Shopper Park Plus Plc.

Consolidated condensed non-audited interim financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

For the three months period ending 31.03.2024

(English translation of the original report)

Shopper Park Plus Plc. – Consolidated condensed non audited interim financial statements for the three months period ending 31.03.2024

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Consolidated statement of comprehensive income for three months period ending 31.03.2024

Data in EUR	Note	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Rental income	6	5 976 998	5 354 177
Operating fees and other revenue	7	5 351 118	8 268 457
Operating and other property-related expenses	7	(6 275 493)	(9 446 226)
Gross result		**5 052 623**	**4 176 408**
Administrative expenses	8	(797 877)	(861 251)
Fair valuation gains on investment properties	5	2 797 771	852 044
Operating result		**7 052 517**	**4 167 201**
Financial income		283 157	524 970
Financial expenses		(2 677 247)	(2 870 627)
Profit before tax		**4 658 427**	**1 821 544**
Income tax	11	(270 128)	(113 021)
Result of the current period		**4 388 299**	**1 708 523**
Of which attributable to owners of the parent company		4 388 299	1 708 523
Other comprehensive income to be reclassified to profit or loss for the period			
Fair value change of cash-flow hedge		390 772	(66 653)
Other comprehensive income not to be reclassified to profit or loss for the period:			
Result on financial instruments measured against other comprehensive income		0	0
Other comprehensive income for the period		**390 772**	**(66 653)**
Overall comprehensive income		**4 779 071**	**1 641 870**
Of which attributable to owners of the parent company		4 779 071	1 641 870
Earnings per share		0,34	0,18
Basic and diluted EPS for share type A		0,34	0,18
Basic and diluted EPS for share type B		0,34	0,18

Shopper Park Plus Plc. – Consolidated condensed non audited interim financial statements for the three months period ending 31.03.2024

Consolidated statement of financial position (balance sheet)

Data in EUR	Note	Not audited 31.03.2024	31.12.2023
Assets			
Fixed assets		**292 158 189**	**288 659 065**
Investment properties	5	292 150 000	288 650 000
Other fixed assets		8 189	9 065
Current assets		**39 871 902**	**49 389 451**
Lease and other accounts receivables		5 158 098	6 014 227
Current income tax receivable		399 009	354 962
Other receivables		3 574 489	3 449 003
Bank security accounts		9 444 962	9 932 613
Cash and cash equivalents		21 295 344	29 638 646
Total assets		**332 030 091**	**338 048 516**
Equity and liabilities			
Equity		**165 663 332**	**160 884 261**
Registered capital		1 307 762	1 307 762
Capital reserve		130 521 762	130 521 762
Cash-flow hedge	12	(778 020)	(1 168 792)
Retained earnings		30 223 529	18 733 477
Profit of the period		4 388 299	11 490 052
Non-current liabilities		**144 639 371**	**145 740 650**
Long-term loans and borrowings	3	132 632 620	134 091 701
Tenant deposits		6 567 791	6 454 241
Deferred tax liabilities		4 896 784	4 646 884
Other non-current liabilities		542 176	547 824
Current liabilities		**21 727 388**	**31 423 605**
Short-term loans and borrowings	3	6 000 000	5 906 250
Accounts payables		1 449 736	397 457
Current income tax liabilities		204 307	204 006
Negative fair value of cash-flow hedge	12	778 020	1 168 792
Other current liabilities	3	13 295 325	23 747 100
Total liabilities		**166 366 759**	**177 164 255**
Total equity and liabilities		**332 030 091**	**338 048 516**

Consolidated statement of changes in equity for the three months period ending 31.03.2024.

