expected through banking lending channels. The expected growth in real wages – due to decreasing inflation and the tight labor market situation – will support the growth of domestic consumption.

Economic challenges faced by the German economy are also felt in the labor market, resulting in a moderate increase in the **unemployment** in the past one to one and a half years. According to Eurostat data, the German unemployment rate increased from 2.9% in May 2023 to 3.2% by December 2023, and reached 3.4% in December 2024. Despite this, the demand for labor remains high in long-term comparison. By comparison, following the pandemic in 2020, the unemployment rate in the German economy was 3.9%.

According to BNP Paribas analysis, in 2024, **real estate investment transactions** the total volume reached EUR 25.9 billion, representing a 15% increase compared to the same period of the previous year. The growth is also attributed to the base effect, as the year 2023 produced the lowest value (EUR 29 billion) in the last ten years in real estate investments in Germany. The logistics segment accounted for 27% of the transaction volume, the retail sector was second this year in terms of volume with 25%, while the office market achieved a 20% share, a significant decrease compared to previous years, as its average share was 33% over the past five years. Regarding the geographical distribution of investments, Berlin stands out with a transaction volume of EUR 3.55 billion, marking a 41% increase. Munich ranks second with a volume of EUR 2.68 billion, while Hamburg is third with a turnover of EUR 2.28 billion.

Real estate investment volume trends in Germany



Source: BNP Germany Report, Investment Market Q4 2024

In the past year, German **premium yields** have continued to rise slightly. According to BNP's assessment, in 2024 Q4, the average yield of premium offices in the seven largest cities was around 4.36% (+41 bps), industrial-logistics properties at 4.25% (+15 bps), while the retail segment yield was approximately 3.76% (+31 bps). The Berlin office yield was 4.25%, which is 50 basis points higher than the 2023 Q2 value.

According to CBRE's market report, in the Berlin **office market**, the take-up was 611,900 m2 in 2024, a value that approaches the same period in 2023 (-1%). In the first half of 2024, 307,800 m2 of new office space was delivered, which is 6% higher than last year's figure. The new deliveries have a relatively low proportion of pre-lease agreements, thus vacancy rates in modern office buildings have significantly increased. By the end of 2024, the vacancy rate grew to 6.5%, representing a 0.6% year-on-year increase. The total vacant area amounts to 1.47 million m2, of which 89 thousand m2 is linked to modern offices, marking a 79% increase in one year. The monthly rent for prime offices was 45.0 EUR/m2, which indicates an annual increase of ~1.2%.

According to the analysis of JLL **housing market**, the demand in the German housing market continues to be driven by dynamic demographic processes, as well as the movement between sales and rental housing market segments. In 2024, the country's population further increased, exceeding 84.5 million people, mainly due to a net migration of 1 million people. Additional pressure on the housing market comes from the decades-long continuous decline in the average household size and the increase in the number of single-person households. Within the country, Berlin's housing market is also influenced by the fact that the capital's population growth rate over the past seven years has been 2.5 times the national average. The German new housing construction sector is undergoing a prolonged crisis. The construction industry faces ongoing challenges, primarily due to rising construction costs, stricter financing conditions, and delays in building permits. The number of building permits issued has decreased by 27%, further exacerbating the supply-demand balance. This dynamic is evident not only in major cities but also in smaller towns, where development activities are relatively less hindered by regulatory constraints. Investors and developers are increasingly turning to secondary markets for more favorable conditions. Demand for privately owned housing has also decreased due to high financing costs. The rental housing market shows growth nationwide in 2024 due to demographic changes and economic factors. Increasing immigration, the rise in the number of single-person households, and limited housing supply have contributed to rent increases. New contract rents have risen by 8% for new constructions and 7% for existing properties, with demand exceeding supply in almost every region. Rental prices remain highest in Munich, with an average of €23.33/m²/month, followed by Berlin (€19.23/m²/month) and Frankfurt (€18.33/m²/month). After two-year price correction, residential property prices stabilized in 2024: Munich remains the most expensive for used apartments with an average of 7,952 €/m², followed by Frankfurt (5,724 €/m²) and Hamburg (5,544 €/m²). For new apartments, the average asking price in Munich is 11,253 €/m², followed by Hamburg (8,404 €/m²), Stuttgart (8,528 €/m²), and Frankfurt (8,088 €/m²).

In the **industrial-logistics**, and the **retail** segments, the Bauwert group is not active.

OBJECTIVES AND STRATEGY

The goal of the WING Group is to provide its owners with the highest possible return on capital through the optimal use of available external and internal financing sources, primarily through the professional implementation of commercial real estate developments and investments, as well as residential real estate developments. The focus of WING Group's commercial real estate development and investment activities in Hungary is office and industrial/logistics real estate. The Group is present in both submarkets of the latter segment, especially dominating the so-called the North-Pest submarket of industrial/logistics properties of the "big-box" type, with high ceiling height and floor space. In addition to all this, the Group also has retail (shopping center) and hotel development and operation experience. Thanks to the residential development business launched at the end of 2017, seven projects were completed by 2025. Currently, three projects are under development and three more are in preparation, with their completion expected in the coming years.

Alongside its real estate development and investment activities above, but closely connected to them, the WING Group has acquired several interests in real estate services (planning, construction, operation, sales) throughout its history, currently possessing subsidiaries in the areas of planning, operation, and general contracting.

Besides increasing WING Group’s liquidity and profitability by their dividend payments, the Group’s prevailing interests also contribute to the success of WING Group indirectly in many other forms.

- The objective of the intragroup cooperation is primarily the support, completion, and connection of the business development of individual entities by joint offers.
- Intragroup cooperation makes it possible for the Company to obtain direct information about as many of the business opportunities generated during the value creation cycle as possible, which strengthens well-informed and reasonable decision-making.
- The Company exercises strategic, business management and professional control over the Group members, which supports their business success. At the same time, the Company also applies and mediates the best practices of the Group members.

The WING Group is actively engaged in foreign real estate investment and financing entities. Due to its market strength, embeddedness, image, success, and the vast number of available business opportunities, it operates not only in the domestic market but also continuously monitors real estate investment opportunities in neighboring countries to broaden its portfolio with business proposals of outstanding potential.

Following its defined strategic goal, the Company acquired a majority stake in 2019, with the WING Group as a strategic investor in Echo Investment SA, listed on the Warsaw Stock Exchange, thus emerging as a significant regional real estate enterprise. This acquisition was the first major milestone in international expansion, and based on its experiences, we plan and prepare further acquisitions.

By acquiring a majority stake in Archicom S.A., a company based and operating in Wroclaw, primarily focused on residential development, in 2021, ECHO has risen among the largest players in the Polish residential sector. Throughout 2024, nearly 2,200 apartments were sold, of which 1,076 apartments were handed over to buyers. At the end of the year, nearly 3,600 apartments were under development, and a plot with nearly 140,000 m2 of saleable residential area was purchased, with an additional 150,000 m2 secured for future development. Besides this, ECHO Investment is a successful participant in the Polish commercial real estate market, especially in the office market and residential leasing market. This is evidenced by the fact that by the end of 2024, it had a total of 5,798 rental apartments, and more than 4,000 rental apartments are in the process of construction or planning. By the end of 2024, a total of 1,691 rental apartments were handed over, and at the beginning of 2025, the plan is to hand over an additional 1,100 apartments, thus reaching an operating portfolio of 6,900 apartments. The company's aim is to reach a stock of 11,000 rental apartments by early 2027, maintaining its market-leading position, of which 9,800 apartments are already secured by contracts.

At the end of 2022, Wingholding Zrt. reached another significant milestone when, in order to achieve its strategic goal, Wingwert-GCP GmbH, which is indirectly owned by the Company, signed a sale and purchase agreement for the purchase of the 54% ownership share of the German Bauwert AG. Bauwert AG is one of the most recognized real estate development companies dealing with residential and commercial real estate in Germany, including Berlin, which has delivered more than 330 real estate development projects since its foundation in 1983, with a total construction area exceeding 2 million square meters. More than 70% of its residential and commercial buildings are located in Berlin, with the company's total development volume exceeding 5 billion euros. Bauwert's current projects underway are valued at over 3.5 billion euros, situated in Berlin and the metropolitan area of the German capital, in prime urban locations and dynamically developing suburban areas. There are three major projects under construction, totaling 60,979 m2 of marketable residential and commercial space in Berlin, and preparations are underway for an additional 357,606 m2 of marketable space across seven more projects.

The Company achieves its business goals based on its own resources and by mobilizing them. It typically carries out its real estate development and investment activities in 100% owned project companies. At the same time, due to different, unique aspects, the WING Group has entered into partnerships with other, typically foreign real estate partners in various legal structures. In the case of previous and existing partnerships, the Company firmly represents its own business interests and tries to make maximum use of the opportunities provided by the synergies inherent in the partnership.

The Company is determined to maintain a high professional and high ethical level internally and in the direction of its external representation. To this end, it entrusts management tasks to the best and most knowledgeable actors of the domestic real estate market, who use their previously acquired knowledge and experience, partly elsewhere, for the benefit of the WING Group. An important part of their work is the professional training, management, and control of the work of talented employees who join the WING Group in junior positions, as well as their communication with business partners. A crucial element of the WING Group's strategy is to keep workforce turnover low, establishing long-term cooperation with successful and exemplary colleagues, an important element of which is the ideological and competitive financial reward of the colleagues.

All management tasks of the Company are performed by WING Zrt., which is also the employer of the employees. The employees managing the Company's interests are employed by WING Zrt.

RISKS AND RISK MANAGEMENT

Due to the length of real estate investment transactions and the high cost of due diligence, real estate as an asset category is considered one of the least liquid assets. Liquidity risks generally move in the same direction as macroeconomic risks. Changes in the regulatory environment also have a significant impact on this type of risk.

The business environment's risk factors, due to geographical proximity and their global presence, are generally applicable to Hungary, Poland, and Germany alike. The industry-specific risk factors describe the real estate development sector of each country regardless of geographical location. The activities and performance of the WING Group are exposed to the developments in Hungary and the global macroeconomic environment. Potential slowdown in economic growth, rising unemployment, Hungarian country risk, increasing inflation, changes in the yield curve of government securities, and the state budget deficit fundamentally impact the business environment.

Contrary to the business strategy of the parent company in Hungary (WING Zrt.), the subsidiaries of the Company in Poland and Germany (ECHO Investment SA and Bauwert AG) are only partially involved in real estate investment portfolio management. Therefore, tenant risks and their management are less emphasized in their operations. However, they are much more exposed to market yield changes (primarily office) as office developments are typically sold within a few months after completion.

Construction risk

The global economic events of recent years have tended to increase construction risks. The Russian-Ukrainian war that erupted in early 2022, as well as the war between Israel and Hamas from October 2023, have raised construction risks. The latter conflict, with its impact on Red Sea shipping, could further exacerbate disruptions in supply chains and increase already high raw material prices, adversely affecting profitability. The inflation experienced in recent years, rising energy prices, and increasing construction and financing costs have led to a reduction and slowdown in construction activities, lengthening construction periods. The unpredictable course of wars and uncertain economic outlooks continue to pose risks to planning. In Germany, the unit cost of housing construction is the highest in Europe, and the construction sector is experiencing a prolonged crisis, exacerbated not only by costs but also by a shortage of skilled labor and uncertainties in housing policy. In the case of housing developments, rising loan interest rates reduce purchasing capacity for buyers partially relying on credit, which could narrow the demand for residential properties. During this period, inflation indicators in almost every country, including domestically, have broken several decades' records. From a real estate developer's perspective, rising energy prices can significantly impact the real estate market, along with central bank interest rate hikes aimed at curbing high inflation. In this inflationary environment, significant increases in operational costs have been observed. In 2023, the average annual inflation was 17.6%, which significantly decreased by 2024. The average price increase for the entire year of 2024 was 3.7%, expected to be between 3.3-4.1% in 2025, and between 2.5 – 3.5% in 2026.

The construction regulations, regulatory plans, and tasks to be performed for obtaining permits concerning the properties to be developed by the WING Group may impose additional costs, prolong the development period, or require additional investment requirements for the WING Group if any unfavorable changes occur.

The current taxation, contribution, and duty payment rules applicable to the WING Group may change in the future, thus it is particularly not excluded that the rate of taxes imposed on real estate developers and investors, as well as those related to property ownership, may increase, and new taxes may be levied, thereby increasing the tax burden on real estate businesses. Relevant tax rules may often and significantly change, even with retroactive effect, which can also affect the revenue and profitability of the WING Group.

Risk of residential segment

The real estate development activities of the WING Group have performed exceptionally well so far. The Russian-Ukrainian war, along with the subsequent slowdown in economic upturn and high inflation, as well as the tightening of monetary policy, caused a slowdown in sales in 2024. For buyers partially using loans, the rising interest rates on forint loans reduced purchasing capacity. However, it is important to note that less than half of the Company's home buyers use external financing, and in such cases, the average amount does not reach 50% of the home price. Furthermore, the increased central bank base interest rate in Hungary led to a significant rise in financing costs in 2024, which also impacts the expected returns. Nevertheless, these increased financing costs are mitigated by the revenues from the pre-sales proceeds tied up in forints. During 2024, due to decreasing inflation, the central bank reduced the base rate from 10.75% at the beginning of the year to 6.5% by the end of September 2024, resulting in reduced financing costs in the WING Group's residential division. In the third quarter of 2024, the housing market turnover increased by 16% nationwide and by 31% in Budapest on an annual comparison.

Risks related to changes in exchange rates

The WING Group's loans for its commercial real estate portfolio in Hungary were taken in foreign currency, denominated in euros, and furthermore, the majority of its rental income and a significant portion of its operating income are generated in euros. On the expenditure side of operating the real estate portfolio, there are numerous items payable in forints (including, among others, operating costs and utility costs). A portion of the investment and construction costs arising from real estate development (e.g. material costs) depends on changes in the EUR/HUF exchange rate. In the case of ECHO Invest, approximately 30% of the 2024 debt was foreign, denominated in euros. For them, it is also true that revenue (exit value, rental fees) is fundamentally realized in euros or on a euro basis, which provides a natural hedge for exchange rate risk on the debt side.

Lease/Lease extension risk

A significant portion of the WING Group's revenue comes from leasing in Hungary, that is, from a large number of tenants with varying values. Within the entire leased Hungarian real estate portfolio, the largest tenant's share is nearly 9.15%, and the combined proportion of the five largest tenants is about 20.7%. Considering the largest tenants, acquiring or losing even a few customer contracts can have a significant impact on the WING Group's future revenue and profitability. The WING Group has lease agreements with more than 320 tenants in Hungary. Due to the large number of customers, the WING Group is exposed to the risk of non-payment by clients. In

Poland and Germany, the WING Group only holds properties temporarily until the development period ends, thus there is no room for the above tenant risk analysis there.

The WING Group primarily holds fixed-term contracts with its key customers, suppliers, and financiers. It cannot be guaranteed that the parties will be able to agree on an extension of these contracts after they expire. In the case of fixed-term contracts, it also cannot be excluded that they may terminate unexpectedly in extraordinary circumstances before the fixed term expires.

The rise in energy prices may push market participants towards home office work to reduce business costs. Thus, it is expected that in the future, tenants will appear with smaller spatial requirements when renewing contracts. In 2023, energy prices have significantly corrected but remain higher compared to the period before 2022, hence the increased tenant burdens are reflected not only in rental fees but also in operating costs. Within the WING Group's real estate portfolio in Hungary, the expiration of rental contracts will affect 8-13% of contracts annually over the next five years. In addition to renting out empty spaces, the property management and sales departments are responsible for monitoring leases and extending expiring contracts. According to our experience, about 85% of tenants extend their leases, so 1-2% of contracts annually represent a risk of re-letting.

The WING Group does not have a real estate portfolio held as a long-term investment in Poland and Germany, in which leasing tasks would regularly appear.

Inflation risk

At the beginning of 2024, the decline in domestic inflation continued, with the consumer price index settling at 3.7% in November, but price increases accelerated by December, with annual inflation reaching 4.6% according to KSH data. The depreciation of the exchange rate in recent months and changes affecting the excise tax system are slowing the disinflation process in 2025. The consumer price index may return sustainably to the central bank's inflation target by early 2026. The average price increase for the entire year of 2024 was 3.7%, expected to be between 3.3-4.1% in 2025, and between 2.5 – 3.5% in 2026. Businesses and economic actors are fully exposed to changes in market prices. The proportion of office rental and operating costs within tenants' costs is around 5-6% based on market experience, so increases in operating costs relatively modestly increase the burden on tenants.

Inflation in Poland, similar to other countries in the region, reached a multi-decade high of 18.4% in February 2023, influenced by both global and domestic factors. Subsequently, within barely a year, by March 2024, inflation in Poland decreased to 1.9%, but by December it rose to 4.7% and in the short term may hover around 4.5-5% due primarily to food price increases – the reinstatement of the general VAT rate on food – and rising energy prices – due to the removal of the regulatory price cap. Forecasts suggest that in 2025, inflation in Poland may still exceed the central bank's inflation target, with an average rate projected at 5.4%, though the outlook for the second half of the year is already positive.

Operational risks

The economic performance of the WING Group depends on the proper functioning of individual buildings, which, apart from the risks characteristic of the Issuer's market and industry, can be influenced by numerous factors, including the following:

1. general and unexpected maintenance or renovation costs;
2. downtime or shutdown due to equipment failure;
3. disaster cases (fire, flood, earthquake, storm, and other natural events);
4. changes in operational parameters;
5. changes in operational costs;
6. dependence on external operators.

The companies owning real estate within the WING Group possess 'all risk' property insurance policies covering natural disasters, providing coverage for damages traceable to such causes, and also have liability insurance policies that offer coverage for damages caused to third parties. However, it is not excluded that the damage event may partially or wholly fall outside the scope of risks assumed by the insurer, in which case the insured, as the victim or the perpetrator, will be obliged to bear the damages if they cannot be transferred to other third parties or the perpetrator.

From a risk perspective, in the short term, the change in energy prices and economic uncertainties still determine the tenants' scope for expansion and investments, which projects a stagnation in the demand for office spaces. Consequently, we do not expect significant growth in rental rates in the short term. However, the demand for modern and energy-efficient properties – offices and apartments – could increase sustainably due to environmental regulations – ESG – and because market players increasingly want to shield themselves from significant exposure to energy price fluctuations.

WING Zrt. has always prioritized the development of energy-efficient properties. The Liberty office building, completed in 2023 (Phase I), was designed to meet the expectations of the BREEM Excellent rating, while the B2 hall of the East Gate Pro Business Park received a BREEAM Very Good rating. Furthermore, all residential properties under preparation and development are being constructed to meet the AA+ energy classification.

Financing risk

During 2024, due to decreasing inflation, the initial 10.75% base rate was reduced by the MNB to 6.5% by the end of September 2024, resulting in lower financing costs in the residential business segment of the WING group. In other projects of the WING group (Office, Logistics, Hotel, Retail), foreign key central banks (FED, ECB) determine the development of financing costs through their monetary policies. This year, thanks to favorable inflation data, both central banks have begun or continued their interest rate reduction policies. The FED reduced its benchmark rate from 5.5% at the beginning of the year to 4.75%, while the ECB reduced its rate from 4.5% to 3.25%. The decrease in base rates forecasts a favorable development in financing costs, which could have a positive impact on the operations of the WING Group. Further interest rate reductions may follow in the future if inflation continues to develop favorably. Market experts (according to Deutsche Bank's 2025 market forecast) primarily predict a further 1.5% interest rate cut by the ECB by the end of 2025.

To curb inflation, the Polish central bank gradually raised the base rate to 6.75% from October 2021, which peaked in September 2022. In September and October 2023, the Polish central bank reduced the base rate to 5.75% in two steps, and it did not change it in January 2025, and according to the latest forecasts, it will not be altered in the foreseeable future due to the rising inflation. Considering that the Polish base rate did not increase as drastically as it did in Hungary and is currently at a lower level, the WING Group has become far less exposed to interest costs on projects financed in local currency in the Polish market. Among the goals of the Polish central bank is to curb inflation as soon as possible and prevent it from stabilizing at the current high level.

Risks related to the WING Group's operational activities and markets

The internal conditions (capital, workforce) for the operation of the WING Group are ensured; its external environment shows changes, primarily due to the economic situation arising from the Russian-Ukrainian war. Its external environment is stable and positive. The banking financing necessary for acquisitions under preparation, alongside the expansion of development and investment activities, is available from both existing and new partners. The regulatory environment operates predictably. The sales markets of the WING Group, both in terms of tenants and investors, are strong and expanding. Therefore, the leasing or potential sale of existing and developing real estate projects is expected to proceed according to plans. Three main risk factors can be identified in the Group's operations. First, the increase in construction prices (not expected in the short term), second, the rise in energy prices (no significant increase expected in the short and medium term), and third, the increase in financing costs due to central bank tightening (further easing measures in monetary policy are expected in the short term). In the case of ongoing and preparatory projects of the WING Group, increased attention must be paid to the proper management of these risks.

FINANCIAL ANALYSIS

Commentary to the statement of comprehensive income

The amount of sales revenue is HUF 25,691 million higher than the amount shown in the previous year. During the year 2024, the Group realized revenue from the sale of residential properties amounting to HUF 137,681 million (2023: HUF 125,146 million), rental fees from investment properties totaling HUF 37,103 million (2023: HUF 31,198 million), investment contracts totaling HUF 5,855 million (2023: HUF 1,426 million), hotel services totaling HUF 6,598 million (2023: HUF 3,507 million), and property management activities totaling HUF 4,803 million (2023: HUF 8,727 million).

The WING Group's profit from investments for the 2024 financial year totals HUF 25,148 million. The result from investments includes the revaluation of properties to fair value for the current year (HUF 20,717 million profit), the result of sales of investment properties (HUF 4,486 million profit), and the sum of other, non-significant items (HUF 55 million loss). The profit (+) / loss (-) from investments is 242%, HUF 42,906 million higher compared to the revenue accounted for in the previous year. The reason for the increase is primarily due to the impact of exchange rate changes, resulting in a significant increase in the fair value of investment properties in 2024.

The material costs and mediated services include direct costs, which increased to HUF 107 billion compared to the previous year (2023: HUF 97 billion). A significant portion of the material costs and mediated services is related to the residential properties sold and property management services.

The WING Group's net financing expenses increased by HUF 7,118 million due to a combination of factors. During the period, the amount from loans and bond issuance amounted to HUF 211,440 million, while the repayment of loans and bond liabilities totaled HUF 152,487 million.

The Group evaluates its foreign currency assets and liabilities—of which the most significant items are loans denominated in euros and the assets and liabilities of Polish subsidiaries recorded in Polish zloty—at the exchange rates of forint/euro and forint/zloty published by the National Bank of Hungary on the reporting date. As a revaluation difference of foreign exchange items, the WING Group reports a loss of HUF 8,676 million in its overall comprehensive result. The HUF/EUR exchange rate was 410.09 HUF/EUR on 31 December 2024, and 382.78 HUF/euro on 31 December 2023, while the HUF/PLN exchange rate was 95.97 HUF/zloty on 31 December 2024, and 88.04 HUF/zloty on 31 December 2023

Commentary to the statement of financial position

The value of tangible assets and investment properties increased by a total of HUF 85,509 million compared to the previous year, a growth resulting from multiple factors combined. Due to the developments and investments of the current year, as well as the revaluation of properties to fair value, the value of investment properties increased by HUF 70,450 million. Additionally, the tangible assets activated during the year further increased the value of tangible assets by HUF 9,061 million.

As a result of property sales and company disposals, the Group removed investment properties worth HUF 6,663 million from its books.

The Group's current assets increased by HUF 73,966 million, 12.1%, compared to the previous year. A significant portion of the current assets consists of properties in inventory (76.12%) and cash assets (10.65%). The Group's cash assets decreased by HUF 20.7 billion compared to the previous year.

The equity increased by a total of HUF 22,725 million due to the comprehensive income (HUF 28,598 million), dividends paid to the Group's owners (HUF -7,034 million), and owner transactions (HUF 1,161 million).

The total amount of debt from loans and bond issuance increased by HUF 121,613 million compared to 31 December 2023 Of the total amount, as of 31 December 2024, Lisala Sp. z o.o. and its subsidiaries show a debt of HUF 340,113 million, while the Wingwert-GCP GmbH and its subsidiaries show a debt of HUF 197,099 million. The proportion of short-term loans remains low at 26% and 29% on 31 December 2024, and 31 December 2023, respectively.

As of 31 December 2024, the WING Group reports in its balance sheet other financial liabilities amounting to HUF 36,015 million (as of 31 December 2023: HUF 45,028 million), which include contingent and deferred purchase prices, as well as investment units not qualifying as equity. The assets held for sale and related liabilities include real estate and their related liabilities, that are scheduled to be sold within 12 months.

OTHER DISCLOSURES

Environmental protection

The Group considers the aspects of environmental protection and environmental awareness to be extremely important, and at the same time strives to always comply with the ever-stricter Hungarian regulations and legislation, and to exceed expectations in the field of environmental awareness. This success is evidenced by the fact that in recent years there have been no instances of significant fines or non-monetary sanctions arising from environmental non-compliance in the Company's activities, nor of complaints received through other dispute resolution mechanisms.

From an environmental perspective, it is now a crucial criterion that buildings meet the highest energy expectations, are surrounded by green spaces, and have electric car chargers, bicycle storage, and selective waste collection infrastructure available. The Group places more emphasis on electromobility than what regulations require or what is customary in industry practice. In our office and residential properties, we install a significantly higher number of electric car charging stations than what is mandated by law or necessary for building certification. The extent of this, like the regulations, varies by project type.

Reducing the environmental impact of construction work, managing the waste generated, controlling erosion and sedimentation, and preventing pollution are of paramount importance to the Group. In terms of the use of materials, priority is given to purchasing materials from relatively short distances (up to 200 km). The removal of contaminants before the systems are put into operation also serves to increase operational safety and prevent failures and possible environmental damage that may occur during operation. In the use of materials, the Group aims to avoid the use of chemical products that are harmful to humans and the environment or whose effects are unknown. When renovating existing buildings, the Group removes materials containing asbestos, lead and PCBs. For new buildings, the Group avoids the use of hazardous materials (e.g., mercury, lead). The Group complies with the regulations regarding the recyclability of construction materials.

Policies on employment and diversity

The diverse experience, knowledge, and work methods of employees are the foundation of the Group's success. The Group's human resources policy focuses on the candidates' competencies and talents. Our philosophy is that diversity enhances creativity, openness to change, and aids more effective decision-making. This workplace diversity greatly facilitates the synthesis and understanding of various needs from clients and partners, and these are the qualities essential for proper functioning and further growth. The Group aims to ensure equal rights and opportunities for its employees.

Corporate Governance

WINGHOLDING Zrt.'s executive body is the Board of Directors, consisting of five private individuals. The Board of Directors shall be responsible for the administration of the Company and for those tasks which do not fall within the exclusive competence of the General Meeting.

The Board of Directors meets as necessary, but at least four times a year.

Members of the Board of Directors on 31 December 2024:

- Noah M. Steinberg – President of the Board
- Tibor Veres – Board Member
- Tivadar Fütty PhD – Board Member
- Ferenc Karvalits – Board Member
- Bence Buday – Board Member

In addition to the Board of Directors, there is a five-member Supervisory Board operating at the Company. The Supervisory Board monitors the management of the Company and is accountable to the General Meeting. The Supervisory Board performs classical control function, with its competence extending to strategic and operational decisions.

Members of the Supervisory Board on 31 December 2024:

- János Gerő
- György Ecseri
- Melinda Kuncsik-Tóth, PhD
- Ferenc Pónus
- Domonkos Kovács

The Group publishes the Responsible Corporate Governance Report and Statement on its website (www.wing.hu).

Research and Development

The Group does not engage in research and development activities.

Branches and establishments

WINGHOLDING Zrt. does not have any branches nor establishments.

NOTICES

Notices published between 1 January 2024 – 31 December 2024:

Date	Type of Notice	Short description
7 February 2024	Announcement	Bond Program
7 February 2024	Announcement	Bond program basic information
5 March 2024	Announcement	Investor’s Presentation
7 March 2024	Extraordinary Notice	Signing of loan agreement
25 March 2024	Announcement	Final Conditions of Bonds
28 March 2024	Extraordinary Notice	Bond registration
16 April 2024	Announcement	Final Conditions of Bonds
19 April 2024	Extraordinary Notice	Signing of loan agreement
19 April 2024	Extraordinary Notice	Bond registration
24 May 2024	Extraordinary Notice	Signing of financing agreement
6 July 2024	Extraordinary Notice	Annual credit rating review
11 September 2024	Extraordinary Notice	Informative on purchase offer
30 September 2024	Extraordinary Notice	Signing of loan agreement
1 October 2024	Extraordinary Notice	Approval of Purchase Offer
4 November 2024	Extraordinary Notice	Closing of Purchase Offer Procedure
25 November 2024	Extraordinary Notice	Property sale
29 November 2024	Extraordinary Notice	Decision on planned capital increase
10 December 2024	Extraordinary Notice	Transaction closing
16 December 2024	Extraordinary Notice	Signing of sales contract

Information Released After 31 December 2024:

Date	Type of Notice	Short description
17 January 2025	Announcement	Bond Program
16 January 2025	Announcement	Bond Program basic information supplement
18 February 2025	Extraordinary Notice	Property acquisition
5 March 2025	Extraordinary Notice	Launching bond program
19 March 2025	Extraordinary Notice	Decision on capital increase
3 April 2025	Announcement	Bond Program basic information
3 April 2025	Announcement	Bond Program
7 April 2025	Announcement	Investor’s Presentation

EVENTS IN 2024

BOND PROGRAM

As the issuer, the Company launched a bond program with a frame amount of EUR 100,000,000 "WINGHOLDING 2024-2025. under the name "Bond Program". The primary goal of the Bond Program is the partial financing of the investment and development projects of the coming period, supplementing the owner and bank financing, as well as optimizing the Issuer's capital structure in accordance with this.

BOND PROGRAM BASIC INFORMATION

As the issuer, the Company launched a bond program with a frame amount of EUR 100,000,000 "WINGHOLDING 2024-2025. Bond Program", as part of which it published its Basic Prospectus.

Investor Presentation

The Company published an Investor Presentation regarding its operations.

Signing of loan agreement

REALWINGEST Ingatlanfejlesztő Kft., which is indirectly owned by the Company, signed a credit line agreement with Unicredit Bank Hungary Zrt. in the amount of EUR 7,000,000. The purpose of the credit line is to finance the next phase of EAST GATE PRO logistics development.

Final conditions of bonds

The Company, as issuer, launched a bond program with a total amount of 100,000,000 EUR under the name "WINGHOLDING 2024-2025 Bond Program" in February 2024, within the framework of which it launched a partial issue of 35,000,000 euros +30% under the designation WINGHOLDING 2027/I series.

2027 I bond auction results

The result of the subscription for the Wingholding 2027/I bond series was successfully determined on 28 March 2024. The Company accepted all subscription offers, so a total of 37,030 WINGHOLDING 2027/I bonds with a total nominal value of EUR 37,030,000 will be issued. The interest rate is fixed at 8.9%.

Final conditions of bonds

As the issuer, the Company launched a bond program with a frame amount of EUR 100,000,000 "WINGHOLDING 2024-2025. Bond Program" in February 2024, within the framework of which it launched a partial issue of EUR 12,000,000 with the designation of WINGHOLDING 2027/I Bond Series 2.

Signing of loan Agreement

WPR PORT Építésszervező Kft., which is indirectly owned by the Company, signed a credit line agreement with Gránit Bank Zrt. in the amount of EUR 14,000,000. The purpose of the credit line is to finance the development of the second phase of the hotel in front of Terminal 2 of Budapest Ferenc Liszt International Airport.

2027 I bond auction results

The result of the subscription for Wingholding 2027/I bond series 02 was successfully determined on 19 April 2024. The Company accepted all subscription offers, so a total of 13,000 WINGHOLDING 2027/I bonds with a total nominal value of EUR 13,000,000 will be issued. The total nominal value of the entire series, i.e., series parts 01 and 02, will thus be EUR 50,030,000. The interest rate is fixed at 8.9%.

Signing of financing agreement

The Company, through its indirect ownership of PW3 Ingatlanfejlesztő Kft., signed a project financing agreement with CIB Bank Zrt. for a framework amount of HUF 10,850,000,000. The purpose of the loan is to finance the third phase of the Park West residential development.

Annual review of credit rating

Scope Ratings GmbH ("Rating Agency") has conducted a review of the Issuer's credit rating. As a result of the review, the Rating Agency maintained the Issuer's B+ rating, as well as the B+ rating assigned to its senior, unsubordinated, unsecured debt (bond).

Notice on purchase offer

The Company's wholly owned MEVINVEST Vagyonkezelő Kft. has submitted a purchase offer concerning all ordinary shares issued by AKKO Invest Nyrt.

Signing of credit facility agreement

A project financing credit facility agreement was signed by the Living II Property Development Investment Fund, represented by Gladiátor Alapkezelő Zrt., which is part of WINGHOLDING Zrt.'s consolidation group, with Erste Bank Zrt. for a total amount of 12,291,000,000 HUF. The purpose of the credit facility is to finance the Római Park residential development project.

Approval of Purchase Offer

MEVINVEST Vagyonkezelő Kft., a company directly owned by the Company, has submitted a purchase offer for all ordinary shares issued by AKKO Invest Nyrt., which was also submitted to the Hungarian National Bank. The Issuer informs the capital market participants that the MNB has approved the purchase offer.

Closing of Purchase Offer Procedure

The Company, through its wholly owned subsidiary MEVINVEST Vagyonkezelő Kft., sent a purchase offer for all shares issued by AKKO Invest Nyrt., which was also approved by the MNB. The mandatory public takeover bid procedure concluded on 4 November 2024. No valid acceptance statements were made for any ordinary shares in the context of the public takeover bid procedure. Accordingly, the influence of the Offeror in the Company remained at 30.10%. However, due to the closure of the Contract for the Private Shareholder's Share Package defined in the Offer, the Offeror's influence in the Company will rise to 33.10% following the transfer of shares under the contract.

Real Estate Sale

The TCW Honvéd Irodaház Kft., owned by the Company, signed a sales contract for the sale of ownership rights of the office building located at 1055 Budapest, Honvéd u. 20, which is exclusively owned by it.

Decision on Planned Capital Increase

Based on a preliminary commitment declaration made by the Company's subsidiary, MEVINVEST Vagyonkezelő Kft., according to the Civil Code, the Board of Directors of AKKO Invest Nyrt. decided on the increase of AKKO's share capital through the issuance of new shares. As part of the planned capital increase, AKKO intends to issue shares representing a total issuance value of HUF 10,029,999,594, with a total nominal value of HUF 812,913,475, which will be listed on the stock exchange and those that will not be listed, empowering identical shareholder rights.

Transaction Closing

The Company-owned TCW Honvéd Irodaház Kft. signed a purchase agreement for the sale of ownership rights to the exclusively owned office building at 1055 Budapest, Honvéd u. 20. The transaction was successfully completed following the fulfillment of pending conditions. The Company intends to use the proceeds for the objectives defined in its business plan.

Signing of Sales Contract

The Company, through Gladiátor Vagyonkezelő Kft. representing Gladiátor VI. Ingatlan Befektetési Alap, part of its consolidation scope, entered into a purchase agreement on 16 December 2024, to sell a half ownership interest in the office building property located at 1117 Budapest, Szerémi út 4 – Kaposvári u. 3-11, registered under plot number 4039/2 in Budapest, to AKKO Invest Nyrt.

Post-balance sheet events

Bond Program

The Company, as issuer, has launched a bond program with a frame amount of 100,000,000 EUR under the name "WINGHOLDING 2024-2025 Bond Program." The primary goal of the Bond Program is the partial financing of investment and development projects in the upcoming period, supplementing shareholder and bank financing, and in line with this, optimizing the Issuer's capital structure. On January 16, 2025, the National Bank of Hungary authorized the supplement and publication of the Basic Prospectus in its decision H-KE-III-36/2025.

Bond Program Basic information

The Company, as issuer, launched a bond program with a frame amount of EUR 100,000,000 named "WINGHOLDING 2024-2025 Bond Program," as part of which it published the Basic Prospectus related to the issuance.

Real estate acquisition

The Company, through the LIVING I. Ingatlanfejlesztő Befektetési Alap represented by Gladiátor Alapkezelő Zrt., signed a sales contract for the purchase of the property located at 1117 Budapest, Karinthy Frigyes út 17/A. Based on the sales contract, the transaction closure also took place immediately. The LIVING I. Alap purchased the property for the purpose of developing new residential properties.

Launching bond program

Similar to previous years, the Company also plans to launch a bond program this year titled "WINGHOLDING 2025-2026 Bond Program." According to the Company's plans, the total nominal value of the bonds to be issued under the Bond Program should not exceed 100,000,000 euros.

Decision on capital increase

On 29 November 2024, the Issuer informed market participants that based on the preliminary commitment declaration made by MEVINVEST Vagyonkezelő Kft., a subsidiary of the Issuer, according to the Civil Code, the Board of Directors of AKKO Invest Nyrt. decided on increasing AKKO's share capital through the issuance of new shares. The AKKO Board of Directors appointed MEVINVEST for participation in the capital increase and to take over all the new shares to be issued.

Bond Program Basic information

The Company, as the issuer, launched a bond program with a framework amount of EUR 100,000,000 named "WINGHOLDING 2025-2026 Bond Program", as part of which it published its Basic Prospectus related to the issuance.

Bond Program

The Company, as issuer, has launched a bond program with a total amount of EUR 100,000,000, named “WINGHOLDING 2025-2026 Bond Program”. The primary goal of the Bond Program is partial financing of upcoming investment and development projects, supplementing owner and bank financing, and in line with this, optimizing the Issuer’s capital structure.

Investor Presentation

The Company published an Investor Presentation regarding its operations.

WINGHOLDING 2024 sustainability activities

As a leading domestic and regional real estate developer and investor company, we consider reliability, honesty, and expertise as our most important values. Alongside economic growth, we place great importance on human values and environmentally conscious thinking, which permeates all areas of our activities.

Hungary

Our company's motto is "We build a livable future". Our goal is to leave a more livable future and a sustainable built and social environment for the next generations. Sustainability has become an integral part of our operations, prioritizing the assessment of environmental and social risks and impacts, as well as supporting a corporate governance structure and corporate culture built on human values that reflect these. In our daily work, including our developments, we strive to meet increasingly stringent regulatory, financial, investor, and tenant expectations related to ESG areas at the highest possible level and apply the currently available appropriate and effective solutions to improve building energy efficiency and create associated spaces and green surfaces. As a responsible company, we have been active supporters of organizations and initiatives that embrace young people and students for years, and through our CSR programs, we connect with local communities and social issues. Our corporate core values, such as reliability, mutual respect, expertise, and transparency, are summarized in our Code of Ethics.

Our first report was published in 2022, which was our sustainability report for the year 2021. This report marked another milestone, indicating where we are and where we are heading in our sustainability efforts and company development. In the fiscal year of 2024, we also published our next report for the business year 2023 (WING ESG report 2023).

In the first half of 2021, the company developed the Green Financing Framework, which includes commitments related to the achievement of sustainable environmental and climate protection goals. During 2021, as part of the Growth Bond Program of the Hungarian National Bank, WINGHOLDING issued green bonds with a nominal value of HUF 25.3 billion. During the year, the funds raised were used exclusively for financing environmentally friendly projects and devices. According to the commitments made within the framework, the company group prepares an annual report on the related use of funds and keeps the framework under review, aiming to ensure that green financing and the raising of green loans for residential property developments are accessible and applicable in accordance with current regulations and expectations.

Our goal is to continue the work we have started and further develop our corporate operations along the dimensions of ESG. We have established the Sustainability/Energy group within our organization to support sustainability, as well as ESG and energy efficiency processes and activities. Furthermore, an ESG strategy has been developed, within which the ESG goals that define the main directions of the Company's future sustainable operations have been determined. In the future, we plan to integrate more measurement data into the process to ensure that the annual determination of strategic goals and strategy development becomes increasingly data-driven.

Poland - ECHO Investment

ECHO Investment has developed an ambitious ESG strategy for the entire Polish group and its operations. The strategy announced in 2023 organizes priorities and outlines measures for the period up to 2030. Its main focuses are limiting carbon emissions, reducing the ecological footprint of activities, improving energy efficiency, and strengthening the corporate culture's impact on the environment and biodiversity. According to the priorities for the current year, further alignment of sustainability systems, procedures, and measures will occur between Echo Investment and Archicom as well. The review of development procedures is ongoing to reduce the projects' carbon footprint and optimize the efficiency of their energy use.

ECHO Investment has made continuous efforts to create green areas in cities, preserving as much natural space as possible in their projects, and supporting local green projects. The group joined an initiative to design green yards for six schools. The program to establish flowering meadows has also expanded, with meadows now created in six Polish cities. Maintaining the health and safety of workers on construction sites continues to be a priority.

The summary of sustainability activities in Poland for the year 2024 can be found in the report - already published - as follows.
https://www.echo.com.pl/preview,1918,sustainability-reporting-of-the-echo-investment-group-for-2024.pdf

Germany - Bauwert AG

Bauwert AG – our new interest in Germany- began the processes necessary for sustainability data collection and report preparation in the 2024 business year.

Residential property developments in Hungary

Kassák Passage

The development of phase III of the Kassák project is underway, with construction starting in summer 2022. A total of 246 apartments were built under the project. The registration period started in December 2021, during which 226 apartments have been sold. The project received its occupancy permit in November 2024, after which the handover of apartments to owners also commenced.

Park West Phase III

In parallel with the development of Phase II, the construction works for Phase III began in the second half of 2022. The development involves the construction of 230 apartments, with registration received for 184 of them. The planned handover is expected in 2025.

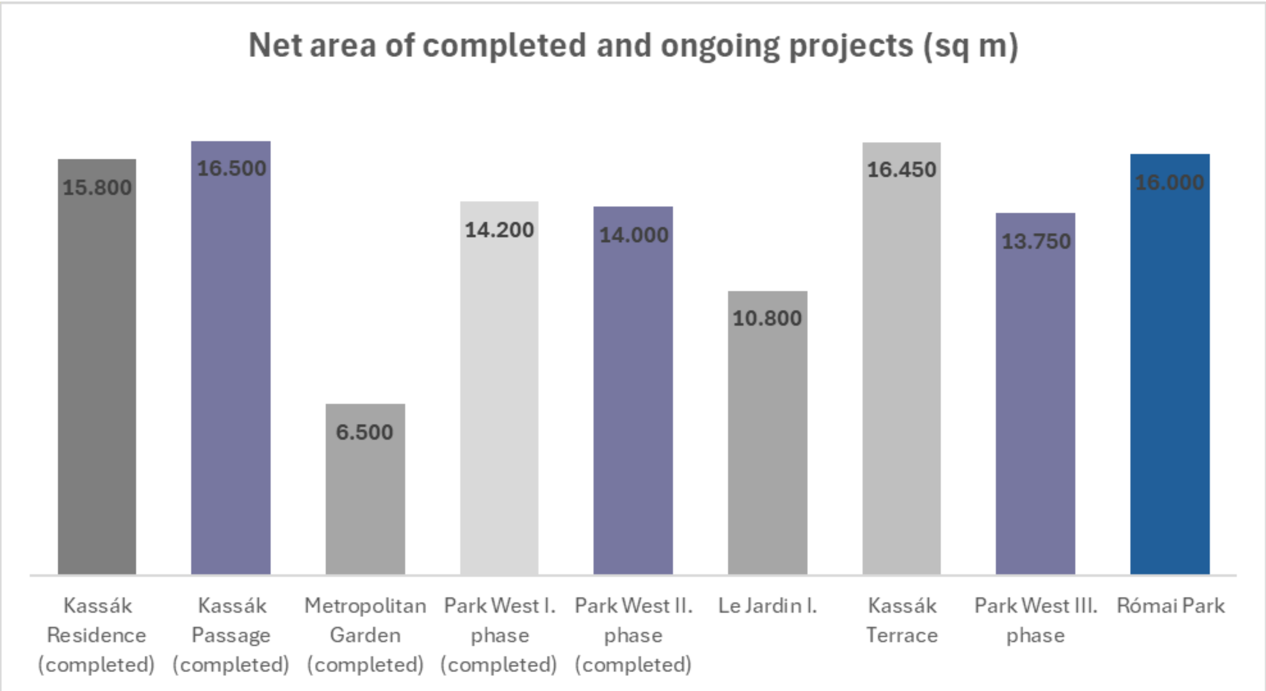
Le Jardin

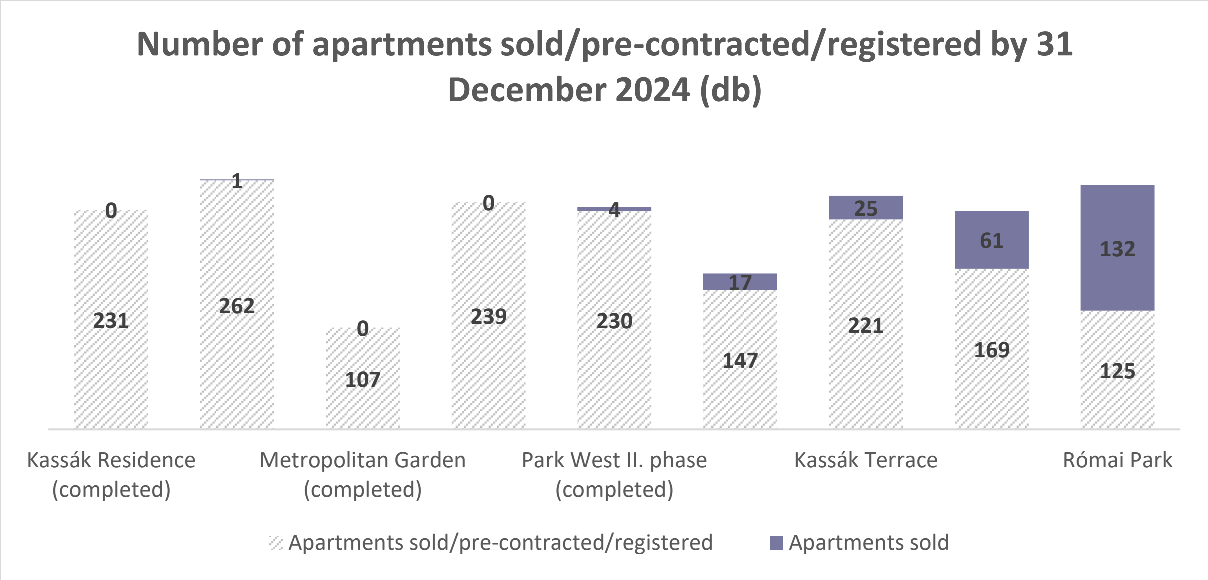
The location of one of the Wing Group's new housing development projects is XIII. District Rozsnyai Street. The development, consisting of two phases, will realize a total of 314 apartments. Construction started in the summer of 2022, and by the end of 2024, new residents began occupying the completed apartments. So far, a total of 155 apartments have been sold from the first phase of 164 apartments.

Római Park

WING Group's first residential development project in Buda is taking place on Pünkösdfürdő Street in the III. district. During the development, a total of 257 apartments will be built in one phase. New residents are expected to occupy the completed apartments in 2026. By the date of the Annual Financial Statements, 154 apartments have been sold.

RESULTS OF RESIDENTIAL DEVELOPMENT PROJECT SALES, BY THE END OF 2024



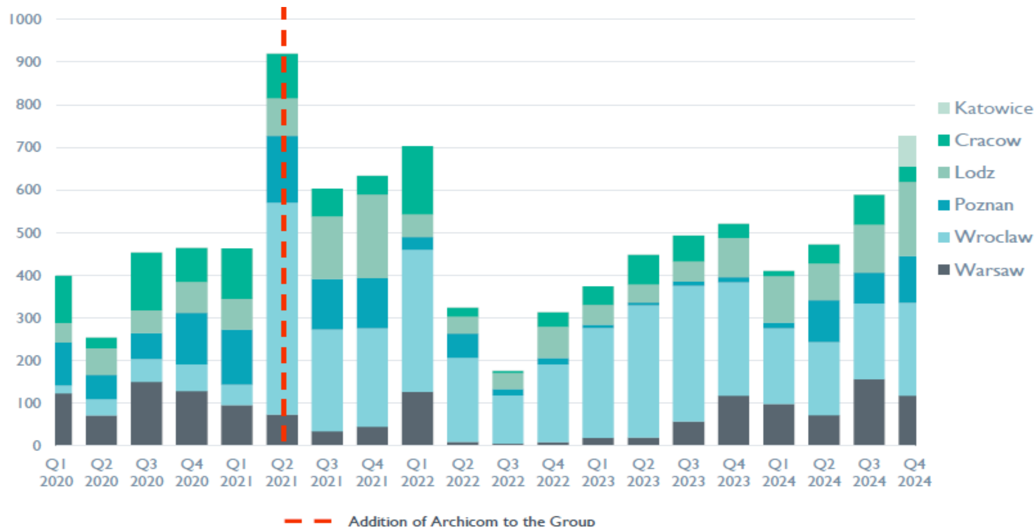


Real estate developments in Poland

Residential property development

The Issuer's Polish subsidiary, the ECHO Investment group, sold nearly 2,200 apartments in 2024, of which 1,076 apartments were handed over to buyers. By the end of the year, 4,836 apartments were under development, and land with nearly 140 thousand m2 of saleable apartment area was purchased, with an additional 150 thousand m2 secured for future development.

Number of apartments sold:



Rental apartment development

By the end of 2024, a total of 1,691 rental apartments were handed over, and at the beginning of 2025, the handover of an additional 1,100 apartments is planned, reaching an operational portfolio of 6,900 apartments. The company's goal is to reach an inventory of 11,000 rental apartments by early 2027 – maintaining its market leader position – of which 9,800 apartments are already secured by contract.
In the first half of 2024, a new business division named Student Space was launched within the framework of a JV partnership, with a 30% ownership stake, involving ECHO Investment from the WING group. The new business division aims to facilitate student housing. By the end of 2024, construction of a total of 1,220 accommodations is underway in Krakow across 3 projects, with completion expected between 2025-2026. Additionally, the launch of 4 projects is secured and under planning, with a total of 2,202 accommodations to be built in 2 cities (Warsaw, Krakow). Plans are in place for launching 4 more projects in 3 cities (Warsaw, Wroclaw, Gdansk) to construct 1,800 accommodations. The new business division represents further diversification, and as part of this, WING group is present in every segment of the real estate business sector.

Office development

In the first three quarters of 2024, ECHO Investment completed the construction of 75,600 m2 of office space, including the 32,500 m2 Towarowa 22 project in Warsaw, 18,700 m2 of office space construction in Krakow, and 16,100 m2 in Wroclaw, with completion expected in mid-2025. The Towarowa 22 project in Warsaw is being developed on a 6.5-hectare site suitable for mixed-use development in the center of Warsaw. Plans include the delivery of an additional 53,200 m2 of office space by Q3 2028. ECHO Investment and AFI Europe are jointly involved in a 30%-70% ratio in the development of the office for lease and residential complex for sale, which will have a usable area of approximately 190,000 m2, with the tallest building reaching 150 meters. As part of the agreement, ECHO Investment (through the Archicom Group) is the sole developer of the entire project and the exclusive owner of the part of the site suitable for a three-phase residential development aimed at sales.
The company's serviced office division, City Space, had a total of 33,862 m2 of serviced office space at the end of 2024 – an increase of 4,772 m2 during 2024 – across 13 locations in 5 cities (Warsaw, Wroclaw, Krakow, Katowice, and Lodz).

Development of commercial properties

Recently, Echo Investment aimed to strengthen the position of its two shopping centers (Libero in Katowice and Galeria Mlociny in Warsaw), which were prepared for sale. This goal was successfully achieved. Currently, both units operate with nearly 100% occupancy. In 2024, Libero's turnover increased by 6% and attracted a similar number of visitors (5.7 million) as in 2023. For Galeria Mlociny, continuous improvement is observed, with a 9% increase in turnover in 2024 compared to 2023, and a 7% higher visitor count (8.1 million) in 2024 than the previous year. The main strategic goal is to enhance customer loyalty and the number of returning customers, as well as to run targeted residential market campaigns in the vicinity of the shopping centers, thereby increasing the number of local consumers.

Transaction

At the end of 2024, the 15,000 m2 React office building in Lodz was successfully sold to Summus Capital for 32.5 million euros.

SIGNIFICANT EVENTS IN THE HUNGARIAN REAL ESTATE PORTFOLIO (INDUSTRIAL + OFFICE)

East Gate Business Park

In 2024, 5 major tenants, ABB Kft., a Lear Corporation Kft., Nefab Hungary Kft., Webshippy Kft., és a Peek and Cloppenburg Kft. extended their contracts. There is continuous interest in the available areas of the park.

East Gate PRO Business Park

East Gate PRO is the second phase of the highly successful East Gate Business Park, offering a total of 60,000 m2 of leasable space across 6 halls.
The first two hall buildings, with a total area of more than 20,000 square meters, operate with a utilization rate of 96.4%. The construction of the next hall has also been completed, the building has received its occupancy permit, rental negotiations are ongoing, while the fourth building was handed over in January 2025, which boasts 100% rental occupancy thanks to BTS development.