Data in EUR	Registered capital	Capital reserve	Cash-flow hedge	Retained earnings	Profit of the current year	Total
Balance on 31.12.2022	**963 200**	**95 356 800**	**262 797**	**(327 699)**	**22 913 974**	**119 169 072**
Total comprehensive income for the year	0	0	0	0	11 490 052	**11 490 052**
Total other comprehensive income for the year			(1 431 589)			**(1 431 589)**
Transfer of previous year's profit to retained earnings	0	0	0	22 913 974	(22 913 974)	**0**
Dividends paid to shareholders of the parent company	0	0	0	(3 852 800)	0	**(3 852 800)**
Transaction cost related to the issue of capital instrument	0	(1 703 151)	0	0	0	**(1 703 151)**
Increase in share capital and capital reserve	344 562	36 868 113	0	0	0	**37 212 675**
Balance on 31.12.2023	**1 307 762**	**130 521 762**	**(1 168 792)**	**18 733 477**	**11 490 052**	**160 884 261**
Total comprehensive income for the period	0	0	0	0	4 388 299	**4 388 299**
Total other comprehensive income for the period			390 772			**390 772**
Transfer of previous year's profit to retained earnings	0	0	0	11 490 052	(11 490 052)	**0**
Closing balance on 31.03.2024	**1 307 762**	**130 521 762**	**(778 020)**	**30 223 529**	**4 388 299**	**165 663 332**

Consolidated cash flow statement for the three months period ending 31.03.2024

Data in EUR	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Cash flow from operating activities:		
Profit before tax	4 658 427	1 821 544
Corrections:		
Fair value of investment properties	(2 797 771)	(852 044)
Currency conversion	181 310	94 360
Increase / decrease of provisions	0	(2 600)
Other corrections of the result	2 117 497	1 736 181
Changes in accounts receivables and other receivables	771 562	(5 527 167)
Increase / decrease in deposits and tenant deposits	113 550	67 971
Increase / decrease in restricted cash balances	487 651	412 933
Decrease/increase in account payables and other current payables	(9 405 144)	4 262 310
Income tax paid	(63 974)	(247 707)
Net cash flow from operating activities	**(3 936 892)**	**1 765 781**
Cash flow from investing activities		
Acquisition of investment properties	(702 229)	(537 956)
Net cash flow from investing activities	**(702 229)**	**(537 956)**
Cash flow from financing activities		
Repayment of loans/borrowings to 3rd parties	(1 406 250)	(1 312 500)
Interest paid	(2 116 621)	(1 736 042)
Net cash flow from financing activities	**(3 522 871)**	**(3 048 542)**
Net change in cash and cash equivalents	**(8 161 992)**	**(1 820 717)**
Cash and cash equivalents at the beginning of the year	**29 638 646**	**4 491 793**
Exchange rate gains/ (losses) on cash and cash equivalents	(181 310)	(94 360)
Period-end balance of cash and cash equivalents	**21 295 344**	**2 576 716**

Condensed supplementary notes to the consolidated interim financial statements

1. General background

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

Shopper Park Plus Plc. (SPP, Parent Company or Company) was incorporated on 9. July, 2019 as Graduw Invest Zrt. The name of the Company was changed to Shopper Park Plus Zrt. on 23 January 2023. On 27.10.2023, the Company was transformed into a Public Limited Company, thus changing its name to Shopper Park Plus Plc., its ordinary shares are listed in the Premium category of the Budapest Stock Exchange. Its share capital is EUR 1,307,762.

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

On 31 March 2024 the share capital of the Company consisted of 11,577,618 dematerialised ordinary shares of series A with a nominal value of EUR 0.1 each, representing equal and identical membership rights, and 1,500,000 dematerialized preference shares of series B with a nominal value of EUR 0.1 each, representing equal and identical membership rights. Series B voting preference shares carry ten times the voting rights of Series A shares in certain decisions. No convertible or exchangeable shares were issued in the current period or in prior financial years. There were no transactions to acquire own shares in the current period or in prior financial years.

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

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

Representatives of the Company:

Bárány Kristóf Péter	Marton András	Németh Gábor
1011 Budapest	1124 Budapest	1118 Budapest
Ponty street 6.	Nárcisz street 56. 2. floor 5.	Radóc street 10.
Joint representation right	Joint representation right	Joint representation right

Transformation into a regulated real estate investment trust

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

Shopper Park Plus Plc, as a Regulated Real Estate Investment Trust, is exempt from paying corporate tax and local business tax.

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

2. Other statements related to the interim financial statements

These financial statements were prepared in accordance with International Accounting Standard 34 as adopted by the European Union. No new standard has been applied in the preparation of the interim financial statements, because it does not have a material impact on the financial statements.