Liget Center and Auditorium

From June 2024, Magyar RTL Televízió Zrt. relocated to the building complex next to Városliget. After a comprehensive renovation tailored to individual needs, it transforms into a modern, A+ category media complex overlooking the Városliget Avenue.
The Liget Auditorium building, where from 2024 the M-RTL Zrt.'s news directorate and news studios are located in approximately 9,000 m2. The renovation started in 2022 and was completed and handed over as planned. On the site, a further new office building, named Liget Vitrum, is being constructed, which reached the shell&core completion level in Q4 2024.

HOP - Technology Office Park

The area, once functioning as a telephone factory, was purchased by the WING Group in 2018, and the preparation of development plans began. The technology office park, located on a total of 3 hectares, has an occupancy rate of nearly 100% in its existing buildings. Currently, the complete transformation of building No. 7, in two phases, is underway to meet the needs of Lightware Zrt., with completion expected at the beginning of 2025. Due to the tenant base and concentrated tenant demands, the property offers its areas as a technology office park from 2024.

Liberty

The Liberty Office Building, developed by the WING Group, was constructed in two phases. In July 2023, the southern wing was completed, and the northern wing was handed over in August 2024. The tenants who have moved in include companies such as eMag, Geodis, Praktiker, and Flowserve. The current occupancy rate of the office space is nearly 80%, with ongoing negotiations for further leasing. In addition to sustainable high-tech offices, the southern wing of Liberty also hosts the country's first newly built dual-branded ibis-Tribe hotel, which opened in December 2023.

SIGNIFICANT EVENTS
IN THE POLISH REAL ESTATE PORTFOLIO (RETAIL + OFFICE)

React

At the end of 2024, the 15,000 m2 React office building in Lodz was successfully sold. The office building is located in the city center with excellent public transport, 100% leased. The transaction value was EUR 32.5 million.

Towarowa 22

Towarowa 22 is a mixed-use development site of 6.5 hectares located in the center of Warsaw. ECHO Investment and AFI Europe participate together in a 30%-70% ratio in the realization of an office for leasing purposes and a residential complex for sale, with a useful area of approximately 200,000 m2, and the tallest building will be 150 meters high. As part of the agreement, ECHO Investment is the developer of the entire project and the exclusive owner of the part of the land suitable for a 3-phase residential development for sale.

Student Space

In the first half of 2024, a new business segment named Student Space was launched within the framework of a JV partnership—with a 30% ownership stake—with the participation of ECHO Investment. This new business segment aims to facilitate student housing. By the end of the year 2024, the construction of a total of 1,220 accommodation spaces was underway in Krakow within 3 projects, and their handover is expected during 2025-2026. Additionally, the launch of 4 projects is assured and under planning, as part of which a total of 2,202 accommodation spaces will be built in 2 cities (Warsaw, Krakow). Furthermore, 4 projects are planned to be launched in 3 cities (Warsaw, Wroclaw, Gdansk) to execute 1,800 accommodation spaces. The new business segment represents further diversification, and as part of it, the WING group is present in every segment of the real estate business sector.

SIGNIFICANT EVENTS IN THE GERMAN REAL ESTATE PORTFOLIO

Square 1

In the Square 1 office park, a total of nearly 140,000 m2 of leasable area is being developed, including the 26,000 m2, 100% leased first phase, which was completed in May 2024, where the Berliner Sparkasse's new headquarters operates with a 15-year lease period. Thanks to its modern, flexible office solutions, the project mainly targets start-up companies, and in this market segment, Adlershof is considered a popular location.

Fidicinstrasse 3

Fidicinstrasse 3 is a mixed-use development with residential and office functions, covering 39,000 m2 in Berlin's Kreuzberg district, directly adjacent to Viktoriapark. Kreuzberg is a premium location with numerous theaters, concert halls, restaurants, and cafes. The development started in spring 2023, progressing according to schedule, with the planned handover expected in the second half of 2026. In 2024, the 10,500 m2 Neue Bockbrauerei office building, part of the development, was successfully sold.

Berliner Strasse 74a

Berliner Strasse 74a is a premium residential development consisting of 99 apartments located in Berlin's Prenzlauer Berg district. Prenzlauer Berg is a dynamically growing area attractive to young people, with outstanding infrastructure. The project was already sold to Quantum in a forward transaction. In July 2024, the project received the occupancy permit, thus concluding the forward transaction.

Wildbergplatz

Wildbergplatz is a 9,500 m2 mixed-use development with residential, commercial, and office functions in Hohen-Neuendorf district. The building complex consists of 8 blocks where 73 apartments are planned to be established. Construction started at the end of 2024, with completion expected in Q1 2027.

WINGHOLDING
Ingatlanfejlesztő és Beruházó
Zártkörűen Működő Részvénytársaság

31 December 2024

CONSOLIDATED SUSTAINABILITY REPORT

prepared in accordance with the European Sustainability Reporting Standards (ESRS) adopted by the European Union

2024

Budapest, 28 April 2025

WINGHOLDING Zrt.
Noah M. Steinberg
Chairman and CEO

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ESRS2 General Disclosures

Basis for preparation

[BP-1] General basis for preparation of the sustainability statement

WINGHOLDING Group has prepared its first consolidated level sustainability statement for the year 2024, based on the requirements of Corporate Sustainability Reporting Directive (CSRD), by implementing the European Sustainability Reporting Standards (ESRSs). The report covers the period from 1 January 2024 to 31 December 2024, which is the same period as the Group's financial year.

Based on the section 134/J of the Hungarian Accounting Act, the Group should prepare its consolidated financial statement in the electronic reporting format (XHTML), as defined in Article 3 of Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation) and should mark it according to the electronic reporting format. Given that the ESEF taxonomy for sustainability reports has not yet been adopted, the Group was not able to complete the marking of the disclosures.

Information in the sustainability statement (consolidated sustainability report) includes WINGHOLDING Zrt. (The Group) and its subsidiaries with the same consolidated basis as it is presented in in chapter “17. Investments in Subsidiaries” of the consolidated financial statement of the Annual report 2024.

The three main subgroups of WINGHOLDING Zrt. are representing the core subsidiaries in regional division of the company:

1. WING – Including all of the Group’s subsidiaries which is consolidated into the financial statement operating in Hungary;
2. ECHO – Including all of the Group’s subsidiaries which is consolidated into the financial statement operating in Poland;
3. BAUWERT – Including all of the Group’s subsidiaries which is consolidated into the financial statement operating in Germany;

The subgroups of WINGHOLDING Zrt. are all operating in the real estate segment in different countries, and each of them has defined its value chain map, by concluding the core up- and down-stream activities and actors. Based on the value chain maps impacts, risks and opportunities that could relate to material value chain activities and actors were considered in the double materiality assessment process. The subgroups operate individually with their own internal policies, systems, and approaches. Since the Group does not have a unified approach to internal policies, actions, and targets on its value chain, thus initiatives could differ among subgroups. Where available, and operational policies or processes contain extensions on the value chain activities, it is mentioned under the relevant topical ESRS sections (E1, E3, E4, E5, S1, S2, S4, G1).

The Group has not used the option to omit a specific piece of information corresponding to intellectual property, know-how, or the results of innovation following ESRS 1, 7.7.

The Group is not exempt from disclosing information about impending developments or matters under negotiation as required by Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

[BP-2] Disclosures in relation to specific circumstances

The Group has applied the time horizons defined by ESRS 1 (short-, medium-, and long-term) in the double materiality assessment and for reporting purposes.

The Group has applied value chain estimation in the calculation of Scope 3 emission, due to the lack of primary data present in the value chain, which details are elaborated in the [E1-6] Gross Scopes 1, 2, 3 and Total GHG subchapter.

As for estimations related to data collection, the Group made the following KPI approximations:

4. The Scope 2 market-based emissions in E1-6 Gross Scopes 1,2,3 and Total GHG in relation to WING and BAUWERT were estimated with their location-based emissions. Besides, for Scope 3 – Category 7, WING and BAUWERT have estimated emissions using employee commuting patterns from 2023, while for Categories 11 and 13, BAUWERT has relied on extrapolations derived from historical data.
5. In case of BAUWERT, the E5-5 Waste metric (total amount of waste generated in the financial year in tonnes) was estimated based on available data on the total waste management cost of their office and construction sites and the average cost of treating 1 tonne of waste in Germany. WING has also relied on estimations to calculate waste generated at the company's headquarter (municipal and selective waste) and also for construction waste data, where data reporting and transport records did not correspond to the calendar year, thus adjustments were made through extrapolation to ensure alignment with the reporting period.
6. The total hours worked by own workforce in the S1-14 Health and safety metrics was also estimated for all subgroups with different approaches, based on the types of contracted employees:
    1. WING made the estimation by considering working hours of employees with all types of employment relationships;
    2. ECHO by considering permanent employee contract hours, including employees on long-term leave or absences;
    3. BAUWERT by considering working hours of employees with permanent employment contract, by excluding the working hours of the Executive Board, interns, and part time employees.

The above-mentioned data (E1-6 Scope 3 and Scope 2 market-based emissions, E5-5 Waste and S1-14 Total hours worked by the Group's own workforce) rely on estimates which are subject to a measurement uncertainty. WINGHOLDING acknowledges that the applied secondary data and estimates may be refined in the following reporting processes when primary or more relevant information is developed or become available. To ensure transparency and accurate presentation of the information disclosed in the current sustainability report, all the necessary contextual assumptions and judgements of estimations are described in the related chapters.

Furthermore, in principle, there are no metrics in the sustainability report that have been validated by an external body other than the assurance provider. In case there is an exception of this approach, it will be emphasised at the relevant metrics.

This report is the first consolidated level sustainability statement of WINGHOLDING Group, by implementing ESRS standards, based on CSRD requirements.

In previous periods the two main subgroups (WING and ECHO) have published (more times) stand-alone sustainability report, on voluntary basis. WING has followed GRI (Global Reporting Initiative) standards, while ECHO has followed preliminary ESRS requirements for the year 2023. BAUWERT has not prepared sustainability report in the previous period. Based on the different scope and maturity level in data collection of subgroups, the year of 2024 is considered as the first, basis year for the ESRS based disclosure.

Beside this consolidated report, the Polish subsidiary (ECHO) has prepared its stand-alone, ESRS based sustainability report for this year (2024) as well. For further details on its sustainability approach and initiatives: *ECHO's Sustainability Report 2024.*

The Group has not applied any other sustainability reporting standards in this sustainability reporting.

The list of references in relation to disclosure requirements and specific datapoints, is presented in the table of ESRS content index, in the [IRO-2] subchapter. The applied phase-in disclosures are also presented in the ESRS content index.

Governance

[GOV-1] The role of the administrative, management and supervisory bodies

WINGHOLDING Real Estate Developer and Investor Private Limited Company („WINGHOLDING Zrt.", together with its subsidiaries - considered collectively under the main subgroups: WING, ECHO, BAUWERT - is referred in the consolidated financial and sustainability statement as the "Group") is incorporated in Hungary and operating in the real estate and construction sector in Hungary, Poland and Germany.

WINGHOLDING Zrt. has shared ownership on the three subgroups, while the corporate governance mechanism is structured according to the individual operation of the subgroups at country level, as it is presented below:

	WING	ECHO	BAUWERT
Ownership	WINGHOLDING Zrt. is the parent company, consolidating the entire subgroup operating in Hungary. The main shareholder of the Company is the Hungarian DAYTON-Invest Kft with the ultimate owner of Tibor Veres.	ECHO Investment S.A. is the parent company, consolidating the entire subgroup operating in Poland. The main shareholder of the Company is Lisala Sp. z o.o., an entity controlled by the Hungarian company Wing IHC Zrt.	BAUWERT AG is the parent company, consolidating the entire subgroup operating in Germany. The main shareholder of the Company is Wingwert-GCP GmbH an entity controlled by the Hungarian company Wing IHC Zrt.

The highest governing body is the General Meeting of Shareholders, that enables all shareholders to exercise their rights to direct activities. In each subgroup, the Management

Board represents the core executive body, while the Supervisory Board serves as the non-executive body.

The Management Board is responsible to oversee and coordinate corporate affairs and administrative tasks. The Supervisory Board monitors the management of the company and is accountable to the General Meeting. The Supervisory Board performs the classic control functions, with a scope covering strategic and operational decisions.

Further information on WINGHOLDING's corporate governance structure is presented in chapter "44 Other information" of the consolidated financial statement of the Annual report 2024 and in Corporate Governance Report and Statement which is available on the webpage of the Budapest Stock Exchange. Regarding ECHO's corporate governance structure and mechanism additional detailed information is presented in ECHO's Sustainability Report 2024.

Information about the composition of the members of the boards:

	WING	ECHO	BAUWERT
Number of executive members	The Management Board consists of 2 out of 5 members. The Supervisory Board consists of 1 out of 5 members.	The Management Board consists of 5 members.	The Management Board consists of 3 members.
Number of non-executive members	The Management Board consists of 3 out of 5 members. The Supervisory Board consists of 4 out of 5 members.	The Supervisory Board consists of 8 members.	The Supervisory Board consists of 10 members.
Representation of employees and other workers	The Management Board and the Supervisory Board of the subgroups do not include employee representatives.		
Percentage of independent board members	The Management and Supervisory Board of WING do not include independent members.	The Management Board of ECHO does not include independent members. The Supervisory Board of ECHO includes 2 independent members (25%).	The Management and Supervisory Board of BAUWERT do not include independent members.
Members' experience relevant to sectors, products, and geographic locations	All Board members have extensive professional experience in the real estate and construction sectors, while they continuously develop their expertise related to sustainability matters through sustainability events hosted by external partners, insights from specialized departments, external advisors and by close monitoring of EU and local legislations.		

Information about the gender diversity ratio of the Management Boards:

	WING		ECHO		BAUWERT	
	number	ratio	number	ratio	number	ratio
Female	0	0%	1	20%	0	0%
Male	5	100%	4	80%	3	100%
Total	5	100%	5	100%	3	100%

Information about the gender diversity ratio of the Supervisory Boards:

	WING		ECHO		BAUWERT	
	number	ratio	number	ratio	number	ratio
Female	1	20%	1	12,5%	0	0%
Male	4	80%	7	87,5%	10	100%
Total	5	100%	8	100%	10	100%

WINGHOLDING Group sustainability related initiatives are not settled and managed centrally. Each subgroup has started to integrate ESG related matters and the identification of impacts, risks and opportunities at individual level, thus their approach and development level can vary. The management and supervisory bodies, supported by the top management oversee the core procedures and they have the decision making role in relation to material impacts, risks and opportunities and the ESG strategy (including the validation and approval of settled sustainability goals and targets). For each subgroup, the sustainability manager is responsible for the coordination of ESG related matters on the operational level, and to support the consolidated level reporting process including the double materiality analysis (DMA). The Management Boards are supported by operative management, with ESG representatives from functional departments, to analyse, collect information, report on, and monitor the most relevant sustainability matters. Thus, these operative management teams are actively participating in the identification and management of ESG risks, the development and implementation of sustainability strategy and related policies, also supporting and monitoring sustainability reporting procedure. Processes in relation to the identification, and monitoring of impacts, risk and opportunities are in forming phase by the implementation of the legislative requirements, thus currently control processes are mostly related to general business operation.

The supervisory board is informed about core decisions on regular supervisory board meetings, where compact information is provided in advance and opportunities for discussion are offered. In addition, semi-annual reports on company development are distributed to the committees. Their work is supported by the subgroup's ESG data and topic related representatives, who integrate their professional insights from their operational area. Based on the prepared inputs by sustainability managers and internal experts, the subgroups' Management Board has an oversight on identified impacts, risks and opportunities and their role includes the validation of double materiality analysis results, ESG strategy, the related policies, and the sustainability report.

Sustainability-related skills and expertise are continuously developing for the subgroups management and supervisory bodies, top management and ESG representatives by regular exchanges with specialized departments, investors, and external consultants, by the access to training programs, and by the compliance mechanism with EU and local regulatory requirements and standards set by external certification bodies such as DGNB, BREEAM and LEED. Their developed expertise and skills linked to material impacts, risks, and opportunities are based on long-standing industry experience and strong relationships with customers and employees. In the environmental context, the subgroups collaborate closely with industrial organizations, external advisors and other partners to ensure compliance with high sustainability standards. Furthermore, sustainability governance is aligned with European and local legislation, ensuring adherence to regulatory requirements and market expectations.

[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The current reporting period is the first for WINGHOLDING Group to prepare its consolidated sustainability report according to the ESRS standards. Therefore, the double materiality analysis (DMA) process for each subgroup and that consolidated results were the core procedure for considering sustainability related impacts, risks and opportunities in a structured manner. Each subgroup's sustainability manager has informed the management bodies on the DMA process (objectives and related questions) and its results (including the identified impacts, risks and opportunities) on a regular basis. Therefore, the risks and sustainability priorities are communicated to the Management Board (and, in the case of major events and matters, to the Supervisory Board) as part of business reporting on subgroup level. Regarding the main milestones and decision points on the consolidated level sustainability reporting matters, WINGHOLDING Management Committee (CEO and the deputy officers) is informed as part of their annual meetings and case-by-case basis for topical issues.

The subgroups are in initial phase to integrate the DMA results and identified IROs into their strategy, therefore associated trade-offs were not considered yet. Based on the first year DMA process (for WING and BAUWERT) the subgroups will consider integrating the results in its strategy and risk management in a more comprehensive way. and consider to settle targets and processes to measure effectiveness. While ECHO has developed its procedure, that is described in detail in ECHO's Sustainability Report 2024.

The identified impacts, risks and opportunities of the double materiality analysis were presented and approved by the subgroup's management bodies and the final results (group level alignment) were presented and approved by WINGHOLDING's Management Committee during the reporting period. The list of these material IROs are presented in the SBM-3 subchapter.

[GOV-3] Integration of sustainability-related performance in incentive schemes

WINGHOLDING has not introduced yet a group level approach on incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies. ECHO's approach on its Remuneration Policy of the Management Board and the Supervisory Board is further explained in [GOV-3] subchapter of ECHO's Sustainability Report 2024.

[GOV-4] Statement on due diligence

WINGHOLDING does not have a group level synthetized due diligence process on sustainability matters, because of the subgroups individual operational structure and different sustainability maturity level. During the double materiality assessment (DMA) process the subgroups have reviewed the core activities along their value chain and have evaluated the core impacts, risks and opportunities identified in their own operation and in relation to the value chain. Besides, risk assessment and mitigation processes are connected to general operational procedures, that were integrated in the IRO assessment for WING and BAUWERT, while ECHO has adopted a new due diligence process in 2024 to ensure compliance with European sustainability regulations and international guidelines. The detailed description of ECHO's due diligence process is presented in [GOV-4] subchapter of ECHO's Sustainability Report 2024.

Basic elements of the due diligence process	**Paragraphs in the sustainability statement**
Embedding due diligence in corporate governance, strategy and business model	GOV-4
Engaging with stakeholders affected by the entity at all key stages of the due diligence process	SBM-2 S1, S4
Identification and assessment of adverse impacts	SBM-3 IRO-1
Taking action to mitigate identified adverse impacts	SBM-3 E1, S1
Monitor and provide relevant information on the effectiveness of these efforts	GOV-5

[GOV-5] Risk management and internal controls over sustainability reporting

The consolidated sustainability report was coordinated and prepared centrally at WING including the relevant stakeholders, data owners and sustainability representatives of ECHO and BAUWERT as well. Due to the previous reporting practices the maturity of the subgroups differ in terms of sustainability reporting practices, therefore the related risk management and internal control process is also different. For the first ESRS based consolidated reporting period, the Group aim was to rely on the individual reporting practices of each subgroup and integrate these to produce a harmonized reporting practice. Each subgroups have a dedicated sustainability manager, who is responsible for the coordination of sustainability reporting including providing relevant information to the consolidated report to the parent with the support of involved local departments who are considered as data owners (e.g. HR, legal, finance). The consolidated reporting on the whole group level is coordinated by WING with the support of external advisor. They have considered the main requirements, risks and involvement level of each subgroup to prepare the consolidated report. Based on the first-year procedure, they will evaluate and prioritise the administrative, technical, and contextual challenges and related risks of consolidated level reporting, for defining improvement steps to the next periods.

Since ECHO has a more experienced sustainability reporting practice (and prepare its individual ESRS based report for 2024), their risk management and control mechanism are in more developed phase and embedded in the subgroup's operational framework. The detailed description of their process is presented in [GOV-5] subchapter of ECHO's Sustainability Report 2024.

The main risk factors in consolidated sustainability reporting are related to the changing regulatory requirements on sustainability disclosure, that require the Group to implement a new standard and create consolidated level data collection procedure. Thus, the main challenges and related risk factors are the availability of proper and comprehensive data and information in a timely manner. Due to the individual operation of the three subgroups the harmonization of the main data points could be considered as a main risk factor. The Group's aim is to mitigate these risks and provide support for the subgroups which resulted a development of a group level sustainability reporting guidebook to align data collection processes and formalize methods.

To support the sustainability reporting risk mitigation the Group has defined the following preventive actions:

1. Involve external advisor to support the implementation of new regulatory requirements and ESRS standard
2. Regular meetings, discussions on the ESRS requirements, workshops with the involvement of responsible management and subgroups sustainability representatives
3. Align consolidated data collection procedure by providing a sustainability reporting guidebook and unified data collection tables
4. Validation processes by internal ESG representatives and Management Committee

Based on the first consolidated reporting year experience and conclusions, the Group will consider the risk mitigation and improvement recommendations to further integrate in its operation in the following years. (GOV5-05) The Management Committee is informed about the sustainability reporting processes and related risks in parallel the reporting phases, and the findings of the first-year experience will be presented to them.

Strategy

[SBM-1] Strategy, business model and value chain

Main activities and business model

WINGHOLDING Group is a property development and investment group in Central Europe. It has significant market shares in the property markets of Germany, Poland, and Hungary. WINGHOLDING is the majority owner of Poland's largest property developer, ECHO Investment, which is listed on the Warsaw Stock Exchange, as well as of BAUWERT, one of

Germany's leading residential and commercial property developers. Real estate activities in Hungary are carried out by WING.

The three subgroups operate in the following main real estate segments with the following activities:

	WING	ECHO	BAUWERT
Main activities, services	Property development, investment and management, investment fund management, planning	Property development	Property development
Real estate segments	Office, residential property, retail, industrial and logistics, hotel	Office, residential property, retail, flexible office space (CitySpace), apartments for rent (Resi4Rent), student house (StudentSpace)	Office, residential property
Operational markets	Hungary	Poland	Germany
Customer groups	Institutional and residential clients (institutional and individual investors, corporate clients, tenants and residents, retail and service chains, third-party entities)	Institutional and residential clients (institutional and individual investors, companies, retail and service chains, third-party entities)	Institutional and residential clients (institutional and individual investors, companies, third-party entities)

No significant changes happened in services and markets during the reporting period.

The Group headcount of employees by geographic areas is presented in the Social information – [S1-6] Own workforce subchapter.

The Group does not sell products or services that are banned in certain markets or are subject to concerns from stakeholders or public debate.

The breakdown of total revenue is presented in chapter "5. Revenue" of the consolidated financial statement of the Annual report 2024.

The Group does not generate any revenue from participating in the fossil fuel market or any other ESRS specified markets.

Sustainability strategy

The Group's overall business objective is to enforce its market presence by balanced development plans, solid liquidity, and effective market expansion lead by experienced professionals. Sustainability aspects are becoming more important by completing business goals, since clients have firm expectations while market, and regulatory trends requires the integration of ESG considerations in this industry.

The Group has not set consolidated level sustainability goals in terms of products, clients, and stakeholder relations due to the different nature of these aspects and the different market perspectives, therefore each subgroups defined sustainability related aims, at different extent. The core pillars of the subgroup's sustainability objectives:

In relation to services and clients:

1. Energy management and energy efficiency
2. Emission reduction
3. Real estate design and development to meet BREEAM, LEED, or DGNB requirements

In relation to stakeholder relationships:

1. Enhance responsible employer practices and support inclusion and diversity
2. Improve health and safety standards and requirements on construction sites
3. Develop sustainability knowledge and data availability in relation of own operation
4. Ethical business conduct

The subgroups' aim is to incorporate these core ESG objectives in general operation and enhance in every segment where they have their key services, markets, and business relationships.

Sustainability goals were defined by WING in 2023 in its ESG Strategy, The strategy will be reviewed in 2025, and its current form is available at WING's website, The core goals of the ESG strategy are summarized below:

Category	**Area**	**Goals**
Products and clients	Environmental	- By 2025 - reduce the average energy consumption (kWh/m2) by 10% in the existing portfolio - By 2027 - ensure the energy consumption from 100% renewable sources in WING's own buildings - By 2027 - provide the heating and cooling systems energy consumption from 100% renewable sources in residential buildings - Making available selective waste collection and disposal, to reach the rate of 80% in reuse or recycling from 2028 - From 2028 - implement only brownfield investments in residential and office building developments
Stakeholder relations	Social	- From 2024 – improving the corporate employment framework: making available employment policies - Maintaining health insurance for all employees - Providing safe and secure working environment for employees and workers at construction sites: Strengthen health and safety prevention measures – Ensure and maintain 0 serious accidents for own employees
Stakeholder relations	Governance	- Between 2023-2026 – introducing new policies and guidelines in relation to business conduct - From 2024 - providing biannual ESG test/training for employees, and also ethical conduct training with 100% employee participation - Between 2023-2026 - defining sustainability performance standards and requirements for the external partners and subcontractors

For minimizing negative environmental impacts ECHO has settled ESG goals in Echo-Archicom's Sustainable Development Strategy 2030 in 2023. The goals of ECHO are derived from its sustainable development strategy. They have identified the following goals related to its products, clients, and stakeholder relations:

Category	Area	Goals	
Products and clients	Environmental	2026 – all completed buildings managed by the Group, own offices, CitySpace offices and construction sites will use green energy	In progress
		2030 – all buildings constructed by the Group will be zero-emission	In progress
Stakeholder relations	Social	2023-2030 – zero fatal accidents on construction sites	The goal was achieved in 2024.
		2023 - development and implementation of a system for handling complaints from construction site neighbours	The system was developed in 2023, and its implementation is underway
		2025 – introduction of a system for measuring employee satisfaction on construction sites and setting goals	
		2027 – women and men will hold 45%-55% of key executive positions	
		2026 – the average number of unused vacation days at the end of the year will be no more than 10	In progress
		2026 – implementation of high standards of social facilities on construction sites	The goal was achieved in 2023.
		2029 – achieving a balance in the amount of remuneration between employees of different genders in similar (scope and responsibility) positions	In the course of implementation
		2023-2030 – 50% of investments carried out as part of large, multi-stage 'destinations' projects	The goal was achieved in 2024.
Stakeholder relations	Governance	2023 – introduction of ESG issues to the agenda of the Management and Supervisory Boards of Echo Investment S.A. and Archicom S.A.	The goal was achieved in 2024.
		2023 – introduction of the obligation to prepare 4 ethics materials for internal communication, addressed to employees	The goal was achieved in 2024.
		2023-2030 – 100% of employees trained in ethical principles	

While BAUWERT aims to incorporate sustainability aspects in its operation in line with market trends and relevant regulatory requirements, it does not have a structured strategy summarising its ESG goals. BAUWERT plans to set up its ESG strategy in 2025.

Further information of the sustainability goals and their strategy-related connections are detailed under topical standards.

The key considerations of sustainability-related goals and potential influence on the Group's significant services, markets or customer groups were integrated into the IRO assessment during the DMA process. General assumption is that the main sustainability aspects which have influence on property development strategy of the Group are: energy efficiency and emission reduction, availability of well-qualified professionals and transparent business operation. Thus, the core challenges, among others, are the provision of sustainable materials and processes in the construction activities, while also resource dependencies (e.g.: volatile energy prices) and increasing sustainability regulatory requirements, disclosures on ESG information are arising. The subgroups find it challenging to be feasible with the defined sustainability goals within the adopted time and organizational framework. Therefore, the achievement of some goals may be postponed in the time assumed for the implementation of the entire strategy.

Business model and value chain

The Group business model centres around a vertically integrated strategy in real estate development and investment, which enables the subgroups to oversee the entire lifecycle of their projects, from land acquisition through development, leasing, and long-term management or sale of properties. The real estate development activities are including: strategic planning, site selection and acquisition, development project management, marketing activities, management and sale or lease of properties. Besides, the subgroups also act as investors, managing actively their own portfolio to generate value through capital appreciation, rental income, and project-based returns.

As part of the double materiality analysis (DMA) process the Group has performed a value chain assessment based on their relevant and available information in the reporting period. The following table presents the most relevant value chain activities, business actors and other stakeholders from the Group's operational perspective:

	Core activity		**Estimated location**	**Affected stakeholder**
Upstream	*Procurement / Investment*	Purchase of land/properties/company owning a land or property	Hungary Poland Germany	Vendors of development sites Investors Authorities Local communities Own employees
	Procurement - Permits, architectural design	Acquisition of necessary permits for construction, maintenance, redevelopment and their design plans	Hungary Poland Germany	Providers of design and planning services Agencies Public authorities
	Procurement - Construction materials	Acquisition of raw materials	Mainly from the EU, UK, China, South-Korea, UK and USA	Subcontractors Suppliers of raw materials (in general suppliers are related to subcontractors)
		Acquisition of energy and utilities	Hungary Poland Germany	Suppliers of utilities
		Acquisition of components and products	Mainly from the EU, UK, China, South-Korea, UK and USA	Subcontractors Suppliers of components and products (in general suppliers are related to subcontractors)
	Construction by subcontractor	Construction of the building	Hungary Poland Germany	Subcontractors Construction Companies Employees of the subcontractors

	s and partially by ECHO's subsidiary	Redevelopment of the building (e.g. renovation, remodelling, modernization)		Suppliers of the (sub)contractors Own employees Affected communities
Own operation	*Maintenance*	General maintenance of the owned properties	Operation: Hungary, Poland, Germany Raw materials: Mainly from the EU, UK, China, South-Korea, UK and USA	Subcontractors Suppliers Maintenance companies Suppliers of maintenance companies Own employees
	Distribution and sales	Marketing activities related to properties	Hungary Poland Germany	Own employees Agents or other entities Tenants and Clients: buyers/lenders of properties (individuals or companies) Own employees
		Portfolio Management and Leasing		
Downstream	*Clients use*	Usage of offices, shopping centres, hotels, residential buildings and other properties	Hungary Poland Germany	Tenants and Clients: buyers/lenders of properties (individuals or companies)

(grey)	Outside of the Group's core activity
(white)	Main activity of the Group

Core inputs: financial and human capital, construction materials and energy

The Group maintains a high level of financial liquidity, in order to settle all its liabilities on an ongoing basis, acquire plots for new projects (including responding to market opportunities), explore and enter new business segments and pay dividends. Knowledge, skills and experience of employees are the other important factors of the operation and continuous development is required for providing professional services. Construction materials like cement, steel concrete and different installed devices and energy usage on construction sites are core inputs in the downstream value chain.

Core outputs: real estate and development portfolio, property funds, property assets, return on investment

The initial outputs of the Group's activities are the built properties in various segments (residential, office, retail, hotel, industrial) and the surrounding environment, which focus on long-term value creation by the built environment. The Group experts intend to deliver client specific solutions to meet the highest level of their tenants needs and consider the city-forming function of specific buildings. The Group aim is to increase the level of trust and understanding of clients and business partners, in order to create stable cooperation and acquire new clients or investors. The financial results (profit and dividend) could provide an overview about the Group's performance, based on its financial capital (physical and financial assets on which growth can be built), intellectual capital (knowledge, experience and skills of employees, which are developed according to the Group's needs), and organizational capital (market expansion in Europe).

[SBM-2] Interests and views of stakeholders

WINGHOLDING Group's aim is to engage with key stakeholder groups in an efficient level by serving the interest of shareholders, employees and clients. Accordingly, the three subgroups follow their own approach to contact their core stakeholders, based on their individual operational attributes.

The interest and view of stakeholder groups on sustainability matters were assessed through workshops and external survey during the double materiality analysis. The subgroups have identified their core primary and secondary stakeholder groups as part of their DMA process. Further details regarding ECHO subgroup are described in ECHO's Sustainability Report 2024. The main internal and external stakeholder groups were identified with which the subgroups communicate via different channels:

Key stakeholder groups	Form of cooperation	Purpose
Management Committee	Annual committee meeting and case-by-case basis for topical issues	Validation and approval of core sustainability related decisions
Management Board	Regular management meeting	Core decisions, validation and approval of sustainability related business approach and strategy
Sustainability representatives of subgroups	Meetings, general consultation, workshops	Operative coordination of sustainability issues
Internal responsible of the ESG topics	Meetings, interview, workshops	Key inputs and insights on sustainability topics from their operational area, by integrating view and interest of other stakeholder groups
Shareholders - Investors (institutional and private)	Periodic reports, financial plans General Meeting of Shareholders External survey (DMA)	Obtaining approval and confirmation of strategic directions taken
Employees	Internal communication channels (email, intranet) Represented by internal responsible (DMA)	Insights on employment related ESG topics and provision of development opportunities
Suppliers and subcontractors	External communication channels and site visits Represented by internal responsible (DMA) External survey (DMA)	Insights on cooperation and operational risks
Tenants and Clients	External communication channels, personal meetings, promotional and marketing materials Represented by internal responsible (DMA) External survey (DMA)	Insights on clients' needs and market trends
Industry organizations	Cooperation within events and organizations External survey (DMA)	Insights on industry related news and challenges

Through the stakeholder engagement the Group uses the perspectives and approaches of the different stakeholders in certain cases. In terms of sustainability through the double materiality assessment representatives of the internal and external stakeholders were involved to form their opinion of the Group's ESG-related material topics. The aim was to integrate operational insights in the IRO assessment from various areas, as well as to validate the results by a wider group of affected stakeholders. Feedback were taken into consideration and incorporated into the DMA process, and in the future it is planned to be integrated to the strategy of the subgroups.

In terms of its strategy and business model, the Group considers shareholders (through the Supervisory Board and the General Meeting of Shareholders) as key stakeholders and takes their opinions into account in its operations. For sustainability related topics, internal ESG responsible could provide valuable insights from different perspectives (by representing employees, subcontractors, clients view), based on their experience from the last years.

The Group has not amended its strategy or business model yet. The DMA results could provide considerations for integrating into strategy in the following years which will be considered in the following years.

Management bodies of the three subgroups were informed separately in general management meeting about the process and results of the double materiality analysis, including the relevant information from key stakeholders. The Group level sustainability matters and material topics were validated and approved by the Management Committee.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The Group aligned material impacts, risks and opportunities were assessed for the first time in this reporting period during the double materiality assessment:

IRO name	IRO category	Presence in the value chain	Description of current and potential IROs with their effects[1]	IROs interaction with strategy
Environment - ESRS E1 Climate change				
Climate-related physical risks	Financial risk Actual, short-term	Relevance in Upstream: High Direct operation: High Downstream: High	Material for the Group: WINGHOLDING's properties, upstream and direct operation are exposed to several climate-related risks (causing by extreme weather conditions such as heatwaves, extreme rain and wind, floods, lack of resources in the supply chain), which can lead to significant financial losses (e.g. impairment of assets) and problems through the entire value chain (supply chain interruptions and/or material shortages).	Adaptation solutions are becoming more relevant in the real estate planning, development and maintenance processes as well, since the increased probability and effects of heatwaves, or heavy rain floods are already experienced.
Climate-related transition risks	Financial risk Potential, mid-term	Relevance in Upstream: High Direct operation: High Downstream: Medium	Material for the Group: The requirements for energy performance are becoming more stricter following the Energy Performance of Buildings Directive. In addition, carbon taxes (CBAM) and its expansion, the EU ETS are incentivizing GHG emission reduction in the EU. The real estate sector is expected to be part of the EU ETS, which would cause limitations and financial costs related to emission allowances. The effects of transition risks (policy, technology, legal) could result higher operational costs, in-creased administrative and compliance expenses, substantial capital expenditures, operational disruptions, and investment uncertainty.	Consideration and ambition to comply with these new requirements and to consider the additional investment costs that could occur in relation.
GHG emission	Negative impact Actual, short-term environmental impact	Relevance in Upstream: High Direct operation: Medium Downstream: High	Material for the Group: The Group has direct (own operation of the offices - Scope1,2) and indirect (upstream and downstream value chain Scope 3) GHG emissions. The high emission intensity of the construction and real estate industry is related to the extraction and manufacturing of construction materials and the use of finished buildings (scope 3)	Consider emission reduction possibilities. Echo has already adopted the goal of reducing product CO_2 emissions in the facilities under construction.

[1] IROs were identified firstly on subgroup level, then these were assessed altogether for Group level to determine the material sustainability matters of the Group. Those IROs which considered material on subgroups levels are highlighted in this tables, however most material topics identified are presented on Group level because these considered as material topics on Group level. The sustainability matters of water, product design & lifecycle management green financing of real estate portfolio and projects are considered as subgroup level material topics.

	Financial risk Potential, short-term	Relevance in Upstream: Medium Direct operation: High Downstream: High	Material for the Group: In the market consumers and tenants have higher demand for lower / zero-emission buildings and if these demands are not met with the supply it could result in potential profit or market loss. The average emission of the buildings is getting more and more important in the financial and non-financial evaluation of buildings influencing its asset value.	Continue to analyse market trends and consumers/tenants' requirements beyond financial indicators. Examine the possibilities to increase the share of low-emission buildings in the portfolio.
Energy consumption	Negative impact Actual, short-term environmental impact	Relevance in Upstream: High Direct operation: Medium Downstream: High	Material for the Group: The operation of own offices and the properties in the portfolio could result significant annual energy consumption. In the value chain there is a more significant part of energy consumption in relation to the construction and development of new/existing buildings: direct (e.g. energy consumption of vehicles at construction site) and indirect energy (e.g. use of energy for the manufacturing of different materials).	Continue to adopt solutions that support the reduction of energy consumption (initiative to increase energy consumption from renewable sources in own operation and in the portfolio; develop BREEAM, LEED requirements on portfolio properties to adopt energy efficient solutions; consider the use of energy-efficient solutions and product alternatives at design stage).
	Financial risk Potential, short-term	Relevance in Upstream: High Direct operation: High Downstream: High	Material for the Group: The Group own operation and developments are affected by the increased and volatile energy prices due to the geopolitical events, business disruption of fossil fuels, increased taxes and additional costs on fossil fuel. These are all resulting higher operational and development costs in own operation and in construction work as well.	
Energy management and efficient buildings: operational cost reduction	Financial opportunity Potential, short-term	Relevance in Upstream: Medium Direct operation: Medium Downstream: Medium	Material for the Group: Effective management of property energy consumption, implementation of energy efficient solutions could realise reduced operating / investment costs and lower regulatory risks.	Continue to monitor properties energy consumption and further investigate the implementation of energy efficient and renewable energy-based solutions.
Low emission properties as business opportunity	Financial opportunity Potential, long-term	Relevance in Upstream: Low Direct operation: Medium Downstream: High	Material for the Group: The Group properties with lower energy consumption and GHG emission could be more attractive for new tenants and buyers, these factors can increase potential tenant interest and can drive up profits and future partners.	Continue to increase the share of low energy consumption and emission properties in the portfolio. WING has issued a green bond in order to support investments toward low emitted and energy efficient properties.

Environment - ESRS E3 Water				
Reduction of water consumption at the stage of use of commercial premises	Positive impact, Actual, short-term environmental impact	Relevance in Upstream: Medium Direct operation: Medium Downstream: High	Material for ECHO: Echo introduces solutions that save water consumption (appropriate infrastructure), although it has no direct impact on the functioning of end users. This is an opportunity to save money for the end users of the buildings, therefore realize a positive impact.	Consider the use of technical solutions that reduce water consumption.
Environment - ESRS E4 Biodiversity				
Land use change	Negative impact, Actual, short-term environmental impact	Relevance in Upstream: High Direct operation: Medium Downstream: Medium	Material for the Group: Real estate constructions (mainly greenfield investments) are significantly contributing to biodiversity loss. Removal of trees from project sites and changing the original landscape have negative effects on local ecosystem, plants, and species. Besides, the increased traffic around new real estate sites also affect the local ecosystem.	The Group intend to limit landscape change and tree removal by focusing on projects in already urbanized areas.
Pollution of the environment	Negative impact, Actual, short-term environmental impact	Relevance in Upstream: High Direct operation: Low Downstream: Low	Material for the Group: Contribution to biodiversity loss due to pollution of air, water, soil and/or microorganisms caused by activities within the company's upstream or downstream value chain. That can also appear from risk side, with the financial implication caused by the occurrence of environmental accidents.	The Group is following the current legislative requirements for the minimization of its negative impact in the project area.
Environment - ESRS E5 Circular economy				
Waste generation on construction sites	Negative impact, Actual, short-term environmental impact	Relevance in Upstream: High Direct operation: Low Downstream: Low	Material for the Group: In the construction sites waste generation is significant and it can be still challenging to collect these appropriately to be reused or recycled. A large amount of construction waste debris is disposed unsorted. Proper collection and reuse of demolition waste is performed in line with the regulatory requirements. In case of uncontrolled waste management processes soil, water contamination could occur.	The Group is following the regulatory requirements in their waste management processes and BREEAM, LEED, DGNB certificate requirements. Echo has introduced the obligation to segregate waste on its own construction sites, ahead of the statutory obligation.
Resource inflow	Negative impact, Actual, short-term environmental impact	Relevance in Upstream: High Direct operation: Low Downstream: Low	Material for the Group: The construction of buildings and large infrastructure projects require a significant amount of materials and resources, including steel, concrete and other raw materials (natural and synthetic). Major part of used materials for constructions are originated from Europe, while also a part is from Asia or USA.	The Group has lower influence on the used materials during construction works (since it is mostly related to subcontractors), although it considers the potential possibilities to improve resource use monitoring system in the future, in alignment with the potential financial implications.

Environment - entity specific				
Product design & lifecycle management	Financial opportunity, potential, long-term	Relevance in Upstream: High Direct operation: Medium Downstream: Low	Material for WING: The EU based initiatives on circular economy and the expected legislation for construction materials are becoming an important aspect in property development. New product designs using circular economy solutions and materials can help the Group to have a long term positive impact on the natural environment with reduced waste and pollution and contribution to circular economy. With these initiatives the company could reflect to future market changes.	Continue to monitor opportunities that could be integrated in planning and design phase to follow the market trends and expectations.
Social - ESRS S1 Own workforce				
Secure employment	Positive impact Actual, short-term social impact	Direct operations	Material for the Group: The Group is offering working opportunities to white- and blue-collar workers in the real-estate sector in Hungary, in Poland and in Germany. The majority of employees have long-term contracts. The employment stability of personnel can ensure that the Group continues to conduct business and retains core competencies within the Group.	Retain current business practices: - providing stable employment opportunities (appropriate contractual terms and conditions) - monitor and develop working conditions
Social dialogue	Positive impact Actual, short-term social impact	Direct operations	Material for ECHO: ECHO has defined its continuous communication and active dialogue to inform employees, as a result of good cooperation practice based on its values and long-term approach to employee management.	Continue employee engagement practices.
	Financial risk Actual, mid-term	Direct operations	Material for WING: Ignoring views and interests of employees or their representatives and refusing the involvement in decision-making processes could result unmotivated employees while decrease productivity and employee satisfaction, which can result loss of business relationships, that can be replaced with higher operational costs or can cause a risk in the availability of appropriate human resources to the company.	The possibility for employees to express their views has different practices and extent among subgroups, while each entity plans to develop its engagement with employees for example through annual satisfaction survey.
	Financial opportunity Actual, mid-term	Direct operations	Material for WING: Taking employees' views and interests into account by engaging actively with them or their representatives or involving them in decision-making processes could increase employee satisfaction and productivity. Providing different forums to employees to share their insights and feedback could enhance engagement and retention.	

Work-life balance	Positive impact Potential, mid-term social impact	Direct operations	Material for ECHO: Developing flexible work practices and additional work-life balance activities, based on applied good practice of ECHO.	Continue to analyse employee feedback regarding their well-being on an ongoing basis and address them in the light of resource availability.
	Financial risk Potential, short-term	Direct operations	Material for WING: By not considering employees work-life balance, it could result in unsatisfied and inefficient performance, also increasing the volume of leaving employees. Higher production or time pressure and regular overtime could result in the disturbance of the work-life balance of employees, which can result loss of business relationships, that can be replaced with higher operational costs or can cause a risk in the availability of appropriate human resources to the company. There are specific positions which has higher workload seasonally, but this is not typical.	Consider specific internal programs and develop monitoring process to get feedback on employees' work-life balance. Continue to support work-life balance (flexible working time, family related leave) and develop well-being programs.
	Financial opportunity Potential, short-term	Direct operations	Material for WING: Work-life balance is becoming more important factor for new generations in a workplace, thus could influence employee attraction and retention. Providing flexible working hours, additional vacation days, family-related leave could increase employee satisfaction and engagement.	
Health and safety	Positive impact Actual, short-term social impact	Direct operations	Material for WING: Health and safety considerations are important aspects at especially construction sites and in the office environment. The subgroups' own operations include mostly office-based activities and all employees who frequently visit project sites are provided protective equipment.	Continue to H&S prevention and mitigation practices (risk assessment and monitoring, internal policy and training, protective equipment, programs for physical and mental health).
Gender equality and equal pay for work of equal value	Negative impact Actual, short-term social impact	Direct operations	Material for ECHO: Low diversity in management and supervisory positions, defined by Echo. The possibility of acting (changing the composition of the bodies) is partly outside the subgroup and belongs to the shareholders.	Echo supports and encourages to increase the Board's diversity – through the assumptions of its sustainable development strategy.

Training and skills development	Positive impact Actual, short-term social impact	Direct operations	Material for the Group: Education and skills development is important for the Group; thus the company provides opportunities to own workforce while supports educational initiatives, in collaboration with other market participants to ensure the supply of industry workers. Trainings are organized in general, mostly on work-related specific topics for professionals. Collaboration with educational institutions aims to provide possibilities to new generations in the real estate sector.	Continue to provide various learning and skill development opportunities and support educational initiatives. Monitor professional and personal development opportunities and collect feedback from employees in relation to the efficiency of training programs.
	Financial risk Potential, short-term	Direct operations	Material for the Group: The lack of proper knowledge development system could result competitive disadvantage by losing market presence, talented and well-qualified employees. Without appropriate training on H&S and ethical behaviour, the exposure of potential accidents or inappropriate behaviour could increase, which could also involve financial costs and reputational loss.	
Measures against violence and harassment in the workplace	Positive impact Actual, short-term social impact	Direct operations	Material for the Group: WINGHOLDING advocates for zero tolerance in relation to workplace discrimination. Continuous awareness raising and education of employees on ethical standards could enforce the diverse, inclusive corporate culture.	The subgroup's Code of Ethics aims to settle corporate values and the baseline of ethical operation, including inclusivity and acceptance of diversity, and reducing the possibility of discrimination. Whistleblowing safeguards are defined and disclosed, including the protection of its own workforce who report wrongdoing and unethical behaviour. Enforce diversity and inclusive corporate culture, continue awareness raising and education of employees. Ensure the proper operation and transparent availability of the whistleblowing system.
Social - ESRS S2 Workers in the value chain				
Health and safety	Negative impact Potential, short-term social impact	Upstream relevance and influence on direct operation	Material for the Group: Real estate & construction industry are highly exposed to insufficient safety measures on construction sites. Subcontractors are often not providing adequate protective equipment to workers, or no proper healthcare services are available to them. Besides it could also occur that accidents are not properly examined or hided which could negatively influence the H&S of employees.	Develop supplier screening procedure to enhance H&S prevention and mitigation practices (risk assessment and monitoring, internal policy and training, protective equipment) in construction sites. Echo has planned systematic development of the OHS system and defined strategic goal: zero fatal accidents on construction sites and ensuring high standards of social facilities on

	Financial risk Potential, short-term	Upstream relevance and influence on direct operation	Material for the Group: Without effective sustainability due diligence process on supplier assessment and supplier screening, there is the possibility that insufficient working conditions are exist in the value chain. Improper training and bad quality equipment can cause hazards during construction activities which can have financial or reputational implications to the Group as well. Non-compliance of suppliers could result reputational risk, financial penalties, and legal issues to the company. Besides, EU legislations are emphasizing more the responsibility of HQ-s on the screening and controlling of sustainability and human rights risks in the value chain.	construction sites. The system consists of training, reporting, verification of requests and implementation of improvements. The system is confirmed by international certificates.
Social - ESRS S4 Consumers and end-users				
Access to (quality) information of consumers	Financial risk Potential, short-term	Downstream relevance and influence on direct operation	Material for the Group: Without providing quality and transparent information about properties in different communication channels and marketing activities, the company could face penalties, financial and reputation loss based on regulatory and sector requirements.	Continue to communicate transparently and give access to information for stakeholders in line with regulatory and consumers requirements.
Health and safety of consumers	Positive impact Actual, short-term social impact	Downstream relevance and influence on direct operation	Material for the Group: The Group has operational safeguards that aims to ensure properties safety and minimize negative effects on consumers. Besides, new development projects (certified BREEAM, LEED, DGNB) have high emphasis on the well-being of tenants and users.	Continue to have high emphasis on safety considerations of properties, follow local and EU level regulations and BREEAM and LEED requirements in new development projects.
Social inclusion of consumers and/or end-users	Positive impact Actual, short-term social impact	Downstream relevance and influence on direct operation	Material for the Group: Many requirements related to providing a friendly space between buildings (meeting places), accessibility for children and guardians, bicycles and prams, ease of movement around housing estates, etc.	Continue to create inclusive spaces of properties and consider accessibility requirements in planning and development phases. The Group is gradually implementing more and more solutions aimed at creating a friendly space for various social groups (as a standard for people with disabilities).

Governance - ESRS G1 Business conduct				
Corporate culture and ethics	Positive impact Actual, short-term social impact	Relevance in upstream, direct operation and downstream	Material for the Group: Core values of corporate operation and ethical behaviour are important aspects to have reliable partnership and good cooperation with employees, clients, and investors. Subgroup's code of conduct summarizes the core principles of ethical business conduct.	Responsible business conduct, ethical behaviour, trust are part of the core corporate values defined by WINGHOLDING subgroups. Considering compliance with internal policies and regulatory requirements, as well as support of employees in forming ethical corporate culture by the management and supervisory bodies. The Group can continue to develop corporate culture by enhancing ethical business conduct (through training, compliance and reporting procedures, and employee engagement). The Group informs investors and relevant stakeholders about operation related, financial and ESG information through periodic reports, based on national requirements and international standards.
	Financial opportunity, potential, mid-term	Relevance in upstream, direct operation and downstream	Material for the Group: If ethical norms and behaviour are appropriately implemented in corporate culture, the working environment could be improved, which can increase employee satisfaction, create a culture of responsibility and accountability, reduce the likelihood of ethical and legal violations, and ultimately enhance their financial stability and performance.	
Protection of whistle-blowers	Positive impact Actual, short-term social impact	Relevance in upstream, direct operation and downstream	Material for the Group: The subgroup level designed whistleblowing systems aim to provide proper mechanism for all employees and third parties to raise any concerns, which could occur in operation against ethical norms.	WINGHOLDING subgroups have internal whistleblowing mechanism, settled in subsidiaries level. For each entities ethical principles (including the protection of whistleblowers) and whistleblowing system are defined in their Code of Conduct. Ethical training is available for employees (the extent and participants of these trainings are dependent on subsidiaries internal policies and processes). Continue to operate in line with the Code of Conduct of each subgroup (by taking into account international standards and guidelines) and employees awareness raising.
Operational dependence on suppliers	Financial risk Potential, mid-term	Relevance in upstream, and direct operation	Material for the Group: The Group works with various suppliers and subcontractors through property development phases (from construction to	WINGHOLDING has special attention on energy suppliers, since the direct and indirect energy demand of the company is

			maintenance), and general corporate operation. The disturbance of value chains and resource (materials, labour) availability could increase costs of developments or cause delays in contractual obligations.	significant, thus volatile energy prices and market could have higher influence on its operation.
Corruption and bribery - Incidents	Negative impact Potential, mid-term social impact	Relevance in upstream, and direct operation	Material for the Group: The real estate and construction sector (particularly in infrastructure investments) through its investment volume, widespread value chain and complex subcontractor structure is highly exposed to the occurrence of corruption incidents.	Implementation of the anti-corruption policy by the major subgroups, continue awareness raising and employee education and trainings.
Governance - G entity specific				
Green financing of real estate portfolio and projects	Financial opportunity Potential, mid-term	Relevance in direct operation and downstream	Material for WING: Green financial opportunities are expanding in the real estate sector (also driven by regulatory incentives). Integration of ESG aspects in development phases could mean more attractive investment opportunity and increased value.	WING subgroup has a Green Financing Framework, which sets out the Company's green investment policies and commitments, in line with climate change mitigation objectives. The funds raised have been used exclusively to finance projects and instruments supporting sustainability efforts (high score certified buildings and energy efficiency solutions). Their aim is to exploit new investment opportunities through the Green Financing Framework.

The IRO summary table is presented the core financial risks that were identified by the Group and those implication on the operation were qualitatively assessed and categorized (in terms of reliance on relationships, influencing future cash-flow or the use of resources) as part of the double materiality analysis. Although further analysis would be necessary to define quantitative financial effects of these risks. Since, the subgroups are in initial phase to consider the double materiality analysis results in their strategy (as it was conducted in the reporting year), they did not examine the resilience yet.

Impact, risk and opportunity management

Disclosures on the materiality assessment process

[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

WINGHOLDING Group has prepared its first consolidated sustainability report by following the ESRS standards for the financial year of 2024. It was the first year to prepare a group-level double materiality assessment (DMA), based on the ESRS guidance following a bottom-up approach.

Firstly the double materiality analysis was performed by each subgroup individually on local level, then secondly it was continued with a consolidated analysis on WINGHOLDING Group level. The aim of the consolidated analysis was to identify the most relevant sustainability matters from the Group's perspective and consider related impacts, risks and opportunities for presenting in its consolidated sustainability report.

The DMA process conducted at subgroup level followed a similar approach (based on the ESRS recommendations for the procedure to identify material sustainability topics) and comprised the following steps:

1. Defining business context (business activities and relationships in own operation and through the value chain)

In the first step, the Group's business context was defined to have a general understanding on the extent (property development and investment) and regions (Hungary, Poland, Germany) of core business activities with a focus on both sustainability and financial perspectives. The scope of sustainability reporting requirements was evaluated by considering WINGHOLDING Group at consolidated level and also considering the three subgroups operational size and financial performance individually. Besides, a value chain map was developed by each subgroup to outline up- and downstream activities, providing a comprehensive view of the company's operations and business relationships. This map identified key areas where sustainability factors could materially impact the company's performance. The value chain mapping considered the main activities of real estate development and management, from sourcing raw materials to end-user interactions. In alignment, a stakeholder map was created to identify both internal and external stakeholders affected by the Group's activities. This analysis helped to clarify the context in which the company's main business activities take place and enabled the identification of stakeholders whom the company's actions could impact.

2. Identification of actual and potential impacts, risks and opportunities (based on ESRS topics, sub-topics and sub-sub-topics and entity specific topics)

The second step focused on identifying actual and potential impacts, risks, and opportunities (IROs) in relation to own operation and value chain activities, business relationships, based on a comprehensive list of sustainability topics where material issues could arise in the real estate segment. The subgroups' IRO identification was along the recommended list of sustainability topics by ESRS (list of the sustainability matters in ESRS 1 paragraph AR16) completed with industry-specific and entity specific topics with the involvement of internal experts of the companies and benchmarks.

(IRO1-03) The subgroups have identified IROs related to environmental, social and governance issues, by considering regulations, industry trends and internal policies, expert knowledge of the project team, value chain analysis and information from stakeholders. Negative impacts in relation of construction activities (mostly arise in the value chain) were also included in the evaluation as potentially high-risk area.

3. IRO evaluation, assessment of impact and financial materiality

The identified IROs were evaluated to assess their impact and financial materiality, based on predefined evaluation criteria set (based on the ESRS guidelines). The assessment was carried out by using qualitative and quantitative criteria set, involving by external and internal experts on different workshops.

The impact materiality was assessed by evaluating the nature of the impact (positive or negative), its scale, scope, irremediability (in case of negative impacts), and likelihood (in case of potential impacts). Negative and positive impacts were also defined by parameters, like time horizon and type (actual or potential). Based on these defined characteristics, impacts were discussed and evaluated on workshops involving experienced operational and management representatives of the relevant sustainability topics.(IRO1-07-08-09) For financial materiality, the evaluation focused on whether the IRO represented a financial risk or opportunity using the magnitude of its potential financial effect, along with the likelihood of its occurrence. Risks were categorized according to influence on future cash flows, continuous use of resources or reliance on relationships. To identify risk and opportunities potential dependencies on natural or human resources, and also changes in legislation or market trends were considered.

4. Prioritisation and validation of results

The IRO assessment results were presented in a prioritized list of all identified impacts, risks and opportunities. All identified IROs were reviewed and evaluated by internal expert group (ESG representatives), and the materiality thresholds were defined, that represented the significance of financial risks and material impacts. Field workshops were conducted with internal experts and representatives from operational departments to validate the results.

In addition, a materiality survey was distributed to gather feedback from a broader range of external stakeholders. Stakeholder involvement was performed in different levels by the entities, all of them had workshops with internal responsible of operational departments and validation by management board, while for external involvement survey were sent by two subgroups and one was used internal proxy evaluation.

As a result of the DMA process most relevant sustainability topics were identified for reporting purposes and approved by Management Boards of the subgroups (as internal control, further internal audit process on the DMA was not performed)

The Group level DMA alignment included the review and summary of each subgroups' conducted DMA process by considering country and subgroup specific insights of subsidiaries' experts and consultants. In order to define material topics at group level for consolidated reporting, bottom-up approach was followed, based on financial and operational significance, discussion and validation of the results by the subgroups' sustainability representatives. The final results of group DMA alignment were confirmed by WINGHOLDING's Management Board (as internal control), ensuring that the final list of material topics was aligned with the company's sustainability objectives and strategic goals.

The DMA process could provide insights and considerations for integrating the identified IROs into overall risk management process in the following years.

[IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS	Disclosure requirement	Page	Comment	Reference link
ESRS2	**General Disclosures**			
	Basis for preparation	40		
[BP-1]	General basis for preparation of the sustainability statement	40		"17. Investments in Subsidiaries" of the consolidated financial statement of the Annual report 2024
[BP-2]	Disclosures in relation to specific circumstances	41		Sustainability Reporting of the Echo Investment Group 2024
	Governance	42		
[GOV-1]	The role of the administrative, management and supervisory bodies	42		Other disclosures – Corporate governance subchapter of the Annual report 2024 Sustainability Reporting of the Echo Investment Group 2024
[GOV-2]	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	45		Sustainability Reporting of the Echo Investment Group 2024
[GOV-3]	Integration of sustainability-related performance in incentive schemes	46		
[GOV-4]	Statement on due diligence	46		
[GOV-5]	Risk management and internal controls over sustainability reporting	46		
	Strategy	47		
[SBM-1]	Strategy, business model and value chain	47		"5. Revenue" of the consolidated financial statement of the Annual report 2024
[SBM-2]	Interests and views of stakeholders	53		Sustainability Reporting of the Echo Investment Group 2024

[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	54		
	Impact, risk and opportunity management Disclosures on the materiality assessment process	64		
[IRO-1]	Description of the processes to identify and assess material impacts, risks and opportunities	64		
[IRO-2]	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	67		
[E]	**Environmental information**	78		
[E1]	**Climate change**	78		
[GOV-3]	Integration of sustainability-related performance in incentive schemes	78		
[E1-1]	Transition plan for climate change mitigation	78		
[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	79		"4. Estimates and uncertainties" of the consolidated financial statement of the Annual report 2024 Sustainability Reporting of the Echo Investment Group 2024
[IRO-1]	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	79		"4. Estimates and uncertainties" of the consolidated financial statement of the Annual report 2024 Sustainability Reporting of the Echo Investment Group 2024
[E1-2]	Policies related to climate change mitigation and adaptation	80		Sustainability Reporting of the Echo Investment Group 2024
[E1-3]	Actions and resources in relation to climate change policies	81		Sustainability Reporting of the Echo Investment Group 2024

[E1-4]	Targets related to climate change mitigation and adaptation	82		
[E1-5]	Energy consumption & mix	83		"5. Revenue" of the consolidated financial statement of the Annual report 2024
[E1-6]	Gross Scopes 1, 2, 3 and Total GHG emissions	85		"5. Revenue" of the consolidated financial statement of the Annual report 2024
[E1-9]	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Due to the phase-in option, the Group does not disclose its anticipated financial effects information for the first year of preparation of its sustainability statement.	
	EU Taxonomy	88		Sustainability Reporting of the Echo Investment Group 2024
[E3]	**Water** (subgroup level - ECHO)	101		Sustainability Reporting of the Echo Investment Group 2024
[IRO-1]	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	101		
[E3-1]	Policies related to water and marine resources	101		
[E3-2]	Actions and resources related to water and marine resources	101		
[E3-3]	Targets related to water and marine resources	101		
[E3-4]	Water consumption	102		
[E3-5]	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities		Due to the phase-in option, the Group does not disclose its anticipated financial effects information for the first year of preparation of its sustainability statement.	
[E4]	**Biodiversity and ecosystem**	102		
[E4-1]	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	102		

[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	103		Sustainability Reporting of the Echo Investment Group 2024
[IRO-1]	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	104		
[E4-2]	Policies related to biodiversity and ecosystems	104		
[E4-3]	Actions and resources related to biodiversity and ecosystems	105		Sustainability Reporting of the Echo Investment Group 2024
[E4-4]	Targets related to biodiversity and ecosystems	106		Sustainability Reporting of the Echo Investment Group 2024
[E4-5]	Impact metrics related to biodiversity and ecosystems change	106		
[E4-6]	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities		Due to the phase-in option, the Group does not disclose its anticipated financial effects information for the first year of preparation of its sustainability statement.	
[E5]	**Resource use and circular economy**	107		
[IRO-1]	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	108		
[E5-1]	Policies related to resource use and circular economy	108		
[E5-2]	Actions and resources related to resource use and circular economy	108		
[E5-3]	Targets related to resource use and circular economy	109		
[E5-4]	Resource inflows		The sufficient background and systems for collecting, moreover, disclosing information of the negative impacts identified by the Group in [SBM-3] subchapter are not yet in place at the subgroups. The current impact management practices are described in [IRO1] to [E5-3] subchapters.	
[E5-5]	Resources outflows	109		Sustainability Reporting of the Echo Investment Group 2024

[E5-6]	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Due to the phase-in option, the Group does not disclose its anticipated financial effects information for the first year of preparation of its sustainability statement.	
[E-Entity specific]	**Product design & lifecycle management**	111	For the positive upstream impact identified by the Group, as described in the [SBM-3] subchapter, there is currently no internal process (policies, measures, targets) in place to fully comply with the requirements of ESRS, and therefore limited disclosure is provided in the sustainability statement about the topic.	
[E5]	**Resource use and circular economy**	107		
[S]	**Social information**	112		
[S1]	**Own workforce**	112		Sustainability Reporting of the Echo Investment Group 2024
[SBM-2]	Interests and views of stakeholders	112		
[SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	112		
S1-1	Policies related to own workforce	113		
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	116		Sustainability Reporting of the Echo Investment Group 2024
S1-3	Processes to remediate negative impacts and channels for own workforce	117		
S1-4	Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to own workforce	117		Sustainability Reporting of the Echo Investment Group 2024
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	120		
S1-6	Characteristics of the Undertaking's Employees	121		"39. Employee benefit expenses" of the consolidated financial statement of the Annual report 2024

				Sustainability Reporting of the Echo Investment Group 2024
S1-7	Characteristics of non-employee workers in the undertaking's own workforce		Due to the phase-in option, the Group does not disclose its non-employee workers' information for the first year of preparation of its sustainability statement.	
S1-8	Collective bargaining coverage and social dialogue		Due to the phase-in option, the Group does not disclose its collective bargaining coverage and social dialogue information for the first year of preparation of its sustainability statement.	
S1-11	Social protection		Due to the phase-in option, the Group does not disclose its social protection information for the first year of preparation of its sustainability statement.	
[S1-13]	Training and skills development metrics		Due to the phase-in option, the Group does not disclose its training and skills development information for the first year of preparation of its sustainability statement.	
[S1-14]	Health and safety metrics	124		
[S1-15]	Work-life balance metrics		Due to the phase-in option, the Group does not disclose its work-life balance information for the first year of preparation of its sustainability statement.	
[S1-16]	Remuneration metrics (pay gap and total remuneration)	125		
[S1-17]	Incidents, complaints and severe human rights impacts	126		Sustainability Reporting of the Echo Investment Group 2024
[S2]	**Workers in the value chain**	127	For the negative impact and risk identified by the Group, as described in the [SBM-3] subchapter, there is currently no internal process (policies, measures, targets) in place to fully comply with the requirements of ESRS, and therefore limited disclosure is provided in the sustainability statement about the topic.	
[SBM-2]	Interests and views of stakeholders	127		
[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	127		
[S2-1]	Policies related to workers in the value chain	127		
[S2-2]	Processes for engaging with workers in the value chain	127		

[S2-3]	Processes to remediate negative impacts and channels for workers in the value chain	127		
[S2-4]	Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to workers in the value chain	127		
[S4]	**Consumers and end-users**	128		
[SBM-2]	Interests and views of stakeholders	128		
[SBM-3]	Material impacts, risks and opportunities and their interaction with strategy and business model	128		
[S4-1]	Policies related to consumers and end-users	129		
[S4-2]	Processes for engaging with consumers and end-users	130		
[S4-3]	Processes to remediate negative impacts and channels for consumers and end-users	131		
[S4-4]	Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to consumers and end-users	131		Sustainability Reporting of the Echo Investment Group 2024
[S4-5]	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	132		
[G]	**Governance information**	134		
[G1]	**Business conduct**	134		Sustainability Reporting of the Echo Investment Group 2024
[GOV-1]	The role of the administrative, supervisory and management bodies	134		
[IRO-1]	Description of the processes to identify and assess material impacts, risks and opportunities	134		

[G1-1]	Business conduct policies and corporate culture	135		Sustainability Reporting of the Echo Investment Group 2024
[G1-2]	Management of relationships with suppliers	138		
[G1-3]	Prevention and detection of corruption and bribery	139		Sustainability Reporting of the Echo Investment Group 2024
[G1-4]	Confirmed incidents of corruption or bribery	140		
[G1-6]	Payment practices	141		
[G - Entity specific]	**Green financing of real estate portfolio and projects**	142		

List of data points derived from other EU legislation[2]

Disclosure requirement	**Related data point**	**Page**	**Comment**	**Reference link**
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	44		
	Percentage of board members who are independent paragraph 21 (e)	44		
ESRS 2 GOV-4	Statement on due diligence paragraph 30	46		
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not relevant		
	Involvement in activities related to chemical production paragraph 40 (d) ii			
	Involvement in activities related to controversial weapons paragraph 40 (d) iii			
	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14	78		
	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Not relevant		
ESRS E1-4	GHG emission reduction targets paragraph 34			Sustainability Reporting of the Echo Investment Group 2024

[2] A táblázat tartalmazza az összes olyan adatpontot, amely az ESRS 2 B. függelékében felsorolt egyéb uniós jogszabályokból származik, ezek hol találhatók meg a jelentésben, emellett mely adatpontok nem értelmezhetők a Csoport esetén.

ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	84		
	Energy consumption and mix paragraph 37	84		
	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	84		
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	85		
	Gross GHG emissions intensity paragraphs 53 to 55	87		
ESRS E1-7	GHG removals and carbon credits paragraph 56	Not material		
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not disclosed due to the application of phase-in		
	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)			
	Location of significant assets at material physical risk paragraph 66 (c)			
	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)			
	Degree of exposure of the portfolio to climate- related opportunities paragraph 69			
ESRS E2-4	ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not material		
ESRS E3-1	Water and marine resources paragraph 9	101		Sustainability Reporting of the Echo Investment Group 2024
	Dedicated policy paragraph 13	101		
	Sustainable oceans and seas paragraph 14	Not material		
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	Not relevant		
	Total water consumption in m3 per net revenue on own operations paragraph 29	102		Sustainability Reporting of the Echo Investment Group 2024
ESRS 2 – IRO 1 – E4	Paragraph 16 (a) i	79		
	Paragraph 16 (b)	79		
	Paragraph 16 (c)	79		
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	104		
	Sustainable oceans / seas practices or policies paragraph 24 (c)	Not relevant		
	Policies to address deforestation paragraph 24 (d)	Not relevant		
ESRS E5-5	Non-recycled waste paragraph 37 (d)	109		Sustainability Reporting of the Echo Investment Group 2024
	Hazardous waste and radioactive waste paragraph 39	109		

ESRS 2 – SBM3 – S1	Risk of incidents of forced labour paragraph 14 (f)	112		
	Risk of incidents of child labour paragraph 14 (g)	112		
ESRS S1-1	Human rights policy commitments paragraph 20	113		
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	113		
	Processes and measures for preventing trafficking in human beings paragraph 22			
	Workplace accident prevention policy or management system paragraph 23	113		
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	117		
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	124		
	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Not disclosed due to the application of phase-in		
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	125		
	Excessive CEO pay ratio paragraph 97 (b)	125		
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	127		Sustainability Reporting of the Echo Investment Group 2024
	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	127		
ESRS 2 – SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Not relevant		
ESRS S2-1	Human rights policy commitments paragraph 17	Not relevant		
	Policies related to value chain workers paragraph 18			
	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19			
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Not relevant		
ESRS S3-1	Human rights policy commitments paragraph 16	Not material		
	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17			
ESRS S3-4	Human rights issues and incidents paragraph 36	Not material		
ESRS S4-1	Policies related to consumers and end-users paragraph 16	129		

	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	129		
ESRS S4-4	Human rights issues and incidents paragraph 35	Not relevant		
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Not relevant		
	Protection of whistle-blowers paragraph 10 (d)	135		Sustainability Reporting of the Echo Investment Group 2024
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	140		
	Standards of anti- corruption and anti- bribery paragraph 24 (b)	140		

Environmental information

The following chapters provide an overview about WINGHOLDING Group material environmental topics, in terms of presenting their identified negative impacts, risks and opportunities that are occurring from the core operation (property development) and related to the real estate and construction sector, besides also summarizing sustainability initiatives of the subgroups to mitigate these effects.[3] While the sector is one of the most influential on carbon emissions and biodiversity loss, market expectations and tightening regulations are pushing the real estate development sector towards a greater commitment to environmental protection and sustainability. Today, there is a potential to design and build new properties with lower energy consumption, use less and in a more efficient way natural resources, select more environmentally friendly materials, exploit the potential of modern technologies, and focus on the recycling of construction materials and waste generated. All these trends and regulatory requirements are increasing the Group environmental awareness, although there is always space for improvement to integrate sustainability initiatives in own operation and extend those through the value chain.

[E1] Climate change

[GOV-3] Integration of sustainability-related performance in incentive schemes

WINGHOLDING has not introduced yet a group-level approach to incentive schemes and remuneration policies linked to climate-related considerations for members of administrative, management and supervisory bodies, and neither the subgroups have determined sustainability-related key performance indicators (KPIs) in their compensation plan yet.

[E1-1] Transition plan for climate change mitigation

The Group is aware of challenges faced by the construction and real estate industry in connection with the Paris Agreement's objectives. The subgroups' sustainability related strategic approach consider greenhouse gas emission reduction initiatives and attempts to achieve net zero-emission in the operation phase of completed buildings. From this perspective, they have defined initiatives on climate change mitigation and attempt to reduce negative impacts through their green activities, although a comprehensive transition plan has not been developed yet by the subgroups. Their primary objective is to adopt (BAUWERT), revise (WING) and implement (ECHO) strategic commitments as an initial step towards defining their transition plan, which development is expected to be carried out in the following years. ECHO's approach is to first implement their carbon footprint reduction actions as the basis of the preparation for the transition plan which is further described in [E1] chapter of ECHO's Sustainability Report 2024. Similarly, WING is planning to develop a transition plan in the future, the timing will be in line with its revised ESG strategy and the completion of the more comprehensive GHG emission estimations and calculations to identify the baseline point properly. While BAUWERT does not currently have a transition plan in place either, the

[3] In case of E3 Water and marine resources, solely ECHO identified it as material which is presented in the consolidated report in a summary form, while the entity-specific topic of Product design & lifecycle management is currently detailed at an IRO level in the [SBM-3] subchapter, as the information regarding the matter is now limited, but will be developed and collected for the upcoming reporting periods.

subgroup is open to develop it in the future, aligned with evolving stakeholder expectations and in consideration of best practices within the Group.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The Group has identified material climate-related physical and transitional risks as part of the double materiality analysis (DMA) process. The resilience of its strategy and business model regarding these climate change-related risks were considered within the framework of the DMA. The summary of the analysis can be read in [SBM-3] subchapter of chapter 1 where the most significant climate-related physical and transition risks are listed in relation to the Group's operations. The Group has not performed a detailed resilience (nor scenario) analysis of its strategy and business model in terms of climate-related risks. While, in chapter "4. Estimates and uncertainties" of the consolidated financial statement of the Annual report 2024, a general climate risk analysis is presented in line with the IFRS requirements.

[IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The main activity in this financial year to identify the key short-, medium-, and long-term climate-related physical and transition risks (and opportunities) that impact the Group's business operations and ongoing investment projects were assessed during the DMA process of each subgroup. These were identified based on internal, and external sources and operational insights of internal representatives. The analysis included the subgroup's impacts on climate change, by considering their GHG emissions. The assessment process and the result of the analysis are presented in [SBM-3] and [IRO-1] subchapters of chapter 1.

Over the DMA and additional internal risk analysis, the subgroups have identified their core physical and transition risks:

WING has determined political and legal, financial, technology, market, and reputation-related impacts, risks, and opportunities. The detailed results are presented in chapter "4. Estimates and uncertainties" of the consolidated financial statement of the Annual report 2024.

ECHO has identified areas of climate-related risks and opportunities that may affect its business activities and ongoing investment projects, based on sectoral data, scientific studies, and expert knowledge. They have also highlighted relevant regulatory, political, technological, physical, marketing, and reputational aspects affecting the business operation, while exposure to physical risks was also evaluated. (E1.IRO-1_04) The risk assessment results are presented in the [E1] chapter of ECHO's Sustainability Report 2024.

BAUWERT has supplemented its DMA for a broader view and assessed the extent to which assets and business activities may be exposed to the identified climate-related hazards through a qualitative approach. The subgroup has conducted an initial evaluation based on expert judgment and broad estimations, supported by input from key departments.

The subgroups, however, did not perform a comprehensive climate-related scenario analysis to identify climate-related hazards and assess their assets and business activities that may be exposed and are sensitive to these. Although a general approach on climate risk analysis is performed for certified projects, as it is required by BREEAM or DGNB (German Sustainable Building Council) standards.

[E1-2] Policies related to climate change mitigation and adaptation

As a result of the subgroups' individual operational model and approach toward sustainability initiatives, environmental and social policies have not been designed at consolidated level. Hence, the subgroups individually define their operational framework to integrate climate change mitigation and adaptation considerations into their operational structure.

WING has developed its Green Bond Framework in 2021, aimed at enhancing its capabilities to new financial opportunities by supporting low emission property development that reach high energy performance certificate and BREEAM, LEED rating (further details on the eligibility criteria and achieved results of green investments are presented in 4.2. Green financing subchapter and WING's 2024 Green Bond Allocation and Impact Report). Besides, in 2023, WING has designed its ESG strategy to summarize the company's commitments toward sustainability and further improve the corporate operations along the ESG dimensions. It presents the strategic directions, that main objectives are related to energy efficiency measures by considering renewable energy solutions and property development opportunities with high energy performance certificate and BREEAM, LEED certificate. The subgroup also aims to develop its internal framework on the management of environmental topics, thus currently there is no dedicated policy (that aligns with the ESRS requirements) to summarize and guide climate change mitigation and adaptation initiatives as the above-mentioned documents have so far provided sufficient support to the subgroup to establish and apply their sustainability approaches.

ECHO has adopted and is implementing its Sustainable development strategy 2030, in which the subgroup has defined measurable environmental goals in relation to emission reduction by newly constructed zero-emission buildings and by increasing energy efficiency and the share of renewable sources. Besides, the subgroup has adopted Environmental and Health and Safety Management System Book, as their main document that determines business decisions and plans in relation to sustainability considerations. The Book includes guidelines for managing relationships with key stakeholders (in particular, contractors and suppliers) during the stages of land and building acquisition, procurement of materials and services (e.g., investment and facility management, advisory, design, and construction services) to maximize the impact of joint efforts in environmental protection. The document also incorporates the guidelines set in ISO 14001 that supports environment protection and pollution reduction and prevention activities. The Environmental policy is described in detail in [E] chapter of ECHO's Sustainability Report 2024.

BAUWERT currently does not have a dedicated policy to manage impacts and risks in relation to climate change mitigation and adaptation, since the subgroup's strategic approach is to observe the ongoing developments and best practices within the industry to ensure that any measures adopted are both effective and compliant with the evolving standards. Nonetheless, it fully adheres to all applicable legal requirements and regulations, ensuring the operations meet the necessary sustainability and compliance benchmarks. As a result of that, BAUWERT is currently evaluating the most appropriate time for the introduction of such policies and aim to implement them as soon as suitable, aligning with the broader strategic goals and industry developments.

[E1-3] Actions and resources in relation to climate change policies

Similarly to policies, climate change mitigation actions are also identified and implemented at subgroup level, although the core directions of these initiatives are represented similarly for each subgroup, while the extent of implementation vary among the entities. Although, these initiatives are linked to the ESG strategies of the subgroups and their internal commitments towards sustainability and general operational requirements. For this period the actions are not directly connected with dedicated financial resources, in the following period, the necessity of the preparation of a comprehensive action plan will be considered.

Common actions[4] in relation to climate change mitigation:

1. Carbon footprint calculation as a basis for determining and tracking decarbonization priorities and strategic goals.
2. Energy efficiency measures and improvements in designed and built investments.
3. Increasing the ratio of renewable energy sources in own operation, for leased properties and construction sites.
4. Achieving sustainable building certificates (BREEAM, LEED, DGNB) by completing the requirements of these standards in relation to the design and management of advanced environmental and social considerations.

In alignment with these core elements, the subgroups have further initiatives to reduce their negative environmental impacts:

Based on the Green Bond Framework WING has approved two eligible green projects, and the investments are continuously improving for these properties, by achieving high energy performance certificate in Hungary and BREEAM Excellent and Very Good ratings. Further details, regarding the started projects financed through the green bond issuance, are presented in the Green financing of real estate portfolio and projects subchapter. Besides, the subgroup has developed its energy data monitoring system through gradual and continuous deployment of online, individual measurement devices for electricity at the measurement points and plans to extend for the PODs to gas and district heating measurement as well. This new platform enables the aggregated processing of energy consumption data for all buildings and sites of the portfolio, as well as the automation of the most important energy management processes such as consumption tracking, demand planning and optimisation, cost control, preparation of legally mandated reports and monitoring of carbon emissions. WING has also increased the share of green electricity to 53% in its properties by providing this source of energy for the properties of the entire industrial portfolio and for dedicated office buildings.

ECHO has launched a pilot project in 2024 to design buildings for offices, apartments, and rental units, focusing on using materials and technologies that reduce greenhouse gas emissions and enhance energy efficiency throughout the building's lifecycle. The lessons learned from these pilot projects will help establish systemic solutions for construction standards and support the company's future transition plan. The pilot projects will assess

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[4] In the reporting year, none of the subgroups carried out nature-based solutions actions.

decarbonisation options, estimate GHG reductions, and evaluate the costs of the transformation. The company is strengthening its ESG team, providing employee education, and collaborating with experts to support the process. Successful implementation depends on access to cost-effective materials, financing, qualified experts, and investment in research and development. However, ECHO not in a position now to indicate or estimate the amount of capital expenditures and operational expenditures required of the climate change mitigation and adaptation. Additionally, ECHO started to prepare a scenario analysis as the basis for its decarbonisation strategy, transition, and climate change mitigation action plan, which will be developed in 2025 to enter force as of 2026. The detailed presentation of actions is taken for 2024, those outcomes, and planned next steps are explained in [E] chapter of ECHO's Sustainability Report 2024.

BAUWERT actions in the environmental area are in initial phase, the organizational framework to define and implement is forming, since its strategic approach of not positioning itself as an early adopter. Furthermore, a significant portion of the office buildings already meet the DGNB (German Sustainable Building Council) standards, which enhances the asset value and improves marketability of the company. At this stage, BAUWERT has not yet established an exact timeline for implementing additional actions, but it remains committed to evaluating opportunities and aligning future steps with both regulatory developments and strategic priorities.

This is the first reporting year in line with the ESRS requirements, therefore the key performance indicators of 2024 will be used as reference numbers for the following years to measure and define the achieved and expected GHG emission by the subgroups related to the key actions. For this reporting year the general strategical approach and their main activities were presented in this sustainability report.

[E1-4] Targets related to climate change mitigation and adaptation

GHG emission reduction or other climate change mitigation related targets were not defined and monitored at group level. Besides, the subgroups have settled environmental objectives in their ESG strategy (WING, ECHO).

WING's environmental targets have been defined with different timelines. WING determined its main targets based on the regulatory and market requirements and their internal commitments towards decreasing their environmental impact, the opinion of stakeholders was considered based on the experience of the involved professionals and management of the subgroup. To improve the current processes and set adequate, measurable targets, WING is currently revising and will update its strategic approach. A breakdown of the current objectives is shared in WING's ESG Strategy. The subgroup has already started to prepare its commitments for the near future by issuing measurement points and monitoring in the reporting year and by introducing the measurement methodology for Scope 1, 2 and 3 categories to define GHG reduction and science-based targets as well.

ECHO's climate-related targets are connected to the adoption of carbon footprint reduction, biodiversity protection, and renewable energy utilisation, which are published in the ECHO-Archicom 2030 ESG roadmap and described in detail [E] chapter of ECHO's Sustainability Report 2024. These targets are not based on scientific evidence, however, to properly monitor all targets, milestones have been embedded to the plan. Two of these goals have already been achieved in 2023 (100 % green electricity in buildings used for ECHO's own operation (headquarters) and the replacement of removed trees on an appropriate level). The decarbonization strategy, including targets, is currently under development.

Environmental targets of ECHO	**Implementation time**
Adoption of decarbonization strategy for Scope 1 and 2	2024
Adoption of decarbonization strategy for Scope 3	2025
100% of green electricity provision in the subgroup's own-used properties (headquarters)	2023
100% of green electricity provision in the subgroup's built and managed properties (office buildings and shopping centres)	2025
100 % of green electricity provision of offices of CitySpace	2026
100 % of green electricity provision at construction sites managed by ECHO	2026
Replacement of removed trees (on an appropriate level)	2023
Ensuring zero emissions for all new subgroup's buildings during the operational phase	2030

BAUWERT has acknowledged that specific, climate change mitigation targets (except for fulfilling the requirements of the DGNB standards) in this area have not been adopted yet. This decision is rooted in the strategic approach that the company is not positioning itself as early adopter or pioneer. Instead, their aim to carefully observe industry trends and emerging best practices to ensure that any measures implemented are both practical and aligned with market expectations. The subgroup fully complies with all relevant legal requirements and regulations. Furthermore, a significant portion of its office buildings already meets the DGNB standards, which enhances those asset's value and improves marketability. At this stage, a concrete timeline for implementing additional targets were not established yet. However, BAUWERT is committed to evaluating opportunities and aligning future steps with both regulatory developments and strategic priorities.

[E1-5] Energy consumption and mix

Considering the operational, Scope 1 and 2 boundaries, the main sources of the Group's energy consumption are the operation of its own-used buildings (offices) and the functioning of completed but unoccupied buildings[5]. This consumption includes mostly all kinds of fossil sources based on the companies' electricity and district heating mixes. Another significant category is the subgroups' vehicle fleet, including cars owned or leased by the Group and employees' cars used for business purposes. Most energy is purchased, the direct fuel consumption (other than vehicle fuel), is negligible. Energy consumption of owned properties that are leased, is not included in the total energy consumption as it is considered under Scope 3, Category 13 – Downstream leased assets. Consumption data related to own-used buildings is collected and extracted from internal systems, based on company registry, automated or

[5] In the financial year of 2024, 'finished but unoccupied properties' category is not applicable at BAUWERT, all their built projects were either sold, fully rented, or not finished. In case of WING the whole energy consumption of the properties calculated in Scope 3 Category 13, therefore it is not included in the energy consumption.

manual meter reading and invoices Data on fuel consumption is collected from detailed invoices by the service provider.

The energy intensity value is based on the Group's total energy consumption and net revenue, as the core business of real estate activities (NACE 68) is categorised as a high climate impact sector. Revenues from other activities are insignificant, thus the total net revenue of the Group is used for the calculation of the energy intensity, which amount can be found in chapter "5. Revenue" of the consolidated financial statement of the Annual report 2024.

2024	**WING (Hungary)**	**ECHO (Poland)**	**BAUWERT (Germany)**	**TOTAL (All countries)**
Fuel consumption from coal and coal products (MWh)	33	0	0	33
Fuel consumption from crude oil and petroleum products (MWh)	1 236	3 137	1 972	6 345
Fuel consumption from natural gas (MWh)	122	350	37	509
Fuel consumption from other fossil sources (MWh)	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	824	3 299	1 691	5 814
Total fossil energy consumption (MWh)	2 215	6 786	3 700	12 701
Share of fossil sources in total energy consumption (%)	**90,5%**	**78,1%**	**87,7%**	**82,7%**
Consumption from nuclear sources (MWh)	204	0	5	209
Share of consumption from nuclear sources in total energy consumption (%)	**8,3%**	**0%**	**0,1%**	**1,4%**
Fuel consumption for renewable sources, including biomass (MWh)	0	0	1	1
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	30	1 903	513	2 446
The consumption of self-generated non-fuel renewable energy (MWh)	0[6]	0	0	0
Total renewable energy consumption (MWh)	30	1 903	514	2 447
Share of renewable sources in total energy consumption (%)	**1,2%**	**21,9%**	**12,2%**	**15,9%**
Total energy consumption (MWh)	2 449	8 689	4 219	15 357
Energy intensity based on net revenue (MWh/mHUF)	**0,08**			

[6] WING has also generated 55,6 MWh solar energy in 2024, which was consumed by one of its leased buildings. ECHO and BAUWERT do not generate any renewable energy.

[E1-6] Gross Scopes 1, 2, 3 and Total GHG

The Group has calculated its Scope 1 and 2 emissions from its direct operation. The inclusion of Scope 3 emissions is limited due to the availability of reliable data sources, estimations were used in most cases which is detailed below. This consolidated report only contains data for 2024, however, no significant changes were realized related to previous reporting periods.

Method and assumptions

Calculations for all subgroups were based on the guidelines of the GHG Protocol Corporate and Value Chain Standard, including emissions of CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3, using the most recent Global Warming Potential (GWP) values published by IPCC based on a 100-year time horizon to calculate CO2eq emissions of non-CO2 gases. As for biogenic emissions, they are not calculated as they do not occur in Scope 1, 2 or 3, moreover, reliable information could not be collected from the value chain either. BAUWERT analysed its consumption data related to its own-buildings for electricity and heat generation based on utility costs. Due to unavailability of more recent data, the analysis relies on the costs of 2023.

Scope 1

Under an operational control boundary, Scope 1 emissions at the Group include the fuels in vehicles owned or leased by the subgroups or employee's cars used for business purposes in the reporting period [7]. At ECHO, refrigerant leaks, natural gas combustion and fuel consumption of emergency power units in own-used buildings was also calculated in Scope 1. In 2024, the value of ECHO's Scope 1 biogenic emissions was 50 t CO2 equivalent. GHG emissions from regulated emission trading schemes are not applicable at either of the subgroups.

Scope 2

Scope 2 emissions incorporate emissions from purchased electricity and heat at the properties which is used by the Group's own employees. Location-based emission factors were identified from national data for the three subgroups[8]. In case of the market-based Scope 2 emissions, only ECHO could calculate emissions for the purchased electricity[9], at the other two subgroups these emission factors were not offered by their service provider. Thus, their market-based emissions were estimated with the location-based method. ECHO also integrated the emissions resulting from electricity and heating charges for unleased spaces in finished office buildings owned by the subgroup or already sold, but for which ECHO has obligations to pay such charges. Even though ECHO has direct contact with its energy suppliers, the company has no bundled or unbundled contractual instruments related to their Scope 2 emissions, similarly to the other subgroups.

Scope 3

[7] DEFRA's emission conversion factors were used to calculate the GHG emissions of the passenger vehicles.

[8] Hungarian, Polish, and German regional emission factors were considered to calculate the GHG emissions related to the subgroups' energy consumptions.

[9] Emission factors were used according to the rates of the relevant suppliers.

Emissions generated outside of the Group's direct operation are accounted for Scope 3 emissions. As data availability of these categories is limited due to the difficulty in obtaining high-quality and reliable data on up and downstream activities. The degree to which the Group measures its Scope 3 GHG emissions is based on the availability of inputs from specific activities within its upstream and downstream value chain, as well as the proportion of emissions calculated using primary and secondary data sources from suppliers or other value chain partners, moreover, scientific databases and studies. The percentage of emissions calculated using primary data obtained from suppliers or other value chain partners in Scope 3 of ECHO is 40,76 percent.

The relevant Scope 3 categories are determined by each subgroups based on their operational characteristics, no unified group level approach is applied. Each subgroup used their own methodology for the calculation and estimation of their GHG emission, therefore the results may differ due to the estimations. A methodology for consolidation is under development, based on the data collection processes and the availability of the input data by the defined core categories.

The subgroups included or excluded categories based on three types of characteristics: relevance, impact, and significance, related to their core business activities. The results of the relevant categories and the applied methodology of calculations are presented in the table below.

The main Scope 3 upstream emissions resulting from purchased goods and services (Category 1), capital goods (Category 2), business travel (Category 6), and employee commuting (Category 7). As for downstream emissions, only Category 13, downstream leased assets were material for the companies which are the emissions related to the owned properties which are rented out. ECHO and BAUWERT also accounted their significant emissions from their use of sold products (Category 11) as well in the upstream part of the value chain, besides the emissions from their generated waste.

In case of ECHO, apart from Categories 8-10 and 14, all Scope 3 emissions were included in its assessment.

Scope 3 Categories	WING	ECHO	BAUWERT
Category 1: Purchased goods and services	Spend-based method	- Average-data method - Spend-based method	Spend-based method
Category 2: Capital goods	Spend-based method	- Supplier-specific method - Average-product method - Average spend-based method	Spend-based method
Category 3: Fuel- and energy-related activities		- Average-data method - Location-based method	
Category 4: Upstream transportation and distribution		Spend-based method	
Category 5: Waste generated in operations		Average-data method	Spend-based method
Category 6: Business travel	Distance-based method	- Distance-based method - Spend-based method	Spend-based method
Category 7: Employee commuting	Distance-based method	Distance-based method	Spend-based method
Category 8: Upstream leased assets			
Category 9: Downstream transportation			
Category 10: Processing of sold products			

Category 11: Use of sold products		GHGs and products that contain or form GHGs that are emitted during use	Spend-based method
Category 12: End-of-life treatment of sold products		Average-data method	
Category 13: Downstream leased assets	Asset-specific method	- Asset-specific method - Average-data method	Spend-based method
Category 14: Franchises			
Category 15: Investments		Investment-specific method	

The Group's Scope 1, 2 and 3 emissions are detailed in the table below, as required by the ESRS[10]:

Retrospective reporting				
2024	**WING** (Hungary)	**ECHO** (Poland)	**BAUWERT[11]** (Germany)	**Total** (All countries)
Gross Scope 1 GHG emissions (tCO2eq)	314	858	40	**1 212**
Gross location-based Scope 2 GHG emissions (tCO2eq)	173	2 404	643	**3 220**
Gross market-based Scope 2 GHG emissions (tCO2eq)	173	1 155	643	**1971**
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	43 840	634 128	17 284	**695 254**
1 Purchased goods and services	12 884	115 618	9 373	**137 875**
2 Capital goods	13 794	1 873	238	**15 905**
3 Energy and fuel-related activities	0	771	0	**771**
4 Upstream transportation and distribution	0	33	0	**33**
5 Waste generated in operations	0	33	26	**59**
6 Business travel	16	286	44	**346**
7 Employee commuting	192	274	79	**545**
11 Use of sold products	0	498 979	5 824	**504 803**
12 End-of-life treatment of sold products	0	2 567	0	**2 567**
13 Downstream leased assets	16 954	10 190	1 701	**28 845**
15 Investments	0	3 505	0	**3 505**
Total GHG emissions (location-based) (tCO_2eq)	44 327	637 390	17 968	**699 685**
Total GHG emissions (market-based) (tCO_2eq)	44 327	636 141	17 968	**698 436**
GHG intensity - total GHG emissions (location-based) per net revenue[12] (tCO2eq/mHUF)	0,28			
GHG intensity - total GHG emissions (market-based) per net revenue (tCO2eq/mHUF)	0,28			

10 The milestones and target years are not presented in the table as the subgroups have not yet determined comparable targets.

11 As BAUWERT's evaluation was conducted solely in monetary terms, there is a risk that the corporate carbon footprint may only partially reflect the actual greenhouse gas emissions consumed in 2024.

12 The consolidated net revenue to calculate the GHG intensity of the Group can be found in chapter "5. Revenue" of the consolidated financial statement of the Annual report 2024.

EU Taxonomy

This chapter presents the reporting requirements set out by the EU Taxonomy Regulation (Article 8 of Regulation (EU) 2022/852). The Taxonomy Regulation aims to establish a framework to facilitate sustainable investments by defining environmentally sustainable economic activities and their criteria systems. To comply with the Regulation's disclosure requirements, the Group is required to present the sustainability extent of its activities for the 2024 financial year, by defining the proportion of its Taxonomy-eligible and Taxonomy-aligned activities, in terms of revenue, capital expenditure (CapEx) and operating expenditure (OpEx). Based on the current legislative requirements, the assessment and disclosure should consider the six environmental objectives defined by the Taxonomy: climate change mitigation (CCM), climate change adaptation (CCA), sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO).

To classify an activity as sustainable, it must contribute substantially to one of the six environmental objectives mentioned above, and do not significantly harm any of the other environmental objectives ('do no significant harm' - DNSH principle) and meet the criteria for minimum safeguards (MS) in the following areas: human rights (including labour and consumer rights), anti-bribery and anti-corruption, taxation and fair competition.

Description of the assessment process:

For evaluating compliance with the above-mentioned Taxonomy requirements, the following steps of assessment was performed at subgroup level.

Eligibility assessment: identification of the subgroups' economic activities and their relevance, and compliance with the description of EU Taxonomy.

Over the eligibility assessment, the subgroups have reviewed their own activities (including subsidiaries in their individual consolidated financial statements), in order to highlight and identify Taxonomy-eligible ones. Thus, own activities were compared with the list and description of economic activities included in the regulation towards the six environmental objectives. ECHO has also performed the analysis at project level.

The following activities were identified as Taxonomy-eligible, these were classified as substantially contribute to the objectives of climate change mitigation (CCM) and protection and restoration of biodiversity and ecosystems (BIO). The activities in the category of construction and real estate activities (7.1 and 7.7) and transport (6.5) can also be linked to the climate change adaptation objective. However, the analysis revealed that the activities carried out by the Group do not complete the significant contribution criterion in this case, they do not offer adaptation solutions, therefore these activities considered to have significant contribution to the mitigation objective and has been assessed and classified in detail through this approach.

EU Taxonomy Criteria		Activities undertaken by the Group	WING	ECHO	BAU-WERT	Taxonomy-eligible KPIs
CCM 7.1	Construction of new buildings	Investment projects and activities: execution of construction projects (residential, office, commercial) and management of development projects, that are intended for subsequent sale.	✓	✓	✓	Turnover CapEx OpeEx
CCM 7.7	Acquisition and ownership of buildings	Purchase of properties for exercising ownership rights, including the leasing of office, retail and residential spaces.	✓	✓	✓	Turnover CapEx OpeEx
CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Use of passenger vehicles for business purposes.	x	✓	x	CapEx, OpEx
BIO 2.1	Hotels, holiday, camping grounds and similar accommodation	Hotel management services: provision of accommodation with associated services.	✓	x	x	Turnover, CapEx, OpEx

Alignment assessment: evaluation of the compliance of the identified eligible activities' with the technical screening criteria (TSC), the DNSH and the criteria.

2.a) Assessment of the substantial contribution criteria (TSC – technical screening criteria) for activities classified in the EU Taxonomy

EU Taxonomy activity		Alignment assessment			Taxonomy-aligned KPIs
		WING	**ECHO**	**BAUWERT**	
CCM 7.1	Construction of new buildings	Partial compliance for selected investments	Compliance for selected investments	Partial compliance for selected investments	Turnover of ECHO CapEx of ECHO
CCM 7.7	Acquisition and ownership of buildings	Partial compliance on selected projects	Partial compliance on selected projects and compliance for selected investments	Partial compliance on selected projects	Turnover of ECHO CapEx of ECHO
CCM 6.5	Transport of motorbikes, passenger cars and light vehicles	N/A	Non-compliance	N/A	N/A
BIO 2.1	Hotels, holiday, camping grounds and similar accommodation	Non-compliance	N/A	N/A	N/A

ECHO has projects and activities which complete the TSC, while the other subgroups have partial compliance regarding the substantial criteria on the activities related to buildings (CCM 7.1, CCM 7.7), primarily by completing the energy demand requirements of selected buildings.

For other activities (CCM 6.5, BIO 2.1) the relevant subgroups could not present compliance with the substantial criteria requirements, therefore the DNSH assessment on these activities were not carried out.

2.b) Assessment of DNSH (do no significant harm) criteria for activities that present compliance with the substantial contribution criteria.

In this step, the subgroups have considered the DNSH requirements for activities CCM 7.1 and 7.7, in relation to projects, that completed the substantial contribution criteria.

For the identified projects and activities in case of WING and BAUWERT no full alignment with the DNSH criteria was observed.

In case of ECHO selected projects were analysed through the complete set of DNSH criteria following these steps:

- Climate change adaptation: analysis of climate vulnerability and risks, and the implementation of adaptation solutions as part of the investment.
- Sustainable use and conservation of water and marine resources: confirmation of water consumption parameters and thresholds completion in case of specific water appliances.
- Transition to a circular economy: verification that 70% of construction waste prepared for reuse, recycling or recovery, and the evaluation of construction techniques that support circularity.
- Pollution prevention and control: assessing the use and presence of chemicals, formaldehyde and CVOC emissions, as well as the potential for land contamination and emissions of noise, dust and other air pollutants in line with the requirements.
- Protection and restoration of biodiversity and ecosystems: assessment of the land on which the building is erected from the biodiversity perspective (for activity 7.1).

Consequently, ECHO's compliance with the DNSH could be demonstrated for selected projects.

2. c) Assessment of Minimum Safeguards (MS)

The MS of the EU Taxonomy regulations requires that a company should operate, and analyse the alignment of their internal policies, procedures with the referenced international standards and guidelines of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

All subgroups operate in the European Union, therefore follow and comply with the regulations related to labour, human rights and corruption. In addition, ECHO has established a procedure for confirming compliance with the minimum safeguards, comprising five stages of the due diligence process in line with OECD guidelines. The key activities for each of the stages are outlined in ECHO's Sustainability Report 2024. WING and BAUWERT have not implemented yet a comprehensive human rights due diligence process to complete the requirement of the standards, therefore these subgroups do not complete the MS criteria completely.

Based on the results of the evaluation all subgroups have eligible activities, however only ECHO subgroup has identified taxonomy-aligned investment projects in relation to the activities of CCM 7.1 (Construction of new buildings) and CCM 7.7 (Acquisition and ownership of buildings). The detailed description of ECHO's assessment procedure, the summary of their aligned projects and the reported KPIs (turnover, capex, opex) are presented in ECHO's Sustainability Report 2024.

The other two subgroups (WING, BAUWERT) have not identified taxonomy-aligned activities, by not complying with all the DNSH and MS criteria requirements.

Accounting policy and contextual information

In order to report on key performance indicators (KPIs), the Group has determined turnover, capital expenditure, and operating expenditure as required by the Delegated Regulation (EU) 2021/2178, for assigning the proportion to each identified Taxonomy-eligible and aligned activities. The Group applied the same accounting policies that is used for consolidated financial reporting purposes, based on the International Financial Reporting Standards. The underlying data for calculation is derived from the consolidated financial number or from the subgroups internal accounting and financial systems if additional breakdown was necessary.

Key indicators related to turnover

The turnover KPI was calculated in accordance with the Taxonomy Regulation, thus it represents the ratio of revenue from activities respectively eligible or aligned with the Taxonomy (numerator) to the total net revenue disclosed in the Group's consolidated financial statement for 2024 (denominator). The turnover KPI numerator includes all revenues from eligible and environmentally sustainable activities, as defined in Article 8 of Regulation (EU) 2020/852, excluding accounting items that do not comply with the definition of eligible and aligned activities within the Taxonomy criteria system. Taxonomy-eligible and aligned revenue streams were identified in accordance with the following activities:

CCM 7.1: net revenue resulting from the sale of residential buildings and from construction management services provided to third parties

CCM 7.7: net revenue generated from leased buildings owned by the subgroups

BIO 2.1: net revenue generated by hotel management services provided by WING subgroup

The EU Taxonomy turnover table below presents the break-down on the Group's revenue by the activities (by eligibility and alignment).

Key indicators related to capital expenditures (CAPEX)

The CAPEX KPI was calculated in accordance with the Taxonomy Regulation, thus it represents the ratio of CAPEX from activities respectively eligible or aligned with the EU Taxonomy (numerator) to the Group's consolidated capital expenditures (denominator). The denominator is composed of additions to property, plant and equipment, investment property and intangible assets during the financial year, before depreciation, amortization and any revaluations.

Taxonomy eligible and aligned capital expenditures were identified in accordance with the following activities:

CCM 7.1: acquisition, modernization, construction, adaptation, or renewal of fixed assets related to new investment projects

ECHO's compliance for capital expenditures was made on the basis of the Investment CapEx Plans, which assume that adequate capital expenditures is secured to meet the technical screening criteria during the development process. Further details are described in ECHOs Sustainability Report 2024.

CCM 7.7: acquisitions of fixed assets, as well as capital expenditures on investment property, including the purchase of investment property that is not land and long-term leases

CCM 6.5: Within CAPEX new leases qualified for the countrer in case of ECHO. *(only for eligibility)*

BIO 2.1: acquisition of fixed assets in relation to hotel management services provided by WING subgroup *(only for eligibility)*

The EU Taxonomy CAPEX table below presents the break-down on the Group's capital expenditures by the activities (by eligibility and alignment).

Key indicators related to operating expenditures (OPEX)

Based on the Group's business model operating expenses are treated as costs, that are related to third parties or activated on investments, thus these operating expenditures are not significant. The OPEX performance indicator includes the direct, non-capitalised costs of taxonomy-eligible activities generating material revenue or CAPEX in the current year, determined according to the EU Taxonomy requirements. The denominator covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. The denominator is divided by the numerator which includes all the consolidated OpEx of the Group. The potential double counting of Capex and Opex items could be eliminated by the reliance on IFRS data collection processes and the application (without any modification) of these financial reporting data.

Taxonomy eligible and aligned operation expenditures were identified in accordance with the following activities:

CCM 7.1: o operation expenditures related to the services of residential development

CCM 7.7: operation expenditures related to the services of investment property

CCM 6.5: operation expenditures related to the activity of vehicles in case of ECHO.

BIO 2.1: operation expenditures related to hotel management services provided by WING subgroup.

The EU Taxonomy OPEX table below presents the break-down on the Group's operation expenditures by the activities (by eligibility).

Explanations for tables of KPIs:

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering FY2024

				Substantial contribution criteria						DNSH criteria									
Economic activities	**Code(s)**	**Absolute turnover**	**Proportion of turnover, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned (A1) or taxonomy-eligible (A2) proportion of turnover – 2023**	**Category (enabling activity)**	**Category (transitional activity**
		mHUF	*%*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
Construction of new buildings	CCM 7.1	628	0,32%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Acquisition and ownership of buildings	CCM 7.7	12 351	6,24%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,80%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A1)		**12 979**	**6,56%**	**6,56%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**0,80%**		
Of which enabling		0	0%	0%														E	
Of which transitional		0	0%	0%															T
A2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Construction of new buildings	CCM 7.1	137 053	69,22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								72,63%		
Acquisition and ownership of buildings	CCM 7.7	35 411	17,89%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								23,20%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	6 598	3,33%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								2,04%		
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A2)		**179 063**	**90,44%**	87,11%	0%	0%	0%	0%	3,33%								97,87%		
A. Total turnover of Taxonomy-eligible activities (A1+A2)		**192 042**	**97,00%**	93,70%	0%	0%	0%	0%	3,33%								98,67%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**5 951**	**3,00%**																
TOTAL (A+B)		**197 993**	**100%**																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering FY2024

				Substantial contribution criteria						DNSH criteria									
Economic activities	Code(s)	Absolute CapEx	Proportion of turnover, 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned (A1) or taxonomy-eligible (A2) proportion of CapEx – 2023	Category (enabling activity)	Category (transitional activity
		mHUF	*%*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
Construction of new buildings	CCM 7.1	3935	6,78%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1,89%		
Acquisition and ownership of buildings	CCM 7.7	3 866	6,66%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	16,57%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A1)		**7 801**	**13,44%**	**13,44%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**18,46%**		
Of which enabling		0	0%	0%														E	
Of which transitional		0	0%	0%															T
A2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Construction of new buildings	CCM 7.1	2 303	3,97%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4,63%		
Acquisition and ownership of buildings	CCM 7.7	43 845	75,50%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								60,76%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	340	0,59%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	11	0,02%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								1,14%		
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A2)		**46 499**	**80.08%**	80,06%	0%	0%	0%	0%	0,02%								66,53%		
A. Total CapEx of Taxonomy-eligible activities (A1+A2)		**54 300**	**93,54%**	93,52%	0%	0%	0%	0%	0,02%								84,99%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**3 769**	**6,46%**																
TOTAL (A+B)		**58 070**	**100%**																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering FY2024

				Substantial contribution criteria						DNSH criteria									
Economic activities	**Code(s)**	**Absolute OpEx**	**Proportion of turnover, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned (A1) or taxonomy-eligible (A2) proportion of OpEx – 2023**	**Category (enabling activity)**	**Category (transitional activity**
		mHUF	*%*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y, N, N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A1)		**0**	**0,00%**														**1,08%**		
Of which enabling																		E	
Of which transitional																			T
A2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Construction of new buildings	CCM 7.1	432	28,74%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								21,97%		
Acquisition and ownership of buildings	CCM 7.7	399	26,55%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								55,33%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	12	0,78%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	646	43,04%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								8,14%		
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A2)		**1 489**	**99,11%**	45,92%	0%	0%	0%	0%	48,25%								85,44%		
A. Total OpEx of Taxonomy-eligible activities (A1+A2)		**1 489**	**99,11%**	45,92%	0%	0%	0%	0%	48,25%								86,53		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**13**	**0,89%**																
TOTAL (A+B)		**1 502**	**100%**																

Summary tables

Portion of turnover / Total turnover		
	Alignment with the taxonomy by objectives (%)	Eligibility for the taxonomy by objectives (%)
CCM	6,56%	87,11%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	3,33%

Portion of capital expenditures / Total capital expenditures (CapEx)		
	Alignment with the taxonomy by objectives (%)	Eligibility for the taxonomy by objectives (%)
CCM	13,44%	80,08%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0,02%

Portion of operational expenditures / Total operational expenditures (OpEx)		
	Alignment with the taxonomy by objectives (%)	Eligibility for the taxonomy by objectives (%)
CCM	0%	45,92%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	48,25%

Key performance indicators for nuclear and gaseous fossil fuel activities

Information on the extent of WINGHOLDING Group’s activities related to nuclear energy and gaseous fossil fuels is disclosed below in accordance with the Annex XII of the Regulation EU 2023/2486.