The accounting policies applied in the interim financial statements are consistent with those applied in the comparative period and in the most recently published financial statements of 2023. The accounting policies presented have not changed from those applied at the year end. The interim financial statements should be read in conjunction with the previous year's financial statements.

There were no changes in the estimates used compared to the reference period.

There were no changes in the structure of the group in 2024.

No ordinary shares were issued by the Company during the period presented.

The interim financial statements are prepared on a going concern basis.

3. Significant changes in the consodliated statement of financial position

Loans and borrowings

The balance of loans and borrowings (short and long together) at 31.12.2023 was EUR 139 997 951, which decreased to EUR 138 632 620 at 31.03.2024. The decrease is due to the repayment of the principal of the bank loan.

Other current liabilities

The balance of other non-current liabilities at 31.12.2023 was EUR 23 747 100, which decreased to EUR 13 295 325 at 31.03.2024. The main reason for the decrease is the payment of retained purchase prices of the properties.

Investments

During the 3-month period under review, the cost of improvements to buildings amounted to EUR 702 229.

Data in EUR	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Amounts capitalised on investment property	702 229	537 956
-of which leasing fee	44 841	36 647

4. Segment information

Segments are defined on the basis of the geographical breakdown of the Group's properties in Hungary and the Czech Republic.
The distribution in 2024 is as follows:

Data in EUR	Hungary	Czechia	Group level expenses and income	Total
Rental income	4 343 347	1 633 651		5 976 998
Operating fees and other revenue	4 507 072	844 046		5 351 118
Operating and other property-related expenses	(5 053 240)	(1 222 253)		(6 275 493)
Gross result	**3 797 179**	**1 255 444**		**5 052 623**
Administrative expenses			(797 877)	(797 877)
Fair valuation gains on investment properties	1 820 344	977 427		2 797 771
Operating result	**5 617 523**	**2 232 871**	**(797 877)**	**7 052 517**
Financial income			283 157	283 157
Financial expenses			(2 677 247)	(2 677 247)
Profit before tax	**5 617 523**	**2 232 871**	**(3 191 967)**	**4 658 427**
Income tax	(20 228)	(249 900)		(270 128)
Result of the current year	**5 597 295**	**1 982 971**	**(3 191 967)**	**4 388 299**
Assets classifiable to segments				
Investment properties	220 620 000	71 530 000		292 150 000
Lease and other accounts receivables	4 934 800	223 298		5 158 098
Current income tax receivable	0	399 009		399 009
Other receivables	2 910 813	663 677		3 574 489
Cash and cash equivalents	20 348 672	946 671		21 295 344
Liabilities classifiable to segments				
Tenant deposits	5 956 213	611 578		6 567 791
Deferred tax liabilities	0	4 896 784		4 896 784
Accounts payables	1 367 144	20 481		1 387 625
Current income tax liabilities	204 307	0		204 307

The distribution in 2023 is as follows:

Data in EUR	Hungary	Czechia	Group level expenses and income	Total
Rental income	4 093 586	1 260 591		5 354 177
Operating fees and other revenue	6 914 961	1 353 496		8 268 457
Operating and other property-related expenses	(7 742 926)	(1 703 300)		(9 446 226)
Gross result	**3 265 621**	**910 786**		**4 176 408**
Administrative expenses			(861 251)	(861 251)
Fair valuation gains on investment properties	624 082	227 962		852 044
Operating result	**3 889 703**	**1 138 748**	**(861 251)**	**4 167 201**
Financial income			524 970	524 970
Financial expenses			(2 870 627)	(2 870 627)
Profit before tax	**3 889 703**	**1 138 748**	**(3 206 908)**	**1 821 544**
Income tax	(21 219)	(91 802)		(113 021)
Result of the current year	**3 868 484**	**1 046 946**	**(3 206 908)**	**1 708 523**
Assets classifiable to segments				
Investment properties	210 650 000	70 385 000		281 035 000
Lease and other accounts receivables	9 257 223	1 597 484		10 854 707
Current income tax receivable	0	71 103		71 103
Other receivables	11 649 150	22 314		11 671 464
Cash and cash equivalents	1 724 819	851 897		2 576 716
Liabilities classifiable to segments				
Tenant deposits	5 377 331	639 338		6 016 669
Deferred tax liabilities	0	3 455 619		3 455 619
Accounts payables	1 157 732	535 714		1 693 446
Current income tax liabilities	26 551	0		26 551
Provisions	0	152 062		152 062

5. Fair valuation gains on investment property

When determining the fair value of investment properties - like when preparing the 2023 financial statements - the Group has established an independent valuer of real estate, CBRE Kft. The fair value determined by the independent valuer for all properties is the same as the value stated in the financial statements.

The fair value of investment properties has increased by 1.2% since the end of 2023.

6. Rental income

The Group has rental incomes from the investment properties, its amounts were as follows:

Data in EUR	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Rental income	5 976 998	5 354 177

Revenue for the first quarter of 2024 increased by 11.6% compared to the same period in 2023.

7. Net service result

Data in EUR	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Operating fees and other revenue	5 351 118	8 268 457
Operating and other property-related expenses	(6 275 493)	(9 446 226)
Net service result	*(924 375)*	*(1 177 769)*

Energy costs were significantly lower in the first quarter of 2024 than in the year-earlier period. This change has reduced operating expenses and, as a significant proportion of energy costs are passed on to tenants, operating income has also decreased.

The operating result improved compared to the first quarter of 2023. The decrease in energy costs and the higher share of on-billing primarily improved the service result (358k EUR thousand improvement in Hungarian properties) compared to the comparative period. The most significant offsetting impact was the higher maintenance costs of TEUR 247 for Hungarian properties.

8. Administrative expenses

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

Data in EUR	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Audit expenses	35 700	33 039
Accounting and financial services	47 451	41 177
Legal fees	147 843	91 807
Management fee	457 976	408 045
Other administrative expenses	108 908	287 183
Total	**797 877**	**861 251**

The Group presents impairment on leases and other trade receivables within administrative expenses.

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

Data in EUR

Balance on 31 December 2022	209 502
Preparing provision	353 654
Dissolving provision	4 276
Balance on 31 March 2023	558 880
Preparing provision	350 717
Dissolving provision	526 399
Balance on 31 December 2023	383 199
Preparing provision	76 461
Dissolving provision	2 023
Balance on 31 March 2023	457 637

9. Related parties

The turnovers of transactions with related parties were as follows:

Data in EUR	Type of the transaction	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Turnovers related through owner company			
Penta CEE Holding Zrt.	Borrowed	0	8 767
Portfolion Partner Magántőkealap	Borrowed	0	2 192
Penta CEE Holding Zrt.	Loan interest	0	70 310
Portfolion Partner Magántőkealap	Loan interest	0	17 577
Turnovers related through owner company total		*0*	*98 846*
Turnovers related through key personnel			
Adventum Property Services Kft.	Management fee	457 976	408 045
Grw Invest Kft.	Legal and financial services	0	0
Grw Invest Kft.	Accounting and financial consultancy	0	6 731
MARTIG Kft.	Legal and financial services	0	158
Hümpfner Ügyvédi Iroda	Legal and financial services	125 816	103 356
Turnovers related through key personnel total		*583 792*	*518 470*

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

Data in EUR	Balance sheet line	Not audited 31.03.2024	31.12.2023
Balances related through owner company			
Penta CEE Holding Zrt.	Short-term loans and borrowings	0	4 008 767
Portfolion Partner Magántőkealap	Short-term loans and borrowings	0	1 002 192
Penta CEE Holding Zrt.	Other current liabilities	0	79 077
Portfolion Partner Magántőkealap	Other current liabilities	0	19 769
Balances related through owner company total		*0*	*5 109 805*
Balances related through key personnel			
Adventum Property Services Kft.	Other current liabilities	0	437 672
Grw Invest Kft.	Accounts payables	6 731	6 731
Balances related through key personnel total		*6 731*	*444 403*

Related parties were identified based on IAS 24, the related party relationship was created by the persons who are key management personnel.

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

The Group has no component that has significant restrictions on its ability to access or use its assets or to settle its liabilities.

The Company reviewed its related party identification process and as a result identified a related party that has not been previously reported as such. The newly identified related party is Hümpfner Law Firm, with which the company had a business relationship in prior years, however it was not included as a related party in the 31 March 2023 interim financial statements.