	Nuclear energy activities	
1.	The company conducts, finances or has exposure to the research, development, demonstration and deployment of innovative power generation facilities that produce energy through nuclear processes with minimal fuel cycle waste.	NO

2.	The company conducts, finances or has exposure to the research, development, demonstration and deployment of innovative power generation facilities that produce energy through nuclear processes with minimal fuel cycle waste.	NO
3.	The company safely operates, finances or has exposure to existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear power.	NO
	Natural gas activities	
4.	The company constructs or operates facilities for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it	NO
5.	The company builds, modernises and operates combined heat/cooling and electricity generation facilities using gaseous fossil fuels, finances this activity or has exposure to it	NO
6.	The company constructs, modernises and operates heat/cooling generation facilities using gaseous fossil fuels, finances or has exposure to these activities	NO

[E3] Water and marine resources

Topics related to E3 - Water of the ESRS are only material for ECHO as described in subchapter [SBM-3].

ECHO's identified positive impact comes from the introduced water-reducing solutions the subgroup designed in its commercial buildings to continuously reduce water consumption, even though the company has no direct impact on its end-users.

Although ECHO does not possess a policy regarding the sustainability matter, several water management activities are developed and continuously implemented which are also in line with the BREEAM system:

1. using water-saving devices such as aerators in taps, low-flow fittings, water meters, and a BMS system to quickly locate leaks in areas where significant impacts have been identified;

2. educating managers on how to optimize the use of installed systems and devices (e.g. regular analysis of water consumption, maintaining the number and quality of water meters provided by the developer).

Water recovery and reuse also contribute to reducing water intake and consumption:

3. designing greenery and open, permeable areas in a way that ensures that as much rainwater as possible is retained on the site, instead of being discharged into the sewer system (so-called "blue infrastructure");

4. keeping the permeable area indicator as high as possible;

5. planting plants that have higher water absorption with less transpiration;

6. using stored rainwater to water plants.

ECHO's approach to water management is based on researching new technical solutions, equipment and technologies that can help reduce water consumption or increase water efficiency. This is an ongoing process with no specific timeline or assumptions about the number of solutions implemented or analyzed, or the expected reduction in water consumption. Thus, the subgroup has only adopted a general target of reducing water intake and consumption while striving to the reuse of water and does not plan to set measurable goals for now either.

In its own operations, water consumption and wastewater discharge are primarily associated with the social needs of employees and the maintenance of its premises (cleaning and watering greenery belonging to the respective buildings). ECHO does not recycle, reuse or store water in its commercial buildings. In some projects, the subgroup designs and installs water retention systems and solutions but does not monitor the use of them as mentioned before.

Water intake, consumption and wastewater discharge in commercial buildings [13] managed by ECHO in the financial year 2024

Total water intake[14] in m^3	65 479
Total water consumption in m^3	1 052
Total water discharge[10] in m^3	64 427

More detailed information on this matter is also explained in ECHO's Sustainability Report 2024.

[E4] Biodiversity and ecosystem

The real estate and construction sector has significant impacts on biodiversity and ecosystems through land-use change and resource extractions. Construction works often lead to destruction of ecosystems, as natural areas are urbanized or industrialized by disrupting wildlife habitats and reducing biodiverse areas. Pollution (noise, dust, chemicals) from construction sites is another aspect that negatively influences nearby ecosystems and species. Besides, the sector contributes to climate change through greenhouse gas emissions that also indirectly affects biodiversity by altering habitats and weather patterns. Sustainable construction practices aim to mitigate these effects by promoting nature-conservation and the use of eco-friendly materials while reducing waste and pollution on sites. The Group is aware of these negative impacts, that is primarily occurring in the upstream phase of the value chain, while they focus on the redevelopment and repurposing of already sealed areas, by prioritizing the utilization of brown-field areas.

[E4-1] Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The Group is committed to adhering to all applicable regulations, ensuring that its activities are conducted in compliance with established biodiversity and ecosystem protection standards, and where possible go beyond these requirements to restore development areas by minimizing and compensating tree removal and increase planting of native, low water demanding plants. The majority of the subgroups' development projects are in brownfield sites ensuring the redevelopment and repurposing of already sealed areas. The subgroups approach is to minimize additional soil sealing and to limit the disruption of natural ecosystems, which mitigates the risks associated with biodiversity loss, such as urban heat islands, flooding, and reputational concerns related to environmental impacts. Biodiversity

[13] The data was compiled based on meter readings provided by the property managers of constructed and owned cCommercial buildings completed by ECHO in 2024 (in case of properties that were under the subgroup's control for a part of the reporting period, solely that time period's consumption was aggregated to the related amounts). , such as shopping centers, office buildings and other buildings (parking facilities, small offices, service buildings).

[14] Including areas with significant water stress (11 574 m^3) according to the Aqueduct Water Risk Atlas.

loss related concerns were analysed in the double materiality assessment process by the subgroups, while a comprehensive resilience analysis and a transition plan were not developed by them for this financial year.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

In the Group's core operation, the extent of impacts, risk and opportunities that were identified in relation to biodiversity, could depend on the type of properties under development. The Group prioritizes urbanized and brownfield investments, and mostly these sites are involved in residential, hotel, retail or office developments, by promoting dense land use to optimize efficiency. Commercial developments may involve larger-scale projects, that while is necessary for operational objectives, can result in more intensive impacts on biodiversity. Therefore, there is a higher emphasis on environmental protection compliance on these projects from regulatory perspectives. In terms of biodiversity sensitivity assessment, the subgroups are following the requirements of legal compliance determined on European Union or national level, the requirements of sustainable building certification standards when necessary.

The Group has five project sites that are located near a biodiversity-sensitive area, that are accompanied by additional mitigation measures to minimize environmental impacts while aligning with regulatory requirements and best practices for sustainable development. ECHO's analysis is presented in ECHO's Sustainability Report 2024. As for WING and BAUWERT, their main approaches are presented in this sustainability report. The Group did not identify material negative impacts regarding land degradation, desertification, soil sealing, or affection of threatened species.

As for biodiversity-sensitive areas: WING identified two completed industrial project sites (EGBP land reg. Fót 0221/12 and EGBP Pro land reg. Fót 5453/3) located over groundwater aquifers. In accordance with Hungary's national laws, constructions in these areas are required to undergo an environmental impact assessment and compliance with regulations concerning waste disposal and the use of hazardous chemicals. Additionally, regular groundwater quality assessments must be conducted during both the construction and operational phases. WING diligently implemented all necessary measures to minimize the risk of any adverse environmental impacts at these sites, through monitoring wells in the fields.

ECHO has one finished project site near a biodiversity-sensitive area in Wroclaw. The site is located near to a Natura 2000 area (Grądy w Dolinie Odry); thus, ECHO was required to follow stringent regulations aimed at minimizing potential negative impacts. These actions included, among others, conducting an environmental impact assessment and the inclusion of ornithologists and ecologists into the site's greenery project. As the result of the careful implementation of strict guidelines and professional advice, the company's activities did not adversely affect the local biodiversity or the surrounding environment of the nearby Natura 2000 area (- PLH020017, Sady Nad Zieloną). Further information is presented in ECHO's Sustainability Report 2024.

BAUWERT currently operates exclusively within the regions of Berlin and Brandenburg. The primary operations are office-based activities conducted in Berlin. The subgroup complies with all legal requirements and integrates biodiversity mitigation measures, particularly those mandated by building permit regulations. Beyond these obligations, many projects are certified by recognized sustainability standards, such as the German Sustainable Building Council (DGNB), requiring additional actions to support biodiversity and minimize environmental impacts. BAUWERT has identified two biodiversity-sensitive areas near Project Segeflieger Quartier (52°26'46.7"N 13°30'51.2"E) and Storkow (52°14'58.8"N 13°57'02.1"E). As a standard practice, the company incorporates green spaces and biodiversity-friendly measures into its projects to protect sensitive areas, prevent habitat degradation, and minimize ecosystem disturbances. This approach ensures compliance with legal frameworks while promoting high sustainability standards, contributing positively to biodiversity preservation and ecosystem resilience.

[IRO-1] Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The Group has identified actual and potential impacts on biodiversity and ecosystems in its value chain during the double materiality assessment (DMA), which are presented in [SBM-3] subchapter, these are the material topics of Land-use change and Pollution of the environment. This assessment did not include additional scenario analysis or consultations with affected stakeholders as it is not considered necessary for long-term, because environmental impact assessments are conducted at all biodiversity sensitive areas in line with local legislations to identify the main risks and impacts of the development projects.

The identified material negative impacts and risk arise over property construction activities mainly in the Group's upstream value chain (with higher extent in greenfield investments), the main material impacts are the following:

1. biodiversity loss due to the of removal of trees and natural surface on project sites by changing the original landscape, which cause negative effects on local ecosystem, plants and species; and increase the risk of air, water, soil and/or microorganisms' pollution;
2. increased traffic and construction work around development sites and industrial buildings located next to natural areas could influence the ecosystem;
3. contribution to biodiversity loss due to pollution of air, water and soil caused by activities on construction sites could have a risk side with the financial implication caused by the potential occurrence of environmental accidents.

The Group is following the current legislative requirements for the minimization of its negative impacts in project areas and intends to limit landscape change and tree removal by focusing on projects in already urbanized areas. Nevertheless, the core activity of the subgroups: real estate constructions can recultivate former contaminated land, transforming them into vibrant, landscaped spaces for residential and office use, while contributing to the long-term revitalization of urban areas.

[E4-2] Policies related to biodiversity and ecosystems

To minimize impacts on biodiversity the Group is completing all the requirements of the relevant European Union and local legislations while integrating biodiversity-related measures on dedicated projects through compliance with sustainable building certification standards like the international BREEAM, LEED and the German DGNB. Besides, none of the subgroups has adopted additional policies specifically addressing biodiversity and ecosystems as these legal requirements and certifications ensure that biodiversity considerations are inherently addressed within the scope of all projects, making the implementation of a separate policy redundant at this stage. Therefore, the Group has not defined a timeframe for adopting additional policies specifically addressing biodiversity and ecosystems.

[E4-3] Actions and resources related to biodiversity and ecosystems

The subgroups' biodiversity preservation initiatives are linked to their ESG strategies or specified by sustainable building certification requirements. The core directions are similar among the entities, but their actions are not synchronised on a group level, moreover, no entity used biodiversity offsets or local and indigenous knowledge and nature-based solutions when determining them. For this period, actions are not directly connected with dedicated financial resources, in the following period, the necessity of the preparation of a comprehensive action plan will be considered.

In the local legislations there are several restrictions regarding biodiversity protection at construction sites, and these are completely followed and fulfilled by the subgroups, these are the essence of actions to mitigate their negative impacts. Beyond these the subgroups are mainly focus on improvements on project sites through two main aspects over the project development:

The primary goal is to increase investments on brownfield sites (previously developed land that was used for buildings, industrial, or commercial purposes but is now vacant or underused) for new projects. These are typically within urban areas, so their use can help prevent urban sprawling, thus protecting natural areas in and outside urban areas. As the EU has put forward its vision to redevelop such areas, incentives are in place to promote the purchase and development of brownfield sites.

The second focus area is the replacement of trees that were removed due to construction works. At ECHO, the number of trees planted for every tree removed is the general approach – which is mainly determined by local legislations – but extra attention is given to ensure that the right replacement and type of trees assessed, for example the preference of native species, its water requirement, and the provision of ecosystem services. As for WING, tree replacement takes place primarily on the basis of biological maturity, the company ensures that after a project is completed, compensation (planting) of removed trees is properly carried out. As for BAUWERT, their main focus is to align their mitigation activities with legal requirements and where applicable with the requirements of DGNB certification.

Besides, to compensate further changes of construction areas, the Group intends to increase green environment around buildings in line with the BREEAM and DGNB requirements, and seek to replace lost green spaces, where possible by creating green roofs, green facades and roof gardens. While compliance with legal regulations and certification standards provides further measures to actively mitigate negative impacts on biodiversity and ecosystems.

Besides, ECHO has implemented ISO 14001 standard as part of its Environmental and Health and Safety Management System Book, focusing on creating a standardised approach to environmental management throughout various project phases, that its further described in their ECHO's Sustainability Report 2024.

[E4-4] Targets related to biodiversity and ecosystem

Targets in relation to biodiversity and ecosystems are also defined at subgroup level, and their primary objectives are related to minimalization, restoration, rehabilitation, and compensation of the mitigation hierarchy. The determined targets, however, are not based on international legislation, scenario analysis or scientific evidence, but they aim to address the identified impacts and risks on biodiversity in line with the subgroups' ESG Strategies. Additionally, no biodiversity offsets and ecological thresholds were considered when the current targets were defined.

WING defined biodiversity related goals during its ESG Strategy development, however, the strategy will be updated, and the targets redefined for the upcoming years to be measurable and aligned with the ESRS requirements. As the application of targets has been determined for a later reporting period, their performance has not yet been measured.

ECHO's goal is to have all their projects on brownfield sites between 2023 and 2030 to minimise their environmental impacts. In terms of tree protection, their internal target has been since 2023 to replace every removed tree with at least two new trees of the same quality to compensate for their negative impact. Additionally, the company fully implemented its tree protection guidelines at construction sites to minimize the number of trees disturbed. ECHO's Sustainability Report 2024 contains further details on the subgroup objectives and targets, moreover, on the monitoring of the performance of the mentioned goals which are assessed every year.

BAUWERT currently does not have plans to set measurable, outcome-oriented targets related to biodiversity and ecosystems. They are integrating biodiversity considerations through compliance with legal regulations and the adherence to sustainability certification standards, such as the DGNB. While the company is committed to sustainable practices, the focus remains on meeting regulatory and certification requirements rather than establishing additional, quantifiable targets currently.

[E4-5] Impact metrics related to biodiversity and ecosystems change

As was presented previously in this chapter, WING and BAUWERT, have industrial project sites – one of each, while ECHO has one project site near to biodiversity-sensitive area.[15] The size of these development plots is presented in the table below. The companies have been actively taken measures to mitigate their negative impacts in these development sites as described in subchapter [E4-3] Actions and resources related to biodiversity and ecosystems, even though due to the characteristics of the industry the related construction activities are still contributing to land-use change.

[15] Please note that WING and ECHO's sites are completed, while BAUWERT is currently developing its projects that are near biodiversity-sensitive areas.

To further minimise the burden on the ecosystems by the Group's activities, both WING and ECHO specified in their targets to increase the share of brownfield investments in new development projects. In the financial year of 2024, BAUWERT had no new investments in either of the categories, however, they are also committed to minimize the impacts on biodiversity.

2024	WING	ECHO	BAUWERT
Size of project sites, near to biodiversity-sensitive area[1] (in hectares)	49,78	3	23,07
Size or share of new greenfield investments (in m2 or in %)[16]	-	-	-
Size or share of new brownfield investments (in m2 or in %)[17]	100%	100%, as all the plots purchased (with final agreements) by ECHO in 2024 were previously used.	-

[E5] Resource use and circular economy

The real estate sector face significant challenges in implementing circular economy principles, making the reduction of resource waste and its associated impacts a critical priority for future improvement. Resource inflows use and outflows are important topics in this industry, first of all, construction activities require a significant volume of raw materials (like steel, concrete and other natural and synthetic raw materials). Secondly, at construction sites, waste generation is significant, and the proper separation, reuse and recycling of these materials could be environmentally challenging. Major part of resource use, and the identified risks, and negative impacts are concentrated in the upstream stages of the subgroups' value chain which relates to the extraction and procurement of raw materials as well as demolition activities, both of which contribute to environmental and social challenges.

[16] Greenfield sites are undeveloped lands, typically found outside urban areas, that have not been previously used for construction or industrial activities. These areas are usually natural landscapes, such as forests, farmland, or open fields.

[17] Brownfield sites are previously developed land that was used for buildings, industrial, or commercial purposes but is now vacant or underused. These sites are typically located in urban areas and may require cleanup before being redeveloped.

[E5 IRO-1] Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The subgroups have evaluated resources and activities, identifying both actual and potential impacts, risks, and opportunities within its operations, as well as in the value chain during the double materiality assessment (DMA). The Group assumes that resource use and the circular economy are material topics at all construction sites, irrespective of their location. The assessment did not include direct consultation with affected local communities as these differ in terms of different project sites, their view and opinion were represented by the relevant internal stakeholder over the assessment.

In case of waste management, the Group identified a negative impact, as the uncontrolled waste management or the inefficient use of resources could lead directly to increased waste generation, placing further strain on landfills, contributing to soil pollution, and releasing hazardous substances into the environment. Nevertheless, the production, transportation, and disposal of surplus materials are highly energy-intensive processes as well, which also accelerate climate change.

Detailed information about the process and the defined negative impacts and related risks on resource inflows and waste generation on construction sites can be accessed in [SBM-3] and [IRO-1] subchapters of chapter 1.

[E5-1] Policies related to resource use and circular economy

Similarly to the management of other material sustainability topics, group level policies have not been developed and implemented in this sustainability area, as the subgroups have guidelines based on European Union and local legal requirements, focusing on the reduction and improved treatment of waste, that is considered currently sufficient to manage their indirect impact on resource use and waste generation. At ECHO, the Environmental Policy includes provisions about waste minimalization, reuse of materials, safe treatment, segregation and disposal of waste, and the enforcement for using non-hazardous and environmentally friendly materials.

[E5-2] Actions and resources related to resource use and circular economy

The Group adheres to the requirements outlined by local legislations and sustainable building certification requirements; these are considered sufficient to manage their waste properly. The subgroups have waste management practices in line with the legislations and they require the compliance with the regulatory requirements related to proper waste management at the construction site from their partners. Beyond these neither the Group nor any of the subgroups have implemented additional specific actions concerning resource use, circular economy and waste management, as their influence is mainly indirect on these issues due to their position in the value chain. However, the Group's long-term goal is to supply and use construction materials that are, if possible, prepared according to the principles of the circular economy. At present, the main focus is on the reuse and recycling of materials. For this period, actions are not directly connected with dedicated financial resources, in the following period, the necessity of the preparation of a comprehensive action plan and a resource-use monitoring system will be considered.

The subgroups aim to reduce hazardous waste, for instance, by opting for materials that do not contain VOC whenever possible, it is hard to irradicate such waste completely due to the nature of construction processes. Some construction materials are considered hazardous waste, like asbestos that is removed during renovations. Therefore, it should be collected and treated in alignment with the strictest regulations which are completely followed by the subgroups.

4. WING requires its main contractors to comply with legislation and related regulations on construction waste, and where there are sustainable building certification requirements and financing requirements, they will be applied.

5. ECHO focuses on three main aspects of resource use at its construction sites: waste reduction, waste separation, and hazardous substances. To minimise waste generation, the company prioritises the accurate planning of the material goods necessary for their processes and projects. Construction and demolition waste that are generated on construction sites are collected separately for recycling, if possible, whereas non-recyclable waste is discarded using the most appropriate methods that adhere to legislative requirements. Hazardous waste is collected separately and managed by dedicated professional entities that took care of their disposal or neutralization.

6. BAUWERT emphasizes resource efficiency and cost-effectiveness in the course of project development, that results in minimizing their waste generation. The production process at construction sites primarily involves the use of construction materials and components that align with circular principles to varying degrees. Key materials include bulk concrete, masonry, and steel, along with other metal-based elements. Additionally, essential building components such as doors, windows, and sanitary installations are integral to the projects. Where feasible, BAUWERT considers aspects such as durability, recyclability, and resource optimization in material selection and project execution.

[E5-3] Targets related to resource use and circular economy

WING and ECHO, have set voluntary, not yet ESRS aligned targets as primary initiatives to make progress in this field by improving their own waste separation.

1. WING set out to have 65% of its office waste reused or recycled by 2024 and to increase this rate to at least 80% by 2028 (compared to 2024).

2. ECHO reached and surpassed its 60% waste segregation goal set for 2022 at construction sites, which prompted a significant increase in the target at 90% for the following year. This target was later realized to be too ambitious, and hence, the goal for 2024 was determined at 70%.

3. As for BAUWERT, the subgroup has not yet set any targets related to circular economy as no policies or actions (except for regulatory compliance) or the identified, material impacts were addressed before.

[E5-5] Resource outflows

Waste generation can be divided by different sources considering the Group operation:

1. Construction works generate significant amount of waste on project sites

2. The operation of the subgroup's headquarters represents lower amount (and mainly communal waste)

The Group aims to develop procedures that emphasize adequate waste-management and integrate circular economy principles. However, neither of the subgroups possess any strategy and comprehensive information which concludes their waste-management procedures and commitments towards circular economy. The current, general waste management processes and principles of circularity is presented in the [E5-2] Actions and resources related to resource use and circular economy subchapter.

Although, the extent of available information and influence on construction sites' waste generation differs among subgroups. ECHO has a more extensive waste management and data collection procedure in relation, that is further described in ECHO's Sustainability Report 2024. Accordingly, ECHO summarized its waste generated on construction sites of construction waste (sorted and unsorted), hazardous waste (usually chemical packaging), and soil to be remediated. Hazardous waste that is sent for disposal is chemical packaging and soil that is to be remediated in their case. While WING and BAUWERT have a less developed data collection procedure and consider total amount of waste (including construction, municipal, recycled paper and plastic waste), that is generated primarily on construction sites and in a smaller extent, at the head offices.

For BAUWERT data comes from the waste transfer notes issued by the waste collectors on construction sites (primarily in EUR, that is converted to tonnes by estimation). In case of WING, headquarter data is provided and estimated by the facility management company[18].

In the financial year of 2024, WING and BAUWERT did not have the appropriate basis to specify or estimate the amount of waste that has been diverted from or to disposal, broken down by the type of recovery process and waste treatment as the waste is transported under contract by a public service provider. Regarding the quantity of waste diverted to disposal, data collection or estimation was also not possible at ECHO. Data provision and estimation was not feasible for these categories due to lack of adequate information, documentation and intensive resource requirements. Although, the Group's waste management objectives include the development of data collection and monitoring activities in this regard for the near future.

[18] The recycled paper and plastic waste were estimated based on 2023 data.

2024	WING[19]	ECHO[20]	BAUWERT
Total amount of waste generated (tonnes)	26,12	42 662,3	489,1
Total amount of waste that has been diverted from disposal (tonnes)	-	31 919, 2	-
Total amount of hazardous waste (tonnes)	0,02	7 649,0	-
Total amount of non-recycled waste (tonnes)	25,5	3094, 2	-
Percentage of non-recycled waste	98%	7,25%	
Hazardous waste diverted from disposal due to recycling (tonnes)	-	-	-
Hazardous waste diverted from disposal due to other recovery operations (tonnes)	0,02	-	-
Non-hazardous waste diverted from disposal (tonnes)	25,5	-	-
Non-hazardous waste diverted from disposal due to preparation for reuse (tonnes)	-	-	-
Non-hazardous waste diverted from disposal due to recycling (tonnes)	0,6	-	-
Non-hazardous waste diverted from disposal due to other recovery operations (tonnes)	25,5	-	-
Hazardous waste directed to disposal (tonnes)	- -	-	-
Hazardous waste directed to disposal by incineration (tonnes)	-	-	-
Hazardous waste directed to disposal by landfilling (tonnes)	-	-	-
Hazardous waste directed to disposal by other disposal operations (tonnes)	-	-	-
Non-hazardous waste directed to disposal (tonnes)	-	-	-
Non-hazardous waste directed to disposal by incineration (tonnes)	-	-	-
Non-hazardous waste directed to disposal by landfilling (tonnes)	-	-	-
Non-hazardous waste directed to disposal by other disposal operations (tonnes)	-	-	-

[E-Entity-specific] Product design & lifecycle management

Through the double materiality analysis and beyond of the ESRS requirements of E5 – Resource use and circular economy, WING has identified product design and lifecycle management as a material opportunity. The subgroup level matter is also relevant for the sector too, as the use of new types of environmentally friendly materials can significantly reduce waste and pollution at construction sites in the long term. In addition to monitoring market and regulatory changes, WING intends to progressively exploit the opportunities offered by the principles of circular economy, which would be also incorporated to the analysis and planning phases of real estate developments.

[19] WING's total waste quantities are applicable for the subgroup's headquarter building, however, in the reporting year 13 046 tonnes of construction waste was collected as well in total at different project sites.

[20] ECHO's waste quantities are only from the subgroup's construction sites.

Even though WING has identified an opportunity related to product design and lifecycle management, the subgroup has not yet developed policies, measures or targets related to the topic. However, WING aims to assess the potential in this area for the next reporting period and incorporate good practices from industry and legislative initiatives to its own operation.

Social information

The following chapters provide an overview about the three subgroups' approach to engage with their core stakeholders including their workforce and customers/end-users of the properties and the services within the properties. This chapter presents policies and initiatives to manage the related impacts, risks and opportunities as identified during the DMA process. The subgroups aim to continuously improve their organizational system to provide stable employment opportunities focusing on safety and well-being. Focusing on the users of the products, – the built environment, including residential, office, industrial and logistics, hotel and retail properties - should offer safe spaces for any end-users. Over the operation and offering of services, the subgroups aim to provide reliable and transparent information for clients, tenants, and the wider community.

For supplemental information: ECHO subgroup has prepared a separate ESRS based report that presents all the details about the company's own operation in relation to [S1] Own workforce, [S2] Value chain workers, [S4] Consumers and end-users and its subtopics. Please find all the detailed information in ECHO's Sustainability Report 2024*.*

[S1] Own workforce

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The Group's own workforce includes employees and non-employees (based on contracts other than employment contracts) by covering various activities in the property development sector carried out by intellectual and physical labour. The subgroup's own workforce primarily consists of salaried white-collar employees who are directly employed by any company consolidated into the report. Salaried employees mainly work in an office environment, holding various positions such as administrative, associate, expert, managerial and executive roles. Further characteristics of own employees are presented in [S1-6] subchapter.

The subgroups consider their employees as one of the core assets of their operation, since their developed knowledge and collected experience in the real estate segment provide the basis of professional services offered by the Group. In order to increase employee engagement and satisfaction, the subgroups focus on to improve working conditions (flexibility, adequate salary, work-life balance), well-being and development opportunities, which are important elements of employee retention and new talent attraction.

The subgroups' double materiality analysis has considered positive and negative impacts, risks and opportunities related to the entities' own employees, that could occur in overall group level, in a widespread context. Material positive impacts are related to long-term contracts, flexible working conditions and well-being, training and skill development opportunities, policies and procedures to ensure mutual respect and ethical standards among employees, while material negative impact was identified in relation to the low diversity of Echo's board, which is partly outside the subgroup's control and belongs to the decision power of the shareholders, it could not be considered as systematic negative impact. The Group's impact on its own workforce and the impacts, and risks and opportunities arising from related dependencies are described in detail in the [SBM-3] subchapter of chapter 1. The subgroups have considered all employees, as affected people in the Group's own workforce in the DMA process, no specific groups of people were defined.

The Group has not implemented a transition plan yet, thus the related material impacts on its own workforce have not discovered yet.

The Group has not identified significant risks of incidents of forced labour, compulsory labour, or child labour in relation to its own workforce, as it operates within the European Union, where national and international labour laws and standards (including ILO conventions) prohibit these forms of employment, and also the subgroups Code of Conduct emphasize it (explicitly for ECHO and BAUWERT). The subgroups are operating in the European Union by following the EU and their countries' national legislation in relation of labour rights.

[S1-1] Policies related to own workforce

Material sustainability topic	Scope	Related policy
Working conditions **Equal treatment and opportunities for all**	WING	1. Work regulations and their appendices (e.g.: Home Office, Travel Expense, Company Car, IT) 2. Code of Conduct 3. Whistleblowing procedure 4. Health and safety policy
	ECHO	5. Work regulations and their appendices (e.g.: Home Office, Travel Expense, Workplace, Company Car, IT) 6. Code of Conduct 7. Whistleblowing procedure 8. Health and safety policy 9. Remuneration and bonus regulations
	BAUWERT	10. Work regulations and their appendices (e.g.: Home Office, Travel Expense, Workplace, Company Car, IT) 11. Code of Conduct (in draft form, scheduled for formal adoption in 2025) 12. Whistleblowing procedure (in draft form, scheduled for formal adoption in 2025) 13. Health and safety guidance

The subgroups of WINGHOLDING have several different policies that define the general rules of HR operation and management of their own workforce. One of the most relevant policies to manage material impacts, risks and opportunities is the Code of Conduct, designed separately for each subgroup. Each subgroup's Code of Conduct contains the main ethical principles: mutual respect, ethical behaviour, equal treatment and antidiscrimination and the remediation process of the main human rights risks by covering all own workforce.

Code of Conduct is a guiding policy of the three subgroups to manage material IROs:

	WING	ECHO	BAUWERT
Key contents of the policy	Company values, standards of ethical behaviour, equal treatment, procedures of reporting ethical issues.	Principles of ethics and respect of human rights, due diligence in selection of business partners, equal treatment, procedures of reporting ethical issues.	Integrity and sustainability in all business activities. (Scheduled for formal adoption in 2025)
Scope of the policy	All employees, owners, agents, partners.	All employees, persons performing work for ECHO (subcontractors, suppliers).	All employees
The most senior level in the organisation that is accountable for implementation	CEO and the executive board, supported by the HR and Legal departments	The executive board, supported by the HR Director	The executive board, supported by the HR, Legal and Compliance departments
Policy availability	Available through various internal channels for internal and external parties: 1. Part of the induction 2. Intranet, website 3. Training session 4. Other internal communication channels (e.g.: newsletter)	Available through various internal channels for internal and external parties: 5. Part of the induction 6. Intranet, website 7. Training session 8. Other internal communication channels (e.g.: newsletter)	After formal adoption (scheduled in 2025) it will be available through various internal channels: 9. Part of the induction 10. Intranet 11. Training session 12. Other internal communication channels (e.g.: newsletter)
Policy alignment with internationally recognised instruments	Alignment with internationally recognised instruments is not referenced explicitly. Relevant provisions regarding the implementation of principles set out in international instruments will be introduced to the policy at the next revision of the entire system of ensuring compliance with employee rights.	Not explicitly stated, but confirms adherence to the below international instruments: 1. International Labour Organization conventions 2. United Nations Universal Declaration of Human Rights 3. UN Guiding Principles on Business and Human Rights 4. OECD Guidelines for Multinational Enterprises Relevant provisions regarding the implementation of principles set out in	Ensures compliance with the principles embedded in international frameworks (such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises) through adherence to German labour regulations.

		international instruments will be introduced to the policy at the next revision of the entire system of ensuring compliance with employee rights.	
Explicitly addresses (the prohibition of): trafficking in human beings, forced labour or compulsory labour and child labour	National and international labour laws and standards (including ILO conventions, UN and OECD guidelines), that are prohibit these forms, are followed. In policy level it is implicitly included (with reference to EU and Hungarian labour rights) Compliance monitoring mechanism is related to whistleblowing mechanism and national, EU level legal compliance.	National and international labour laws and standards (including ILO conventions, UN and OECD guidelines), that are prohibit these forms, are followed. In policy level, implicitly included (with reference to EU and Polish labour rights, and UN and OECD guidelines) Compliance monitoring mechanism is related to whistleblowing mechanism and national, EU level legal compliance.	National and international labour laws and standards (including ILO conventions, UN and OECD guidelines), that are prohibit these forms, are followed. In policy level, implicitly included (with reference to EU and German labour rights) Compliance monitoring mechanism is related to whistleblowing mechanism and national, EU level legal compliance.
Explicitly addresses (the prohibition of): discrimination	The subgroups' Code of Conduct aim to avoid any form of discrimination, including harassment and promote equal opportunities, diversity and inclusion.		
Discrimination is specifically covered in the policy	The policies refuse all kind of discrimination (including racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, or other forms of discrimination covered by Union regulation and national law).		
Commitments related to groups at particular risk of vulnerability	No such specific policy commitments are defined.		
The implementation of the policy	Code of Conduct should be respected and followed by all employees and partners.		

Each subgroup's Code of Conduct ensures respect for human rights, including labour rights for its own workforce. All subgroups have a whistleblowing system in place to remedy negative human rights issues and ensure whistleblower protection. These systems ensure the possibility for employees to report – also anonymously – cases of violations of human rights, including labour rights. Each reported case is analysed and investigated following the internal procedures of the subgroups. The whistleblowing processes are further described in [G1-1] subchapter.

All subgroups of WINGHOLDING have policies and related trainings (available to the subgroup's employees) in place that are specifically aimed at preventing workplace accidents, by establishing health and safety guidelines. The policies are designed to minimise physical and mental health related incidents. The majority of subgroups' employees work in office environments, which are generally associated with low risk for industrial accidents or other workplace hazards. While the subgroups aim is to have established strong occupational health and safety practices, including regular risk assessments and mandatory safety and fire training in accordance with legal requirements. For ECHO, own employees are covered by a safety assurance system defined by internal health and safety policy. The system is certified according to ISO 45001 and audited annually by an independent third party.

[S1-2] Processes for engaging with own workforce and workers' representatives about impacts

The Group applies different processes at the level of subgroups to incorporate perspectives of own workforce about actual and potential impacts on them. During the DMA process employees of the subgroups were represented in various ways (by survey, by internal representatives) to integrate their inputs for IRO identification and validation. The methods of these processes are in line with the respective countries' national legislation.

To engage with own employees, the subgroups follow different approaches:

1. WING has conducted an employee survey in 2024 that is planned to be repeated on an annual basis in the future. The insights and results of the survey summarized by the HR representative are communicated towards the management who could take the key assumptions into consideration in decision making. In the interest of transparency, the aggregated form of the results was also shared with employees.
2. ECHO consults with employee representatives on planned activities that will significantly affect work. The dialogue between ECHO and employee representatives is initiated in response to legal requirements and requests from stakeholders. The opinions and recommendations of employee representatives are taken into account by the Management Boards in decision-making processes. ECHO's process of engagement with employee representatives is described in detail in the [S1-2] subchapter of ECHO's Sustainability Report 2024.
3. BAUWERT conducts personal interviews with employees two times during their probation period and after that once per year. Feedback from employee interviews is systematically documented and discussed in weekly HR meetings with the executive board, ensuring that employee input is considered in the decision-making process.

The opinion and recommendations of employees from these channels were integrated into the IRO assessment procedure for sustainability topics resulting the identification of working conditions and equal treatment as material topics.

The HR Directors in all subgroups, authorised by the Management Board, are the main representatives of employees to support dialogue and cooperation with them. They are responsible for assessing the impact of planned decisions on employees and representing their perspective to the Management Board, regarding decisions on strategy and risk management.

There are no trade unions in the Group, and the employees of its companies are not covered by any collective bargaining agreements. Compliance with local and EU legislation and the principles of Code of Conduct are considered sufficient for the proper management and respect of human rights, therefore the subgroups have not adopted an additional Global Framework Agreement.

The subgroups collect feedback from employees regarding the relevant topics concerning them. The subgroups aim to incorporate the results of the feedback in their decision-making processes where possible. Beyond these, the subgroups have not yet systematically examined the effectiveness of the different forms of engagement with employees about actual and potential impacts on them.

During the engagement processes with their own workforce, the subgroups considered all people in their own workforce, and not identified specific group of employees as particularly vulnerable or marginalised group of people, who may be greater risk of harm due to the Group's activities.

[S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

In order to remedy negative impacts on own workforce, the subgroups of WINGHOLDING are operating whistleblowing systems separately, that provide channels for their employees to raise concerns and secure complaints handling mechanisms. Whistleblowing systems are described in detail in [G1-1] subchapter. Besides, additional channels are available for employees to raise their concerns for managers or HR representatives:

WING: employees can raise their concerns with their immediate superiors, the head of their department or the HR Director in person or by sending an email. Online, they can contact the HR department directly at hr@wing.hu or via the company Intranet, and for data breaches they can contact the Data Protection department at adatvedelem@wing.hu.

ECHO: contacting designated persons, like direct supervisor, HR director, person responsible for reporting, filling electronic form or sending letter

BAUWERT: has direct communication channels with HR supervisors, internal and external reporting systems and a specific channel to report data protection concerns).

The subgroups ensure the availability of their channels for complaint handling through sharing regularly the details of their whistleblowing processes on internal platforms, communication channels, and trainings. The subgroups have different methods to track and monitor the effectiveness of channels. ECHO and WING monitor the pass rate of ethical trainings for employees and the number of reports received through the channels. BAUWERT collects employee feedback and HR department integrates relevant learnings to improve the channels and prevent future negative impacts. Above these monitoring processes, further evaluation on the whistleblowing systems' effectiveness is not part of the subgroups current practice.

All subgroups of WINGHOLDING provide the opportunity for anonymity in their reporting systems and have clear anti-retaliation rules in their policies (Code of Conduct).

[S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Based on the human resource related strategic initiatives of each subgroup, actions and initiatives are introduced to develop working condition and provide equal opportunities to own employees. Although, these initiatives are not presented in a comprehensive and detailed action plan with dedicated financial resources in the reporting year. However, based on the results of the double materiality assessment, the subgroups plan to review relevant policies and processes that are currently under development to define detailed action plans and to allocate dedicated resources in relation to material sustainability matters related to their own workforces.

In its ESG Strategy, WING presents various ongoing and planned actions related to its own workforce. ECHO describes its ongoing and planned actions related to its own workforce in detail in the [S1-4] subchapter of ECHO's Sustainability Report 2024. BAUWERT's actions related to its own workforce are under development and will be published in the finalized HR strategy of the subgroup. BAUWERT's HR strategy is planned to be published in 2026, while first implementations of the strategy already start in 2025.

The ongoing and planned actions of WING and ECHO in relation to material topics are presented in the below table. The introduced actions are aimed to either mitigate negative impacts and risks, deliver positive impacts, or pursue opportunities. The maturity level of these initiatives is vary, therefore the system development to track the effectiveness is an ongoing process by the subgroups.

The main areas are monitored by HR, considering key management indicators (employment levels, training programs, recruitment efficiency, and the adequacy of compensation relative to roles and employee performance).

Material topic	Actions		
	WING	ECHO	BAUWERT
Secure employment	Finalizing and making available employment policies for 2024	Continuous monitoring of employee turnover Regular comparison of salaries to market standards	Continuous benchmarking of salaries against market standards Ongoing assessment of employee retention
Social dialogue	Organizing employee satisfaction survey in a yearly basis	Conducting elections in 2024 for employee representatives in all Group companies with such a regulatory obligation. Consulting employee representatives on all matters required by labour law and other regulations.	Annual company meeting with all employees Integration of employee feedback into strategy Meetings with the management team
Work-life balance	Maintaining health insurance and providing access to cultural programmes for all employees from 2024 Providing flexible and part-time working hours depending on job description (based on initial assessment) Providing possibility to participate in a CSR programme	Introduction of an additional benefit – financial support for employee vacations. Offering employees a benefits platform with various options for leisure activities or personal interest development.	Providing flexible and part-time working hours depending on job description (based on initial assessment) Additional paid holidays and child sick days for all employees Promote the use of annual leave
Health and safety	Strengthening health and safety prevention measures: safety trainings on construction sites, support for health screenings and preventive medical check-ups through a health insurance program available to all employees, mental health coaching as	Implementation of social facility standards on all construction sites Measuring and increasing satisfaction of construction workers	Strengthen health and safety through first aiders, fire safety officers, workplace safety training, preventive medical check-ups, and flu vaccinations

	part of the leadership development program, regular inspection and modernization of protective equipment and safety tools, provision of adjustable desks and back supports for ergonomic workplace comfort		
Gender equality	Promoting diversity and equal opportunities: ensuring gender-neutral recruitment and promotion processes, monitoring and reducing gender pay gaps, providing parental leave and flexible working arrangements for all genders, celebrating International Women's Day	Training programs to strengthen employee competences A planned managerial competence enhancement program for 2025 Training for management and supervisory boards on managing ESG issues, including promoting diversity Establishing a methodology for analysing the pay gap – adjustment of assumptions made in 2023 Determining the baseline level in line with the new methodology	Implementation of the General Equal Treatment Act (AGG) and the Pay Transparency Act
Training and skills development	Start preparing a comprehensive performance management system from 2024 Developing individual training plan for all employees from 2025. Operating the 'ESG ambassador' programme	Implementation of training programs Internal educational program Echo-School, with project continuation planned for 2025 Launch of the second edition of the internal mentoring program, with continuation planned for 2025	Annual training budget per employee for personalized development programs
Measures against violence and harassment in the workplace	Operating whistleblowing system	Updating the whistleblowing and whistleblower protection policy in 2024 Expanding the pool of potential whistleblowers Responding to reported irregularities in employee matters in accordance with the adopted policy	Whistleblower tool launched in accordance with the Whistleblower Protection Act in 2024

All subgroups have a whistleblowing system in place that provides channel for their own workforces to raise concerns in relation to material negative impacts on them. Whistleblowing systems are described in detail in [G1-1] subchapter. Besides, the subgroups can consider the results of their first DMA process to integrate into HR actions in the future.

WING has conducted an annual employee survey and aims to repeat it in a yearly basis to assess the effectiveness of different actions related to its workforce. The HR department of ECHO uses main indicators of different HR areas to track and assess the effectiveness of different initiatives connected to its own workforce. BAUWERT has an additional channel for employees to share feedback and plan further monitoring after the finalization process of its HR strategy.

The Group ensures that it does not contribute any material negative impacts on its own workforce by adhering to EU regulations and respective national legislations.

The HR departments of each subgroup have annually set budgets for matters related to their own workforces. The subgroups allocate financial resources in varying degrees and proportions to manage material impacts related to their own workforces. Decisions are based on the judgment of local experts and the specific characteristics of each subgroup.

The Group has not yet implemented a transition plan to greener, climate-neutral economy, thus the related negative impacts on its own workforce have not been assessed.

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group has not yet set detailed targets with a comprehensive methodology for measurable objectives related to the management of material impact, risks and opportunities related to its own workforce, because the identification of material IROs were performed in the reporting year. However, WING and ECHO have general goals and initial objectives defined that are connected to material topics related to own workforce (see table below). The goals of BAUWERT are currently under development in the finalization process of HR strategy.

The subgroups have not yet formally engaged with its employees or employee representatives in setting targets related to the management of material impacts, risks and opportunities related to own workforce. Consequently, the subgroups have not yet cooperated with its employees in tracking results, achieving the set goals, and indicating conclusions and improvements in this area. However, the subgroups collect feedback from employees that they consider in their decision-making processes.

Material topic	Strategic directions and targets		
	WING	ECHO	BAUWERT
Secure employ ment	1. Improve the corporate employment framework	2. Maintaining workforce stability 3. Ensuring compliance with the Labor Code and other legal regulations on employee matters	4. Enhancing employee satisfaction through structural redefinition.
Work-life balance	5. Increase well-being 6. Provide at least one opportunity per year for employees to participate in a CSR programme	7. Enhancing work-life balance by encouraging employees to take vacation leave (maximum of 10 days of unused leave per employee)	8. Encourage employees to take their annual leave and minimize overtime.
Health and safety	9. Provide safe and secure working environment for employees and	11. Zero fatal accidents	12. Zero fatal accidents (The only accidents in the past year were minor

	workers at construction sites by 10. Ensure and maintain 0 serious accidents		commuting incidents with minimal impact).
Gender equality	13. Promote diversity and equal opportunities 14. Further reducing gender pay gaps 15. Transparent reporting on gender equality indicators 16. Increase the rate of female leaders at 30% in senior management level by 2026.	17. Achieving gender parity in higher managerial positions 18. Eliminating pay gaps between women and men in similarly valued positions 19. Achieving gender parity in the governing bodies of Echo Investment S.A. and Archicom S.A.: women will constitute at least 40 percent of the Supervisory Boards of each of mentioned companies or at least 33 percent of the Supervisory Boards and the Management Boards of each company combined.	20. Enforcement of gender equality and non-discrimination in recruitment processes
Training and skills develop ment	21. Support employees' professional and personal skills through an individualised training plan, including ESG topics 22. Implement one project per year in the 'ESG ambassador' programme from 2024		23. Foster employees' professional and personal development with tailored training plans

[S1-6] Characteristics of the undertaking's employees

The table below presents the quantitative characteristics of WINGHOLDING Group's own employees, presented at subgroup level and breakdown by operational country, by employment relationship (permanent, temporary, non-guaranteed hours) and by gender (male, female). Own employees describe individuals who are in an employment relationship with WINGHOLDING's subgroups (WING, ECHO, BAUWERT). Own employee categories are determined on subgroup level, according to the related national legislation and individual operational attributes. The subgroups are considering own employees who are providing exclusive work for the subgroup, under their internal employment contract categories. Employment categories are defined at subgroup level, based on this decentralized operational model, subgroups present their own employee categories and numbers using their own approach in the first reporting year:

WING: own employees refer to those who are employed by a Hungarian entity that belongs to the subgroup and perform work in Hungary. The subgroup determines and presents total number of employees in headcount by considering permanent, temporary, and non-guaranteed hours employment relationships. Permanent employees involve employees whose permanent contracts does not contain a fixed end date. Temporary employees involve employees with a fixed-term contract who are usually employed for seasonal work or project-based jobs. Non-guaranteed hours employees involve employees whose contracts does not contain guaranteed minimum working hours (i.e. graduate trainees)

The number of employees is presented at the end of the reporting year, based on the average statistical number of employees during the reporting period (From 1st of January to 31st of December 2024).

ECHO: own employees refer to those who are employed by a Polish entity that belongs to the subgroup and perform work in Poland. The subgroup determines and presents total number of employees in headcount by considering permanent and temporary employees. Permanent employees are hired for an indefinite period. Temporary employees mostly involve new hires who are offered a 12 months fixed-term contract after their probationary period as a standard procedure. ECHO does not employ employees with non-guaranteed working hours.

The number of employees is presented as at the end of the reporting year (as of 31 December 2024). The disclosure also covers employees who have had long-term absences on 31st of December 2024. Further information on employee characteristics of ECHO is described in the [S1-6] subchapter of ECHO's Sustainability Report 2024.

BAUWERT: own employees refer to those who are employed by a German entity that belongs to the subgroup and perform work in Germany. The subgroup determines and presents total number of employees in headcount by considering permanent employees. Besides permanent contract employees, permanent employees involve working students who are working alongside their studies without an official training assignment but excludes trainees and dual students who are legally in vocational training.

The number of employees is presented at the end of the reporting year, based on the average number of employees (calculated according to the four quarterly reporting dates, by not taking into account members of the Management Board, interns, or dormant employment relationships (employees on parental leave)), during the reporting period (From 1st of January to 31st of December 2024).

The total number of WINGHOLDING Group employees is presented in chapter "39. Employee benefit expenses" of the consolidated financial statement of the Annual report 2024 by considering the average statistical number of own employees during the reporting period (From 1st of January to 31st of December 2024) according to the IFRS requirements.

Information on employees by contract type, gender, and country:

Reporting period: 2024		WING (Hungary)	ECHO (Poland)	BAUWERT (Germany)
Number of permanent employees (head count)	Female	256	268	39
	Male	184	210	32
	Other	0	0	0
	Not reported	0	0	0
	TOTAL	**440**	**478**	**71**
Number of temporary employees (head count)	Female	0	67	0
	Male	2	115	0
	Other	0	0	0
	Not reported	0	0	0
	TOTAL	**2**	**182**	**0**
Number of non-guaranteed hours employees (head count)	Female	12	0	0
	Male	6	0	0
	Other	0	0	0
	Not reported	0	0	0
	TOTAL	**18**	**0**	**0**
Number of employees (head count)	Female	268	383	39
	Male	192	277	32
	Other	0	0	0
	Not reported	0	0	0
	TOTAL	**460**	**660**	**71**

Information on employees who left the company, and percentage of employee turnover:

Regarding employee turnover ratio, data is presented at subgroup level by considering total number of own employees, as is presented in the previous section and table. For reporting employee turnover ratio, the following formula was applied by each subgroup: total number of employees who left the subgroup during the reporting period (either voluntarily, as a result of dismissal, retirement, or death) / total number of employees of the subgroup of reporting period (total number presented in table above) x 100.

Reporting period: 2024	WING (Hungary)	ECHO (Poland)	BAUWERT (Germany)
Total number of employees who left the company during the reporting period (head count)	126	73	10
Rate of employee turnover (%)	27%	11%	14%

Due to the challenges of the labour market in the construction and real estate sector, such as the shortage of skilled and qualified professionals, the Group faces a certain degree of staff turnover.

[S1-14] Health and safety metrics

The health and safety of employees is a priority for the Group. The majority of the subgroup's own employees are working in an office environment, thus work-related injuries and work-related ill health are not as common due the nature of the working environment. The Group is aware that health and safety risks have higher occurrence on construction sites.

The subgroups' health and safety metrics regarding their own workforce are presented separately, based on the total number of own employees, as described in previous chapter [S1-6].

Reporting period: 2024	WING (Hungary)	ECHO (Poland)	BAUWERT (Germany)
The number of employees who are covered by health and safety management system in head count based on legal requirements and (or) recognised standards or guidelines	N/A	660	71
The percentage of employees who are covered by health and safety management system	N/A	100%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers (such as value chain workers) working on undertaking's sites	0	0	0
Number of recordable work-related accidents for own workforce	4	0	2
Total hours worked by people in your own workforce	790 204	1 125 533	128 210
Rate of recordable work-related accidents for own workforce	5,06	0	15,6

Additional information regarding the subgroups' methodology:

1. For WING currently there is no health and safety management system in place. The total hours worked by own workforce were estimated by considering working hours of employees with all types of employment relationships. The 4 recorded work-related

accidents are concerning minor injuries of hotel employees with no significant time lost in their work due to the injuries.

2. All employees in ECHO's own workforce, who are directly employed under a permanent contract are covered by health and safety management system.

3. The total hours worked by people in the subgroup's own workforce were estimated based on permanent employee contract hours, including employees on long-term leave or absences.

4. All employees in BAUWERT's own workforce are covered by health and safety management system. The number of total hours worked by people in the subgroup's own workforce is estimated by considering working hours of employees with permanent employment contract, by excluding the working hours of the Executive Board, interns, and part time employees.
5. The 2 recorded work-related accidents are concerning commuting accidents of employees.

[S1-16] Remuneration metrics (pay gap and total remuneration)

Information on gender pay gap (expressed as percentage of the average pay level of male employees):

Reporting period: 2024	WING (Hungary)	ECHO (Poland)	BAUWERT (Germany)
Gender pay gap	29%	25%	36%

Information on annual total renumeration ratio:

Reporting period: 2024	WING (Hungary)	ECHO (Poland)	BAUWERT (Germany)
Annual total remuneration ratio	6	38	13

Information regarding remuneration metrics is presented at subgroup level and should be analysed by considering sector specific aspects and local contextual characteristics of each subgroup. For calculating remuneration metrics, the subgroups have considered all employees, for each as presented in S1-6 subchapter (own employees) and followed the ratios calculation requirements as defined by ESRS. The gender pay gap is based on the comparison of average gross hourly pay level of male and female employees. The annual total remuneration ratio is based on the comparison of the annual total compensation of the highest paid individual and the median annual total compensation for all employees (excluding the highest-paid individual), calculated and presented at subgroup level.

WING has experienced a significant growth in the total number of employees in the reporting period, and most of new hires work with lower qualification and salary positions in relation to hotel management activities. This causes differences in average salaries by gender as most of these roles are held by female employees, and it also leads to a higher annual total remuneration ratio.

The differences between the average salaries of men and women overall in ECHO are due to the structure of employment and the local labour markets. A significant part of the subgroup's workforce is composed of engineers, who are highly paid in the market and due to the specifics of labour market and technical education in Poland, the overwhelming proportion of engineers are men. Further details of ECHO's remuneration principles, calculation methodology, and other relevant contextual information are described in the in the [S1-6] subchapter of ECHO's Sustainability Report 2024.

For BAUWERT, differences in average salaries by gender are due to female overrepresentation in part-time roles and underrepresentation in management positions (the gender pay gap calculation exclude the gross hourly pay of board members, interns, and working students).

[S1-17] Incidents, complaints, and severe human rights impacts

Information on incidents of discrimination, number of complaints filed, and amount of material fines, penalties, and compensation for damages

Information regarding incidents and complaints is presented at subgroup level, as each of them has individual whistleblowing mechanisms and channels that are accessible platforms for internal and external parties as well. The reporting incidents are registered in the subgroups whistleblowing system, that are further investigated as described in [G1-1] subchapter, the registered incidents in the subgroups whistleblowing systems for the reporting year are presented in the table below

Reporting period: 2024	WING (Hungary)	ECHO (Poland)	BAUWERT (Germany)
Total number of incidents of discrimination (including harassment)	0	0	0
Number of complaints filed through channels for people in own workforce to raise concerns (including grievance mechanisms)	0	5	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0	0	0

In the reporting year, there were 5 work-related incidents or complaints filed in ECHO, one of them was deemed justified while other cases were partially justified, unfounded or not confirmed. All complaints were addressed in accordance with the subgroup's relevant adopted procedure. Further details of the incidents and the following actions taken are described in the [S1-17] subchapter of ECHO's Sustainability Report 2024.

The subgroups have not identified confirmed legal incidents of severe human rights issues connected to their own workforce. Thus, related fines have not occurred in the reporting period.

[S2] Value chain workers

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Based on the real estate and construction sector characteristics, the Group has considered its social impacts and risks in relation to value chain workers through its downstream activities. The subgroups' operation could have effect on subcontractor employees, who work on construction sites. Accordingly, a material negative impact and risk were identified in relation to the topic of health and safety for value chain workers (who are not part of the own workforce, while work on the real estate development project sites). Lack of sufficient health and safety measures, adequate protective equipment or proper control on project sites could result in accidents, with negative influence on the value chain employees' health and safety. Since this negative impact arise throughout the industry it could be considered as a widespread impact. Besides, without effective sustainability screening and due diligence process on subcontractors and suppliers, there is the possibility that insufficient working conditions could exist in the value chain as well. Improper H&S training or bad quality equipment can cause hazards during construction activities which can have financial or reputational implications to the Group too. Further details on material IROs, dependencies and connection with strategy are presented in [SBM-3] subchapter of chapter 1.

The subgroups' construction sites are located in the European Union (Hungary, Poland and Germany), and by following the EU and national legislation in their operation and with contractual partnerships, they have limited extent on the subcontractors' operation to influence labour rights. ECHO has a more developed approach to mitigate negative impacts and collaborate with value chain workers, that is presented in [S2] chapter of ECHO's Sustainability Report 2024. WING and BAUWERT have acknowledged the consideration of ESG matters in the value chain is their development area in the near future. Based on currently available information, the subgroups do not have identified significant risks of child labour, forced labour or compulsory labour.

The subgroups have considered workers in the downstream value chain equally in the DMA process. The Group has not identified any value chain workers on construction sites with particular characteristics, or any specific groups who may be at greater risk of harm due to the Group's activities.

Even though the Group has identified a material negative impact and risk related to the health and safety of its workers in the value chain, the required practices in terms of policies, actions and related targets of the subgroups are currently not yet established in the matter, which is due to the limited impact, and lack of group level operational controls and processes present in the value chains.

ECHO has already started the development of such procedures; however, these are not yet fully aligned with the ESRS requirements either. Further information about ECHO's initiatives regarding its value chain workers can be accessed in ECHO's Sustainability Report 2024. Furthermore, WING and BAUWERT is also committed to establish their own effective measures to adequately assess their value chains and engage with their value chain workers in the upcoming years.

In case of the presentation of value chain workers, the material information regarding the Group is presented at other disclosure requirements, under [S1] and [G1] by referring on concepts that should be followed by value chain actors as well, such as the Code of Conduct. Each subgroup's Code of Conduct ensures the proper respect for human rights. All subgroups have a whistleblowing system available that is accessible to value chain workers as well to raise concerns or needs (e.g. human rights or labour rights matters). Each reported issue is analysed and explained, following the internal procedures of the subgroups to remediate the negative impacts. The details of the whistleblowing processes can be read in [G1-1] subchapter.

[S4] Consumers and end-users

[SBM-3] Material impacts, risks and opportunities and their interaction strategy and business model

The subgroups' actual and potential material impacts on their consumers and end-users were identified through the DMA process. The identified material topics are access to quality information of consumers, health and safety of consumers, and social inclusion of consumers or end-users. Positive impacts, and risks that could arise from dependencies, were identified in relation to these material topics, which are presented in detail in the [SBM-3] subchapter of chapter 1.

The primary consumers and end-users of the Group include both institutional and private clients with a wider variety. Among them, there are individuals purchasing flats for themselves or their families, and large investors as well purchasing the property as a capital investment or retirement security. The Group's consumers and end-users also include companies renting office, industrial or retail space for their business and large international funds specialising in real estate, buying entire office buildings, residential buildings, or shopping centres. Other users, who are indirectly affected, can be mentioned, like people working in offices, warehouses, hotels and shopping centres built by the Group; customers of shops, service outlets and restaurants in the Group's buildings; or visitors to hotels and public spaces, around the Group's investments.

The subgroups' primary objective is to serve their client's interests and ensure legal compliance with European Union and respective national legislation on consumer rights by maintaining transparent communication, ensuring fair marketing practice, and addressing promptly any concerns. For this aim, subgroups adhere General Data Protection Regulation (GDPR) and the General Equal Treatment Act (AGG), ensuring respect and protection of consumer rights. Besides, most of the buildings in the subgroups' portfolio are certified (BREEAM, LEED, DGNB, Access for You) to meet high sustainability, safety, and health standards ensuring the minimising of potential risks to the well-being of users. The relevant product and service information are provided to the consumers or users mostly in the contact or via another communicational channel preventing any potential misuse or safety issues while ensuring end-users are properly informed about handling and safety precautions. The Group is committed to ethical marketing and sales practices.

The subgroups have considered all consumers and end-users equally in the DMA process. The Group has not identified any consumers or end-users with particular characteristics, or any specific groups of consumers or end-users who may be at greater risk of harm due to the Group's activities.

[S4-1] Policies related to consumers and end-users

No material negative impacts were identified related to consumers and end-users during the DMA process; therefore, it is not considered essential to adopt dedicated policies on the management of material IROs of consumers and end-users. The production, distribution, and use of the Group's products, the properties are subject to extensive legal regulations. Therefore, in managing material topics related to consumers and end-users, the Group is guided by the provisions of applicable law. Similarly, regarding the health and safety of consumers and end-users, the subgroups adhere to the extensive EU and local health and safety regulations, thus minimising related risks to consumers and end-users. Besides complying with regulations, the main principles and ethics regarding consumers and end-users are set in the Code of Conducts of the subgroups. They also consider market trends, and the expectations of partners to develop and integrate good practices and solutions for the industry.

The Group has not identified any material risks related to the human rights of consumers and end-users derived from its operation. The Group's policies in this area are based on the universal human rights and the Code of Conduct described in detail in [S1-1] subchapter.

In accordance with the main principles and ethics of the Group, communication with consumers and end-users (e.g. public relations, investor relations, marketing) is important from the operational perspective to have transparent and fair practices. The general approach of subgroups concerning engagement with consumers and end-users is further described in detail in [S4-2] subchapter.

Each subgroup's Code of Conduct ensures the proper respect for human rights, including for its consumers and end-users. All subgroups have a whistleblowing system in place that is accessible to consumers as well, thus external stakeholders can report cases of violations of human rights. Each reported case is analysed and explained, following the internal procedures of the subgroups. The whistleblowing processes are further described in [G1-1] subchapter.

The Group has not made any commitments regarding policies towards customers and end-users that would be based on standards or initiatives of third parties (e.g. international instruments), as there were no material negative impacts identified concerning consumers and end-users. Most of the developed and owned buildings are certified under the international BREEAM, LEED, or DGNB standards, that have an objective set of criteria regarding health and safety. Additionally, the subgroups pay special attention to making their buildings safely accessible for specific user groups (e.g. people with disabilities, pedestrians, cyclists).

Based on its current business model and the compliance mechanism with national legal requirements the Group's policies in this area have not been analysed in terms of compliance with the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

[S4-2] Processes for engaging with consumers and end-users about impacts

The Group has not implemented a general process for collaborating with consumers and end-users to manage actual or potential impacts on them for this period since the results of the DMA were issued in this first year and no significant negative impact was identified. The subgroups handle such collaborations with consumers and end-users on a case-by-case basis resulting from specific circumstances or customers' needs. The leadership of the subgroups aims to incorporate the results of such collaborations in their decision-making processes where possible.

The Group is engaging with its consumers and end-users through various channels related to general and identified matters. The subgroups mostly collaborate with organisations or other entities authorised to represent a specific client or user group on an on-demand basis. The subgroups pay special attention to the needs of consumers and end-users by supporting them with relevant information at various stages:

1. WING provides close and personalised support to customers through a dedicated management team composed of legal, technical and sales professionals. Contact is provided by email, telephone, website contact form and face-to-face.

2. ECHO provides each private client with an individual account manager who supports the client from the development agreement until they take up residence in the estate. As client-related material issues are handled on a case-by-case basis, responsibility for ensuring engagement with consumers and end-users is assigned depending on the scope, purpose, and other contextual factors of the given collaboration.

3. BAUWERT ensures close and personalized support for purchasers through a dedicated purchaser management team.

The subgroups have not yet systematically examined the effectiveness of the different forms of engagement with consumers and end-users about actual and potential impacts on them, as no negative impact was identified. However, the subgroups collect feedback from clients regarding the relevant topics concerning them (e.g. customer satisfaction surveys).

During the engagement processes with consumers and end-users the subgroups aim to consider all people equally. Additionally, the subgroups are gradually implementing more solutions to create socially more inclusive spaces, paying attention to the needs of people with disabilities in the design of their buildings.

[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Group has not implemented a general process to remediate negative impacts on consumers and end-users, as no material negative impacts were identified during the DMA process. The Group prioritises personalized support for its clients and through this communication approach it facilitates swift resolutions if any material negative issues occur on the side of consumers or end-users. By maintaining a strong focus on engagement and responsiveness, the Group aims to address concerns effectively and ensure that appropriate remedies are provided in a timely manner.

The subgroups of WINGHOLDING are operating whistleblowing systems separately, these provide channels for their consumers and end-users to raise concerns and secure complaints handling mechanisms. Whistleblowing systems are described in detail in [G1-1] subchapter. Besides, additional channels are available for consumers and end-users to raise concerns with company representatives (e.g. personal appointments, telephone calls, e-mail or social media messages, website contact form).

The subgroups ensure the availability of communication channels provided for consumers and end-users to raise concerns through robust internal processes and clear expectations for all stakeholders. Dedicated teams manage and monitor each channel, ensuring they remain accessible and responsive. Regular reviews are conducted to assess their effectiveness, and adjustments are made as needed. The subgroups regularly communicate about the provided channels to ensure that consumers and end-users are aware of them.

All subgroups of WINGHOLDING provide opportunity for anonymity in their reporting systems and have clear anti-retaliation rules in their policies (Code of Conduct).

[S4-4] Taking action on material impacts on consumers and end- users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and the effectiveness of those actions

The Group has not yet developed comprehensive and detailed action plans with dedicated financial resources to manage its material impacts, risks and opportunities related to its consumers and end-users, because the identification of material IROs was performed in the reporting year and no negative impact was identified. Based on the results of the double materiality assessment, the subgroups plan to consider the need for internal updates regarding the identified risks to their consumers and end-users, and if necessary, review relevant policies and processes to define detailed action plans and to allocate dedicated resources.

The subgroups have not yet developed structured action plans for managing material sustainability matters, as no significant negative impact was identified during the DMA process. The subgroups aim to prevent any negative impacts on consumers and end-users resulting from its business operation, as they prioritise the needs of their customers and are open to consultation regarding impacts concerning consumers and end-users. Besides, the subgroups regularly review the need to introduce additional measures for managing consumers and end-users related needs and requirements.

1. WING is planning to launch a new residential website for home buyers, where it will introduce a personalised customer profile to ensure maximum personalisation, maximum data security and paperless customer management.

2. ECHO assessed impacts on consumers and end-users regarding the topic of personal data security that is described in detail in the [S4-4] subchapter of ECHO's Sustainability Report 2024.

3. BAUWERT will regularly review the findings of the DMA related to end-users or consumers. As currently no significant negative impacts were identified, the subgroup considers adherence to the extensive related local regulations sufficient.

All subgroups have whistleblowing system in place that provides channel for costumers and end-users to raise concerns in relation to any issues. Whistleblowing systems are described in detail in [G1-1] subchapter.

The subgroups take a case-by-case approach in handling concerns raised by consumers or end-users. They analyse the type of issue discovered and its scope. In case a discovered issue concerns a systemic and market-wide matter, the subgroups aim to cooperate with other industry peers on relevant forums of industry organizations.

The Group believes that its current practices are sufficient to either mitigate risks, deliver positive impacts, or pursue opportunities. The subgroups regularly evaluate their practices and respond to arising needs from its consumers and end-users to improve its mechanisms as a part of a due diligence process of current practices.

The Group ensures that it does not contribute any material negative impacts on its consumers and end-users by adhering to EU regulations and respective national legislations.

In 2024, no severe human rights issues or incidents related to customers or end-users have been reported to the Group.

The subgroups allocate financial resources as required to manage material impacts related to their consumers and end-users. Decisions are based on the judgment of management boards, local experts, and the specific characteristics of each subgroup.

[S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The subgroups have not yet set detailed targets with a comprehensive methodology for measurable objectives related to the management of material impacts, risks and opportunities related to consumers and end-users. The first reason is that the extensive local and EU regulations regarding fair marketing practices, health and safety measures, as well as the broad requirements for social inclusion in various international and national standards (e.g. BREEAM, LEED, DGNB) that subgroups adhere to. The second reason is that the identification of material IROs was performed in the reporting year and no negative impact was identified. Based on the results of the double materiality assessment, the subgroups plan to consider the need, and if necessary, they will implement internal updates on target setting regarding the identified risks and positive impacts to their consumers and end-users.

The subgroups have not yet formally engaged with consumers and end-users in setting targets related to the management of material impacts, risks and opportunities related to consumers and end-users, they are communicating these matters in this publicly available sustainability report. The subgroups collect feedback from consumers and end-users that they consider in their decision-making processes.

Governance information

[G1] Business conduct

The following chapter provides an overview about the three subgroups' corporate governance mechanism, related ethical norms, policies, and whistleblowing procedure, that are organized by them in a decentralized way. The subgroups aim to continuously improve their organizational frameworks to promote ethical standards, transparency, and accountability.

For supplemental information: ECHO subgroup has prepared a separate ESRS based report that presents all the details about the company's own operation in relation to [G1] Business conduct and its subtopics. Please find all the detailed information in ECHO's Sustainability Report 2024*.*

[GOV-1] The role of the administrative, supervisory and management bodies

The administrative, executive, and supervisory bodies of each subgroups have a key role in forming and overseeing corporate policies and governance practices. These bodies are composed of experienced professionals and leaders, and are responsible for setting and maintaining ethical standards, ensuring compliance with relevant laws and regulations, and fostering a culture of integrity within the organization.

The role and expertise of the administrative, management and supervisory bodies, also related to business conduct is presented in detail in [GOV-1] subchapter in chapter 1.

The members of the administrative, executive, and supervisory bodies possess the necessary expertise and skills, or have access to such knowledge and capabilities. This enables them to effectively fulfil their responsibilities related to corporate policies and business conduct.

[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

The process to identify material impacts, risks, and opportunities concerning business conduct matters was part of the DMA process and is described in detail in [IRO-1] subchapter in chapter 1.

Due to the nature of the real estate and construction sector, like the widespread value chain, complex subcontractor structure and dependence on suppliers (material, energy, human resources), the subgroups are more exposed to the generation of negative environmental and human rights issues in their value chain and to the occurrence of corruption incidents.

Therefore, the following main IROs were identified: unethical behaviour or misconduct by the employees or subcontractors, which could result in potential legal, reputational, or operational risks to the Group. In order to mitigate these kinds of risks, each subgroup has established their ethical standards in internal policies (Code of Conduct, Anti-corruption policy), designed and implemented a whistleblowing mechanism, and plans to enhance related trainings.

[G1-1] Business conduct policies and corporate culture

WINGHOLDING Group is committed to fair, ethical and responsible business conduct.

The Group’s core values are ethical behaviour, maintaining fair and mutually beneficial cooperation with partners, ensuring high quality of properties and services, and to act in responsible manner on behalf to their shareholders.

Each subgroup's corporate culture is based on their values, mission, vision, and goals, that originate from their long-term operational commitment. The core guideline for promoting ethical values in corporate culture is the Code of Conduct of each subgroup (the policies are presented in detail in [S1-1] subchapter), among other internal regulations and operational controls, these guidelines aim to ensure the alignment of core values. Internal trainings, communication platforms and information provision channels toward employees are the main routes to promote and strengthen corporate culture. Feedback sessions, internal evaluation procedures, whistleblowing mechanism and internal communication forms (training, newsletter, group meeting) could serve to evaluate and develop internally the corporate culture.

The identified material topics are covered in certain internal policy documents as follows:

Material sustainability topic	Scope	Related policy
Corporate culture and ethics **Protection of whistle-blowers** **Corruption and bribery** **Management of suppliers**	WING	1. Code of Conduct 2. Whistleblowing procedure 3. Anti-corruption policy 4. Other work regulations
	ECHO	5. Code of Conduct 6. Whistleblowing procedure 7. Procedure for handling reports of irregularities, 8. Anti-Corruption Code 9. Sponsorship and donation procedure 10. Other work regulations
	BAUWERT	11. Code of Conduct (in draft form, scheduled for formal adoption in 2025) 12. Whistleblowing procedure (a draft guideline is in place, the expected release is in 2025) 13. Prevention of Money Laundering and Terrorism Financing 14. Other work regulations

The subgroups’ Code of Conduct and supplemental information documents (Whistleblowing procedure) conclude the settled mechanism for identifying, reporting, and investigating concerns about unlawful or unethical behaviour. The objective of each Code of Conduct is to support monitoring and management of possible irregularities, develop employee awareness, and ensure compliance with the ethical requirements. Compliance with Code of Conduct is expected from all employees, owners as well as partners who have a contractual relationship with the companies.

Separate internal whistleblowing systems are designed and operated at subgroup level, for reporting irregularities, handling reports, and protecting whistleblowers:

1. WING: By establishing an internal whistleblowing system (in accordance with the regulations of the Whistleblower Protection Act[21]), the subgroup aims to provide a secure and accessible platform for anyone to report among others, all forms of corruption breaches of confidentiality, harassment, or any form of abuse of colleagues, distortion of competition, fraud, or money laundering.

2. As part of the report handling process, the company informs the whistleblower after the complaint was registered and provides information about the investigation procedure and data management rules. Whistleblower protection is important for the company and prohibits any form of retaliation and discrimination against anyone who has raised a concern in a good faith. The responsible person (Head of Operations) coordinates the investigation process, collects, and evaluates all the necessary evidence, prepares the examination report, including all the details of the analysed case and inform the whistleblower about the assumptions. Corrective actions are recommended, and follow-up actions are prepared, if the reporting breach is confirmed.

1. ECHO: The subgroup has a whistleblowing and whistleblower protection system, which was updated in 2024 in connection with the entry into force of the Whistleblower Protection Act. The whistleblowing system provides rapid, independent, and objective investigation of business conduct incidents, including corruption and bribery incidents, as well as the investigation of irregularities related to employee matters (including those related to human rights and labour rights). The channels for reporting irregularities were made available to employees and associates (persons performing work for the Group on the basis of a contract other than an employment contract), and from 2024 extended to external entities (contractors, employees of contractors on the construction site, clients and other stakeholders).

2. In the case of a report in which a potential negative impact on an employee or employees of the company has been identified, the person responsible for receiving reports is tasked with verifying the provided information and gathering as much evidence as possible. The responsible person must not disclose the identity of the whistleblower and is obligated to protect the whistleblower's identity and manage the materials in a way that prevents identification during or after the investigation. In the next step, the person receiving the report may assemble an ad hoc team. The team's role is to analyse the information provided and, if breaches are confirmed, recommend corrective actions within the company, and determine sanctions for those who have breached ethical standards.

More details of the applied whistleblowing procedure and system is presented in ECHO’s Sustainability Report 2024 in [G1-1] subchapter.

1. BAUWERT: As part of the company's Compliance Management System (CMS), an internal compliance reporting office has been established in accordance with the regulations of the

[21] EU Whistleblower Protection Directive (2019/1937) implementation in national legislation:
HU: Hungarian Whistleblower Protection Act (Whistleblowing Law)
PL: Polish Whistleblower Protection Act (Act on the Protection of Whistleblowers)
DE: German Whistleblower Protection Act (Hinweisgeberschutzgesetz)

Whistleblower Protection Act. A decision by the management has determined that the tasks of this internal reporting office are to be carried out independently and free from instructions. These tasks include ensuring the confidentiality of the identities of whistleblowers, affected individuals, and third parties, operating reporting channels, taking follow-up actions, implementing the procedures outlined in the Whistleblower Protection Act, including acknowledgment of receipt, and providing conclusive feedback to whistleblowers, and offering easily accessible information on external government reporting bodies. The compliance function has been established directly under the supervision of the Board of Directors as the responsible staff unit.

2. The Compliance Management System (CMS) always includes an examination of the validity of incoming reports by the internal reporting office. The internal reporting office takes appropriate follow-up actions if there is a factual suspicion of a compliance violation. The Board has granted the internal reporting office the necessary authority to review reports and implement follow-up actions. The company maintains a zero-tolerance policy regarding compliance violations. Every legal or regulatory breach triggers a response aimed at ensuring the validity of the standards, preventing future occurrences, and appropriately sanctioning blameworthy violations.

The whistleblowing system at each subgroups allow both internal and external stakeholders (contractors, employees of contractors, clients, and other stakeholders) to report concerns. The received reports are processed, followed by the coordination and execution of measures and investigations, with recommendations made by each entity’s responsible bodies.

Whistleblower protection:

For each subgroups internal reporting channels have been established in accordance with legal requirements (followed the Directive (EU) 2019/1937 and national requirements). All subgroups offer various channels for reporting, like anonymous electronic form on the website, contacting by email or phone, contact to the direct supervisor or the HR director or Ethics’ representative. Their core principle is to prohibit any form of retaliation against anyone who has raised a concern in good faith or has supported an investigation. As part of their whistleblowing mechanism, the subgroups ensure anonymity, and that the investigation will be conducted in a manner that does not allow the identity of the whistleblower to be revealed.

The subgroups inform stakeholders of their whistleblowing system through regular in-ternal communication (emails, publications on the intranet or personal interactions when questions arise). Additionally, training is available at ECHO and WING, which covers the issues described in the subgroups’ Whistleblowing Procedure, Code of Conduct and Anti-corruption Code. At ECHO this training is mandatory each year for all own employees, while at WING it is part of the onboarding process of new employees. At BAUWERT, training on compliance topics, including whistleblowing, will be implemented annually starting in 2025. Further details regarding Ethics training is presented in [G1-3] subchapter.

The subgroups’ Code of Conduct and supplemental information guidelines on whistleblowing mechanism ensures that whistleblowers are protected from any retaliation, who are reporting in good faith and offer the opportunity for anonymous reporting. It also informs employees about the investigation procedure of the received complaints.

WINGHOLDING’s subgroups have implemented policies on anti-corruption and anti-bribery. The policies guiding principles are built on the United Nations Convention against Corruption, although WING and ECHO do not have explicit consistency with the UN Convention but implemented the core values of it (they plan to examine the merits and possibility of agreeing the two documents in the future to ensure complete compliance), while BAUWERT policy is consistent with it.

Beyond the procedures to follow-up on reports by whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937, WHINGHOLDING’s subgroups do not have additional procedures to investigate business conduct incidents, including incidents of corruption and bribery, as these incidents are comprehensively investigated through the subgroup’s whistleblowing procedures.

WINGHOLDING’s subgroups have identified the departments most at risk with regard to corruption and bribery, in the following area:

WING: employees performing functions or duties in the following areas:

1. Persons responsible for negotiations, general procurement, project arrangements, development of detailed designs
2. Persons responsible for Acquisition, Project Development

ECHO: employees performing functions or duties in the following areas:

1. Persons responsible for cooperation with the administration (responsible for negotiations, project arrangements, development of detailed designs, obtaining administrative approvals and permits)
2. Persons responsible for contracting of construction services, purchase of goods and services.

BAUWERT: employees performing functions or duties in the following areas:

1. Persons responsible for Acquisition, Project Development, Commercial Project Management, and Sales
2. Persons responsible for Technical Purchasing and Procurement Management

[G1-2] Management of relationships with suppliers

WINGHOLDING strives for fair, mutually beneficial, and stable cooperation with its partners, including its suppliers. There is no unified approach of supplier relationship management at group level, which results from the subgroups independent operational structure and different market practices.

All subgroups comply with the legal requirements applicable regarding payments and financial operation in their countries and they expect the same from their subcontractors. Beyond the general operational regulations of procurement processes, the subgroups do not have special policy to prevent late payments, specifically to SMEs. Currently, the subgroups find their legal framework and operational rules efficient in managing payment practices properly.

The subgroups have considered sustainability related risks and impacts that could affect their supply chain in the double materiality analysis (the related IROs are presented in [SBM-3] subchapter in chapter 1). All entities are aware of the upcoming and implemented regulations on sustainability due diligence in value chain (EU Corporate Sustainability Due Diligence Directive, Hungarian ESG regulation, German Supply Chain Act), therefore they aim to put more emphasis on the development of ESG criteria in procurement processes. The overall objective is that human rights and environmental due diligence obligations are being adhered and integrated into policies, these internal processes will be developed for each subgroup separately.

The subgroups of WINGHOLDING have their own procedures for selecting subcontractors and suppliers, although the general approach for all is to work only with suppliers that comply with the relevant legal requirements and demonstrate anti-corruption behaviour. The companies have pre-contractual due diligence on their prospective partners, checking the potential partner from a company law and solvency perspective, and making sure that it is not subject to criminal or other proceedings (e.g. bankruptcy, liquidation). Besides, ECHO's and BAUWERT's selection of specific actors and the integration of social and environmental considerations in cooperation with them is based on the following tools: establishment of transparent contracting procedures, guidelines (as recommendations) for the subject of the contract (related, among others, to health and safety and environmental protection), the model contracts (as fixed templates, clause) used, containing specific provisions on social (in particular health and safety) and environmental issues, regular verification of compliance with the requirements in the field of health and safety and environmental protection, statements of contractors. For WING health and safety and quality assurance plans are represented as annex part of contracts. Accordingly, in project development's implementation phase, subcontractors should apply the most appropriate technical solutions with the lowest environmental impact. Thus, subcontractors are required to utilize work methods and procedures that comply with ISO 14001:2015 Environmental Management System (EMS) standard. The contractual terms also contain safety provisions (third parties' personal safety and protection of property). Regarding quality requirements, subcontractors should operate certified ISO 9001 Quality Management System during project planning and execution phase.

[G1-3] Prevention and detection of corruption and bribery

For WINGHOLDING subgroups, the primary tools to prevent, detect and respond to allegations or incidents related to corruption and bribery are the implementation and regular updating of the most important ethical policies (Code of Conduct, Anti-Corruption Code), the training on ethical principles (still under implementation at BAUWERT) and the functioning Whistleblowing systems in place (that is presented in [G1-1] subchapter).

Additionally at ECHO the procedures are supported with the application of anti-corruption mechanisms in the most vulnerable areas (administrative processes, tenders) and the functioning of Ethics Committees, which monitor the implementation of policies and can provide advice on matters related to ethics and compliance. Further information can be found in ECHO's Sustainability Report 2024.

Employees at each subgroup of WINGHOLDING can use the whistleblowing channels to report any suspected breaches of corruption. According to the entities' whistleblowing procedure, all received reports should be reviewed and investigated by the dedicated staff, who have an appropriate independence (separate from the chain of management involved). The results of the investigation are presented to the CEO or the Management Board of the subgroups.

Subsequently, the Supervisory Boards are informed about the reported irregularities, by the Management Board, or by the person/department responsible for receiving reports.

The subgroups of WINGHOLDING communicate their policies (Code of Conduct, Anticorruption policy) to their employees through various internal communication channels:

1. At WING every new employee must complete a mandatory ethics training and read, acknowledge, and accept the content of the policies when signing their employment contract. In case amendments are introduced to the policies, the company organises events to explain them, which all employees must attend. The policies are available on the intranet.

2. At ECHO the main way to communicate its policies to employees and associates is the mandatory annual ethical training complemented with an exam. The policies can also be found on a special tab with policies and procedures on ECHO's intranet.

3. At BAUWERT the Anticorruption policy has been distributed via company-wide email to all employees, executives, and board members. It is also available on the intranet/server for all employees to access at any time.

The ethics trainings of ECHO and WING cover topics on anti-corruption and anti-bribery. Ethics trainings are organized online and include the topics of related policies (Code of Conduct, Anticorruption policy) and the presentation of whistleblowing procedures (channels, whistleblower protection, example cases).

1. At WING, the training is part of the induction process, covers all new employees (100%). The subgroup does not have a mandatory annual training, but it plans to introduce a biannual mandatory training for all employees (covering employees at risk function and management and supervisory bodies).

2. At ECHO there is a mandatory annual ethics training for all employees. Thus, they consider that all employees are under the exposure of corruption or bribery risks and require from all staff (100% - including Board members, and features at risk) to attend annual ethics training and pass the exam. Further details on ECHO's ethical training and participation ratios are presented in ECHO's Sustainability Report 2024.

3. BAUWERT plans to integrate mandatory ethics training as part of their compliance training starting from 2025. In consultation with HR, BAUWERT will incorporate the Money Laundering Act policy into its employee handbook and make it available to all new employees as part of their induction process. Subsequently, employees in at-risk functions/areas will receive annual training.

[G1-4] Incidents of corruption or bribery

The subgroups do not have identified confirmed legal incidents of corruption and bribery. In 2024, there were no convictions involving the subgroups or its employees and no fines were received for breaches of anti-corruption and anti-bribery legislation. Thus, the number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws was zero in 2024 at every subgroup.

[G1-6] Payment practices

Based on WINHGOLDING's subgroups independent operation, the payment terms and practices are varied among them. In general, payment terms are determined by the subgroup and its counterparties on a case-by-case basis at the stage of negotiating the agreement, taking into account the history of cooperation with a given contractor, industry standards, the size of the transaction and the counterparty. The subgroups do not apply special payment approach to small and medium-sized enterprises.

Payment practices	**WING**	**ECHO**	**BAUWERT**
The average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated, in number of days	9	24	19
Description of the undertaking's standard payment terms in number of days by main category of suppliers	There is no standard payment term; in general, WING re-quire 8 to 30 days payment deadline from suppliers.	The standard payment term is 30 days from the date of issuing a correct invoice (for suppliers of services and building materials) and 7 or 14 days (for suppliers of services and other materials). This approach is applied to all categories of counterparties.	BAUWERT does not work with standard payment terms by main categories. In general contracts have different terms, depending on negotiation and possible discounts from suppliers.
The percentage of its payments aligned with these standard terms	43%	84%	Not applicable for the subgroup, because they do not work with standard payment terms.
The number of legal proceedings currently outstanding for late payments	There are no ongoing legal proceedings regarding payment delays.	There are no ongoing legal proceedings regarding payment delays.	There are no ongoing legal proceedings regarding payment delays.
Complementary information necessary to provide sufficient context.	For each entity in the subgroup, WING has considered the incoming invoices for 2024 and compared the completion deadline with the actual payment date, and the weighted average of late payment days were considered for subgroup level.	The data presented in the relevant procedure relates only to payments to counterparties in commercial transactions and excludes intragroup and related party payments, as well as loans, credits, and bonds. They also exclude the CitySpace entities, which are small in scale and operate in accordance with a different accounting system, so that their consolidation would involve too much work in relation to the improved representativeness of the disclosure obtained and would be subject to high uncertainty. In addition, the data presented does not include four Archicom Group companies whose accounts are kept outside the Group, and these	To calculate the required information, BAUWERT utilized a representative sampling methodology based on SQL queries of the database linked to the system used for invoice recording and processing. The analysis was conducted using invoices recorded in 2024, along with the manually entered data for invoice receipt and payment dates.

		companies do not carry out any significant business activities.	

[G-Entity specific] Green financing of real estate portfolio and projects

Green financial opportunities are expanding in the real estate sector (also driven by regulatory incentives). Integration of ESG aspects in development phases could mean more attractive investment opportunity and increased value of property development projects. This entity specific point was only relevant topic for the Wing subgroup and therefore we only provide data for Wing.

In 2021, WING subgroup has developed its first Green Bond Framework, which sets out the Company's green investment policies and commitments, in line with climate change mitigation objectives, that summarizes the strategic approach and governance mechanism in relation to the issued green bond. The main objective of issuing Green Bonds is to increase WING's investment in green and sustainable projects, primarily in developing new buildings with improved energy efficiency and refurbishing existing buildings also to improve their energy efficiency. In 2023 the Green Financial Framework was expanded for residential buildings and also for green borrowing activities. The framework is based on the International Capital Market Association - Green Bond Principles (GBP) 2021 and was certified by an external independent third party. Under the Growth Bond Programme of Hungarian National Bank WING has issued green bonds with a nominal value of HUF 25.3 billion during 2021. The funds raised have been used exclusively to finance projects and instruments supporting sustainability efforts. For the new properties developed, this meant a minimum rating of BREEAM "Very good" or LEED "Gold", or EPC (Energy Performance Certificate) "BB" and "AA" energy efficiency. These building certificates provide a holistic sustainability assessment framework for buildings and infrastructure, measuring sustainable value including ratings and criteria system.

Under the current Green Bond Framework, WING has defined what it considers to be green investments in the following areas:

1. **Green buildings:** New real estate development, purchase, renovation of real estate, where compliance with the following standards is expected:
    1. Minimum "BB" Hungarian EPC rating (properties meeting near-zero energy requirements and using at least 25% locally or nearby generated renewable energy)
    2. Minimum "Very Good" BREEAM rating (the third highest of the six different BREEAM certification levels)

    3. Minimum “Gold” LEED rating (second best rating, score between 60 and 79 out of 100 required)

2. **Energy efficiency:** Renovation or retrofitting of existing buildings, resulting in 30% lower greenhouse gas emissions or two-step energy performance class (EPC) improvement.
3. **Renewable energy:** Use of air-to-air or air-to-water heat pump systems using renewable energy for new investments or retrofitting of existing buildings where a technical solution is available that allows this in a cost-effective way.
4. **Clean transport:** Availability of public transport, installation of as many electric charging points as possible and an adequate number of bicycle storage facilities in new developments.
5. **Environmentally sustainable use of living natural resources:** Promoting ecological value and biodiversity, for example through green roofs, green facades and roof gardens.

To ensure compliance with the framework, it was necessary to clearly set out our internal procedures and practices. A system of project pre-qualification and selection criteria to ensure the positive green impact of the future investments, and the development of an internal organisational functioning in line with this. As a result, WING has set up its Green Committee. Its operation plays a key role in the preparation, coordination, management, and monitoring of the subgroup’s investment strategy from green financial source. The Committee overviews the assessment and allocation of the green bonds and green investments. The detailed tasks, responsibilities, members and mandates, status, organisation, and operation protocols are set in the Order of Business of the Green Committee. The decisions of the Committee will be summarized and published as a part its green bond reporting. The selection processes and decisions will be subject to external audit.

In 2025, WINGHOLDING will review its Green Bond Framework, adapting and updating it to more stringent standards. The goal is to be able to apply not only to green bonds but also to green loans in the future, so that WING will be prepared to use green finance when market opportunities arise again. WING provides an overview about the progress of its green bond investment in a yearly Allocation and Impact report. For 2024, the core milestones are presented in the report:

1. As a part of the Green Financial Framework WING has set up the Green Finance Committee (GFC) to oversee and control the allocation of green proceeds.

2. The Green Finance Committee has approved 2 eligible green projects.

3. Green investments have been improving:
    1. Liberty Phase I. achieved BB, and got BREEAM Excellent certification for design
    2. East Gate PRO II achieved BB, and got BREEAM Very Good certification

Further details about WING’s strategic approach and goals, the eligible green projects, allocated amounts and defined impact KPIs and its current status are presented in WING Green Bond Allocation and Impact report 2024.

Final declaration

The undersigned declares that WINGHOLDING Zrt. takes full responsibility for the fact that the report containing the 2024 annual results of the WING group published today has been prepared to the best of our knowledge on the basis of the applicable accounting standards, and also provides a true and reliable picture of WINGHOLDING Zrt.'s and the assets, liabilities, financial position, and profit and loss of the companies included in the consolidation, and the combined management report provides a reliable picture of the situation, development and performance of WINGHOLDING Zrt. and the companies included in the consolidation.

I, the undersigned, declare that the annual report of WINGHOLDING Zrt. covers the entire activities of WINGHOLDING Zrt. and the WING Group, and that the combined (consolidated) annual report was prepared taking into account the International Financial Reporting Standards adopted by the EU, and also for the period ending on 31 December 2024 the financial report for the period was examined by an independent auditor.

Budapest, April 28, 2025.

Noah M. Steinberg
WINGHOLDING Zrt.
President - CEO

WINGHOLDING
Ingatlanfejlesztő és Beruházó
Zártkörűen Működő Részvénytársaság

31 December 2024

CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with the
International Financial Reporting Standards
as adopted by the European Union

WINGHOLDING Zrt.
Noah M. Steinberg
Chairman and CEO

Budapest, 28 April 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended on 31 December 2024	Notes	2024	2023
		mHUF	mHUF
Continuing operations			
Revenue	5	197.993	172.302
Gains (+)/ losses (-) on investments	6	25.148	-17.758
Cost of materials used and intermediary services	7	-107.067	-96.664
Depreciation and amortization	13, 16	-3.102	-2.237
Employee benefits expenses	39	-18.870	-14.655
Cost of services consumed	7	-35.017	-25.040
Other income	8	4.010	3.563
Other expenses	9	-9.900	-7.596
Financial income	10	7.450	2.479
Financial costs	11	-43.334	-31.245
Impairment gains (+) / losses (-) on financial assets		61	-510
Share of net profit (+)/loss (-) of associates	18	12.434	8.964
Gain on disposal of associates		0	0
Unrealized foreign exchange gain (+)/loss (-)		-8.676	11.145
Profit before tax from continuing operations		**21.130**	**2.748**
Income tax	12	-9.753	-5.672
Current-year profit from continuing operations		**11.377**	**-2.924**
Discontinued operations			
Profit for the year from discontinued operations	21	0	0
PROFIT FOR THE YEAR FROM CONTINUING AND DISCONTINUED OPERATIONS		**11.377**	**-2.924**
Profit attributable to:			
The owners of the parent		8.512	-9.170
Non-controlling interest		2.865	6.246
		11.377	**-2.924**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended on 31 December 2024 – continued	Notes	2024	2023
		mHUF	mHUF
PROFIT FOR THE YEAR FROM CONTINUING AND DISCONTINUED OPERATIONS		**11.377**	**-2.924**
Other comprehensive income			
Exchange differences on translation of foreign operations		18.681	4.785
Change in net value of cash flow hedges	25	-1.590	-4.024
Deferred tax related to the change in the net value of cash flow hedges	25	132	364
Share of other comprehensive income in associates and joint ventures		-2	3
Other comprehensive income that may be reclassified to profit or loss		17.221	1.128
Other comprehensive income that may not be reclassified to profit or loss		0	62
Other comprehensive income		**17.221**	**1.190**
TOTAL COMPREHENSIVE INCOME		**28.598**	**-1.734**
Total comprehensive income attributable to			
Share attributable to owners of the parent		15.975	-10.771
Share attributable to non-controlling interests		12.623	9.037
		28.598	**-1.734**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2024	Notes	31 December 2024	31 December 2023
		mHUF	mHUF
Assets			
Non-current assets			
Property, plant and equipment	13	35.504	28.541
Investment property	14	507.240	428.694
Goodwill	15	10.046	9.415
Intangible assets	16	8.028	6.923
Investments in associates and joint ventures	18	92.483	63.903
Deferred tax assets	12	17.525	12.468
Restricted cash	40	22.971	10.270
Other financial assets	19	51.467	32.736
Total non-current assets		745.264	592.950
Current assets			
Inventories	20	522.936	435.541
Trade and other receivables	22	73.685	64.246
Current tax assets	12	2.907	2.182
Other financial assets	19	2.578	9.418
Restricted cash	40	11.713	7.816
Cash and cash equivalents	40	73.149	93.799
Total current assets		686.968	613.002
Assets classified as held for sale	21	3.352	13.104
Total assets		**1.435.584**	**1.219.056**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2024 – continued	Notes	31 December 2024	31 December 2023
		mHUF	mHUF
Equity and liabilities			
Equity			
Share capital	23	5	5
Cash flow hedge reserve	25	1.323	2.781
Retained earnings	24	163.819	158.709
Currency translation reserve		18.604	9.683
Equity attributable to owners of the Company		183.751	171.178
Non-controlling interests	26, 28	127.864	117.712
Total equity		311.615	288.890
Non-current liabilities			
Loans and bonds	27	622.400	510.444
Other financial liabilities	28	43.534	32.451
Deferred tax liabilities	12	54.906	50.690
Provisions	29	1.100	1.049
Advances received from customers	5	293	1.906
Other liabilities	30	9.626	9.482
Total non-current liabilities		731.859	606.022
Current liabilities			
Trade and other payables	31	48.110	39.092
Loans and bonds	27	222.992	213.335
Other financial liabilities	28	1.494	3.564
Current tax liabilities	12	3.893	1.499
Provisions	29	3.831	3.373
Advances received from customers	5	96.294	46.540
Other liabilities	30	15.496	16.648
Total current liabilities		392.110	324.051
Liabilities directly associated with assets classified as held for sale	21	0	93
Total liabilities		1.123.969	930.166
Total equity and liabilities		**1.435.584**	**1.219.056**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024	Notes	Share capital	Cash flow hedge reserves	Currency translation reserve	Retained earnings	Equity attributable to owners of the company	Non-controlling interests	Total equity
		mHUF	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF
Balance on 31 December 2022		**5**	**6.441**	**7.682**	**168.011**	**182.139**	**71.333**	**253.472**
Total comprehensive income		0	-3.660	2.001	-9.112	-10.771	9.037	-1.734
Profit or loss for the period		*0*	*0*	*0*	*-9.170*	*-9.170*	*6.246*	*-2.924*
Other comprehensive income		*0*	*-3.660*	*2.001*	*58*	*-1.601*	*2.791*	*1.190*
Dividend paid	24, 26	0	0	0	-4.412	-4.412	-4.856	-9.268
Increase/decrease of investments in subsidiaries	24, 26	0	0	0	5.396	5.396	12.460	17.856
Capital increase	26	0	0	0	-1.174	-1.174	2.934	1.760
Capital reduction	26	0	0	0	0	0	-929	-929
Acquisition of subsidiaries	26, 36	0	0	0	0	0	27.733	27.733
Balance on 31 December 2023		**5**	**2.781**	**9.683**	**158.709**	**171.178**	**117.712**	**288.890**
Total comprehensive income		0	-1.458	8.921	8.512	*15.975*	12.623	28.598
Profit or loss for the period		*0*	*0*	*0*	*8.512*	*8.512*	*2.865*	*11.377*
Other comprehensive income		*0*	*-1.458*	*8.921*	*0*	*7.463*	*9.758*	*17.221*
Dividend	24, 26	0	0	0	-3.195	*-3.195*	-3.839	-7.034
Capital increase	26	0	0	0	-207	*-207*	1.377	1.170
Capital reduction	26	0	0	0	0	*0*	-9	-9
Balance on 31 December 2024		**5**	**1.323**	**18.604**	**163.819**	**183.751**	**127.864**	**311.615**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended on 31 December 2024	Notes	2024	2023
		mHUF	mHUF
Cash flows from operating activities			
Profit before tax		**21.130**	**2.748**
Adjustments:			
Share of profit/loss of associates	18	-12.434	-8.964
(Profit) / loss on investing activities		465	244
Finance costs recognized in profit or loss	11	37.987	30.356
Investment income recognized in profit or loss		-5.404	0
Net gain (-) / loss (+) arising on financial liabilities recognized at fair value through profit or loss		3.266	-225
Change in impairment of receivables		-31	539
Depreciation and amortization of non-current assets		3.102	2.237
Change in provisions	29.2	141	-1.300
Change in fair value of investment properties	6	-19.305	18.539
Foreign exchange gain (-) / loss (+)		9.384	-12.320
Adjusted profit before tax		**38.301**	**31.854**
Changes in working capital			
Increase (-) / decrease (+) in trade and other receivables	22	-14.283	-20.647
Increase (-) /decrease (+) in inventories	20	-50.542	-50.440
Increase (-) / decrease (+) in other assets		-15.892	-1.050
Decrease in trade and other payables	31	44.675	-17.676
Decrease (-) / increase (+) in other liabilities		15.268	1.162
Cash generated from operating activities		17.527	-56.797
Income tax paid	12	-10.691	-9.149
Net cash flow from operating activities		**6.836**	**-65.946**

CONSOLIDATED CASH FLOW STATEMENT

For the year ending 31 December 2024 - continued	Notes	2024	2023
		mHUF	mHUF
Cash flow from investing activities			
Loans granted		-21.276	-6.583
Repayment of loans granted		5.612	792
Payments for property, plant and equipment and investment property	13, 14	-47.676	-41.457
Proceeds from disposal of property, plant and equipment and investment property	13, 14	25.585	18.140
Payments for intangible assets	16	-97	-68
Payments for acquisition of subsidiaries, net of cash acquired	36	-1.778	-48.997
Proceeds from disposal of subsidiaries, net of cash disposed	35	1.080	0
Purchase of investments in associates and joint ventures	18	-9.478	-623
Dividends received from associates		0	0
Proceeds from disposal of investments in associates and joint ventures		0	0
Interest received		981	1.649
Net cash inflow from investment activities		**-47.047**	**-77.147**
Cash flow from financing activities			
Capital increase by non-controlling interest	26	1.251	19.570
Payments for the acquisition of non-controlling interests		-81	0
Capital reduction		-9	-411
Issuance of investment certificates	28	2.981	16.253
Interest paid	11	-42.789	-29.178
Proceeds from borrowings	33	211.440	156.775
Repayment of borrowings	33	-152.487	-49.624
Dividend paid to owners of the Group	24	-6.076	-10.966
Net cash flow from financing activities		**14.230**	**102.419**
Net decrease (-)/increase (+) in cash and cash equivalents		-25.981	-40.674
Cash and cash equivalents at the beginning of the financial year	40	93.799	132.620
Effects of exchange rate changes on cash and cash equivalents		5.331	1.853
Cash and cash equivalents at the end of the financial year	40	73.149	93.799

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

WINGHOLDING Ingatlanfejlesztő és Beruházó Zártkörűen Működő Részvénytársaság (hereinafter „WINGHOLDING Zrt." or "Company" or together with the subsidiaries, associates and joint ventures included in these consolidated financial statements referred to as the "Group") is incorporated in Hungary, operating in the real estate and construction industry. The list of the principal activities of the Company and its subsidiaries are presented in Note 16. The headquarter of the Company is located at Máriássy street 7, H-1095 Budapest. The registration number of the Company is 01-10-046503. The major shareholder of WINGHOLDING Zrt. is DAYTON-Invest Kft. The ultimate owner of DAYTON-Invest Kft. is Tibor Veres.

These consolidated financial statements are disclosed in million HUF, unless otherwise indicated. Activities denominated in foreign currencies are disclosed in line with the accounting policy presented in Note 3.

The Group's website: www.wing.hu

2. Adoption of new and revised International Financial Reporting Standards (IFRS)

A, The effect of the amendments of IFRS standards and the implementation of new standards effective from 1 January 2024 on the financial statements

The new and amended standards and interpretations published by the IASB and adopted by the EU that are effective from the current reporting period:

- **Amendment to the IFRS 16 "Leases" standard** - Leasing obligations related to leaseback transactions (enters into force on 1 January 2024, and in the reporting periods starting after that),

- **Amendment to the IAS 1 "Presentation of Financial Statements" standard** - Classification of current and non-current liabilities, non-current liabilities affected by covenants (enters into force on 1 January 2024, and in reporting periods starting after that),

- **Amendments to the standard IAS 7 "Cashflow statements" and IFRS 7 "Financial instruments: disclosure"** - Supplier financing agreements (effective from 1 January 2024, and for reporting periods starting after that)

The modifications had no impact on the Group's financial statements.

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

At the time of authorization for issue of these financial statements, amendments to standards issued by the IASB and adopted by the EU, as well as amendments to existing standards and interpretations that have not yet entered into force:

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"** – Lack of Exchangeability (effective from 1 January 2025, and for reporting periods starting after that).

The Group believes that the adoption of these standards and amendments to existing standards will not have a significant impact on the Group's financial statements during the initial application period.

C, Standards and interpretations issued by the IASB and not adopted by the EU

Currently, IFRS adopted by the EU do not differ significantly from standards issued by the International Accounting Standards Board (IASB), except for the following new standards, amendments to existing standards and new interpretations that have not yet been adopted in the EU as of the date of issuing the financial statements:

- **IFRS 14 "Regulatory accruals" standard (enters into force on 1 January 2016, and in the reporting periods starting after that)** - the European Commission has made a decision according to which the approval process will not be applied to the current interim standard and will wait for the final standard
- **IFRS 18 "Presentation and Disclosure in Financial Statements" standard** (effective from 1 January 2027, and for reporting periods beginning thereafter),
- **IFRS 19 "Subsidiaries without Public Accountability: Disclosures" standard** (effective from 1 January 2027, and for reporting periods beginning on or after this date),
- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" standards** - Contracts for electricity dependent on environmental conditions (effective from 1 January 2026, and for reporting periods beginning on or after this date),
- **Annual improvements to IFRS accounting standards – 11th edition** (effective from 1 January 2026, and for reporting periods beginning on or after this date),
- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" standards** - Amendments to the classification and measurement of financial instruments (effective from 1 January 2026, and for reporting periods beginning on or after this date),
- **Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures standard** - Investor and its sale or transfer of assets between its associates or joint ventures (The entry into force of the amendments has been postponed until the research work on the equity method is completed).

With the introduction of the IFRS 18 standard, the Group's revenues and expenses must be classified into operating, investing, financing, income tax, and discontinued operation categories, and the standard requires mandatory introduction of the subtotals of Operating profit or loss, Profit or loss before financing and income taxes, and Profit for the year. The introduction of the new standard is expected to have an impact on the presentation and structure of the Group's comprehensive income statement, which is still under analysis.

The above modifications, new standards and interpretations would not materially affect the Group's financial statements.

3. Significant accounting policies

The following accounting policies are the most significant for the consolidated financial statements:

3.1 The basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The person required to sign off the consolidated financial statements is Noah M. Steinberg (2 Művész Street, 1012, Budapest). The person responsible for maintaining the accounting records is Kornél Waller FCCA (Registration number: 191944). The Group's presentation currency and the parent company's functional currency is the Hungarian Forint. The Group determined the functional currency of each subsidiary and measures items in each entity's separate or standalone financial statements in that functional currency.

The Group prepares the consolidated financial statements on a going concern basis. The consolidated financial statements have been prepared under the historical cost principle except for certain financial instruments and investment property, which have been measured at their fair values in the consolidated statement of financial position. Items of the consolidated comprehensive income statement were recognized on an accrual basis. The consolidated financial statements are presented in Hungarian Forints (HUF), and amounts are expressed in million HUF. The accounting and other records of the members of the Group are maintained and kept in accordance with the local regulations and accounting requirements. The members of the Group adjust their local financial statements to ensure IFRS compliance.

The presentation of consolidated financial statements in accordance with IFRS requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and their fair value of investment property (Note 14) and the useful lives and residual values of property, plant and equipment (Note 13), the fair value of financial assets and liabilities (Notes 19 and 28). Actual values may differ from these estimates.

Future changes in economic conditions, business strategies, regulatory requirements, accounting rules and other factors could result in a change in estimates that could have a material impact on future consolidated financial statements.

The Company was incorporated on 29 October 2009, and it was registered by the Court of Registry on 30 October 2009. Based on this, the Company prepared IFRS consolidated financial statements for the first time for the period ended 31 December 2009.

3.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company, as well as those of entities directly or indirectly controlled by the Company ("subsidiaries"). The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group reassesses whether it still has control over an investee if the facts and circumstances indicate that there has been a change in one or more of the three elements of control listed above.

3.3 Foreign currency transactions

In the statement of financial position, the Group measures its monetary items denominated in foreign currencies at the official exchange rate published by the Hungarian National Bank (MNB) at the end of the reporting period. Income and expenses from foreign exchange transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Resulting foreign exchange gains or losses are recorded in the consolidated statement of profit or loss and other comprehensive income under Other Income and Other expenses.