The Group considers members of the Management Board and Supervisory Board as key management personnel. One director receives compensation.

Compensations (in EUR)	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Total compensation of key managers	**8 614**	**0**
Short-term employee benefits	8 614	0

10. Financial instruments

A financial instrument is a contractual arrangement, which results in financial assets for one of the parties of the contract and financial liability or equity instrument for the other party.

The Group's balances of financial instruments at 31 March 2024 and 2023 were as follows:

Data in EUR	Not audited 31.03.2024	31.12.2023
Financial instruments registered at amortised cost		
Financial assets		
Current financial assets		
Leases and other account receivables	5 158 098	6 014 227
Other receivables	3 035 205	2 996 456
Bank security accounts	9 444 962	9 932 613
Cash and cash equivalents	21 295 344	29 638 646
Total current financial assets	**38 933 609**	**48 581 942**
Total financial assets in the balance sheet	**38 933 609**	**48 581 942**
Non-current financial liabilities		
Long-term loans and borrowings	132 632 620	134 091 701
Total non-current financial liabilities	**132 632 620**	**134 091 701**
Current financial liabilities		
Short-term member loans and borrowings	0	0
Short-term financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	*0*	*0*
The current portion of non-current financial debt:	6 000 000	5 906 250
Other current liabilities	*6 000 000*	*5 906 250*
Accounts payables	1 449 736	397 457
Other current liabilities	6 935 275	9 193 084
Total current financial liabilities	**14 385 011**	**15 496 791**
Total financial liabilities on the balance sheet	**147 017 631**	**149 588 492**
Financial instruments registered at fair value		
Financial instruments		
Non-current financial liabilities		
Other non-current liabilities	542 176	547 824
Total non-current financial liabilities	**542 176**	**547 824**
Current financial liabilities		
Negative fair value of cash-flow hedge	778 020	1 168 792
Other current liabilities	6 267 102	13 262 945
Total current financial liabilities	**7 045 122**	**14 431 737**
Total financial liabilities on the balance sheet	**7 587 298**	**14 979 561**

11. Income taxes

Due to its pre-REIT (and later REIT) status, the Parent Company is not liable for corporate tax, only for the innovation levy, which is included in income taxes.

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

Data in EUR	Not audited 3 months period ending 31.03.2024	Not audited 3 months period ending 31.03.2023
Current income tax expenses	20 228	22 657
Deferred tax expenses	249 900	90 364
Total	**270 128**	**113 021**

12. Valuation of financial instruments

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

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

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

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

a. *Amortized cost*

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

b. *Fair value against other comprehensive income*

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

c. *Fair value against PnL*

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

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

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

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

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

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

When classifying financial assets into a valuation group, financial assets must be classified according to two criteria at the same time:

1. examine the nature of the cash flows associated with the financial asset; and
2. the business model of the company related to the financial instrument.

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

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

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

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

The categories of financial liabilities are as follows:

1. liabilities at fair value against the PnL
2. liabilities valued at amortized cost

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

Fair value

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

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

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

Fair value hierarchy

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

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

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

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

Cash flow hedges

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

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

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

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

The Company has covered its variable rate bank loans up to 70% of the principal amount for the period from 1 January 2023 until the maturity of the bank loans on 31 March 2027. The hedge is an interest rate cap (so-called CAP) transaction, whereby the 3-month EURIBOR is capped at 2.4% as the interest rate base. The security for the hedge is identical to the security for the Credit Agreement. The balances relating to the hedge are as follows:

Data in EUR	Not audited 31.03.2024	31.12.2023
Fair value change of cash-flow hedge	(778 020)	(1 168 792)

Loans

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

13. Contingent assets, contingent liabilities and commitments

Contingent assets

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

Contingent liabilities

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

Commitments

There were no significant changes in the nature and amount of commitments in 2024.

14. Events after the balance sheet date of the interim financial statements

Dividend decision

When adopting its annual accounts for 2023, Shopper Park Plus Plc declared a dividend of EUR 9 968 847.

in Budapest, at the time indicated on the time stamp of the qualified electronic signature

Kristóf Péter Bárány	Gábor Németh
Member of the Board	Member of the Board