3.4 Business combinations

In case of each acquisition, the Group examines whether the acquired company meets the definition of a business.

The Group may apply the optional concentration test to assess whether the acquired company meets the definition of a business. In accordance with IFRS, the Group may decide, for each business combination, whether to apply the concentration test.

3.5 Revenue

3.5.1 Rent from investment properties

The Group accounts for income from rental fees on a linear basis, which appears under the Revenue line. Leasing incentives are shown on the line "Purchase price accrual for the discount period" under "Trade and other receivables".

Lease agreements contain variable lease payments depending on an index or rate, which the Group recognizes in the result of the period in which they arise.

3.5.2 Sale of residential properties

Contracts related to the sale of residential real estate are typically standardized but may differ from country to country. In the case of certain contracts, the Group does not have an enforceable right to payment due to the performance completed up to a given date, so in these cases the sales revenue is accounted for at point in time. In such cases, the sales revenue is accounted for when the occupancy permit is available, the handover has taken place, and the buyer has paid the full purchase price.

In the case of the Group's German business, the contracts fall under the scope of the MABV (Makler- und Bauträger Verordnung), which creates contracts where the Group has an enforceable right to payment due to performance up to a given date. In such cases, the Group continuously displays the sales revenue from the sale of residential properties.

In the case of continuous revenue accounting, the Group uses the input method to evaluate progress, with the degree of completion determined by the proportion of costs incurred.

In connection with the performance of the Group, it shows its right to consideration as a contractual asset in the statement of financial position between Trade and other receivables.

Advances received from customers are presented as contractual obligations in the financial position statement under Advances received from customers.

3.5.3 Revenue from property management

The performance obligation regarding the management of real estate is satisfied over time. The percentage of completion is determined by the Group on the basis of hours worked and/or costs incurred.

3.6 Gains/losses on investments

3.6.1 Gain on disposal of investment properties and subsidiaries holding investment properties

The Group determines and accounts for the profit from the disposal of the investment property as the difference between the income from the disposal of the asset and the carrying amount of the asset at the time of disposal.

The Group exits the subsidiary holding investment properties when it loses control over the subsidiary, and at the same time the Group accounts for the profit from the sale of the subsidiary.

3.6.2 Current year revaluation of investment properties

The Group has chosen the fair value model for the valuation of investment properties. Changes in fair value are recorded under the Gains (+)/ losses (-) on investments line.

3.7 Property, plant and equipment

The Group uses the cost model for the valuation of property, plant and equipment after initial recognition. Depreciation is typically calculated using the straight-line method, taking into account the useful life specified in Note 13.

3.8 Investment properties

Investment properties – held for rental income and/or capital appreciation, including those under development – are initially measured at cost, including transaction costs. After inclusion, the Group measures its investment properties at fair value (Note 14), accounting for changes in fair value in the income statement. The valuation of properties is classified within level 2 and level 3 of the fair value hierarchy.

The property valuation is based on the income method using the discounted cash flow technique, which considers future income from rental fees (including rental guarantees), property sales, and other incurred expenses. The return used to determine residual values accounted for in the cash flow is derived from estimates based on prior agreements, declarations of intent, evaluations by external appraisers or market knowledge . The applied rates also take risk into account. The level of risk is assessed individually for each property, depending on its condition.

The Group regularly examines whether the properties in question meet the definitions of properties, plant, and equipment, as well as investment properties, and if there is a change in the purpose of the properties, it carries out the necessary reclassifications. If a property for own use undergoes a change in purpose and is reclassified as an investment property, it is reassessed at the time of the change in purpose according to IAS 16 and then reclassified among investment properties, and thereafter, this property is reported at fair value. Conversely, an investment property is revalued at the time of the change in purpose according to IAS 40 and then reclassified among property, plant, and equipment, and thereafter, it is reported using the cost method.

3.9 Inventories

The Group typically recognizes properties held for sale under development as inventory.
If contractual revenue is recognized at a point in time, the Group records the land and costs that can be included in the carrying amount of inventory as inventory.

For contracts where revenue is recognized over time, development costs are not recorded as inventory.

The Group measures inventories at the lower of cost and net realizable value. To determine net realizable value, the Group deducts the estimated costs of completion and selling from the property's selling price. Values are determined based on current market prices obtained from the development market.

3.10 Assets held for sale

The Group typically reclassifies investment properties or assets of subsidiaries that own investment properties as assets held for sale (Note 21). In accordance with the standard provisions of IFRS 5 Non-current assets held for sale and discontinued operations, the Group shows such assets at the lower value of the book value and the fair value less cost of sales. Just as when determining the fair value of investment properties, management makes use of estimates and assumptions when determining the fair value of assets held for sale reduced by cost of sales.

4. Estimates and uncertainties

4.1 Accounting judgements and sources of estimation uncertainty

When applying the Group's accounting policies, management must make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not evident based on other sources. The estimates and related assumptions are based on historical experiences and other factors that are believed to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are continuously evaluated. Changes to accounting estimates are recognized in the period the change occurred if the change has an effect only in that period, or in the period of the change and in future periods if the change has an effect in the current period and in future periods as well.

4.2 Impairment of trade and other receivables

Impairment losses recognized on trade receivables are based on historical default rates, while considering forward-looking macroeconomic data that characterize the industry (Note 22).

4.3 Inventories

For the purpose of measuring the inventories held by the Group as of the period end date, the Group considers current market prices in the real estate development market, expected sales prices and information derived from advance sales contracts the Group has entered into. The assumptions used in the calculation of the write-down are mainly based on property market prices in the relevant market segment. The value of land included in inventories is dependent on the suitability of the land to meet the Group's current and future operating needs based on management's assessment.

4.4 Risks and uncertainties related to climate change

The impact of climate change on financial statements

In 2023, the Group established a sustainability team, which, among other related tasks, must address the expected effects and risks of climate change on the corporate group. In 2023, we started developing an ESG Strategy for the company's activities in Hungary. The strategy will be subject to continuous review and refinement. Currently, there is no commitment to reducing CO2 emissions, but the Group is preparing its future commitments by publishing data and introducing measurement methodologies in the Scope 1, 2, and 3 categories within the current year.

The updated strategy, which will place a strong emphasis on sustainability and climate change, will ensure effective governance on sustainability and climate change.

The Group prepared the following summary of the related risks and opportunities identified by Group, as well as the measures taken to manage them. It should be noted that the summary of identified risks cannot be considered complete.

Climate risks are also an integral part of the Group's approach to project-level risk management, as project teams must identify, assess and mitigate relevant climate risks as part of the investment and tender processes.

Risks and opportunities related to climate change and the transition to a low-carbon economy

1) <u>Political and legal</u>

Examples of risks and opportunities:

- Increased reporting and disclosure requirements, e.g., CSRD (EU taxonomy), ESG law (Act CVIII of 2023), ESRS, and their expected amendments.
- Regulations regarding energy performance (energy performance of buildings).
- The costs of measuring, reporting, and reducing carbon dioxide emissions
- Current and increasingly stringent regulations, for example, regarding energy performance and disclosure, define the operational environment of the Group. Depending on emission reduction measures, these can also bring advantages and disadvantages, for example in terms of operational costs and even reputation.
- The Group holds a leading competitive position in the market. The demand for sustainable buildings and infrastructure is expected to grow even alongside regular business operations.

- The Group strives to take a leading role in the green and low-carbon transition, providing transparent, third-party verified disclosures and ESG data.
- The construction and real estate development industry is extremely resource intensive. However, the Group's focus on operational efficiency may reduce resource usage, thereby also decreasing exposure to the rising costs of carbon emissions.

2) Financing

Examples of risks and opportunities

- The tightening of financing conditions is already noticeable in some projects, which is expected to intensify further. The Group expects an increase in financing expectations and related monitoring and data provision requirements.
- Since 2021, the Group has been prepared for financing solutions that meet green requirements through its green bond framework and related commitments. The framework will be continually reviewed in view of financial expectations, climate change mitigation expectations, and market demands.

3) Technology

Examples of risks and opportunities:

- The application of new technologies and innovations necessary to achieve climate goals will be inevitable. To successfully transition to a low carbon economy, new technologies and innovations must be applied and utilized, which in turn creates risks and opportunities in market competition. High demand for certain products and materials, raw materials can also cause bottlenecks in the supply chain in some situations, increasing the implementation risks of certain projects.
- New products and services will also result in updated regulations. Each of these factors can have positive and negative consequences, e.g., on brand and reputation, customer expectations, investments in innovation and R&D, supply chain.
- The Group continuously monitors and tracks innovations in real estate development that can contribute to the low carbon transition and the development of more resilient, efficient, and economical buildings.

4) Market

Examples of risks and opportunities:

- Changing consumer expectations
- Changing competitors
- New markets and opportunities
- The rapidly growing expectations of customers and tenants are already be felt and are expected, especially in climate change adaptation scenarios under 1.5°C and 2°C. This also leads to changes in competitors, as existing competitors evolve and adapt to meet new expectations, and potential new competitors may enter our markets. Depending on the responses, these changes can affect revenue and earnings, brand and reputation, as well as competitive position.
- Our group is well-positioned in the field of low carbon emission and sustainable solutions to meet the expected growing demand.
- The Group plays an active role in partnerships such as HuGBC and WGBC to ensure its position at the forefront of the low carbon transition.
- The demand for the subsequent energy-efficient conversion of existing buildings is also increasing. We continuously explore these market opportunities.

5) Reputation

Examples of risks and opportunities:

- The Group can expect increased interest from stakeholders, including clients, scrutiny from regulatory authorities, media, non-governmental organizations, and specific related expectations from investors.
- The stakeholders' heightened expectations and monitoring are already a reality, and this could continue and intensify in the future. Companies' brands and reputations may be damaged if they are seen as delaying the transition to a low-carbon economy. This is particularly important in construction and real estate development, as the built environment significantly contributes to harmful emissions.
- The Group maintains high standards in reporting and marketing materials, placing great emphasis on credibility and the substantiation of claims.
- For years, the Group has published its sustainability data in the annual Sustainability Report. In the current year, the sustainability report in accordance with ESRS is now part of the annual report.

6) Physical

The risks and opportunities related to the physical consequences of climate change:

Acute

Examples of risks and opportunities:

- Increase in frequency and intensity of extreme weather events
- Extreme weather events are already becoming more frequent in many parts of the world, and their frequency and intensity are expected to increase according to scenarios. Depending on mitigation measures, such events may cause disruptions in the Group's projects and investments, which could affect, for example, project deadlines, certain cost elements, and ultimately the value of assets.
- The Group pays attention to managing extreme weather events, starting from the design of buildings and later during their operation (e.g., extreme wind, rainfall volume and distribution, possible flash floods, extreme storms)

Chronic

Examples of risks and opportunities:

- High and increasingly higher expected average outside temperatures
- The sea level, weather patterns, and ecosystem changes.
- The average temperature is expected to rise. Higher temperatures can make outdoor work during developments more challenging, and attention must be given to the thermal insulation of buildings, appropriate shading and ventilation techniques. Other chronic consequences include higher sea levels, which may affect certain non-domestic properties and increase the demand for infrastructure projects necessary to enhance resilience.
- Extreme heat is already a real problem in some markets, where the Group ensures safe working and living conditions through various procedures.
- There is a noticeable demand in the market for infrastructure and buildings that are resilient to climate change.

In view of the above risks, in the current year, the Group did not recognize any loss of value, did not set up provisions, did not reduce the useful life of its assets, and the Group did not incur any related liabilities.

4.5 Leases

4.5.1 The Group as lessor

The essential accounting policies related to leasing are contained in section 3.5.1.

4.5.2 The Group as lessee

The Group separates lease and non-lease components in lease agreements.

The implicit interest rate in contracts is difficult to determine, so in such cases, the Group applies the incremental borrowing rate. The incremental rate is determined by the Group based on the risk-free return matching the lease term, adjusted for the risk premium.

4.6 Financial instruments

4.6.1 Loans to related parties

The Group provides loans aimed at collecting contractual cash flows. The contracts result in cash flows at specified times, which are exclusively payments of principal and interest on the outstanding principal amount. As a result, the Group measures the loans at amortized cost.

The Group initially recognizes the loans at fair value, adjusted for transaction costs that are directly attributable to the acquisition of the financial asset.

The Group holds loans that have not significantly increased in credit risk since their initial recognition, thus the Group accounts for the expected credit loss at an amount equal to the 12-month expected credit loss. The loss rate is determined by the Group considering the risk-free return, which is increased by the risk premium associated with the partner. Regarding the risk premium, the value linked to the 1-year probability of default is used. The expected credit loss is presented in the results under the line Impairment gains (+) / losses (-) on financial assets.

4.6.2 Loans and debts from bond issues

The Group presents its liabilities from loans and bond borrowings in the financial statements at amortized cost. At initial recognition, the Group presents loans and bonds at their fair value adjusted for transaction costs.

If the fair value of loans or bonds differs from the transaction price, the Group does not present the difference as a separate asset according to its accounting policy but considers it as an adjustment to the amortized cost, which appears under the Loans and bond line in the statement of financial position.

4.6.3 Derivative financial instruments

In the course of its regular business operations, the Group enters into contracts related to derivative financial instruments, which require a low initial investment compared to the full contract value, and their value depends on the underlying asset and is due in the future. Derivative financial instruments include forward rate agreements, interest rate swaps, currency forwards and currency swaps, as well as options. The Group enters into these financial instruments for hedging purposes to cover the interest rate and currency risks of transactions executed on financial markets.

The initial and subsequent valuation of derivative financial instruments is carried out at fair value. The determination of fair value is based on quoted market prices, discounted cash flow, and other financial models. Each derivative transaction is reported as an asset or liability according to its position.

For derivative transactions accounted for fair value through profit or loss, the Group presents gains/losses arising from changes in fair value under Other income and Other expenses.

Derivative transactions are presented in the statement of financial position as Other financial assets or Other financial liabilities according to their net position.

4.6.4 Derivative financial instruments designated as cash flow hedges

Among the derivative financial instruments classified as cash flow hedges, interest rate swap transactions marked as hedging transactions appear. The Group enters into interest rate swaps for some of the loans with variable interest rates to reduce and eliminate risks arising from interest rate changes.

The critical characteristics of the hedged item and the hedging instrument (e.g., nominal amount and its amortization, interest period) are consistent, thus the probability of hedging effectiveness is negligible.

The Group applies the IFRS 9 requirements for hedge accounting. The effective part of the changes in the fair value of derivatives and other qualified hedging instruments designated and classified as cash flow hedges is accounted for by the Group in other comprehensive income in the line of „Change in the net value of cash flow hedges. The Group shows the accumulated fair value difference on the line „Cash flow hedge reserve".

The amounts previously accounted for in other comprehensive income and accumulated in equity are reclassified to profit or loss by the Group when the hedged item affects profit or loss, in the same line where the hedged item – i.e., interest expense – is accounted for. The Group derecognizes hedging transactions when the hedging relationship no longer meets the qualification criteria, or when the hedging instrument expires, is sold, terminated, or called. If the occurrence of the hedged future cash flows is still expected, the amount remains in the cash flow hedge reserve until the future cash flows occur; if the occurrence of the hedged future cash flows is no longer expected, the Group immediately reclassifies the amount from the cash flow hedge reserve as a reclassification adjustment to profit or loss.

5. Revenue

A The Group's revenue for the current year was as follows:

	2024	**2023**
	mHUF	mHUF
Revenue recognized in accordance with IFRS 16		
Rental income from investment properties	37.103	31.198
Revenue from contracts with customers		
Revenue from sales of residential and other properties developed for sales	137.681	*125.146*
Revenue from recognition at a specific point in time	*98.723*	*118.309*
Revenue from recognition over time	38.958	*6.837*
Revenue from property management	4.803	8.727
Revenue from investment contracts	5.855	1.426
Revenue from hotel services	6.598	3.507
Revenue from administrative and other services	617	410
Revenue from fund management activities	49	47
Revenue from design and architectural services	150	57
Revenue from marketing services	178	159
Other revenue	4.959	1.625
	160.890	141.104
	197.993	**172.302**

The contractual assets recognized in relation to continuous accounting appear under "Trade and other receivables" in the line "Receivables from sale of property" (Note 22). Advances paid by customers are recognized by the Group as a contractual obligation under the balance sheet line "Advances received from customers". Advances received from customers are accounted for as revenue when the conditions specified in section 3.5.2 are met.

The Group has reviewed the contracts and determined that they do not contain a significant financing component.

The amount of costs directly related to operational lease income from investment properties is HUF 13,988 million (2023: HUF 12,030 million). The amount of costs directly related to non-income-producing investment properties is HUF 130 million (2023: HUF 88 million).

The movements related to contract liabilities are shown in the table below:

	2024	2023
	mHUF	mHUF
Opening balance on January 1	**48.446**	**55.277**
Advances from customers during the period	143.481	109.198
Advances recognized as revenue	-100.981	-117.059
Revaluation differences	5.641	1.030
Closing balance on December 31	**96.587**	**48.446**

6. Gains (+) / losses (-) on investments

	Note	2024	2023
		mHUF	mHUF
Gain on disposal of subsidiaries holding investment properties	35	0	0
Gain on disposal of investment properties		4.486	772
Net gain/(loss) from fair value adjustment of investment properties	14	20.717	-18.539
Other (not significant items)		-55	9
		25.148	**-17.758**

The gain from the annual revaluation of investment properties was largely caused by the change in the exchange rate of the euro (31 December 2024: HUF 410.09/EUR, 31 December 2023: HUF 382.78/EUR).

7. Operating expenses

	2024	2023
	mHUF	mHUF
Change in inventory of internally produced goods	-91.421	-84.837
Utility costs	-8.951	-5.898
Other	-6.695	-5.929
Cost of materials used and intermediary services	**-107.067**	**-96.664**

The most significant amount among the cost of materials used and intermediary services is the derecognition of production costs related to the sale of residential properties.

Among Cost of services consumed, the most significant amounts are connected to services related to investment properties and development costs. The growth compared to the previous year is mainly justified by costs related to hotel development.

8. Other income

	2024	2023
	mHUF	mHUF
Changes in provisions	792	254
Compensations, penalties received	1.163	382
Grants received	44	52
Net realized profit from exchange of foreign currencies	748	1.281
Profit realized from derivative transactions	0	526
Other non-significant income	1.263	1.068
	4.010	**3.563**

9. Other expenses

	2024	2023
	mHUF	mHUF
Changes in provisions	-408	-1.009
Other taxes and contributions	-1.300	-1.097
Net foreign exchange rate loss realized	-1.678	-1.488
Fines and penalties, compensations, default interest paid	-554	-241
Impairment of property, plant and equipment and net value of assets derecognized due to scrapping	-180	-608
Grants given	-74	-62
Receivables waived, debt assumed	-10	-132
Loss realized from derivative transactions	-821	-1.418
Other non-significant expenses	-4.875	-1.541
	-9.900	**-7.596**

10. Financial income

	2024	2023
	mHUF	mHUF
Interest income		
Financial assets at amortized cost		
Bank deposits	1.725	1.229
Other financial assets at amortized cost	3.182	1.237
Cash-flow hedge reserve reclassified to profit or loss	1.588	0
Other financial income	955	13
	7.450	**2.479**

Interest income includes interest received on cash and loans granted, which appear in the statement of financial position under the lines "Other financial assets" and "Cash and cash equivalents." Presentations and risks related to financial instruments are included in notes 19 and 37.

11. Financial costs

	2024	2023
	mHUF	mHUF
Interest paid/payable on borrowings and bank loans	-31.200	-22.745
Interest paid/payable on bonds	-20.544	-15.452
Interest paid/payable on leases	-1.135	-892
Total interest paid/payable in the current year	**-52.879**	**-39.089**
Decreased: borrowing costs capitalized on assets	9.797	7.616
Profit-sharing	345	356
Other financial expenditure	-597	-128
Total finance costs	**-43.334**	**-31.245**

The capitalization rate used to determine the amount of borrowing costs to be capitalized is 3.84% (2023: 4.73%).

12. Income taxes

12.1 Income tax recognized in comprehensive income

	2024	2023
	mHUF	mHUF
Income tax expense comprises:		
Current tax expense	-12.366	-6.994
Deferred tax income/expense in profit or loss	**2.613**	**1.322**
Property, plant and equipment	-772	-339
Inventories	-7.985	9.900
Interest rate swap transactions	0	0
Revaluation of bonds and loans	-578	-473
Revaluation of loans granted	1	0
Provisions	-73	173
Doubtful receivables	-10	42
Deferred income	5	7
Associates and joint ventures	-2.066	-1.517
Long-term investments	-33	-18
Fair value of investment properties	-189	3.437
Advance payments for premises	12.354	-12.248
Other	1.959	2.358
Deferred tax recognized in other comprehensive income	**132**	**364**
Interest rate swap transactions	132	364
Total income tax expense/income relating to continuing operations	-9.621	-5.308

12.2 Current tax assets and tax liabilities

	31 December 2024	31 December 2023
	mHUF	mHUF
Current tax assets		
Overpayment of tax	2.907	2.182
	2.907	**2.182**
Current tax liabilities		
Income taxes payable	3.893	1.499
	3.893	**1.499**

12.3 Deferred tax balance

	31 December 2024	31 December 2023
	mHUF	m HUF
Tax impact of temporary differences		
Property, plant and equipment	-3.365	883
Inventories	1.788	-16.030
Interest rate swap transactions	-140	-273
Revaluation of bonds, loans	7.257	-132
Revaluation of loans granted	2	-1.659
Provisions	2.710	2.706
Doubtful receivables	72	82
Deferred income	-40	-45
Associates	-6.525	-4.014
Revaluation of long-term investments	3	36
Fair value of investment properties	-9.984	-12.333
Advance payments for premises	-1.050	-12.149
Other	-24.413	-1.397
	-33.685	-44.325
Unused tax losses carried forward		
Tax on losses carried forward	-3.696	6,103
Net deferred tax liability	**-37.381**	**-38.222**

Losses carried forward are expected to be utilized in the next periods; therefore, deferred tax assets will be recovered.

The maturity of the losses carried forward for which the Group has recognized deferred tax assets is shown below:

Maturity date	Amount of maturing tax losses carried forward (mHUF)
2025	1.054
2026	1.590
2027	2.682
2028	9.935
2029	10.323
2030	24.390

In the table above, deferred tax assets and liabilities are presented by type of temporary difference. Items which can be legally offset were netted in the consolidated financial statements. Deferred tax assets and liabilities in the consolidated statement of financial position are as follows:

	31 December 2024	31 December 2023
	mHUF	mHUF
Deferred tax assets	17.525	12.468
Deferred tax liabilities	54.906	50.690
Net deferred tax liability	-37.381	-38.222

The Group's operations are subject to corporate tax payment obligations as follows, according to the country of operation of the subsidiary:

	Applicable corporate tax rate
	%
Bulgaria	10
Poland	19
Hungary	9
Germany	28

Numerical reconciliation of income tax expense is shown below:

	2024	2023
	mHUF	mHUF
Profit before tax	21.130	2.748
Calculated income tax expense	-1.902	-247
Difference due to different tax rates*	-3.707	-3.254
Profit of subsidiaries not in scope of income tax	398	-395
Effect of income not included in the tax base	401	642
Tax liabilities of previous years	-118	-195
Non-deductible expenses	-956	-1.038
Utilization of previously unrecognized tax losses	617	590
Current year tax losses for which deferred tax has not been recognized	-1.804	-351
Reassessment of recoverability of deferred tax assets	0	1.130
Other	-2.683	-2.554
Income tax expense (-) / revenue (+)	-9.753	-5.672
Other tax accounted for in other comprehensive income	132	364
Total income tax expense (-) / income (+)	-9.621	-5.308

*The calculated tax is calculated using the parent company's tax rate, but the Bulgarian, German and Polish subsidiaries are taxed based on different tax rates.

13. Property, plant and equipment

After the initial valuation, the Group applies the cost model when valuing property, plant and equipment.

	31 December 2024	31 December 2023
	mHUF	mHUF
Cost	44.726	36.466
Accumulated depreciation	-9.222	-7.925
	35.504	28.541
Land and buildings	22.153	21.108
Machinery and equipment	4.167	2.289
Assets under construction	878	808
Right-of-use assets	8.306	4.336
- property	7.465	*3.569*
- vehicle	841	*767*
	35.504	28.541

The changes in the gross value and accumulated depreciation of property, plant, and equipment are presented in the tables on the following pages.

	Right-of-use assets	Land and buildings	Machinery and equipment	Assets under construction	Total
	mHUF	mHUF	mHUF	mHUF	mHUF
Cost					
Balance on 31.12.2022	6.795	6.446	4.237	715	18.193
Additions	19	15.587	996	5.904	22.506
Acquisition of subsidiary	1.108	94	380	0	1.582
Reclassification from investment property	0	283	47	10.772	11.102
Reclassification to investment property	-825	0	0	0	-825
Transfers	0	0	0	-16.583	-16.583
Derecognition	-98	-419	-374	0	-891
Reassessment of leases	1.128	0	0	0	1.128
Currency translation differences	180	24	72	0	276
Decrease due to ceased leases	-22	0	0	0	-22
Balance on 31.12.2023	8.285	22.015	5.358	808	36.466
Additions	157	1.667	2.750	4.487	9.061
Reclassification from investment property	0	0	109	0	109
Assets classified as held for sale	0	0	-41	0	-41
Transfers	0	0	0	-4.417	-4.417
Derecognition	-435	-334	-648	0	-1.417
Reassessment of leases	4.161	0	0	0	4.161
Currency translation differences	589	79	227	0	895
Decrease due to ceased leases	-91	0	0	0	-91
Balance at 31.12.2024	12.666	23.427	7.755	878	44.726

	Right-of-use assets	Land and buildings	Machinery and equipment	Assets under construction	Total
	mHUF	mHUF	mHUF	mHUF	mHUF
Accumulated depreciation					
Balance on 31.12.2022	2.040	1.027	2.163	0	5.230
Depreciation charge for the period	1.141	259	633	0	2.033
Acquisition of subsidiary	929	27	342	0	1.298
Derecognition	-255	-412	-126	0	-793
Currency translation difference	94	6	57	0	157
Balance on 31.12.2023	3.949	907	3.069	0	7.925
Depreciation charge for the period	1.465	560	915	0	2.940
Derecognition	-1.373	-183	-541	0	-2.097
Reclassification as assets held for sale	0	0	-31	0	-31
Currency translation difference	319	-10	176	0	485
Balance as of 2024.12.31	4.360	1.274	3.588	0	9.222
Carrying amount					
Balance on 31.12.2023	4.336	21.108	2.289	808	28.541
Balance as of 2024.12.31	8.306	22.153	4.167	878	35.504

Depreciation calculation was based on the following useful lives:

Buildings	20 years
Land and buildings	10-33 years
Machinery and equipment	5-15 years
Right-of-use assets	The Group shall account for the depreciation of right-of-use assets from the commencement date until the earlier of the end of their useful life or the end of the lease term.

14. Investment properties

	Investment property	Investment property under construction	Total
	mHUF	mHUF	mHUF
Carrying amount of investment properties on 31.12.2022	317.455	100.551	418.006
Capitalized expenditures	9.217	26.597	35.814
Net gain/(loss) from fair value adjustment	-16.330	-2.209	-18.539
Transfers at completion	42.591	-42.591	0
Acquisition of subsidiary	6	0	6
Acquisition	2.730	0	2.730
Disposals	-3.355	0	-3.355
Reclassification from property, plant and equipment	825	0	825
Reclassification from property, plant and equipment	-47	-11.055	-11.102
Currency translation difference	2.079	2.230	4.309
Carrying amount of investment properties on 31.12.2023	355.171	73.523	428.694
Capitalized expenditures	20.527	27.492	48.019
Net gain/(loss) from fair value adjustment	20.073	2.358	22.431
Transfers at completion	12.328	-12.328	0
Reclassification on investments in progress	11.575	-11.575	0
Disposals	-6.663	0	-6.663
Reclassification from assets held for sale	12.579	0	12.579
Reclassification to assets held for sale	-15.690	0	-15.690
Reclassification to inventory	0	-1.922	-1.922
Reclassification to property, plant and equipment	-109	0	-109
Reclassification to intangible assets	-21	0	-21
Reclassification into lease receivables	-666	0	-666
Other	7.936	0	7.936
Currency translation difference	9.162	3.490	12.652
Value of investment properties as of 2024-12-31	426.202	81.038	507.240

The reclassification of the asset held for sale during the period is related to the City II property. Regarding the City II property, during the period it was reclassified as an investment property (from the assets held for sale). The property is fully operational, and a significant portion of the premises is utilized under lease agreements, with tenants actively continuing their activities. The property is immediately sellable in its current condition (requiring no significant expenditure), and the Group is engaged in active marketing and sales activities.

However, the sale of City II did not occur at the previously expected time. According to the Board's view, the delay in the sale is solely attributable to the macroeconomic situation and the current state of the office market. The persistently high interest rates have resulted in a lack of activity in the office property market. Since the real estate market is characterized by cyclicality, there is great anticipation for its recovery. However, considering the prolongation of the sales plan for the property in question and the reduced probability of the sale being realized within 12 months from the reporting date as previously assumed, the Board decided to reclassify the building and thus present it among the investment properties.

Among the investment properties, the fair value of properties pledged as security was HUF 284,236 million on 31 December 2024 (HUF 234,552 million on 31 December 2023).

In the year 2024, The Group recorded HUF 14,118 million in direct operating costs and HUF 37,103 million in rental income in its total comprehensive income.

Among the investment properties, the Group shows properties that are rented out and properties awaiting development.

The Group evaluated the investment properties with external and internal experts in order to determine their fair value. The experts used the following methods to determine the fair value:

- Market or turnover valuation based on comparative data
- Reproduction value method
- Yield value method (mainly rented property)

The above valuations are located at level 3 of the fair value hierarchy, with the exception of two investment properties valued at HUF 1.218 million, which are located at level 2 of the fair value hierarchy. There was no reclassification between levels of the fair value hierarchy in 2024. There were no changes in the evaluation techniques. Changes in the fair value of investment properties are shown in the comprehensive income statement on the "Gains (+)/ losses (-) on investments" line.

In the case of Hungarian real estate, the external evaluations were carried out by appraisers with appropriate professional qualifications who have recent experience in the area and category of the investment property to be evaluated. 100% of the investment properties in Hungary were presented based on the valuation of the third-party appraiser with the aforementioned expertise. The fair value of real estate in Poland is prepared with the approval of the Board of Directors, during which known market transactions, offers, pre-contracts, as well as the industry knowledge and experience of the participants in the evaluation are used. Among the investment properties in Poland, the value of the properties determined by an external appraiser is HUF 1,218 million.

The discount rate used during the evaluations is considered an unobservable input during the evaluations. The discount rates used during the evaluations are in the following range 6.75%-12% (2023: 6.25%-10%).

The sensitivity analysis on the assumptions used in measuring the fair value of investment property is presented in the table below:

31 December 2024

Segment	Number of Properties	Value in mHUF	Valuation Method	Net Operating Income (NOI) mHUF	Yield	Discount Rate	Sensitivity (gross change in million HUF)			
							Yield [p.p] / NOI [%]	-0.25 p.p.	0 p.p.	+0.25 p.p.
Office	12	221,936	Income-based assessment	17,798	5,44% - 10,82%	7,25% - 9,50%	-1.00%	5,693	-2,361	-10,207
							0.00%	8,085	0	-7,874
							1.00%	10,476	2,361	-5,542
							Yield [p.p] / NOI [%]	-0.25 p.p.	0 p.p.	+0.25 p.p.
Retail	3	94,590	Income-based assessment	6,782	6,75% - 8,00%	8,20% - 10,00%	-1.00%	2,452	-918	-4,156
							0.00%	3,389	0	-3,255
							1.00%	4,327	918	-2,355
							Yield [p.p] / NOI [%]	-0.25 p.p.	0 p.p.	+0.25 p.p.
Industrial	17	104,946	Income-based assessment	11,303	7,25% - 9,11%	6,97% - 12,00%	-1.00%	2,031	-1,039	-3,904
							0.00%	3,071	0	-3,070
							1.00%	4,111	1,039	-2,031

31 December 2023

Segment	Number of Properties	Value in mHUF	Valuation Method	Net Operating Income (NOI) mHUF	Yield	Discount Rate	Sensitivity (gross change in million HUF)			
							Yield [p.p] / NOI [%]	-0.25 p.p.	0 p.p.	+0.25 p.p.
Office	13	192.098	Income-based assessment	12.812	4,63% - 11,19%	6,50% - 9,50%				
							-1.00%	6.065	-1.981	-9.831
							0.00%	8.073	0	-7.876
							1.00%	10.082	1.981	-5.922
							Yield [p.p] / NOI [%]	-0.25 p.p.	0 p.p.	+0.25 p.p.
Retail	3	88.368	Income-based assessment	6.238	6,25% - 8,20%	8,20% - 10,00%				
							-1.00%	2.355	-843	-3.919
							0.00%	3.216	0	-3.092
							1.00%	4.077	843	-2.265
							Yield [p.p] / NOI [%]	-0.25 p.p.	0 p.p.	+0.25 p.p.
Industrial	9	90.947	Income-based assessment	9.375	5,01% - 10,00%	6,32% - 10,00%				
							-1.00%	1.796	-909	-3.615
							0.00%	2.706	0	-2.706
							1.00%	3.616	909	-1.797

	Area (m2)	Specific price (HUF/m2)	Value million HUF	Specific price change (HUF/m2)	Value change million HUF (+/-)
Land and property under development on 31 December 2024	839.422	25.982	21.810	5.000	4.197
Land and property under development on 31 December 2023	904.381	33.531	30.325	5.000	4.522

15. Goodwill

	Goodwill
	mHUF
Cost	
On 31 December 2022	607
Recognized on acquisition of subsidiary	8.745
Derecognized on disposal of subsidiary	0
Assets classified as held for sale	0
Revaluation differences	91
On 31 December 2023	9.443
Recognized on acquisition of subsidiary	0
Derecognized on disposal of subsidiary	0
Assets classified as held for sale	0
Revaluation differences	631
As of 31 December 2024	10.074
Accumulated impairment	
On 31 December 2022	28
Impairment charge for the period	0
Derecognized on disposal of subsidiary	0
On 31 December 2023	28
Impairment charge for the period	0
Derecognized on disposal of subsidiary	0
On 31 December 2024	28
Net amount	
On 31 December 2023	9.415
On 31 December 2024	10.046

The value of goodwill can be allocated to the following cash-generating units:

	31 December 2024	31 December 2023
	mHUF	mHUF
Services related to real estate	579	579
Office development and investment	9.467	8.836
	10.046	9.415

The goodwill reported on 31 December 2024 is partly related to the acquisition of WING Zrt. in 2009 and partly to the acquisition of Bauwert AG on April 20, 2023.

The Group performed the impairment test as of the period end date, during which it was determined that the recoverable amount exceeds the book value, and there are no circumstances that would cause impairment to be recognized.

The main assumptions used during the impairment test:

- the value in use was determined based on the discounted dividend model (DDM)

- the recoverable amount was determined taking into account the Bauwert AG Group as a cash-generating unit,
- as the Group used the DDM method to determine the value in use, when determining the discount rate only the cost of capital was taken into account, based on which the applied discount rate was 10%,
- the Group assumed the planned dividend cash flow for 15 years (2025-2039)

A 1% increase in the discount rate applied would result in a change of HUF 12.130 million in the recoverable amount, which still ensures recoverability.

16. Intangible assets

Following the initial evaluation, the Group applies the cost model for assessing intangible assets.

	31 December 2024	**31 December 2023**
	mHUF	mHUF
Cost	9.488	8.088
Accumulated amortization	-1.460	-1.165
	8.028	6.923
Licenses	1.627	1.051
Trademark	6.401	5.872

As a result of the purchase of shares of DKR Invest S.A. and shares of DKR Investment Sp. z o.o. (indirectly Archicom S.A.), the Group recognized a trademark "Archicom" as an intangible asset. The Group presented a deferred tax liability of 1.018 million HUF on the recognized trademark. The Management Board of the Group concluded that there are no foreseeable limits to the period when services and goods sold under the trademark managed by the Group can be expected to generate financial benefits and therefore the trademark is treated as an intangible asset with an indefinite useful life, hence no amortization is recognized related to this intangible asset. In each reporting period, the useful life is reviewed to determine whether events and circumstances continue to support the assessment that the useful life of the asset is still indefinite. The Group performs its trademark impairment test annually.

As of 31 December 2024, the Group tested the trademark "Archicom" for impairment by estimating its value using the discounted cash flow (DCF) method based on the five-year financial plan covering the years 2025-2029 for the Archicom Group. The analysis considered basic cash flows resulting from, among other things, revenues from sales of products and services and costs of marketing expenditures.

The main assumptions used in the impairment test:

- The value in use was determined on the basis of the discounted cash flow (DCF) method;
- The recoverable amount was determined on the basis of Archicom S.A. Group as a cash generating unit
- The royalty rate was determined by the Group at 4.14% (2023: 3.5%)
- The weighted average cost of capital (WACC) was assumed at the level of 14.74% (2023: 13.53%), while the expected rate of return for intangible assets was 20.42% (2023: 22.46%)
- The Group assumed the planned cash flow period to be 5 years (from 2025 to 2029)
- The growth of sales revenues in the projection period was assumed at the level of 30% (2023: 50%) and zero long-term growth rate was assumed for the final value.

Analysis of the sensitivity of the royalty rate

Discount Rate	22,926	2.90%	3.31%	3.72%	**4.14%**	4.55%	4.96%	5.38%
		Amount of license fee (mHUF)						
	18.90%	9.674	14.787	19.900	25.094	30.251	35.364	40.477
	19.40%	9.377	14.336	19.295	24.333	29.335	34.295	39.254
	19.90%	9.095	13.908	18.722	23.611	28.467	33.280	38.094
	20.40%	8.827	13.502	18.178	**22.926**	27.642	32.318	36.993
	20.90%	8.573	13.117	17.660	22.276	26.859	31.403	35.946
	21.40%	8.331	12.750	17.168	21.656	26.113	30.532	34.951
	21.90%	8.101	12.400	16.700	21.067	25.403	29.703	34.002

The current year changes of intangible assets are disclosed in the following table:

	Licenses	Trademark	Total
	mHUF	mHUF	mHUF
Cost			
On 31 December 2022	1.577	5.693	7.270
Additions	623	0	623
Acquisition of subsidiary	60	0	60
Decrease	-82	0	-82
Currency translation difference	38	179	217
On 31 December 2023	2.216	5.872	8.088
Additions	990	0	990
Decrease	-300	0	-300
Reclassification from investment properties	21	0	21
Currency translation difference	160	529	689
On 31 December 2024	3.087	6.401	9.488

	Licenses	Trademark	Total
	mHUF	mHUF	mHUF
Accumulated depreciation			
On 31 December 2022	979	0	979
Amortization charge for the period	204	0	204
Acquisition of subsidiary	46	0	46
Derecognition	-97	0	-97
Currency translation difference	33	0	33
On 31 December 2023	1.165	0	1.165
Amortization charge for the period	271	0	271
Derecognition	-67	0	-67
Currency translation difference	91	0	91
On 31 December 2024	1.460	0	1.460
Carrying amount			
On 31 December 2023	1.051	5.872	6.923
On 31 December 2024	1.627	6.401	8.028

No impairment loss was recognized in the current year for intangible assets.

The Group calculates amortization applying the following useful lives:

Licenses:	3-5 years
Trademarks:	indefinite useful life

17. Investments in Subsidiaries

The subsidiaries of the Company as of 31 December 2024 are:

Subsidiary name	**Scope of activity**	**Place of registration and operation**	**Ownership and voting ratio (%)** 2024.12.31	2023.12.31
A93 Property Kft.	real estate distribution	Hungary	100.00	100.00
Airport City Kft. (before 31.10.2023: LOGIWIN Kft.)	real estate distribution	Hungary	100.00	100.00
ANDRÁSSY PALOTA Kft.	real estate distribution	Hungary	100.00	100.00
ASPECTUS ARCHITECT Zrt.	architecture	Hungary	96.90	93.71
Aurora Alapok Alapja	real estate distribution	Hungary	100.00	100.00
Báthory Utca Kft.	real estate distribution	Hungary	100.00	100.00
Borvidék Ingatlanforgalmazó Kft.	real estate distribution	Hungary	100.00	100.00
BUILDWING Kft.	real estate distribution	Hungary	100.00	100.00
Bulmag Real Estate Eood	real estate distribution	Bulgaria	100.00	100.00
BULWIN Kft.	real estate distribution	Hungary	100.00	100.00
EAST GATE BUSINESS PARK Kft.	real estate distribution	Hungary	100.00	100.00

Subsidiary name	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31	2023.12.31
ECOSERWING Kft.	asset management	Hungary	100.00	100.00
ECOTRANS INGATLAN Kft.	real estate distribution	Hungary	100.00	100.00
EURÉKA PARK Kft.	real estate distribution	Hungary	100.00	100.00
GLADIÁTOR Befektetési Alapkezelő Zrt.	fund management	Hungary	100.00	100.00
Gladiátor Ingatlan Kft.	real estate distribution	Hungary	100.00	100.00
Gladiátor II. Ingatlan Befektetési Alap	real estate distribution	Hungary	70.39	70.41
Gladiátor III. Ingatlan Befektetési Alap	real estate distribution	Hungary	100.00	100.00
Gladiátor V. Alapok Alapja	real estate distribution	Hungary	100.00	100.00
Gladiátor VI. Ingatlan Befektetési Alap	real estate distribution	Hungary	100.00	100.00
Gladiátor VII. Ingatlanfejlesztő Befektetési Alap	real estate distribution	Hungary	75.11	75.31
Gladiátor VIII. Ingatlanfejlesztő Befektetési Alap	real estate distribution	Hungary	100.00	100.00
Gorba EOOD	real estate distribution	Bulgaria	100.00	100.00
KÖNYVESPARK Kft.	real estate distribution	Hungary	100.00	100.00
KRAOT Kft.	real estate distribution	Hungary	100.00	100.00
LIVING I. Ingatlanfejlesztő Befektetési Alap	real estate distribution	Hungary	100.00	100.00
LIVING II. Ingatlanfejlesztő Befektetési Alap	real estate distribution	Hungary	58.55	100.00
LIVING III. Ingatlanfejlesztő Befektetési Alap	real estate distribution	Hungary	100.00	100.00
LIVING IV. Ingatlanfejlesztő Befektetési Alap	real estate distribution	Hungary	100.00	100.00
LIVING V. Ingatlanfejlesztő Befektetési Alap	real estate distribution	Hungary	100.00	100.00
Living Alapok Alapja	fund management	Hungary	100.00	100.00
LIVING-Service Kft.	building operation	Hungary	100.00	100.00
LIVING-Szabolcs Kft.	real estate distribution	Hungary	55.00	55.00
Magnum Hungaria Invest Kft.	real estate distribution	Hungary	100.00	100.00
MEDIUS Tours Kft.	real estate distribution	Hungary	100.00	100.00
MEVINVEST Kft.	asset management	Hungary	100.00	100.00
ParkWest 2 Kft.	real estate distribution	Hungary	55.00	55.00
Property Service Kft.	real estate distribution	Hungary	100.00	100.00
PROPWIN Kft.	real estate distribution	Hungary	100.00	100.00
PROWINEMP ESOP org.*	ESOP Organization	Hungary	0.00	0.00
PW3 Kft.	real estate distribution	Hungary	55.00	55.00
REALWINGEST Kft.	real estate distribution	Hungary	100.00	100.00
RPORT COURT Kft.	asset management	Hungary	100.00	100.00
S-HOTEL Kft.	real estate distribution	Hungary	100.00	100.00
Skylight City Kft.	real estate distribution	Hungary	100.00	100.00
TCW ARRABONA Kft.	real estate distribution	Hungary	100.00	100.00
TCW HONVÉD OFFICE BUILDING Kft.	real estate distribution	Hungary	100.00	100.00
TCW Liget Kft.	real estate distribution	Hungary	100.00	100.00
TCW Zrt.	business consulting, real estate management	Hungary	100.00	100.00
TSZ DEVELOPMENT Kft.	real estate distribution	Hungary	100.00	100.00
TSZ PORTFOLIO Kft.	asset management	Hungary	100.00	100.00
TUDINGMA Kft.	real estate distribution	Hungary	100.00	100.00
URBAN CONSTRUCT Kft.	construction activity	Hungary	100.00	100.00
V 45 Kft.	real estate distribution	Hungary	100.00	100.00
WINASSET Kft.	real estate distribution	Hungary	100.00	100.00
WINCENTER EUROPE Kft.	real estate distribution	Hungary	100.00	100.00

Subsidiary name	Scope of activity	Place of registration and operation	Ownership and voting ratio (%)	
			2024.12.31	2023.12.31
WINCITY Kft.	real estate distribution	Hungary	100.00	100.00
WINDEVELOP PROJECT Kft.	real estate distribution	Hungary	100.00	100.00
WINERSZ-ING Kft.	asset management	Hungary	100.00	100.00
WING IHC Zrt.	real estate distribution	Hungary	100.00	100.00
WING Zrt.	real estate development	Hungary	95.42	98.60
WINGEUROPE Zrt.	real estate distribution	Hungary	100.00	100.00
WING INTERNATIONAL Zrt.	real estate distribution	Hungary	100.00	100.00
WINGLINE Kft.	asset management	Hungary	100.00	100.00
WINGPROP Zrt.	real estate distribution	Hungary	100.00	100.00
WINGSERVE Kft.	asset management	Hungary	100.00	100.00
WINHUN PROJEKT Kft.	real estate distribution	Hungary	100.00	100.00
WINLOFT Kft.	real estate distribution	Hungary	100.00	100.00
WINMEGA Kft.	real estate distribution	Hungary	100.00	100.00
WINPARK PROJEKT Kft.	real estate distribution	Hungary	100.00	100.00
WINPORT Kft.	real estate distribution	Hungary	100.00	100.00
WINSZERIM Kft.	real estate distribution	Hungary	100.00	100.00
WINSZIM Kft.	real estate distribution	Hungary	100.00	100.00
WINTSZ Kft.	asset management	Hungary	100.00	100.00
WINWAVE Kft.	real estate distribution	Hungary	100.00	100.00
WIPNORG Kft.	real estate distribution	Hungary	100.00	100.00
WPR Alfa Kft.	real estate distribution	Hungary	100.00	100.00
WPR MÉDIA Kft.	real estate distribution	Hungary	100.00	100.00
WPROPA CENTER Kft.	real estate distribution	Hungary	100.00	100.00
WPR PORT Kft.	hotel operation	Hungary	100.00	100.00
WPR QUARTUS Kft.	real estate distribution	Hungary	100.00	100.00
Yorven EOOD	real estate distribution	Bulgaria	100.00	100.00
Lisala Sp. z o.o.	asset management	Poland	94.50	94.50
"Avatar - "Grupa Echo" Sp. z o.o." SKA	group financing	Poland	100.00	100.00
12 Archicom Projekt - 127 sp.z o.o. ska	real estate distribution	Poland	100.00	100.00
AD Management sp. z o.o.	real estate distribution	Poland	100.00	100.00
Altona Investments sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Advisory sp. z o.o.	consulting services	Poland	100.00	100.00
Archicom Asset Management sp. z o.o.	accounting services	Poland	100.00	100.00
Archicom Bowen sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Browary Warszawskie sp. z o.o.	asset management	Poland	100.00	100.00
Archicom Browary Warszawskie sp. z o.o. sp.k.	residential property development	Poland	100.00	100.00
Archicom Byczyńska 1 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Cadenza Hallera sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Dobrzykowice Park sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Fin sp. z o.o.	group financing	Poland	100.00	100.00
Archicom Gdańsk sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Gosford Investments sp. z o.o.	residential property development	Poland	100.00	100.00
Archicom Investment sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Jagodno 5 sp. z o.o.	real estate distribution	Poland	100.00	100.00

Subsidiary name	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31	2023.12.31
Archicom Jagodno sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Jagodno sp. z o.o. – sp. k.	real estate distribution	Poland	100.00	100.00
Archicom Łódź 1 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Lofty Platinum 1 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Marina 3 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Marina 4 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Marina 5 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 10 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 11 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 12 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 14 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 17 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 18 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 19 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 2 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 20 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 3 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 4 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 5 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 6 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 7 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 8 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości 9 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości JN1 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości JN2 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości JN3 Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości Residential Ltd.	real estate distribution	Poland	100.00	100.00
Archicom Nieruchomości sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Nowy Mokotów sp. z o.o.	asset management	Poland	99.90	100.00
Archicom Perth sp. z o.o.	asset management	Poland	100.00	100.00
Archicom Potton sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Poznań sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Projekt 127 sp.z o.o.	asset management	Poland	100.00	100.00
Archicom Projekt 136 sp. z o.o.	asset management	Poland	100.00	100.00
Archicom Projekt 136 sp. z o.o. sp.k.	residential property development	Poland	100.00	100.00
Archicom Projekt 139 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Residential 2 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Residential sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom RW sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom S.A.	real estate distribution	Poland	74.04	74.04
Archicom Sales Services sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Senja 2 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Services sp. z o.o.	consulting services	Poland	100.00	100.00
Archicom sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Sp. z o.o. – Realizacja Inwestycji – sp. k.	real estate related services	Poland	100.00	100.00

Subsidiary name	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31	2023.12.31
Archicom sp. z o.o. Śląsk sp.k.	real estate distribution	Poland	100.00	100.00
Archicom Stabłowice sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Warszawa 2 sp. z o.o.	real estate distribution	Poland	100.00	0.00
Archicom Warszawa sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Wrocław 3 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Wrocław 4 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Archicom Wrocław sp. z o.o.	real estate distribution	Poland	100.00	100.00
Bartoszowice 1 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Cinema Asset Manager - Grupa Echo sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
City Space - GP Sp. z o.o.	asset management	Poland	100.00	100.00
City Space Management Sp. z o.o.	asset management	Poland	100.00	100.00
Dagnall Sp. z o.o.	asset management	Poland	100.00	100.00
Dellia Investments - Projekt Echo - 115 sp. z o.o. Sp.K.	real estate distribution	Poland	100.00	100.00
DKR Echo Investment sp. z o.o.	asset management	Poland	100.00	100.00
Duże Naramowice - Projekt Echo - 111 Sp. z o.o. SKA	residential property development	Poland	100.00	100.00
EASS5003 sp. z o.o.	real estate distribution	Poland	100.00	0.00
Echo - Advisory Services Sp. z o.o.	business consulting	Poland	100.00	100.00
Echo - Arena Sp. z o.o.	asset management	Poland	100.00	100.00
Echo - Aurus Sp. z o.o.	group financing	Poland	100.00	100.00
Echo - Property Poznań 1 Sp. z o.o.	construction activity	Poland	100.00	100.00
Echo - SPV 7 Sp. z o.o.	group financing	Poland	100.00	100.00
Echo Investment Project 1 S.R.L.	real estate distribution	Poland	100.00	100.00
Echo Investment Project Management S.R.L.	real estate distribution	Poland	100.00	100.00
Echo Investment S.A.	real estate distribution	Poland	66.00	66.00
Elektrownia RE Sp. z o.o.	real estate development	Poland	100.00	100.00
Face2Face - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Fianar Investments Sp. z o.o.	asset management	Poland	100.00	100.00
Galaxy - "Grupa Echo" Sp. z o.o. SKA	group financing	Poland	100.00	100.00
Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.K.	real estate distribution	Poland	100.00	100.00
Galeria Nova- Archicom Projekt 127 sp.z o.o. s.k.a.	asset management	Poland	100.00	100.00
Galeria Tarnów - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
GRO Nieruchomości Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Grupa Echo Sp. z o.o.	asset management	Poland	100.00	100.00
Haibisukasu sp. z o.o.	real estate distribution	Poland	100.00	0.00
Himawari Investment sp. z o.o.	real estate distribution	Poland	100.00	100.00
Karensansui Warsaw Investment sp. z o.o.	real estate distribution	Poland	100.00	100.00
Keshi sp. z o.o.	real estate distribution	Poland	100.00	0.00
Malta Office Park - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Metropolis - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Midpoint 71 - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Mioga Investment sp. z o.o.	real estate distribution	Poland	100.00	100.00
Opolska Business Park - "Grupa Echo" Sp. z o.o. Sp.K.	real estate related services	Poland	100.00	100.00
P16 Inowrocławska sp. z o.o.	real estate distribution	Poland	100.00	100.00

Subsidiary name	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31	Ownership and voting ratio (%) 2023.12.31
Park Rozwoju III - "Grupa Echo" Sp. z o.o. Sp.K.	real estate distribution	Poland	100.00	100.00
PHS - "Grupa Echo" Sp. z o.o. Sp.K.	real estate distribution	Poland	100.00	100.00
PPR - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Projekt 139 - Grupa Echo Sp. z o.o. Sp.K.	real estate distribution	Poland	100.00	100.00
Projekt 144 - Grupa Echo Sp. z o.o. Sp.K.	real estate distribution	Poland	100.00	100.00
Projekt 16 - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Projekt 17 - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Projekt Beethovena - Grupa Echo Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Projekt Echo - 108 Sp. z o.o.	asset management	Poland	100.00	100.00
Projekt Echo - 111 Sp. z o.o.	asset management	Poland	100.00	100.00
Projekt Echo - 115 Sp. z o.o.	asset management	Poland	100.00	100.00
Projekt Echo - 120 Sp. z o.o.	asset management	Poland	100.00	100.00
Projekt Echo - 123 Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Projekt Echo - 129 Sp. z o.o.	group financing	Poland	100.00	100.00
Projekt Echo - 130 Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Projekt Echo - 140 Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Projekt Echo - 142 Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Projekt Echo - 143 Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Projekt Echo - 144 Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Projekt Echo - 145 Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Projekt Echo - 99 Sp. z o.o.	asset management	Poland	100.00	100.00
Projekt Echo-137 sp. z o.o.	residential property development	Poland	100.00	100.00
Projekt Naramowice - Grupa Echo Sp. z o.o. SKA	residential property development	Poland	100.00	100.00
Projekt Saska Sp. z o.o.	real estate distribution	Poland	95.00	95.00
Pudsey Sp. z o.o.	asset management	Poland	100.00	100.00
Q22 - "Grupa Echo" Sp. z o.o. Sp.K.	real estate related services	Poland	100.00	100.00
React - Dagnall Sp. z o.o. SKA	real estate distribution	Poland	100.00	100.00
Rentierresidence sp. z o.o.	real estate distribution	Poland	100.00	0.00
Rondo 1 City Space - GP Sp. z o.o. Sp.K.	real estate distribution	Poland	100.00	100.00
RPGZ IX Sp. z o.o.	residential property development	Poland	100.00	100.00
Sagittarius - "Grupa Echo" p. z o.o. Sp.K.	real estate related services	Poland	100.00	100.00
Seaford Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Selmer Investments Sp. z o.o.	asset management	Poland	100.00	100.00
Selmer Investments Sp. z o.o. Sp.K.	asset management	Poland	100.00	100.00
Service Hub Commercial -"Grupa Echo Sp. z o.o." Sp.k.	accounting services	Poland	100.00	100.00
Service Hub sp. z o.o.	real estate distribution	Poland	100.00	100.00
Space Investment Strzegomska 3 Kamieńskiego sp. z o.o.	real estate distribution	Poland	100.00	100.00
Space Investment Strzegomska 3 Otyńska sp. z o.o.	real estate distribution	Poland	100.00	100.00
Strood Sp. z o.o.	asset management	Poland	100.00	100.00
Strzegomska Nowa sp. z o.o.	real estate distribution	Poland	100.00	100.00
Swanage Sp. z o.o.	group financing	Poland	100.00	100.00

Subsidiary name	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31	Ownership and voting ratio (%) 2023.12.31
Symetris - "Grupa Echo" Sp. z o.o. Sp.K.	real estate related services	Poland	100.00	100.00
Taśmowa - Projekt Echo - 116 Sp. z o.o. SKA	residential property development	Poland	100.00	100.00
TN Stabłowice 1 sp. z o.o.	real estate distribution	Poland	100.00	100.00
Villea Investments Sp. z o.o.	real estate distribution	Poland	100.00	100.00
Wołoska Development Capital Prosta Spółka Akcyjna	real estate distribution	Poland	100.00	0.00
ZAM Archicom Projekt 127 sp. o.o. sp.k.	residential property development	Poland	100.00	100.00
Cornwall Investments Sp. z o.o.	asset management	Poland	0.00	100.00
Echo - Nowy Mokotów sp. z o.o.-sp.k.	real estate development	Poland	0.00	100.00
Echo - Opolska Business Park Sp. z o.o. w likwidacji	asset management	Poland	0.00	100.00
Kielce - Grupa Echo Sp. z o.o. SKA w likwidacji	real estate distribution	Poland	0.00	100.00
Princess Investment Sp. z o.o.	residential property development	Poland	0.00	100.00
Projekt 1 - Grupa Echo Sp. z o.o. SKA w likwidacji	group financing	Poland	0.00	100.00
Projekt 5 - Grupa Echo Sp. z o.o. SKA w likwidacji	real estate distribution	Poland	0.00	100.00
Projekt Echo - 113 Sp. z o.o. w likwidacji	asset management	Poland	0.00	100.00
Projekt Echo - 116 Sp. z o.o.	asset management	Poland	0.00	100.00
Projekt Echo - 121 Sp. z o.o.	asset management	Poland	0.00	100.00
Projekt Echo - 122 Sp. z o.o.	asset management	Poland	0.00	100.00
Projekt Echo - 131 Sp. z o.o. w likwidacji	asset management	Poland	0.00	100.00
Projekt Echo - 135 Sp. z o.o.	asset management	Poland	0.00	100.00
Projekt Echo - 135 Sp. z o.o. Sp.K.	real estate related services	Poland	0.00	100.00
Stranraer Sp. z o.o.	asset management	Poland	0.00	100.00
Archicom Consulting sp. z o.o.	real estate distribution	Poland	0.00	100.00
Archicom Łódź sp. z o.o.	real estate distribution	Poland	0.00	100.00
Archicom Wrocław 2 sp. z o.o. w organizacji	real estate distribution	Poland	0.00	100.00
WINGWERT-GCP GmbH	asset management	Germany	90.00	90.00
Bauwert AG	real estate development	Germany	60.00	60.00
Bauwert Fidicinstraße GmbH	residential and office property development	Germany	100.00	100.00
Bauwert Berliner Straße GmbH	residential property development	Germany	100.00	100.00
Bauwert Segelfliegerdamm GmbH	residential property development	Germany	100.00	100.00
Bauwert Neues Ufer GmbH	residential and office property development	Germany	100.00	100.00
Bauwert Wildau Dahmeufer GmbH	residential property development	Germany	100.00	100.00
Bauwert Management Düsseldorf II GmbH	real estate development	Germany	100.00	100.00
Bauwert Verwaltungsgesellschaft GmbH	real estate development	Germany	100.00	100.00
Bauwert GÜ und Projektentwicklungsgesellschaft mbH & Co. KG	office property development	Germany	100.00	100.00
Bauwert Storkow GmbH	residential property development	Germany	100.00	100.00
Bauwert B1B2 GmbH und Co. KG	office property development	Germany	100.00	100.00

Subsidiary name	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31	2023.12.31
Bauwert C1C2 GmbH und Co. KG	office property development	Germany	100.00	100.00
Bauwert Wildbergplatz GmbH	residential and office property development	Germany	100.00	100.00
Bauwert Rheingaustraße GmbH	residential property development	Germany	100.00	100.00
Bauwert Suarezstaße Geschäftsführungsgesellschaft mbH (DaKaRo Geschäftsführungs GmbH)	real estate development	Germany	100.00	100.00
Bauwert Suarezstraße Liegenschafts-entwicklungs GmbH & Co. KG (DaKaRo Liegenschaftsentwicklungs GmbH & Co. KG)	residential property development	Germany	89.90	89.90
Bauwert Stralau GmbH (Bauwert Invest Projekt X GmbH)	real estate development	Germany	100.00	100.00
Yachthafen Stralau GmbH (Bauwert Invest Projekt XI GmbH)	real estate development	Germany	100.00	100.00

The Group owns the subsidiaries in Poland through Echo Investment S.A., in which the Group holds a 66% stake (see note 34).

The Group owns the subsidiaries in Germany through Bauwert AG, in which the Group holds a 60% stake (see note 34).

*The owners of the PROWINEMP Employee Share Ownership Program Organization (Organization) are the participants of the compensation program. The Organization is presented in the consolidated statements based on the relevant IFRS 2 Share-based Payment standard.

18. Investments in associates and joint ventures

The Company's joint ventures and associates as of 31 December 2024, are as following:

Name of the enterprise	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31 (2023.12.31)
AKKO Invest Nyrt.	asset management	Hungary	33.10 (30.10)
Rosehill Investments Sp. z o.o.	asset management	Poland	30.00 (30.00)
Berea Sp. z o.o.	real estate distribution	Poland	30.00 (30.00)
Projekt Echo - 138 Sp. z o.o. Sp.K.	real estate distribution	Poland	30.00 (30.00)
Projekt Echo - 138 Sp. z o.o.	asset management	Poland	30.00 (30.00)
R4R Poland Sp. z o.o.	asset management	Poland	30.00 (30.00)
R4R Łódź Wodna Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Wrocław Kępa Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Wrocław Rychtalska Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Warszawa Browary Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)

Name of the enterprise	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31 (2023.12.31)
R4R Leasing Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Poznań Szczepanowskiego Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Warszawa Taśmowa Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Warszawa Woronicza Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Gdańsk Kołobrzeska Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R RE Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Kraków 3 Maja Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Warszawa Wilanowska Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R RE Wave 3 Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Pimech Invest Sp.z o.o.	lease of residential property	Poland	30.00 (30.00)
M2 Hotel Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R RE Wave 4 Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Kraków JPII Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Wrocław Jaworska II Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Gdańsk Stocznia Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Wrocław Park Zachodni Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
M2 Biuro Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Łódź Kilińskiego Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Hotel Gdańsk Zielony Trójkąt Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
R4R SPV 10 Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Hotel Wrocław Grabiszyńska Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Hotel Kraków Romanowicza Sp. z. o.o.	lease of residential property	Poland	30.00 (30.00)
R4R Poznań Nowe Miasto Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Hotel Kraków Zabłocie Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Hotel Kraków Młyńska Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Hotel Poznań Dmowskiego Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Hotel Wrocław Bardzka Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)

Name of the enterprise	Scope of activity	Place of registration and operation	Ownership and voting ratio (%) 2024.12.31 (2023.12.31)
R4R Warszawa Opaczewska Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
T22 Budynek B sp. zo.o. (korábban: Torelia sp. zo.o.)	consulting	Poland	30.00 (30.00)
Hotel Warszawa Wołoska Sp. z o.o.	lease of residential property	Poland	30.00 (30.00)
Projekt Browarna sp. z o.o. (korábban Archicom Wrocław 2 sp. z o.o.)	lease of residential property	Poland	55.00 (0.00)
SGE Operating company Sp. z o.o.	lease of residential property	Poland	30.00 (0.00)
SGE Propco 1 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
SGE Propco 2 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
SGE Propco 3 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
SGE Propco 4 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
SGE Propco 5 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
SGE Propco 6 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
SGE Propco 7 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
SGE Propco 8 SARL Sp. z o.o. Oddział w Polsce	lease of residential property	Poland	30.00 (0.00)
Project Towarowa 22 Sp. z o.o.	real estate distribution	Poland	30.00 (0.00)
SGE JVco SARL	asset management	Luxembourg	30.00 (0.00)
SGE Propco 1 SARL	lease of residential property	Luxembourg	30.00 (0.00)
SGE Propco 2 SARL	lease of residential property	Luxembourg	30.00 (0.00)
SGE Propco 3 SARL	lease of residential property	Luxembourg	30.00 (0.00)
SGE Propco 4 SARL	lease of residential property	Luxembourg	30.00 (0.00)
SGE Propco 5 SARL	lease of residential property	Luxembourg	30.00 (0.00)
SGE Propco 6 SARL	lease of residential property	Luxembourg	30.00 (0.00)
SGE Propco 7 SARL	lease of residential property	Luxembourg	30.00 (0.00)
SGE Propco 8 SARL	lease of residential property	Luxembourg	30.00 (0.00)

Management has determined that the Group does not have control over joint ventures, irrespective of ownership interest, and therefore accounts for them using the equity method in the consolidated financial statements.

Financial information for the Group's associates and joint ventures is as follows (summarized data presented based on the standalone IFRS financial statements):

Associates

	31 December 2024	31 December 2023
	mHUF	mHUF
Current assets	16.658	16.658
Non-current assets	26.377	25.548
Total assets	43.035	42.206
Current liabilities	18.585	16.313
Non-current liabilities	15.066	16.794
Total liabilities	33.651	33.107
Net assets	9.384	9.099
Group share of net assets of associates	3.106	2.739

	2024	2023
	mHUF	mHUF
Total revenue and investment income	44.157	39.271
Total profit for the period	1.804	2.200
Profit from continuing operations	1.804	2.200
Profit from discontinued operations	0	0
Other comprehensive income	-5	3
Group's share of profit of associates	595	663
Dividend and interim dividend received from associates and joint ventures	0	0

Joint ventures

	31 December 2024	31 December 2023
	mHUF	mHUF
Current assets	127.741	28.456
Non-current assets	593.740	483.269
Total assets	721.481	511.725
Current liabilities	57.273	28.750
Non-current liabilities	388.916	296.520
Total liabilities	446.189	325.270
Net assets	275.292	186.455
The Group's share of the net assets of joint ventures	84.099	56.563

	2024	2023
	mHUF	mHUF
Total revenue and investment income	37.942	28.359
Total profit for the period	38.355	27.008
Profit from continuing operations	0	0
Profit from discontinued operations	0	0
Other comprehensive income	0	0
Group’s share of profit of joint ventures	11.837	8.572
Dividend and interim dividend received from joint ventures	0	0

On 6 March 2024, Echo Investment S.A. acquired 30% of the shares and votes of Student Space, which deals with the development of student accommodation projects in Poland. The remaining 70% was acquired by Luxembourg-based Signal Alpha 3 R1 S.ŕ r.l. According to the founding document, all strategic financial and operational decisions (especially the purchase of significant assets) can only be made with the unanimous consent of the two owners.

The purchase price of the associated and jointly managed companies differed from the value of their net assets at the time of acquisition, which is why the book value exceeds the value of the Group's equity by HUF 5,278 million.

The Group examined its associates and joint ventures to see if there was any objective evidence that would indicate an impairment loss. In 2024, the Group did not recognize any impairment in the case of associated and joint ventures.

19. Other financial assets

	31 December 2024	31 December 2023
	mHUF	mHUF
Financial assets measured at amortized cost		
Loans to associates and joint ventures	42.482	24.052
Other receivables from associated and joint ventures	2.902	3.611
Related party loans	0	1.994
Impairment recognized on loans	-22	-16
Other investments	3	3
Other long-term loans	1.328	0
Other short-term loans	1.960	1.378
Other long-term financial assets	3.030	6.076
Other short-term financial assets	111	662
Financial assets measured at fair value through profit or loss (FVTPL)		
Interest rate SWAP receivable	2.251	4.394
	54.045	42.154
Current	2.578	9.418
Non-current	51.467	32.736
	54.045	42.154

Those loans to associates that are denominated in Polish zloty bear interest at variable rates linked to the WIBOR base rate, while those that are denominated in euro bear interest at fixed rates.

Other receivables from associates are the discounted deferred purchase price related to the disposal of shares.

The Group has mitigated the risk arising from variable interest rates by entering into interest rate swaps on some of its euro-denominated loans. The hedging relationship between the hedged item and the hedge is created by the variable interest rate (EURIBOR). The Group assesses the consistency of the timing of the loan and the interest rate swap when determining hedge effectiveness. The timing of the loans and the interest rate swaps are consistent with each other and the reference rate underlying the loan and the variable rate of the interest rate swap are 100% hedged, so the cash flow hedges are 100% effective, with the full amount of the gain or loss arising from the change in fair value being recognized in other comprehensive income under the line "Change in net value of cash flow hedges". The reference rate reform has no impact on cash flow hedges.

On 31 December 2024, the amount of variable interest received for cash flow hedging transactions exceeds the value of future fixed interest payable by HUF 2.251 million. Instead of the originally contracted EURIBOR-based interest, the Group pays fixed interest on these loans.

The fair value of derivative transactions is considered an expert estimate based on observable inputs, so it is categorised on Level 2 of the fair value hierarchy.

The Group is involved in the reference interest rate reform due to transactions tied to the WIBOR reference interest rate. In response to the expected reform of the reference interest rate (IBOR reform), the International Accounting Standards Board published the second phase of amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments relate to accounting issues that arise when IBOR-based financial institutions switch to the new interest rate. The changes introduced from 1 January 2021 introduced a number of guidelines and exemptions, such as the treatment of amendments to contracts affected by the reform, which will be accounted for by recalculating the effective interest rate. The Group's management examined the above-mentioned changes and determined that they had no significant impact on the financial position or the results of the Group's operations. The interest rates underlying the financial instruments will continue to be published and comply with the BMR (Benchmark Regulation). The National Benchmark Reform Working Group (NGR), established by the Polish Financial Supervisory Authority, is working on the introduction of a new RFR-type benchmark - WIRON (Warsaw Interest Rate Overnight) - which will replace WIBOR and WIBID. The schedule published by the NGR explains that the change will take place as part of the IBOR reform in accordance with the BMR regulation. The completion of the reform is planned for the end of 2027.

20. Inventories

	31 December 2024	**31 December 2023**
	mHUF	mHUF
Capitalized expenditures related to development of residential properties	407.320	334.986
Land held for development of residential properties	115.253	99.028
Goods	220	1.498
Raw materials	143	29
	522.936	435.541

Inventories typically include residential property developments. Capitalized expenditures related to development of residential properties include, for example, design fees, construction costs and borrowing costs capitalized under IAS 23.

The cost of inventories accounted for as expenses during the year was HUF 65.641 million (2023: HUF 91.988 million). In 2024, the write-down of inventories amounted to HUF 70 million, while the write-back was HUF 73 million. The write-back occurred in connection with the sale of inventories or the increase in selling prices.

Inventories include properties under development related to specific projects, which are not homogeneous or interchangeable in nature, therefore costs of inventories are individually identified.

As of 31 December 2024, the inventory includes items encumbered as collateral with a book value of HUF 23.494 million (as of 31 December 2023: HUF 56.462 million).

21. Discontinued operations and assets held for sale

Discontinued operation

The Group did not sell any shares in its subsidiaries in 2024 or 2023 that would qualify as discontinued operations.

Assets classified as held for sale

In the reporting year, the Group sold the office building located in Łódź (React I), which reduced the value of assets held for sale by a total of HUF 11.812 million.

On 31 December 2024, the Group presents the office building on Szerémi Road in Budapest as an asset held for sale valued at HUF 3.352 million.

The assets classified as held for sale and liabilities directly associated with them are shown in the table below:

	31 December 2024	31 December 2023
	mHUF	m HUF
Non-current assets	**3.352**	**13.104**
Property, plant and equipment	10	0
Investment properties	3.342	13.104
Current assets	**0**	**0**
Assets classified as held for sale	**3.352**	**13.104**
Non-current liabilities	**0**	**0**
Current liabilities	**0**	**93**
Advances on receivables	0	93
Liabilities directly related to assets classified as held for sale	**0**	**93**

22. Trade and other receivables

	31 December 2024	31 December 2023
	m HUF	m HUF
Trade receivables	19.148	12.470
Loss allowance	-2.487	-2.468
	16.661	10.002
Prepayments	9.908	3.708
Purchase price accrual for the discount period	448	500
VAT receivables	9.465	8.868
Advances, deposits paid	4.553	17.206
Interim dividend paid	1.255	1.573
Receivables from other taxes and contributions	647	438
Lease receivable	407	0
Receivable from assignment	6.346	1.277
Receivable related to shares	18	0
Receivables from sale of property	22.901	17.119
Tender bond for the purchase of real estate	248	1.608
Receivables from disposal of subsidiaries	0	0
Other non-significant receivables	828	1,947

	57.024	54.244
	73.685	64.246

The Group's German subsidiaries report a contractual asset of HUF 22.901 million in connection with the continuous income accounting presented in Note No. 5, which embodies the right to consideration for the performance completed up to the given date. In connection with the contractual assets, the probability of default is minimal, as a result the credit loss is not significant, so the Group does not show an expected credit loss with respect to the contractual assets.

22.1 Trade receivables

At the end of the reporting period, the Group examined the recovery of trade and other receivables. The expected credit loss on trade receivables is disclosed in the tables below. For other receivables, the Group does not believe that any circumstances have arisen that would give rise to the recognition of an allowance for expected credit losses.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Based on the simplified model, the Group applies the following ECL ranges:

	Hungary	**Poland**
Delay	**ECL %**	**ECL %**
Not overdue	7%	2.20%
Less than 30 days overdue	60%	1.51%
31 to 90 days overdue	83%	4.32%
91 to 180 days overdue	92%	5.31%
181 to 365 days overdue	93%	33.35%
Over 365 days overdue	100%	62.11%

Considering that trade receivables are not significant for the German business unit, ECL rates are not presented for these.

The aging of the gross value of trade receivables is shown in the following table:

	31 December 2024	**31 December 2023**
	mHUF	mHUF
Day		
0	6.084	6.920
1-30	5.917	2.113
31-90	673	899
91-180	3.800	172
181-365	538	889
365+	2.136	1.477
Total gross carrying amount	**19.148**	**12.470**
Impairment	-2.487	-2.468
Net carrying amount	**16.661**	**10.002**

22.1.1 Reconciliation of loss allowance on trade receivables

	2024	2023
	mHUF	mHUF
Opening balance	**-2.468**	**-1.594**
Impairment recognized	-578	-1.637
Impairment reversed	710	805
Currency translation difference	-151	-42
Closing balance	**-2.487**	**-2.468**

23. Share capital

	31 December 2024	31 December 2023
	mHUF	mHUF
Share capital	5	5
	5	5

Share capital comprises of:

- fully paid ordinary shares of Series A with a par value of 100 thHUF each	5	5
	5	5

Issued shares are ordinary shares with the general rights attached to ordinary shares.

24. Retained earnings

	31 December 2024	31 December 2023
	mHUF	mHUF
Opening balance	**158.709**	**168.011**
Profit attributable to the Company's owners	8.512	-9.112
Dividend paid	-3.195	-4.412
Owner transaction	-207	4.222
End of year balance	**163.819**	**158.709**

After the year 2023, the Board decided to pay a dividend of HUF 1.300 million to the Group's shareholders.

Regarding the 50 pieces of Series A shares, the dividend per share is HUF 26 million/share.

25. Cash flow hedge reserve

	31 December 2024	31 December 2023
	mHUF	mHUF
Opening balance	**2.781**	**6.441**
Changes in cash flow hedges	-1.590	-4.024
Deferred tax impact of changes in cash flow hedges	132	364
Closing balance	**1.323**	**2.781**

The value of interest rate swap transactions decreased by HUF 1,590 million during the year, as a result of which the related deferred tax increased the value of reserves by HUF 132 million.

The Group performed an examination of the effectiveness of cash flow hedging transactions. The hedging efficiency is within the threshold set by the Group, so the entire fair value change is shown in other comprehensive income.

26. Non-controlling interests

	Notes	31 December 2024	31 December 2023
		mHUF	mHUF
Opening balance		**117.712**	**71.333**
Capital increase		1.377	2.934
Capital decrease		-9	-929
Owner transaction		0	12.460
Dividend paid on non-controlling interest		-3.839	-4.856
Earnings per non-controlling interest		12.623	9.037
Acquisition of subsidiary	36	0	27.733
Closing balance		**127.864**	**117.712**

27. Loans and bonds

	31 December 2024	31 December 2023
	mHUF	mHUF
Bank loans	436.720	368.822
Loans received from related parties	61.189	64.575
Loans and bonds	317.360	269.390
Lease liabilities	29.006	19.983
Liability arising from profit sharing	1.117	1.009
	845.392	723.779
Current	222.992	213.335
Non-current	622.400	510.444

	845.392	723.779

Bank loans are loans with variable interest rates tied to a reference interest rate. The reference interest rate for loans taken out in Hungarian forints is the current interest rate published by the Hungarian National Bank, for foreign currency loans EURIBOR is used for loans taken out in euros, while the reference interest rate for loans taken out in zlotys is WIBOR. The loan agreements are long-term, their terms usually vary between 3 and 9 years. A general covenant to be fulfilled during the term of the loan is the value of the loan in relation to the real estate, the contracted minimum value of which the Group has fulfilled in the case of the loans concerned.

Bank loans are secured by registered mortgages on real estate financed by the loans, assignment of sales revenue, and mortgages established on business units.

Among the loans received from related parties are fixed and variable interest loans, in the case of variable interest loans, the reference interest rate is BUBOR. The term of the loans is 1-3 years.

In connection with the bonds issued under the Growth Bond Program, in some cases the initial fair value differed from the transaction price. The Group displays this difference as part of the amortized addition of bonds, on the line "Loans and borrowings from bond issuance". As of 31 December 2024, the unaccounted difference in the result is HUF 3.513 million (31 December 2023: HUF 4.183 million).

For the Parent Company, the credit rating is carried out by Scope Ratings GmbH (Credit Rating Agency). On 6 July 2024, the Credit Rating Agency conducted the annual review of the Issuer's credit rating, as a result of which it maintained the Issuer's B+ rating, as well as the B+ rating assigned to its senior unsecured debt (bonds).

The Group's bond portfolio as of 31 December 2024

Bond name	ISIN code	Currency	Date of issuance	Maturity date	Interest rate	Principal repayment schedule
WINGHOLDING 2030/I	HU0000359666	HUF	2020.05.20	2030.05.20	FIX 3.5%	In installments
WINGHOLDING 2031/I	HU0000360805	HUF	2021.09.22	2031.09.22	FIX 3%	In installments
WINGHOLDING 2032/I	HU0000361357	HUF	2022.02.17	2032.02.17	FIX 5%	In installments
WINGHOLDING 2025/I	HU0000361795	EUR	2022.07.11	2025.07.11	FIX 5%	At maturity
WINGHOLDING 2026/I	HU0000362728	EUR	2023.06.29	2026.09.29	FIX 5%	At maturity
WINGHOLDING 2027/I	HU0000363734	EUR	2024.04.02	2027.04.02	FIX 8.9%	At maturity
1I/2022	PLO017000079	PLN	2022.12.08	2027.12.08	Wibor 6M + margin	At maturity
K series issuance	PLECHPS00324	PLN	2022.02.01	2025.01.10	Wibor 6M + margin	At maturity
L series issuance	PLECHPS00332	PLN	2022.03.17	2026.02.22	Wibor 6M + margin	At maturity
M series issuance	PLECHPS00340	PLN	2022.05.27	2026.04.07	Wibor 6M + margin	At maturity
N series issuance	PLECHPS00357	PLN	2022.07.21	2026.06.27	Wibor 6M + margin	At maturity
O series issuance	PLECHPS00365	PLN	2022.10.14	2026.09.06	Wibor 6M + margin	At maturity
P/P2 issuance	PLECHPS00373	PLN	2023.07.31	2027.06.28	Wibor 6M + margin	At maturity
3I/2023	PLO017000095	EUR	2023.10.27	2028.10.27	FIX 7.4%	At maturity
R series issuance	PLECHPS00381	PLN	2023.12.08	2027.11.15	Wibor 6M + margin	At maturity
2I/2023	PLO017000087	PLN	2023.05.24	2028.05.24	Wibor 6M + margin	At maturity
4I/2024	PLO017000103	PLN	2024.02.27	2029.02.27	Wibor 6M + margin	At maturity
5I/2024	PLO017000111	PLN	2024.05.14	2029.05.13	Wibor 6M + margin	At maturity
S/S2 series issuance	PLECHPS00399	PLN	2024.02.26	2028.01.31	Wibor 6M + margin	At maturity
T series issuance	PLECHPS00415	PLN	2024.05.21	2028.04.25	Wibor 6M + margin	At maturity
6I/2024	PLO017000129	PLN	2024.08.01	2029.08.01	Wibor 6M + margin	At maturity
M7/2023	PLO221800108	PLN	2023.03.17	2025.03.17	Wibor 3M + margin	At maturity
M8/2023	PLO221800116	PLN	2023.11.07	2027.02.08	Wibor 3M + margin	At maturity
M9/2024	PLO221800124	PLN	2024.03.01	2027.06.01	Wibor 3M + margin	At maturity
M10/2024	PLO221800132	PLN	2024.06.19	2028.06.19	Wibor 3M + margin	At maturity

The Group's bond movements in the current year:

ISIN code	Currency	Opening balance 2024.01.01 Currency	Issued	Maturity	Closing balance 2024.12.31 Currency	Opening balance 2024.01.01 mHUF	Closing balance 2024.12.31 mHUF
		Face value				Amortized cost	Amortized cost
HU0000359070	EUR	23.950.000	0	-23.950.000	0	9.327	0
HU0000359088	HUF	3.831.000.000	0	-3.831.000.000	0	3.889	0
HU0000359666	HUF	54.700.000.000	0	0	54.700.000.000	55.472	55.553
HU0000360805	HUF	25.300.000.000	0	0	25.300.000.000	24.877	24.971
HU0000361357	HUF	9.000.000.000	0	0	9.000.000.000	9.153	9.185
HU0000361795	EUR	18.348.000	0	0	18.348.000	6.919	7.597
HU0000362728	EUR	4.400.000	0	0	4.400.000	1.720	1.845
HU0000363734	EUR	0	50.030.000	0	50.030.000	0	21.730
PL0017000061	PLN	172.000.000	0	-172.000.000	0	15.384	0
PLO017000012	PLN	70.000.000	0	-70.000.000	0	6.238	0
PLO017000046	PLN	195.000.000	0	-195.000.000	0	17.796	0
PLO017000079	PLN	180.000.000	0	0	180.000.000	15.602	17.163
PLECHPS00324	PLN	50.000.000	0	0	50.000.000	4.635	5.029
PLECHPS00332	PLN	50.000.000	0	0	50.000.000	4.595	4.994
PLECHPS00340	PLN	40.000.000	0	0	40.000.000	3.567	3.909
PLECHPS00357	PLN	40.000.000	0	0	40.000.000	3.444	3.800
PLECHPS00365	PLN	25.000.000	0	0	25.000.000	2.246	2.461
PLO017000053	PLN	151.000.000	0	-151.000.000	0	13.438	0
PLECHPS00316	EUR	8.700.000	0	-8.700.000	0	3.350	0
PLECHPS00373	PLN	50.000.000	0	0	50.000.000	4.286	4.718
PLO017000095	EUR	43.000.000	0	0	43.000.000	16.308	17.573
PLECHPS00381	PLN	50.000.000	0	0	50.000.000	4.362	4.758
PLO017000087	PLN	140.000.000	0	0	140.000.000	12.080	13.300
PLO017000103	PLN	0	100.000.000	0	100.000.000	0	9.749
PLO017000111	PLN	0	100.000.000	0	100.000.000	0	9.520
PLECHPS00399	PLN	0	140.000.000	0	140.000.000	0	13.673
PLECHPS00415	PLN	0	60.000.000	0	60.000.000	0	5.712
- (B series issuance)	EUR	1.800.000	0	-1.800.000	0	834	0
- (D series issuance)	EUR	1.000.000	0	-1.000.000	0	452	0
PLO221800090	PLN	61.200.000	0	-61.200.000	0	5.395	0
PLO221800108	PLN	62.000.000	0	0	62.000.000	5.419	5.945
PLO221800116	PLN	210.000.000	0	0	210.000.000	18.593	20.320
PLO221800124	PLN	0	168.000.000	0	168.000.000	0	16.138
M10/2024	PLN	0	190.000.000	0	190.000.000	0	18.158
PLO017000129	PLN	0	200.000.000	0	200.000.000	0	19.558

27.1 Lease liabilities

	31 December 2024	31 December 2023
	mHUF	m HUF
Current lease liabilities	8.915	6.739
Non-current lease liabilities	20.091	13.244
	29.006	19.983

	Maturity analysis (undiscounted cash flows)	
	31 December 2024	31 December 2023
	mHUF	mHUF
Not later than 1 year	8.149	7.286
Later than 1 year and not later than 5 years	17.716	11.959
Later than 5 years	24.199	12.809
	50.064	32.054

	2024	2023
	mHUF	mHUF
Depreciation of right-of-use assets	1.465	1.141
of which depreciation related to property	398	256
of which depreciation related to vehicles	1.068	885
Interest expense recognized on lease liabilities	1.171	965
Total cash outflow for leases	5.726	4.477
Expense related to low-value and short-term leases	4.780	4.417

28. Other financial liabilities

	31 December 2024	31 December 2023
	mHUF	mHUF
Financial liabilities at fair value		
Interest rate swap transactions	841	426
Investment shares that do not qualify as equity	22.350	16.034
Contingent purchase price	1.846	3.445
Deferred purchase price	19.991	16.110
	45.028	36.015
Financial liabilities at fair value - Current	1.494	3.564
Financial liabilities at fair value - Non-current	43.534	32.451
	45.028	36.015

In 2023, the Gladiátor II. Ingatlan Befektetési Alap and the Gladiátor VII. Ingatlanfejlesztő Befektetési Alap issued investment units with a total nominal value of HUF 16.253 million, and in 2024, the LIVING II Ingatlanfejlesztő Befektetési Alap issued investment units with a total nominal value of HUF 2.981 million. Regarding the issued investment units – under specified conditions – there is a redemption obligation, therefore, in accordance with the IAS 32 Financial Instruments: Presentation standard, they are presented as liabilities, at fair value.

Before the acquisition on 20 April 2023, Bauwert AG purchased an area on 1 July 2022, for which the payment of the purchase price has not yet become due, and in connection with this, it shows a deferred purchase price payment obligation of HUF 19.991 million on 2024.12.31 (2023.12.31: HUF 16.110 million).

29. Provisions

	31 December 2024	31 December 2023
	mHUF	mHUF
A provision for expected liabilities, fines, and ongoing legal cases	3.096	3.010
Other provision	1.835	1.412
	4.931	**4.422**
Current	3.831	3.373
Non-current	1.100	1.049
	4.931	**4.422**

It is difficult to estimate the date of realization of the provisions for expected liabilities, fines, ongoing litigation, and warranty obligations, but it is highly likely that it will be realized within 12 months from the end date.

Among the provisions of the Group are the contractual penalties, warranty repairs, and compensations related to the sold premises and projects, which are more than 50 percent likely to be burdened by the Group.

The amount of the provisions was determined based on the best knowledge and past experience of the Group.

mHUF	A provision for expected liabilities, fines, and ongoing legal cases	Other provision	Total
Opening balance 2024.01.01.	**3.010**	**1.412**	**4.422**
Provisions recognized during the year	1.126	1.879	3.005
Amounts used during the year	-1.267	-1.588	-2.855
Currency translation difference	227	132	359
Closing balance 2024.12.31.	**3.096**	**1.835**	**4.931**

30. Other liabilities

	31 December 2024	**31 December 2023**
	mHUF	mHUF
Deposits related to rental agreements	14.886	16.488
Dividend liability	2	615
Liabilities related to rent-free or discount periods (master lease)	3.145	3.210
Fit out liabilities from contracts with customers	1.335	1.888
Other liabilities	5.754	3.929
	25.122	26.130
Current	15.496	16.648
Non-current	9.626	9.482
	25.122	26.130

When investment properties are sold, it may be the case that the buildings are not fully occupied at the time of sale, and therefore, in certain cases, the Group commits to pay rent for rent-free or discount periods. The price is calculated based on the projected net operating income of the project. These contractual obligations are included in the line “Liabilities related to rent-free or discount periods (master lease)”.

31. Trade and other payables

	31 December 2024	31 December 2023
	mHUF	mHUF
Trade payables	30.672	30.958
Accrued expenses	1.408	991
Prepaid income	5.003	3.836
Tax, duties, and contribution payable	9.111	1.816
Employee benefits payable (see note 39)	1.064	1.013
Other non-significant liabilities	852	478
	48.110	39.092

“Prepaid income” includes income that the Group has invoiced to its customers in the current year, but the related performance obligation will be satisfied in the following year. “Accrued expenses” includes current year expenses invoiced only in the following year.

“Taxes, duties, and contributions payable” include taxes and contributions relating to wages and VAT.

32. Segment information

From a management point of view, the Group has six key segments:

Office segment: The Office segment includes companies that are primarily engaged in the lease and management of office-type investment property.

Industry and logistics segment: The industry and logistics segment comprise companies that are primarily engaged in the lease and management of industrial, logistical, warehouse and related office-type investment property.

Retail segment: The retail segment comprises businesses that are primarily engaged in the lease and management of store-type investment property, shops and related offices, warehouses, and parking space.

Hotel segment: The hotel segment includes companies that are engaged in hotel management.

Residential property segment: The residential property segment contains Group members that are engaged in the development, sale and renting out of residential property.

Real estate related services segment: The real estate related services segment includes companies whose activity is designed to support the operation of the other segments with administrative, design and engineering advisory, asset management, holding and other property related services.

Financial information for these segments is presented in the tables on the following pages.

Additional financial information on the operating segments for the period ended on 31 December 2024	**Office development and investment**	**Development and investment in industrial and logistics property**	**Development and investment in retail property**	**Hotel development, investment and management**	**Services related to real estate**	**Residential property development and sales**	**Other**	**Intersegment eliminations**	**Consolidated total**
	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF
External revenue	44.355	5.856	10.495	12.381	737	123.352	817	0	197.993
Revenue from customers in other segments	1.716	18	22	83	5.541	141	7	-7.528	0
Sales revenue total	46.071	5.874	10.517	12.464	6.278	123.493	824	-7.528	197.993
Profit (+) / loss (-) from investments external to the group	14.255	6.172	4.096	0	0	430	195	0	25.148
Profit (+) / loss (-) from investments from customers in other segments	0	0	0	0	0	0	0	0	0
Profit (+) / loss (-) from investments total	14.255	6.172	4.096	0	0	430	195	0	25.148
Finance income	847	25	1.124	1	554	4.235	664	0	7.450
Finance costs	-12.868	-1.625	-5.720	-239	-6.672	-11.247	-4.963	0	-43.334
Profit before tax	11.306	7.239	4.200	1.577	-16.584	27.023	-13.631	0	21.130
Income tax	2.964	-1.024	-2.059	-5	-817	-11.775	2.963	0	-9.753
Total assets	464.908	112.644	133.327	47.800	27.119	511.255	138.531	0	1.435.584
Current and non-current liabilities	339.145	46.188	100.092	7.653	163.757	378.994	88.140	0	1.123.969
Depreciation and amortization	-863	-89	-99	-272	-630	-1.023	-126	0	-3.102
Share of the profit/loss of associates	3.190	0	-375	0	597	9.022	0	0	12.434
Investment in associates	13.662	0	26.605	0	8.383	43.832	1	0	92.483

Additional financial information on the operating segments for the period ended on 31 December 2023	**Office development and investment**	**Development and investment in industrial and logistics property**	**Development and investment in retail property**	**Hotel development, investment and management**	**Services related to real estate**	**Residential property development and sales**	**Other**	**Intersegment eliminations**	**Consolidated total**
	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF	mHUF
External revenue	20.423	6.186	8.845	5.032	483	128.623	2.710	0	172.302
Revenue from customers in other segments	91	15	18	68	5.254	82	819	-6.347	0
Sales revenue total	20.514	6.201	8.863	5.100	5.737	128.705	3.529	-6.347	172.302
Profit (+) / loss (-) from investments external to the group	-10.634	-3.006	-4.171	0	1.515	-1.515	53	0	-17.758
Profit (+) / loss (-) from investments from customers in other segments	0	0	0	0	0	0	0	0	0
Profit (+) / loss (-) from investments total	-10.634	-3.006	-4.171	0	1.515	-1.515	53	0	-17.758
Finance income	166	28	-920	8	674	2.420	103	0	2.479
Finance costs	-7.409	-1.447	-3.907	-125	-6.753	-7.213	-4.391	0	-31.245
Profit before tax	-10.155	1.558	-897	1.180	-13.220	29.670	-5.389	0	2.747
Income tax	2.712	174	728	-135	-510	-8.912	271	0	-5.672
Total assets	438.303	104.162	135.980	25.632	24.328	439.056	51.595	0	1.219.056
Current and non-current liabilities	272.041	43.264	77.251	4.663	226.013	260.641	46.293	0	930.166
Depreciation and amortization	-531	-83	-86	-227	-538	-599	-173	0	-2.237
Share of the profit/loss of associates	0	0	254	0	774	7.936	0	0	8.964
Investment in associates	0	0	33.689	0	7.340	22.874	0	0	63.903

Geographical information

	Revenue from external customers		Non-current assets *	
	2024	2023	31 December 2024	31 December 2023
	mHUF	mHUF	mHUF	mHUF
Hungary	55.228	32.660	340.524	307.800
Poland	98.601	132.345	300.296	220.389
Bulgaria	0	0	0	0
Germany	44.164	7.297	12.480	9.287
	197.993	**170.302**	**653.300**	**537.476**

*Non-current assets do not include financial instruments and deferred tax assets.

The Group had no customer from which it received more than 10% of its sales revenue in 2024 and 2023.

33. Changes in liabilities arising from financing activities

			Non-cash movements						
	1 January 2024	Financing cash flow (i)	Exchange differences of items denominated in foreign currencies	Compensation	Impact of effective interest rate method	Lease modification	Addition of new leases	Other changes	31 December 2024
Loans and bonds	723.779	58.953	48.193	-3.397	2.454	2.950	159	12.301	845.392
Total obligations from financing activities	**723.779**	**58.953**	**48.193**	**-3.397**	**2.454**	**2.950**	**159**	**12.301**	**845.392**

			Non-cash movements						
	1 January 2023	Financing cash flows (i)	Exchange differences of items denominated in foreign currencies	Acquired during company purchase	Impact of effective interest rate method	Lease modification	Addition of new leases	Other changes	31 December 2023
Loans and bonds	485.832	107.151	-5.532	127.892	6.449	-3.076	4.356	707	723.779
Total obligations from financing activities	**485.832**	**107.151**	**-5.532**	**127.892**	**6.449**	**-3.076**	**4.356**	**707**	**723.779**

34. Summarized financial information for subsidiaries with non-controlling interests material to the group

The Group holds a 94.5% stake in Lisala sp. z o.o. Lisala sp. z o.o. is a holding company registered in Poland, which owns 66% of the shares of ECHO Investment S.A. listed on the Warsaw Stock Exchange. ECHO Investment S.A. indirectly holds a 74.04% stake in Archicom S.A.

The Group holds a 90% stake in Wingwert-GCP GmbH, which owns 60% of Bauwert AG.

	Lisala sp. z o.o.	Wingwert-GCP GmbH
	mHUF	mHUF
Current year closing balance of non-controlling interests	91.412	34.588
Non-current assets	362.620	20.678
Current assets	288.333	312.562
Non-current liabilities	307.126	154.145
Current liabilities	178.956	108.213
Revenue	99.402	44.164
Total comprehensive income	8.275	1.329
Change in cash and cash equivalents (total cash-flow)	-41.304	939
Dividend paid to non-controlling interest	-892	0

Subsidiary	**Place of incorporation**	**Non-controlling interest (%)**		**Profit or loss attributed to non-controlling interests (mHUF)**		**Accumulated amount non-controlling interests (mHUF)**	
		31 December 2024	**31 December 2023**	**2024**	**2023**	**31 December 2024**	**31 December 2023**
Lisala sp. z o.o.	Poland	5.50	5.50	10.966	8.890	91.412	83.625
Wingwert-GCP GmbH	Germany	10.00	10.00	2.773	-184	34.588	30.485

35. Disposal of subsidiaries

During the year 2024, the Group sold its share in WINCITY Ingatlanfejlesztő Kft. The key financial figures of the share sale are presented in the table below:

	2024	**2023**
	mHUF	mHUF
1. Consideration received		
Consideration received	3	0
Deferred consideration	0	0
Total consideration	3	0
2. Amount of net assets over which the Group has lost control		
Property, plant and equipment	0	0
Investment properties	0	0
Total non-current assets	**0**	**0**
Trade and other receivables	504	0
Tax receivables	0	0
Other financial assets	0	0
Cash and cash equivalents	3	0
Total current assets	**507**	**0**
Loans and bonds	0	0
Deferred tax liabilities	0	0
Total Non-current liabilities	**0**	**0**
Loans and bonds	510	0
Trade and other payables	0	0
Other short-term liabilities	0	0
Total Current liabilities	**510**	**0**
Net asset value	**-3**	**0**
3. Gain on subsidiary disposal		
Consideration received	3	0
Net assets sold	-3	0
Total	**0**	**0**
of this, recognized in profit from continuing operations	*0*	*0*
of this, recognized in profit from discontinued operation	*0*	*0*
4. Net cash flow from the sale of subsidiary		
Consideration paid in cash	3	0
Cash transferred	3	0
	0	**0**

36. Acquisition of subsidiaries

36.1 The subsidiaries acquired and the consideration for the acquisition

Subsidiary	Main activity	Acquisition date	Ownership and voting percentage acquired in the current year	Total ownership and voting rights	Consideration of acquisition
			%	%	mHUF
Wołoska Development Capital prosta S.A.	residential real estate development, sales	2024.03.27	100.00	100.00	160
Other individually insignificant acquisitions	real estate development, trading, asset management	2024.02.14 2024.03.27 2024.07.01 2024.11.29	100.00	100.00	2

Consideration paid at acquisition	162
Value of acquired monetary assets	3
Net consideration of acquisition	159
Contingent purchase price	0
Net consideration without contingent purchase price	159

On 27 March 2024, Echo Investment S.A. signed a share purchase agreement with Curtis Development Sp. z o.o. for the acquisition of shares in Wołoska Development Capital prosta S.A. The Seller is the sole shareholder of the Company. The purchase price of the shares was set at PLN 1.749 thousand (HUF 168 million). No impairment was accounted for the receivables acquired during the acquisition.

The table below illustrates the fair value of assets acquired and liabilities assumed in connection with Wołoska Development Capital prosta S.A.:

	mHUF
Property, plant and equipment	0
Investment properties	0
Intangible assets	0
Deferred tax assets	0
Restricted cash	0
Other financial assets	0
Non-current assets	**0**
Inventory	5,198
Trade and other receivables	67
Tax receivables	1,116
Other financial assets	0
Restricted cash	0
Cash and cash equivalents	1
Current assets	**6,382**
Total assets	**6,382**

Loans and bonds	0
Other liabilities	0
Deferred tax liabilities	0
Provisions	0
Other liabilities	0
Non-current liabilities	**0**
Trade and other payables	192
Loans and bonds	6,030
Tax liabilities	0
Provisions	0
Other liabilities	0
Current liabilities	**6,222**
Total liabilities	**6,222**
Net Assets	160
Carrying amount of previously held investment	0
Non-controlling interest	0
Total consideration	160
Contingent purchase price	0
Goodwill	0

The table below illustrates the results and revenue of the acquired subsidiaries:

	mHUF
Sales revenue for the consolidated period of the current year	0
Overall profit for the consolidated period of the current year	-19

If the above-mentioned transactions had taken place on 1 January 2024, they would have contributed HUF 0 million in revenue and a loss of HUF 41 million to the Group's consolidated performance.

The Group acquired shares in the following companies as part of individually insignificant acquisitions: EASS5003 sp.z.o.o., Keshi sp. Z o. o., Rentierresidence sp. z o. o., Haibisukasu sp. z o. o.

37. Financial instruments

37.1 Capital risk management

Through capital management, the Group aims to ensure that Group members will be able to continue as going concerns while maximizing the return to shareholders by keeping debt and equity balances on optimal levels.

The capital structure of the Group consists of net debt (borrowings as detailed in Note 27 offset by cash and cash equivalents) and equity of the Group (comprising issued capital, cash flow hedge reserves, retained earnings and non-controlling interests).

37.1.1 Gearing ratio

	31 December 2024	31 December 2023
	mHUF	mHUF
Debt (i)	845.392	723.779
Cash and bank accounts	-73.149	-93.799
Net debt	772.243	629.980
Equity (ii)	311.615	288.890
Gearing ratio	40.4%	45.9%

(i) Debt is defined as long- and short-term loans and bonds (excluding derivatives and financial guarantee contracts)
(ii) Equity includes all capital and reserves treated as the Group's capital

37.2 Significant accounting policies

Details of significant accounting policies and procedures applied (including the criteria for recognition, the basis of measurement, and the basis for recognition of income and expenses) for each class of financial asset, financial liability and financial instrument are disclosed in Note 3.

37.3 Categories of financial instruments

	31 December 2024	31 December 2023
	mHUF	mHUF
Financial instruments measured at amortized cost		
Cash and cash equivalents	73.149	93.799
Restricted cash	34.684	7.816
Loans and receivables	68.455	47.762
Financial assets measured at fair value through profit or loss (FVTPL)		
Cash flow hedge	2.251	4.394
Financial liabilities measured at amortized cost		
Lease liabilities	29.006	19.983
Bank loans	436.720	368.822
Loans received from related parties	61.189	64.575
Bonds	317.360	269.390
Liabilities arising from profit-sharing	1.117	1.009
Financial liabilities measured at fair value through profit or loss (FVTPL)		
Investment units not qualifying as equity	22.350	16.034
Contingent purchase price	1.846	3.445
Deferred purchase price	19.991	16.110
Cash flow hedge	841	426

Credit loss may arise in relation to cash and cash equivalents, loans provided, derivatives, bank deposits, as well as trade receivables. As of 31 December 2024, the Group examined the risk of default based on historical data and forward-looking information. This data was used to determine the expected rate of credit loss. Considering the types of financial assets and the related collateral, the Group assesses the expected credit loss to be low overall. The amount of impairment accounted for is detailed in notes 19 and 22.

In the case of loans granted to related parties, the Group did not identify a significant increase in credit risk. For the purposes of the expected credit loss description, it determined that the impairment for the current year is not significant, therefore, as of 2024.12.31, no impairment was recorded on loans given to associates. The estimated fair value of the loans granted is approximately equal to their book value.

The amounts of impairment losses recognized in relation to expected credit losses are detailed in the following table:

31 December 2024

Assets measured at amortized cost	Stage 1 mHUF		
	Gross book value	Impairment recognized according to IFRS 9	Amortized cost
Trade receivables	19.148	-2.487	16.661
Loans to associates	42.482	0	42.482
Other short-term loans	3.288	-22	3.266
	64.918	-2.509	62.409

31 December 2023

Assets measured at amortized cost	1. section million HUF		
	Gross book value	Impairment recognized according to IFRS 9	Amortized cost
Trade receivables	12.470	-2.468	10.002
Loans associates	24.052	0	24.052
Other short-term loans	3.372	-16	3.356
	39.894	-2.484	37.410

In relation to loans granted to associated parties, the probability of default is minimal, and as a result, the credit loss is not significant, so the Group does not show an expected credit loss with respect to the loans.

37.4 Financial risk management objectives

The Group monitors and manages the financial risks arising from the operations of the Group through internal risk reports analyzing exposures by probability and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

37.5 Foreign currency risk management

Due to its loans denominated in Euro the Group is exposed to foreign currency risk. The Group collects a significant part of its rental income in Euro which ensures a natural hedge to meet the debt service obligations of loans denominated in Euro.

37.5.1 Tables detailing foreign currency risk

The following tables show how the Group's results would have changed if the EUR exchange rate had changed by +/- 10% compared to the year-end HUF/EUR exchange rate of 410.09.

In all cases, the effects of the changes are shown with a positive amount, which means a profit in case of assets and a loss in case of liabilities.

Currency risk – receivables

(asset)	**31 December 2024**	**31 December 2023**
	mHUF	mHUF
Trade receivables in EUR	33.461	4.764
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.
Impact of exchange rate change on other comprehensive income	3.346	476
Estimated (deferred) income tax	826	57
Impact on profit after tax	2.520	419
Impact on Shareholders' equity	2.520	419

Currency risk - loan receivables

(asset)	**31 December 2024**	**31 December 2023**
	mHUF	mHUF
Loan receivables in EUR	550	484
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.
Impact of exchange rate change on other comprehensive income	55	48
Estimated (deferred) income tax	5	4
Impact on profit after tax	50	44
Impact on Shareholders' equity	50	44

Currency risk - borrowings

(liability)	**31 December 2024**	**31 December 2023**
	mHUF	mHUF
Liabilities from borrowings in EUR	23.766	26.834
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.
Impact of exchange rate change on other comprehensive income	2.377	2.683
Estimated (deferred) income tax	220	351
Impact on profit after tax	2.157	2.332
Impact on Shareholders' equity	2.157	2.332

Currency risk - loans

(liability)	31 December 2024	31 December 2023
	mHUF	mHUF
Loans in EUR	435.143	179.065
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.
Impact of exchange rate change on other comprehensive income	43.514	17.907
Estimated (deferred) income tax	8.377	2.194
Impact on profit after tax	35.137	15.713
Impact on Shareholders' equity	35.137	15.713

Currency risk - bonds

(liability)	31 December 2024	31 December 2023
	mHUF	mHUF
Bonds in EUR	41.149	17.068
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.
Impact of exchange rate change on other comprehensive income	4.115	1.707
Estimated (deferred) income tax	546	214
Impact on profit after tax	3.569	1.493
Impact on Shareholders' equity	3.569	1.493

Currency risk – cash and cash equivalents

(asset)	31 December 2024	31 December 2023
	mHUF	mHUF
Cash and cash equivalents in EUR	28.311	28.599
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.
Impact of exchange rate change on other comprehensive income	2.831	2.860
Estimated (deferred) income tax	338	308
Impact on profit after tax	2.493	2.552
Impact on Shareholders' equity	2.493	2.552

37.5.2 Currency translation difference

A significant portion of the Group's assets and liabilities consists of the assets and liabilities of subsidiaries whose functional and presentation currencies are the Polish zloty (PLN) and the euro (EUR). In 2024, the Group recognized a revaluation gain of HUF 18.679 million due to the conversion of these subsidiaries. Assuming a 10% change in the PLN/HUF exchange rate, the impact on profit and equity for the Polish subsidiaries would be +/- HUF 17.869 million. For the German subsidiaries, assuming a 10% change in the EUR/HUF exchange rate, the impact on profit and equity would be +/- HUF 7.091 million.

37.6 Interest risk management

Due to variable interest rates, the Group is exposed to interest rate risk. The risk of interest rate changes for some loans has been mitigated through interest rate swap transactions. The table below illustrates the value as of the period end date of the interest rate hedging transactions and the changes in their fair value:

in mHUF

Period end date	Carrying amount	Consolidated statement of financial position line	Gain/loss recognized on fair value changes	Nominal value
2024.12.31	1.463	Other financial assets	-1.591	108.691
2023.12.31	3.209	Other financial assets	-4.024	87.142

The fair value of cash flow hedge transactions would change by HUF 3.533 million due to a 1% change in the EURIBOR reference interest rate.

The tables below show how financial income and financing costs would have changed if the interest rate had changed by 100 basis points.

The effects of changes are always displayed with a positive amount, which means profit for assets and loss for liabilities.

Interest rate risk - Bonds *(liability)*	**31 December 2024**	**31 December 2023**
	mHUF	mHUF
Bonds	178.845	106.222
Finance costs of bonds	13.650	5.786
Estimated change in the interest rate	+/- 1 p.p.	+/- 1 p.p.
Effect of the interest rate’s change on finance cost	1.788	1.062
Impact on profit before tax	1.788	1.062
Income tax	340	202
Impact on profit after tax	1.448	860
Impact on equity	1.448	860

Interest rate risk - Loans *(liability)*	**31 December 2024**	**31 December 2023**
	mHUF	mHUF
Loans	416.406	319.955
Finance costs of loans	22.347	24.278
Estimated change in the interest rates	+/- 1 p.p.	+/- 1 p.p.
Effect of the interest rate’s change on finance cost	4.164	3.200
Impact on profit before tax	4.164	3.200
Income tax	600	444
Impact on profit after tax	3.564	2.756
Impact on equity	3.564	2.756

Interest rate risk - Loans granted *(asset)*	**31 December 2024**	**31 December 2023**
	mHUF	mHUF
Balance of loans granted	37.452	7.487
Interest income on loans granted	1.118	731
Estimated change in the interest rates	+/- 1 p.p.	+/- 1 p.p.
Effect of interest rates change on interest income	375	75
Impact on profit before tax	375	75
Income tax	69	13
Impact on profit after tax	306	62
Impact on equity	306	62

37.7 Liquidity risk management

The Group manages liquidity risk by maintaining an adequate level of reserves, bank credit facilities and reserved options for additional borrowings, by continuously monitoring forecasted and actual cash flows, and by matching the maturity of financial assets and liabilities.

37.7.1 Tables detailing liquidity risk

The following tables detail the Group's financial liabilities by their remaining contractual maturity. The data presented is based on the undiscounted cash flows of financial liabilities on the date when obligation to payment occurs.

On 31 December 2024	less than 1 month	1 - 3 months	3 - 12 months	1 - 5 years	over 5 years
	mHUF	mHUF	mHUF	mHUF	mHUF
Loans	21.438	13.364	141.782	287.809	40.161
Bonds	6.823	11.583	41.387	282.342	51.432
Derivatives	0	44	130	515	6

On 31 December 2023	less than 1 month	1 - 3 months	3 - 12 months	1 - 5 years	over 5 years
	mHUF	mHUF	mHUF	mHUF	mHUF
Loans	271	5.034	106.237	356.903	19.846
Bonds	1.428	12.654	59.770	189.894	62.372
Derivatives	0	0	801	770	0

Contingent liabilities not recognized in the statement of financial position are included in Note 43. Contingent liabilities are not displayed in the liquidity table based on the criteria detailed in the referenced note. The guarantees can be claimed immediately.

37.8 Credit risk

The following section presents the credit risk related to cash and cash equivalents. The risk disclosures for other groups of financial assets (loans and trade receivables) are included in note 37.3.

Credit risk associated with cash and cash equivalents

The Group's goal is to keep its cash and cash equivalents at banks that ensure long-term reliability and mitigate the risk of a potential negative event affecting the Group's operations.

The classification of cash and cash equivalents and restricted cash to credit rating is illustrated in the table below:

Credit rating category	31 December 2024	31 December 2023
	mHUF	mHUF
AA-	10	0
A+	5.541	1.673
A	916	0
A-	1.342	64.854
BB+	39.461	15.794
BB	16.987	8.828
BB-	10.904	15.253
BBB+	74	39
BBB-	0	1.444
B-	136	0
N/A	32.462	4.000
Total	**107.833**	**111.885**

37.9 The fair value of financial instruments

Growth Bond Program

Except for bonds issued under the Growth Bond Program (Növekedési Kötvényprogram - NKP), the carrying amount of financial instruments measured at amortized cost reasonably approximates their fair value, and therefore the fair value of financial instruments measured at amortized cost is not disclosed. For NKP bonds, the amortized cost and fair value are presented in the table below:

	2024.12.31		2023.12.31	
	mHUF		mHUF	
	Amortized acquisition cost	**Fair value**	**Amortized acquisition cost**	**Fair value**
NKP bonds	89.709	81.038	89.501	65.899

38. Transactions with related parties

The Group considers the owners of the Group, the members of the Board and the Supervisory Board, as well as associated and joint ventures as related parties.

38.1 Transactions with related parties

The results of transactions with related parties and the balances related to them in the statement of financial position are included in the table below. Among other related companies are enterprises of key management personnel, which are not included in the consolidation.

	Note	31 December 2024	31 December 2023
		mHUF	mHUF
Loans to parent company		0	254
Loans to other related parties		15.264	0
Loans granted to associates and joint ventures	19	44.298	26.431
Loans to key management personnel		604	0
Loans from parent company		23.284	0
Loans from other related parties		0	45.003
Loans granted from associates and joint ventures		0	0
Loans from key management personnel		0	800
Trade and other receivables from the parent company		0	0
Trade and other receivables from other related parties		64	194
Trade and other receivables from associates and joint ventures	19	10.092	17.278
Trade and other receivables from key management personnel		10	0
Trade and other payables to parent company		240	0
Trade and other payables to other related parties		82	50
Trade and other payables to associates and joint ventures		8.500	2.463
Trade and other payables to key management personnel		779	0

	2024	2023
	mHUF	mHUF
Income from parent company	12	23
Income from other related parties	856	749
Income from associates and joint ventures	12.998	10.354
Income from key management personnel	403	179
Expenses incurred in relation to the parent company	1.048	0
Expenses incurred in relation to other related parties	2.737	2.965
Expenses incurred in relation to associates and joint ventures	23.163	12.085
Expenses incurred in relation to key management personnel	67	20

38.2 Transactions with key management personnel

	31 December 2024	31 December 2023
	mHUF	mHUF
Board of Directors of the parent company	31	173
Supervisory Board of the parent company	191	212
Managers in key positions of subsidiaries	554	1,600
	776	1,985
Total from the above:		
short-term employee benefits	412	1,399
benefit after termination of employment	0	0
other long-term benefits	0	0
severance pay	0	0
share-based payment	364	586

The Group considers the members of the Board of Directors and the Supervisory Board of WINGHOLDING Zrt., the management, Board of Directors, Supervisory Board of Wing Zrt., as well as the senior officials of the subsidiaries, including the members of the Board of Directors of the subsidiaries, members of the Supervisory Boards, and the management of the subsidiaries, to be key managers.

The managers in key positions and the members of the Board of Directors have a total of 153.783 employee shares issued by WING Zrt. and 1.456.432 shares of Echo Investment S.A Among the managers in key positions, 4 are participants in the Employee Part-Ownership Program presented in Note 39.

39. Employee benefits expenses

In 2018, a member of the Group, WING Zrt., launched an Employee Stock Ownership Program (ESOP), which qualifies as an equity-based payment transaction settled in cash. The obligation incurred must be measured at fair value at the end of each reporting period for the Group, and changes in fair value are recognized in the results for the period. In the financial results for the year ending 31 December 2024, the Group accounted for an expected payment amount of HUF 763 million related to the shares allocated to the ESOP under employee benefit expenses.

The condition for the payment is that WING Zrt.'s performance must meet or exceed the performance indicators set out in the Employee Stock Ownership Program's current remuneration policy.

The actual value of the payment is determined based on the value of WING Zrt. shares granted to the Employee Share Ownership Program as of the period end date.

The average statistical headcount of the WING Group in 2024 is 1.150 people, of which the headcount of Lisala Sp. z o.o. and its subsidiaries is 637 people, and the headcount of Wingwert-GCP GmbH and its subsidiaries was 71 people.

40. Cash and cash equivalents

	31 December 2024	31 December 2023
	mHUF	mHUF
Cash and cash equivalents	73.149	93.799
Restricted cash	34.684	18.086
	107.833	111.885

The restricted cash includes debt repayment security accounts, customer payments on escrow accounts, and tenant escrow accounts.

41. Operating lease agreements

41.1 The Group as lessor

The operating leases relate to investment properties owned by the Group. Each operating lease agreement includes a clause regarding market valuation, applicable if the lessee exercises their right to extend. The lessee is not allowed to purchase the property at the end of the lease term.

The income from rental fees achieved by the Group on investment properties – all leased under operating leases – amounted to HUF 35.308 million (2023: HUF 30.737 million).

Future lease expirations do not present significant risks for the Group, because the quality and location of the investment properties will make future leasing easy for the Group.

The analysis of lease maturity over the coming years is as follows:

	31 December 2024	31 December 2023
	mHUF	mHUF
less than one year	26.971	22.742
1-2 years	24.418	21.206
2-3 years	21.189	18.581
3-4 years	14.505	15.964
4-5 years	11.591	14.196
over 5 years	29.671	59.557
Total	128.345	152.246

42. Events after the reporting period

Wingholding Zrt. bond program

WINGHOLDING Ingatlanfejlesztő és Beruházó Zrt., as Issuer, previously informed investors that it launched a bond program with a framework amount of EUR 100.000.000, i.e., one hundred million euros, under the name "WINGHOLDING 2024-2025 Bond Program" (hereinafter: Bond Program). The National Bank of Hungary approved the Basic Prospectus of the Bond Program dated 25 January 2024 (hereinafter: Basic Prospectus) with its resolution numbered H-KE-III-55/2024 dated 6 February 2024. On 16 January 2025, the National Bank of Hungary authorized the supplement to the Basic Prospectus and its publication with its resolution numbered H-KE-III-36/2025. The Basic Prospectus and its supplement are valid for 12 months from the date of the resolution approving the Basic Prospectus, i.e., until 6 February 2025.

WINGHOLDING Ingatlanfejlesztő és Beruházó Zrt. (hereinafter referred to as the “Company”) plans to launch a bond program in 2025, similar to previous years, under the name “WINGHOLDING 2025-2026 Bond Program” (hereinafter: Bond Program). According to the Company’s plans, the total nominal value of the bonds to be issued under the Bond Program shall not exceed 100.000.000 euros, and the Company does not undertake an obligation to issue bonds for the entire nominal value of 100.000.000 euros under the Bond Program. The approval process for the prospectus is currently underway at the Hungarian National Bank. The Company intends to offer the bonds to be issued under the Bond Program to qualified investors in accordance with Regulation 1129/2017/EU and also to retail (private banking) investors.

Property acquisition

Through the LIVING I. Ingatlanfejlesztő Befektetési Alap represented by Gladiátor Alapkezelő Zrt., a purchase agreement was signed for the property located at 1117 Budapest, Karinthy Frigyes út 17/A. According to the purchase agreement, the transaction was promptly closed on 18 February 2025. The LIVING I. Fund acquired the property for the purpose of developing new residential buildings.

Information on capital increase

Wingholding Zrt. (hereinafter: “Issuer”) informed market participants on 29 November 2024, that MEVINVEST Vagyonkezelő Kft. (hereinafter: “MEVINVEST”), a subsidiary of the Issuer, based on a preliminary undertaking declaration under the Civil Code, the Board of Directors of AKKO Invest Nyrt. (hereinafter: “AKKO”) decided on an increase in AKKO's share capital through the issuance of new shares. The AKKO Board of Directors appointed MEVINVEST to participate in the capital increase and to take over all the new shares to be issued. The Issuer informs market participants that on 19 March 2025, MEVINVEST provided AKKO with its final and irrevocable undertaking declaration regarding the acceptance of shares to be issued during the capital increase.

Notification based on Article 19 of the MAR regulation

Echo Investment received a notification from Lisala sp. z o.o., according to Article 19 of the MAR regulation, informing the Company that on 23 January 2025, the 272.375.784 bearer securities owned by Lisala sp. z o.o., including the registered and financial pledges, were released and ceased.

Full redemption of bonds

Series	K	M7/2023
Issuer	Echo Investment S.A.	Archicom S.A.
Value in issuance currency	50 million PLN	62 million PLN
Value in presentation currency	HUF 4.799 million	HUF 5.950 million
Maturity date	2025.01.10.	2025.03.17.

Issuance of unsecured bearer bonds by Archicom S.A.

The series 6l unsecured bonds (PLARHCM00172) have been introduced, which will be listed on the alternative trading system operated by the Warsaw Stock Exchange (GPW S.A.). The proceeds from the issuance will be used by the Company to finance its ongoing development activities.

Series	M11/2025
Value in issuance currency	120 million PLN
Value in presentation currency	HUF 11.516 million
Duration	5 years
Interest	WIBOR 3M + margin
Issue date	2025.03.14.

Loan agreement signed by Galeria Libero

On 13 March 2025, the subsidiary of Echo Investment, Galeria Libero Sp. z o.o. Sp.K., signed a loan agreement with Bank Polska Kasa Opieki S.A. to refinance the company's current loan. Under the Loan Agreement, a loan of EUR 61.400.000 was taken out. The loan financing lasts until 30 November 2029. The Agreement requires that the loan be secured by an interest rate swap (IRS) covering 75% of the loan's value.

Conclusion of a conditional real estate sale agreement by Archicom S.A.

On 7 February 2025, Archicom Senja 2 sp. z o.o., as the seller, and Monting Real Estate sp. z o.o., as the buyer, entered into a conditional agreement for the sale of the perpetual land use rights of properties located on Chłodna Street in Warsaw. If the condition specified in the conditional agreement is met, the parties will execute the transfer and sale agreements, under which the total purchase price for the properties (and related rights) will be a net amount of PLN 96.000.000.

Signing of loan agreement modification by Archicom S.A.

On 11 February 2025, Archicom signed a loan agreement modification with PKO BP S.A. The credit limit was increased to PLN 240 million. The loan has a variable interest rate, defined as the sum of the reference rate (WIBOR 1M) and the bank margin. The loan availability period was extended until 30 September 2027.

43. Off-balance sheet items

	31 December 2024	31 December 2023
	mHUF	mHUF
Contingent liabilities to third parties		
- due to guarantees and sureties granted	23.304	21.511
- due to court proceedings	1.845	1.527
	25.149	23.038

The guarantees include financial guarantees and surety agreements. Contingent liabilities are presented at nominal value. In the Group's opinion, the value of the given collaterals and guarantees is close to zero, as the as the probability of resorting to collaterals is extremely low.

44. Other information

The following statement details the PricewaterhouseCoopers Könyvvizsgáló Kft. and other PwC companies: audit and non-audit fees paid:

	31 December 2024	31 December 2023
	mHUF	mHUF
Audit fee		
Wingholding Zrt. - audit fees, separate and consolidated financial statements	31	30
Other services		
Other non-audit services (Wingholding and subsidiaries)	157	45

45. Authorization for issue of the financial statements

The financial statements have been approved and authorized for issue on 28 April 2025.

WINGHOLDING
Ingatlanfejlesztő és Beruházó
Zártkörűen Működő Részvénytársaság

31 December 2024

Prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union

SEPARATE FINANCIAL STATEMENTS

WINGHOLDING Zrt.
Noah M. Steinberg
Chairman and CEO

Budapest, 28 April 2025

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SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024	Notes	2024	2023
		mHUF	mHUF
Dividend income	5	6.347	6.944
Interest income	6	4.598	5.578
of this: interest income calculated using the effective interest rate method		*4.598*	*5.578*
Total income		**10.945**	**12.522**
Other income	7	140	599
Other expenses	8	-2.991	-367
Cost of services consumed		-184	-225
Other expenditures		0	-29
Financial costs	9	-8.051	-6.732
Gain (+)/Loss (-) on financial instruments measured at fair value		385	-39
Impairment gains (+) / losses (-) on financial assets		180	-70
Profit before tax		**424**	**5.659**
Income tax	10	-47	6
Current year's result		**377**	**5.665**
<u>**Other comprehensive income**</u>			
Other comprehensive income that may be reclassified to profit or loss		**0**	**0**
Other comprehensive income that may not be reclassified to profit or loss		**0**	**0**
TOTAL COMPREHENSIVE INCOME		**377**	**5,665**

SEPARATE STATEMENT OF FINANCIAL POSITION

As of 31 December 2024	**Notes**	**2024. December 31**	**2023. December 31**
		mHUF	mHUF
Assets			
<u>Non-current assets</u>			
Investments in related parties	11	152.072	118.143
Long-term loans to related parties	12	35.640	58.445
Deferred tax assets	10	0	41
Supplementary capital contribution paid	16	138	138
Total non-current assets		**187.850**	**176.767**
<u>Current assets</u>			
Receivables from related parties	12	1.763	321
Current tax assets	10	0	0
Other assets	13	27	11
Cash and cash equivalents	14	6.223	1.522
Total current assets		**8.013**	**1.854**
Total assets		**195.863**	**178.621**

SEPARATE STATEMENT OF FINANCIAL POSITION

As of 31 December 2024	Notes	2024. December 31	2023. December 31
		mHUF	mHUF
Equity and liabilities			
Equity			
Share capital	15, 16	5	5
Retained earnings	15, 16	24.509	25.432
Total equity		**24.514**	**25.437**
Non-current liabilities			
Bonds	17	102.940	94.578
Liabilities to related companies	19	27.115	41.206
Deferred tax liability	10	7	0
Total Non-current liabilities		**130.062**	**135.784**
Current liabilities			
Trade and other payables	18	58	47
Current tax liabilities	10	3	0
Liabilities to related parties	19	23.284	566
Bonds	17	17.942	16.787
Total Current liabilities		**41.287**	**17.400**
Total liabilities		**171.349**	**153.184**
Total equity and liabilities		**195.863**	**178.621**

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024	Notes	Share capital	Retained earnings	Total
		mHUF	mHUF	mHUF
Balance on 31 December 2022		**5**	**22.467**	**22.472**
Total comprehensive income		0	5.665	5.665
Profit or loss for the period		*0*	*5.665*	*5.665*
Other comprehensive income		*0*	*0*	*0*
Dividend paid		0	-2.700	-2.700
Balance on 31 December 2023		**5**	**25.432**	**25.437**
Total comprehensive income		0	377	377
Profit or loss for the period		*0*	*377*	*377*
Other comprehensive income		*0*	*0*	*0*
		0	-1.300	-1.300
Balance on 31 December 2024	15, 16	**5**	**24.509**	**24.514**

SEPARATE STATEMENT OF CASH FLOW STATEMENT

For the year ended 31 December 2024	**2024**	**2023**
	mHUF	mHUF
Operating cash flow		
Profit before tax	424	5.659
Received dividend	-6.347	-6.944
Net finance cost (+) / income (–) recognized in profit or loss	3.453	1.147
Net unrealized foreign exchange loss (+) / gain (-)	2.639	-394
Impairment recognized (+) / reversed (-)	-180	70
Result of capital redemption	0	0
Revaluation of financial instruments measured at fair value though profit and loss	-385	39
	-396	**-423**
Changes in working capital		
Increase (-) / decrease (+) in trade and other receivables	0	0
Increase (-) / decrease (+) in other assets	-16	22
Decrease in trade and other payables	-158	-26
Decrease (-) / increase (+) in liabilities to founders and other liabilities	0	0
Cash generated from operating activities	**-570**	**-427**
Income tax paid	4	-8
	4	**-8**
Net cash flow from operating activities	**-566**	**-435**
Cash flow from investing activities		
Loans granted	-12.133	-17.164
Repayment of loans granted	12.465	6.640
Capital contributions paid to subsidiaries	-9.000	-23.250
Withdrawal of investment	0	0
Proceeds from disposal of investments	0	0
Interest received	3.427	4.720
Dividend received	4.000	12.000
Net cash inflow from investment activities	**-1.241**	**-17.054**

For the year ending 31 December 2024 - continued	2024	2023
	mHUF	mHUF
Cash flow from financial operations		
Proceeds from bond issuance	19.788	1.631
Repayment of bond liabilities	-13.255	0
Loans received from related parties	7.099	23.590
Repayment of loans received from related parties	-517	-314
Interest paid	-5.572	-5.806
Dividend paid to the owners of the Company	-1.035	-2.125
Net cash flow from financing activities	**6.508**	**16.976**
Net decrease (-) / increase (+) in cash and cash equivalents	**4.701**	**-513**
Cash and cash equivalents at the beginning of the financial year	1.522	2.035
Effects of exchange rate changes on cash and cash equivalents	0	0
Cash and cash equivalents at the end of the financial year	6.223	1.522

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information

The WINGHOLDING Ingatlanfejlesztő és Beruházó Zártkörűen Működő Részvénytársaság (hereinafter "**Wingholding Zrt.**" or "**Company**”) is incorporated in Hungary, interested in real estate investments. The main activity of the Company as stated in its articles of association: buying and selling own real estate. The Company's headquarters is located at 1095 Budapest, Máriássy Street 7, with company registration number 01-10-046503. The majority shareholder of WINGHOLDING Zrt. is DAYTON-Invest Kft. The sole ultimate owner of DAYTON-Invest Kft. is Tibor Veres.

The Company was founded by its owners on 29 October 2009, and this fact was registered by the court on 30 October 2009.

The Company compiled its previous financial statements based on the Accounting Act of 2000 (hereinafter: Accounting Act). From 2017, the Company prepares its annual report according to the International Financial Reporting Standards (IFRS) accepted by the EU, based on § 9/A of the Accounting Act. The Company prepared its first IFRS-compliant financial statement as of 31 December 2017. According to § 114/C (3) of the Accounting Act, the transition date is 1 January 2017, and the transition date according to IFRS 1 standard is 1 January 2016.

The Company's website: www.wing.hu

2. Adoption of new and amended International Financial Reporting Standards (IFRS)

A, The impact of the new and amended IFRS standards effective from 1 January 2024, on the financial statements

The new and amended standards and interpretations published by the IASB and adopted by the EU that are effective from the current reporting period:

- **Amendment to the IFRS 16 "Leases" standard** - Leasing obligations related to leaseback transactions (enters into force on 1 January 2024, and in the reporting periods starting after that),

- **Amendment to the IAS 1 "Presentation of Financial Statements" standard** - Classification of current and non-current liabilities, non-current liabilities affected by covenants (enters into force on 1 January 2024, and in reporting periods starting after that),

- **Amendments to the standard IAS 7 "Cashflow statements" and IFRS 7 "Financial instruments: disclosure"** - Supplier financing agreements (effective from 1 January 2024, and for reporting periods starting after that)

The modifications had no impact on the Company's financial statements.

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

At the time of authorization for issue of these financial statements, amendments to standards issued by the IASB and adopted by the EU, as well as amendments to existing standards and interpretations that have not yet entered into force:

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"** – Lack of Exchangeability (effective from 1 January 2025, and for reporting periods starting after that).

The Company believes that the above amendment will not have a significant impact on the Company's financial statements during the initial application period.

C, Standards and interpretations issued by the IASB and not adopted by the EU

The IFRS adopted by the EU currently do not significantly differ from the regulations adopted by the International Accounting Standards Board (IASB), except for the following new standards, amendments to existing standards, and new interpretations, which have not yet been endorsed in the EU by the date of the publication of financial statements:

- **IFRS 14 "Regulatory accruals" standard (enters into force on 1 January 2016, and in the reporting periods starting after that)** - the European Commission has made a decision according to which the approval process will not be applied to the current interim standard and will wait for the final standard

- **IFRS 18 "Presentation and Disclosure in Financial Statements" standard** (effective from 1 January 2027, and for reporting periods beginning thereafter),

- **IFRS 19 "Subsidiaries without Public Accountability: Disclosures" standard** (effective from 1 January 2027, and for reporting periods beginning on or after this date),

- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" standards** - Contracts for electricity dependent on environmental conditions (effective from 1 January 2026, and for reporting periods beginning on or after this date),

- **Annual improvements to IFRS accounting standards – 11th edition** (effective from 1 January 2026, and for reporting periods beginning on or after this date),

- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" standards** - Amendments to the classification and measurement of financial instruments (effective from 1 January 2026, and for reporting periods beginning on or after this date),

- **Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures standard** - Investor and its sale or transfer of assets between its associates or joint ventures (The entry into force of the amendments has been postponed until the research work on the equity method is completed).

With the introduction of the IFRS 18 standard, the Company's revenues and expenses must be classified into operating, investing, financing, income tax, and discontinued operation categories, and the standard requires mandatory introduction of the subtotals of Operating profit or loss, Profit or loss before financing and income taxes, and Profit for the year. The introduction of the new standard is expected to have an impact on the presentation and structure of the Company's comprehensive income statement.
The above modifications, new standards and interpretations would not materially affect the Company's financial statements.

3. Significant accounting policies

The main accounting principles applied during the preparation of the separate financial statements are as follows:

3.1 The basis of preparation

Separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The person required to sign off the separate financial statements is Noah M. Steinberg (2 Művész Street, 1012, Budapest). The person responsible for maintaining the accounting records is Kornél Waller FCCA (Registration number: 191944).

Separate financial statements have been prepared under the historical cost principle. Items of the comprehensive income statement were recognized on an accrual basis. The separate financial statements are prepared in Hungarian forints, rounded to the nearest million forints. The management of accounting, financial, and other records of the Company is carried out in accordance with local laws and IFRS accounting standards.

Presenting separate financial statements according to IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the separate financial statements, as well as the period's revenues and expenses. Actual values may differ from these estimates. The Company makes estimates when determining impairment for investments and loans granted.

Future changes in economic conditions, business strategies, regulatory requirements, accounting rules and other factors could result in a change in estimates that could have a material impact on future separate financial statements.

3.2 Foreign currency transactions

The Company measures its monetary items denominated in foreign currencies at the official exchange rate published by the Hungarian National Bank (MNB) at the end of the reporting period. Income and expenses from foreign exchange transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gain or loss is reported in the comprehensive income statement.

3.3 Investment in related parties

The Company reports its investments in subsidiaries, associates, and joint ventures at cost less any accumulated impairment losses. The Company reviews investments at the end of each reporting period, measures investments in the same category on the same basis, and accordingly, all subsidiaries appear in the financial statements at cost reduced by less accumulated impairment losses. If the recoverable amount of the investment is lower than its carrying value, the Company recognizes an impairment.

3.4 Income

3.4.1 Dividend income

The Company presents dividend income in the line "Dividend income" in the year of dividend approval. The related dividend receivable appears on the line "Receivables from related parties" until its financial settlement.

3.4.2 Interest income

For financial assets measured at amortized cost, interest income is recognized using the effective interest rate method, which is presented in the profit or loss.

The effective interest rate is the rate that discounts the expected cash flows of a financial asset or financial liability to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

3.5 Foreign currencies

The Company's separate financial statements are prepared in the currency of the primary economic environment in which the entity operates (functional currency). For the purpose of separate financial statements, the results and financial position of the entity within the Company are presented in Hungarian Forint (HUF, Ft), which is the Company's functional currency and the presentation currency used in the separate financial statements.

Monetary items presented in foreign currency are translated at the exchange rates published by the Hungarian National Bank at the end of each reporting period. Non-monetary items presented in foreign currency and measured at fair value are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not translated.

Exchange rate differences are recognized in the profit or loss in the period in which they arise.

3.6 Financial assets

Financial assets mainly include loans provided to related parties and cash and cash equivalents.

Financial assets measured at amortized cost or at fair value though other comprehensive income are recognized in the financial statements at fair value adjusted for transaction costs. Transaction costs related to financial assets measured at fair value through profit or loss are recognized in the profit or loss.

The Company determines the classification of financial assets based on the model used to manage the financial asset, and the characteristics of the cash flows derived from the contract. The Company provides loans to related parties on an arm’s length basis; the contractual cash flows only represent principal and interest payments.

3.6.1 Debt instruments

The Company measures debt instruments at amortized cost if they are held for the purpose of collecting contractual cash flows, and the future cash flows of the financial assets include solely payments of principal and interest on the outstanding principal amount, thus meeting the SPPI (solely payments of principal and interest) criteria. Typically, this includes loans given to related parties. However, the Company may irrevocably decide at initial recognition to measure the debt instrument at fair value through profit or loss (fair value option).

If the debt instrument meets the SPPI criteria and the Company holds the financial asset for the combined purpose of collecting contractual cash flows and selling the financial asset, the Company presents the debt instrument at fair value through other comprehensive income, unless it opts for the fair value option and accordingly measures the debt instrument at fair value through profit or loss.

If the SPPI conditions are not met for the debt instruments, they are presented at fair value through profit or loss.

3.6.2 Impairment of financial assets

The Company examines its financial assets at the end of each reporting period for increases in credit risk. For financial assets, the Company recognizes a 12-month expected credit loss when the increase in credit risk since initial recognition is not significant. In cases of significant credit risk increase, the Company calculates a lifetime expected loss.

3.7 Financial liabilities

The Company evaluates financial liabilities held for trading at fair value through profit or loss and all other financial liabilities at amortized cost, unless it opts for fair value through profit or loss (fair value option).

The Company presents liabilities from bond issue at amortized cost.

4. Accounting estimates and sources of uncertainty

In applying the Company's accounting policies (see Note 3), management must make judgements, estimates, and assumptions regarding the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors deemed relevant. Actual results may differ from these estimates.

The Company continuously reviews the estimates and the assumptions underlying them. Changes in estimates are reflected prospectively.

The Company uses significant estimates in the following areas:

- measurement of investments
- measurement of loans granted

Measurement of investments

The Company reviews the recoverable amount of investments on each reporting date. The Company invests in subsidiaries where significant real estate assets are concentrated. Revenues generated by the project companies and the assets within the project companies ensure the return on investments. In determining the valuation, the Company also considers the capital position of the subsidiaries. If, based on the measurement, the carrying amount of the investments exceeds the recoverable amount, the Company recognizes an impairment loss up to the amount of the excess. There was no need to recognize impairment as of 31 December 2024, and 31 December 2023

Measurement of loans granted

When measuring loans granted, the Company considers whether there has been a significant increase in credit risk since the initial recognition. If there has been no significant increase, the Company determines the expected credit loss for the loans by considering a 12-month expected credit loss, which is determined based on the Company's credit risk classification and the default probability calculated from it.

5. Dividend income

	2024	2023
	mHUF	mHUF
Dividend income from Wingprop Zrt.	4.000	0
Dividend income from Wingeurope Zrt.	1.000	6.850
Dividend income from Wingline Kft.	1.347	94
Dividend income	**6.347**	**6.944**

6. Interest income

	2024	2023
	mHUF	mHUF
Interest income from parent company	11	22
Interest income from related parties	4.274	5.481
Interest income from financial institution	324	75
Interest income	**4.598**	**5.578**

7. Other income

	2024	2023
	mHUF	mHUF
Unrealized exchange rate difference (gain)	0	394
Foreign exchange rate difference realized (gain)	140	205
Other income	**140**	**599**

8. Other expenses

	2024	2023
	mHUF	mHUF
Unrealized exchange rate difference (loss)	2.638	0
Realized exchange rate difference (loss)	353	367
Other expenses	**2.991**	**367**

9. Financial costs

	2024	2023
	mHUF	mHUF
Effective interest on bonds	5.581	4.415
Interest on loan from parent company	1.048	563
Interest on loans received from related parties	1.422	1.754
Financial costs	**8.051**	**6.732**

10. Income taxes

10.1 Income tax charged to profit or loss

	2024	2023
	mHUF	mHUF
The tax expenses consist of the following:		
Deferred tax related to impairment	-16	6
Deferred tax income (+) / expense (-) related to temporary differences	-31	0
Income tax	**-47**	**6**

10.2 Current tax receivables and tax liabilities

	31 December 2024	31 December 2023
	mHUF	mHUF
Tax overpayment	0	0
Tax liability	3	0
	3	**0**

10.3 Deferred tax balance

	31 December 2024	31 December 2023
	mHUF	mHUF
Tax on recognized impairment	24	41
Deferred tax related to financial liabilities measured at fair value	-31	0
Net deferred tax asset	**-7**	**41**

Net deferred tax assets recognized in the separate financial statements are recoverable based on future plans.

The tax liability can be derived as follows from the accounting results:

	2024	2023
	mHUF	mHUF
Profit before tax	**424**	**5.659**
Tax liability calculated at 9%	38	509
Dividend-related adjustment	-571	-625
Other tax base adjustment	486	122
Income tax income (+) expense (-)	**-47**	**6**

The calculated tax is most significantly modified by the dividend-related tax base adjustment as a reducing item.

11. Investments in related parties

The Company's direct subsidiaries are as follows:

Subsidiary name	Scope of activity	Place of incorporation and operations	Ownership and (voting) ratio (%) 31 December 2024	31 December 2023
MEVINVEST Vagyonkezelő Kft.	asset management	Hungary	100.00	100.00
Wing Zrt.	real estate development	Hungary	95.42 (96.61)	95.27 (96.61)
WING IHC Zrt.	asset management	Hungary	100.00	100.00
Wingeurope Zrt.	asset management	Hungary	100.00	100.00
Wingline Kft.	real estate trading	Hungary	100.00	100.00
Wingprop Zrt.	asset management	Hungary	100.00	100.00

The value of the holdings and equity of the Company's subsidiaries are as follows:

	31 December 2024		31 December 2023	
Subsidiary name	Carrying amount of investment	Carrying amount of equity of the subsidiary	Carrying amount of investment	Carrying amount of equity of the subsidiary
	mHUF	mHUF	mHUF	mHUF
MEVINVEST Vagyonkezelő Kft.	4.330	4.076	4.330	4.138
Wing Zrt.	20.463	44.545	20.463	43.555
WING IHC Zrt.	78.287	61.467	69.286	54.721
Wingeurope Zrt.	5	6.055	5	6.488
Wingline Kft.	16	152	16	392
Wingprop Zrt.	47.125	50.261	22.582	31.751
	150.226	**166.556**	**116.682**	**141.045**

The evaluation of investments is detailed in Note 4. The Company examined the recoverable value of investments as of the period end date, based on which no impairment was recognized in the current period.

	31 December 2024		31 December 2023	
Investment units	Carrying amount of investment units	Net asset value of investment fund	Carrying amount of investment units	Net asset value of investment fund
	mHUF	mHUF	mHUF	mHUF
Gladiátor II - Series B investment unit	1.846	40.228	1.461	32.331
	1.846	**40.228**	**1.461**	**32.331**

On 31 December 2024, the Company holds 1.477.841.248 units of Series B investment units in the Gladiátor II. Ingatlan Befektetési Alap, which accounts for 4.61% of the total net asset value. The Company does not have controlling influence over the Fund. The Group recognizes the investment units at fair value, with changes in fair value reflected in the results under the line-item Gain (+)/Loss (-) on financial instruments measured at fair value. The fair value change for the year is a gain of HUF 385 million.

A 1% change in the fund's price would have an impact of +/- HUF 19 million on the current year’s result.

The fair value of the investment units is determined based on the net asset value of the Fund. The fund manager and the custodian determine the net asset value of the Fund. The inputs used for the valuation methods to determine the fair value are positioned at the 3rd level of the fair value hierarchy. In the year 2024, there was no movement between the hierarchy levels, and no change occurred in the valuation method.

12. Receivables from related parties

	31 December 2024	31 December 2023
	mHUF	mHUF
Non-current receivables from related parties		
Loan receivables from parent company	0	0
Loan receivables from subsidiaries	35.912	58.897
Impairment accounted for loan receivables	-272	-452
Non-current receivables from related parties	**35.640**	**58.445**
Current receivables from related parties		
Loan receivables from parent company	0	254
Receivables from related parties	758	62
Dividend receivable from subsidiaries	1.005	5
Current receivables from related parties	**1.763**	**321**

As of 31 December 2024, all loans granted to related parties are denominated in Hungarian forints. Some of the related loans bear a fixed interest rate, while others are linked to the base rate published by the Hungarian National Bank. Loans provided to related parties bear market interest rates. The loan agreements are long-term, typically maturing 3 years from the balance sheet date.

13. Other assets

	31 December 2024	31 December 2023
	mHUF	mHUF
Accrued income	25	0
Prepaid expenses	2	11
Other assets	**27**	**11**

14. Cash and cash equivalents

	Rating category	31 December 2024	31 December 2023
		mHUF	mHUF
Bank deposits in HUF	BBB+	6.208	1.482
Bank deposits in HUF	BBB-	2	2
Bank deposits in euros	BBB+	14	38
Cash in hand		0	0
Cash and cash equivalents		**6.223**	**1.522**

15. Equity

	31 December 2024	31 December 2023
	mHUF	mHUF
Share capital	5	5
	5	**5**
Share capital comprises of:		
- fully paid ordinary shares of Series A with a par value of 100 thHUF each	5	5
	5	**5**

In relation to capital management, the Company aims to maintain the continuous operation of the Company in order to ensure a return for shareholders and other stakeholders, as well as to maintain an optimal capital structure in order to reduce the cost of capital. There were no changes in the Company's approach to capital management during the year.

From the dividend paid in the fiscal year, the amount of dividend per share paid for 50 pcs of Series A ordinary shares is HUF 26 million, totaling HUF 1.300 million.

The Company's accumulated profit changed with the current year’s result and the dividend.

16. Equity reconciliation table

	31 December 2024	31 December 2023
	mHUF	mHUF
Equity according to IFRS	**24.514**	**25.437**
+ Additional capital payment received (liability according to IFRS)	0	0
- Additional capital payment paid (asset according to IFRS)	-138	-138
+ The amount shown as deferred income recognized due to amounts placed in the capital reserve as required by the legislation	0	0
+ Deferred income recognized due to assets received	0	0
- Receivable from owners due to capital increase with equity instruments	0	0
Equity (according to §114/B. (4) a))	**24.376**	**25.299**
Registered capital (IFRS)	5	5
Unpaid, registered capital	0	0
Capital reserve	-1.300	-2.700
Retained earnings	25.294	22.329
+ Retained earnings in IFRS	25.432	22.467
- Additional capital payment shown as asset in IFRS	*-138*	*-138*
Revaluation reserve	0	0
Profit after taxation	377	5.665
Tied-up reserve	0	0
Equity (according to §114/B. (4) a))	**24.376**	**25.299**
Capital registered at the Company Court	5	5
Registered capital according to IFRS	5	5
Retained earnings available for dividend distribution	25.671	27.994

17. Bonds

	31 December 2024	31 December 2023
	mHUF	mHUF
Bonds	120.882	111.365
	120.882	**111.365**
Non-current	102.940	94.578
Current	17.942	16.787
	120.882	**111.365**

The Company raised funds in the form of bond issues as follows:

Bond name	ISIN code	Currency	Issue date	Maturity	Interest rate	Principal repayment schedule
WINGHOLDING 2024/I	HU0000359070	EUR	2019.07.11	2024.07.11	FIX 4%	At maturity
WINGHOLDING 2024/II	HU0000359088	HUF	2019.07.11	2024.07.11	FIX 4%	At maturity
WINGHOLDING 2030/I	HU0000359666	HUF	2020.05.20	2030.05.20	FIX 3.5%	In installments
WINGHOLDING 2031/I	HU0000360805	HUF	2021.09.22	2031.09.22	FIX 3%	In installments
WINGHOLDING 2032/I	HU0000361357	HUF	2022.02.17	2032.02.17	FIX 5%	In installments
WINGHOLDING 2025/I	HU0000361795	EUR	2022.07.11	2025.07.11	FIX 5%	At maturity
WINGHOLDING 2026/I	HU0000362728	EUR	2023.06.29	2026.09.29	FIX 5%	At maturity
WINGHOLDING 2027/I	HU0000363734	EUR	2024.04.02	2027.04.02	FIX 8.90%	At maturity
WINGHOLDING 2027/I	HU0000363734	EUR	2024.04.02	2027.04.02	FIX 8.90%	At maturity

ISIN code	Currency	Opening balance 1 January 2024 Currency	Issuance	Maturity	Closing balance 31 December 2024 Currency	Opening balance 1 January 2024 mHUF	Closing balance as of 31 December 2024 mHUF
		Face value				Amortized cost	Amortized cost
HU0000359070	EUR	23.950.000	0	-23.950.000	0	9.327	0
HU0000359088	HUF	3.831.000.000	0	-3.831.000.000	0	3.889	0
HU0000359666	HUF	54.700.000.000	0	0	54.700.000.000	55.472	55.554
HU0000360805	HUF	25.300.000.000	0	0	25.300.000.000	24.877	24.971
HU0000361357	HUF	9.000.000.000	0	0	9.000.000.000	9.153	9.185
HU0000361795	EUR	18.348.000	0	0	18.348.000	6.919	7.597
HU0000362728	EUR	4.400.000	0	0	4.400.000	1.720	1.845
HU0000363734	EUR	0	50.030.000	0	50.030.000	0	21.730
Total						**109.999**	**111.365**

In certain cases, the initial fair value of bonds issued under the Growth Bond Program differed from the transaction price. This difference is presented by the Group as part of the amortized cost of the bonds, under the line "Bonds." As of 31 December 2024, the unaccounted difference in the results is HUF 3.514 million (31 December 2023: HUF 4.183 million).

In the case of the Company, credit rating is conducted by Scope Ratings GmbH (Credit Rating Agency). Based on the report published by the Credit Rating Agency on 5 July 2024, it maintained the Issuer's B+ rating, as well as the B+ rating assigned to the senior, non-subordinated, unsecured debt (bond).

The Company has not violated the covenants specified regarding the bonds.

18. Trade and other payables

	31 December 2024	**31 December 2023**
	mHUF	mHUF
Domestic suppliers	26	16
Foreign currency suppliers	0	12
Taxes payable	0	0
Deferred income and accrued expenses	32	19
Current liabilities to credit institutions	0	0
	58	**47**

19. Liabilities to related parties

	31 December 2024	**31 December 2023**
	mHUF	mHUF
Loan received from parent company	23.284	15.878
Loan received from related parties	27.115	25.894
Liabilities to related companies	50.399	41.772

The Company's euro-based loan from its parent company, Dayton-Invest Kft., is short-term; WINGHOLDING Zrt. is obliged to repay it by 30 November 2025. The loan has a fixed interest rate.

A portion of the loans between the Company and its subsidiaries is denominated in euros, while another portion is denominated in Hungarian forints. The loans are variable interest loans tied to the base rate published by the Hungarian National Bank. The loan agreements are market-rate and have long maturities.

20. Changes in obligations from financing activities

			Non-cash movements				
	1 January 2024	Financing cash flow (i)	Exchange differences of items denominated in foreign currencies	Compensation	Impact of effective interest rate method	Other	31 December 2024
Bonds	111.365	2.691	1.413	0	5.581	-170	120,880
Liabilities to related parties	41.772	4.852	2.652	-1.347	2.470	1	50,400
Total amount of liabilities arising from financing activities	153.137	7.543	4.065	-1.347	8.051	-169	171.280

21. Financial instruments

21.1 Significant accounting policies

Note 3 details the significant accounting policies and procedures applied, including the criteria for recognition, the basis of measurement, and the basis for recognition of income and expenses in the categories of financial assets, liabilities, and financial instruments.

21.2 Financial risk management objectives

The Company monitors and manages the financial risks associated with its operations using internal risk reports that analyze risks based on their probability and magnitude. Such risks include market risk (foreign exchange risk, fair value interest rate risk, price risk), credit risk, liquidity risk, and cash flow interest rate risk.

21.3 Gearing ratio

	31 December 2024	**31 December 2023**
	mHUF	mHUF
Debt (i)	171.349	153.184
Cash and bank accounts	-6.223	-1.522
Net debt	165.126	151.662
Equity (ii)	24.514	25.437
Gearing ratio	14.85%	16.77%

(i) Debt consists of bonds, liabilities to related parties, and liabilities to trade and other payables
(ii) Equity includes all capital and reserves treated as the Company's capital

21.4 Categories of financial instruments

	31 December 2024	31 December 2023
	mHUF	mHUF
Financial assets		
Cash and cash equivalents	6.223	1.522
Loans granted and other receivables	37.403	58.766
Investment units	1.846	1.461
Financial liabilities		
Loans and other liabilities	50.399	41.772
Bonds	120.882	111.365

Except for bonds issued under the Growth Bond Program (NKP), the carrying amount of financial instruments measured at amortized cost reasonably approximates their fair value, and therefore the fair value of financial instruments measured at amortized cost is not disclosed.

For NKP bonds, the amortized cost and fair value are illustrated in the following table:

	31 December 2024 mHUF		31 December 2023 mHUF	
	Amortized cost	**Fair value**	**Amortized cost**	**Fair value**
NKP bonds	89.709	81.038	89.501	65.899

The gross value of assets measured at amortized cost and the expected credit losses are summarized in the following table:

Assets measured at amortized cost
2024.12.31

		Stage 1 mHUF	
	Gross carrying amount	**Expected credit loss**	**Amortized cost**
Loan granted to related parties	37.675	-272	37.403
Total	**37.675**	**-272**	**37.403**

Assets measured at amortized cost
2023.12.31

		Stage 1 mHUF	
	Gross carrying amount	**Expected credit loss**	**Amortized cost**

Loan granted related parties	59.218	-452	58.766
Total	**59.218**	**-452**	**58.766**

21.5 Foreign currency risk management

As of 31 December 2024, the foreign currency-denominated liabilities remain high, with a significant portion consisting of bonds issued in EUR.

The Company continuously monitors the risks arising from foreign currency exposure. The Company's indirect and direct subsidiaries typically operate in markets where rental fees are set in foreign currencies. This indirectly reduces the currency risk arising from foreign currency liabilities.

21.5.1 Tables presenting currency risk

The following tables demonstrate how much the Company's profit would have changed if the HUF/EUR exchange rate had changed by +/- 10% compared to the year-end HUF/EUR exchange rate of 410.09.

Currency risk - loan and interest receivables

	31 December 2024 mHUF	**31 December 2023** mHUF
Loan and their interest receivables denominated in EUR	14.632	19.886
Estimated change of exchange rate	+/- 10 %	+/- 10 %
Impact of exchange rate change on other comprehensive income	**1.463**	**1.989**
Estimated (deferred) tax impact	132	179
The impact on profit or loss for the period	**1.332**	**1.810**

Currency risk - loan liabilities and interest

	31 December 2024 mHUF	**31 December 2023** mHUF
Loan liabilities and interest in EUR	36.650	37.986
Estimated change of exchange rate	+/- 10 %	+/- 10 %
Impact of exchange rate change on other comprehensive income	**3.665**	**3.799**
Estimated (deferred) tax impact	330	342
The impact on profit or loss for the period	**3.335**	**3.457**

Currency risk - bonds and interest

	31 December 2024 mHUF	**31 December 2023** mHUF
Bonds and their interest denominated in EUR	31.173	17.966
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.

Impact of exchange rate change on other comprehensive income	**3.117**	**1.797**
Estimated (deferred) tax impact	281	162
The impact on profit or loss for the period	**2.837**	**1.635**

Currency risk – cash and cash equivalents

	31 December 2024 mHUF	**31 December 2023** mHUF
Cash and cash equivalents in EUR	14	39
Estimated change of exchange rate	+/- 10 p.p.	+/- 10 p.p.
Impact of exchange rate change on other comprehensive income	**1**	**4**
Estimated (deferred) tax impact	0	0
The impact on profit or loss for the period	**1**	**4**

21.6 Managing interest rate risk

Due to variable interest rates, the Company is exposed to interest rate change risk. The tables below show how financial income and financing costs would have changed if the interest rate had changed by 100 basis points.

Interest rate risk – Loans received

	31 December 2024 mHUF	**31 December 2023** mHUF
Balance of loans received	48.942	40.511
Estimated change in interest rate	+/- 1 p.p.	+/- 1 p.p.
Effects of estimated change in interest rate on financing costs	489	405
Impact on profit before tax	**489**	**405**
Income tax	44	36
Impact on profit or loss for the period	**445**	**369**

Interest rate risk - Loans granted

	31 December 2024 mHUF	**31 December 2023** mHUF
Balance of loans granted	34.827	55.525
Estimated change in interest rate	+/- 1 p.p.	+/- 1 p.p.
Effects of estimated interest rate changes on interest income	348	555
Impact on profit before tax	**348**	**555**
Income tax	31	50
Impact on profit or loss for the period	**317**	**505**

21.7 Managing liquidity risk

The Company manages liquidity risk by maintaining reserves, bank credit lines, and reserved borrowing opportunities at an appropriate level, continuously monitoring planned and actual cash flow data, and aligning the maturities of financial assets and liabilities.

21.7.1 Tables illustrating liquidity risk

The following tables demonstrate the Company's maturity analysis of financial liabilities. The data in the tables are based on the undiscounted cash flows of financial liabilities calculated on the day the payment obligation occurs.

On 31 December 2024	less than 1 month	1 - 3 months	3 - 12 months	1 - 5 years	over 5 years
	mHUF	mHUF	mHUF	mHUF	mHUF
Bonds	0	450	17.960	70.775	51.432
Liabilities to related parties	6.294	0	17.836	28.718	0
Total	**6.294**	**450**	**35.796**	**99.493**	**51.432**

On 31 December 2023	less than 1 month	1 - 3 months	3 - 12 months	1 - 5 years	over 5 years
	mHUF	mHUF	mHUF	mHUF	mHUF
Bonds	0	450	16.627	51.591	62.372
Liabilities to related parties	0	0	842	45.847	0
Total	**0**	**450**	**17.470**	**97.438**	**62.372**

The contingent liabilities related to guarantees are included in Note 24. Guarantees do not appear in the liquidity table based on the criteria detailed in the referenced note. Guarantees can be called upon immediately.

22. Transactions with related parties

The Company considers the Group's owners, members of the Board of Directors and Supervisory Board, subsidiaries, as well as associated and joint ventures as related parties. Apart from the transactions presented below and in Notes 12 and 19, the Company had no transactions with related parties.

22.1 Loans received from and loans granted to related parties

The presentation of loans received from and loans granted to related parties is contained in Notes 12 and 19. The Company did not provide guarantees to its subsidiaries, nor did it receive any from them. Guarantees provided to third parties are disclosed in Note 24.

22.2 Compensation of the members of the Board of Directors and Supervisory Board

The Company's Board of Directors and Supervisory Board did not receive any compensation. The key management services provided in the name of the Company are not distinct from the group-level management services.

23. Events after the reporting period

Wingholding Zrt. bond program

The Company, similar to previous years, plans to launch a bond program this year under the name "WINGHOLDING 2025-2026 Bond Program" (hereinafter: Bond Program). According to the Company's plans, the total nominal value of bonds to be issued under the Bond Program should not exceed 100.000.000 euros, and the Company would not commit to issuing bonds in the full total nominal value of 100.000.000 euros under the Bond Program.

The Company draws the attention of market participants to the fact that the prerequisite for launching the Bond Program is the publication of a Basic Prospectus approved by the Hungarian National Bank in accordance with Regulation 1129/2017/EU. The procedure for the approval of the Basic Prospectus is currently underway before the Hungarian National Bank.

Within the framework of the Bond Program, the Company also intends to offer the bonds to qualified investors as defined by Regulation 1129/2017/EU, as well as to retail (private banking) investors.

24. Off-balance sheet items

The Company's commitments listed below are presented off-balance-sheet:

Amount in mHUF	***Currency***	***Note***
3.150	HUF	Guarantee related to an overdraft facility contract for a related party
410	EUR	Obligation of payment under the Guarantor's Declaration of Obligation relating to the Loan Agreement for a financial institution credit facility of a related party
2.729	EUR	Obligation for payment according to the Subordination Agreement and Guarantee Agreement associated with the Credit Agreement for the financial institution credit facility of related party
32.807	EUR	Obligation for payment according to the Guarantee Contract associated with the Credit Agreement for the financial institution credit line of related party
28.296	EUR	Obligation for payment according to the Guarantee Contract associated with the Credit Agreement for the financial institution credit facility of related party
12.291	HUF	Obligation for payment according to the Guarantee Contract associated with the Credit Agreement for the financial institution credit facility of related party
5.741	EUR	Obligation for payment according to the Guarantee Contract associated with the Credit Agreement for the financial institution credit facility of related party

The Company has considered the circumstances relating to these guarantees and believes that the properties pledged as securities of the related loan agreements and other securities provide adequate collateral for the lenders, the probability of default is low, and therefore, after considering the probability of default, the Company does not recognize the guarantees detailed above in the statement of financial position.

25. Other information

The Company is required to undergo auditing in accordance with the provisions of § 155 of Act C of 2000 on accounting. The following statement contains the breakdown of audit and non-audit fees paid to PricewaterhouseCoopers Könyvvizsgáló Kft., as well as other PwC entities:

	31 December 2024	31 December 2023
	mHUF	mHUF
Audit fee		
Wingholding Zrt. - audit fees, separate and consolidated financial statements	31	30
Other services		
Other non-audit services (Wingholding and subsidiaries)	157	45

26. Segment information

The Company, as the parent company, simultaneously publishes consolidated financial statements with the separate financial statements, in which the segment information is presented. According to paragraph 4 of IFRS 8, the segment report related to the Group is included in Note 32 of the consolidated financial statements.

27. Authorization for issue of the financial statements

The financial statements were approved by the Board of Directors on 28 April 2025 and authorized for issue.