



Appeninn
Holding

Appeninn Plc.
Sustainability Report - 2025



Letter from the CEO

Dear Reader,

We are pleased to present the third Sustainability Report of Appeninn Plc. for the year 2025. We trust that our report faithfully reflects the fact that sustainability has become one of the defining aspects of our operations. It is manifested in the management of our properties, in our partnerships, in the support of our employees, and also in how we create stable, long-term value for our shareholders.

In 2025, we further strengthened the foundations of our Group's operations. We have taken significant steps to enhance the income-generating capacity of our portfolio and to increase the transparency, stability, and efficiency of our operations. We continued the preparation of transactions aimed at optimizing the real estate portfolio, expanded our energy efficiency investments, increased the ratio of renewable energy sources, and modernized our buildings.

We consider it equally important to be authentically credible in the social dimension of sustainability. In 2025, we continued to support initiatives that facilitate the development of children and youth, while within the Group, we also paid close attention to the well-being, health, and professional development of our employees.

In the area of corporate governance, we have further developed the framework for transparent, regulated, and ethical operations. We are convinced that the foundation of long-term business success can only be established through responsible and predictable corporate operations.

We make our decisions by jointly considering long-term profitability alongside environmental and social impacts; therefore, in our report, we strive to present not only our achieved results but also our future goals.

We thank our partners for their trust and cooperation, as well as our employees for their dedicated work throughout the year. I would like to express my special appreciation to my colleagues, Ildikó Csizmadia and Kíra Hodován, for taking an active and proactive role in the preparation of this report.

Györgyi Szűcs
Chief Executive Officer
Appeninn Plc.



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2. Introduction to the Company

Official name:

Appeninn Vagyonkezelő Holding Nyilvánosan Működő Részvénytársaság
(In English: Appeninn Asset Management Holding Public Limited Company, hereinafter referred to as: Appeninn, Company, Holding)

Form of ownership:

Public limited company

Countries of operation:

Hungary, Poland

Entities covered by the scope of the ESG report: the Holding and its subsidiaries:

In Hungary:

- Appeninn Project-EGRV Ltd.

SZIT (REIT) project entities:

- Appeninn E-Office Plc.
- Alagút Investments Ltd.
- Appeninn Property Plc.
- Appeninn Project-MSKC Ltd.
- Kantrum Property Ltd.
- Tidaholm Properties Ltd.
- Appeninn Project-BSV Ltd.

In Poland:

- Dounby Sp. Z o. o.
- Appeninn Project-TRNW Sp. Z o.o.

Reporting period:

- the period covered by the financial statement – 1 January 2025 – 31 December 2025

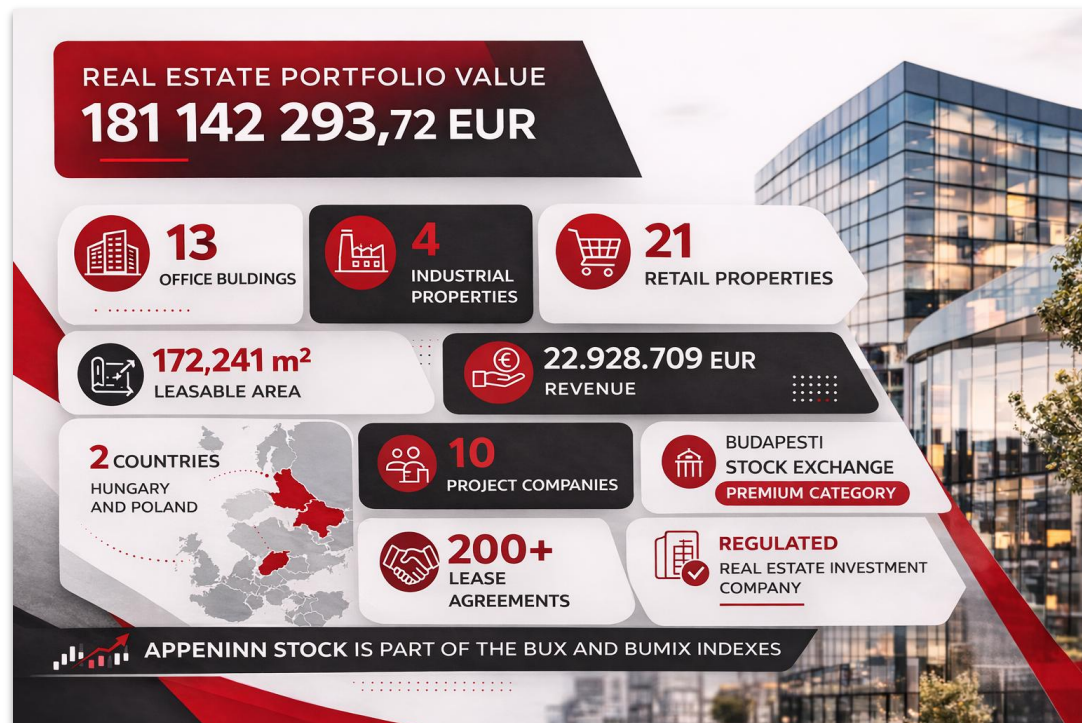
Number of staff as of 31 December 2025:

- 6

Appenninn Plc. is a major player in the Hungarian real estate market, also present in the Polish real estate market since 2023.

The Company is listed in the premium category of the Budapest Stock Exchange, and its income-generating capacity has demonstrated stable and high-level operational profitability over the recent years.

Its core activities include real estate investment and asset management, as well as the leasing and operation of office, industrial, and retail properties. The Company's primary objective is active portfolio management, optimizing the value and income-generating capacity of its real estate assets, diversifying its portfolio both geographically and functionally, and providing high-quality facility management services to its tenants.



2019

In order to refinance the Company's previous bank loans under more favorable terms, reduce the encumbrance on its properties, and expand its real estate portfolio with assets of higher income-generating capacity, the Company issued bonds under the Bond Funding for Growth Scheme (NKP) in the value of HUF 20 billion in 2019. At the time of the bond issuance, Scope Ratings assigned a "B+" rating to the Company and a "BB-" rating to its issued unsecured bonds.

2022

In its renewed strategy, the Company set as its primary objectives the transformation into a Regulated Real Estate Investment Company (REIT), the acquisition of income-generating properties in the SEE and CEE regions, the enhanced enforcement of ESG aspects, the increase of cost efficiency in operational activities, as well as the establishment and maintenance of a flexible and transparent corporate governance model and holding structure.

2023

As part of the implementation of the strategy, Hungarian and Polish subsidiaries (Dounby Sp. z o.o., Tidaholm Properties Kft., Kantrum Property Kft.) were acquired, as a result of which the scope of income-generating properties and operating revenues expanded significantly, and the consolidated operating profitability of the Group also increased considerably. Appeninn restructured its operating model and organization, simplified its corporate structure, and significantly strengthened its cost efficiency. Scope Ratings positively evaluated the consistent execution of the strategy and the office and retail transactions carried out with a conservative financing structure in terms of the Company's risk profile. On April 5, 2023, it upgraded Appeninn's issuer rating to B+/Stable and its unsecured bond rating to B+, which it reaffirmed in the subsequent years. The Group's future outlook was rated as stable, with the analysis highlighting the geographically more diversified and functionally balanced portfolio, the increase in profitability, the favorable financing structure, and the perceptible positive changes in terms of transparency and corporate governance.

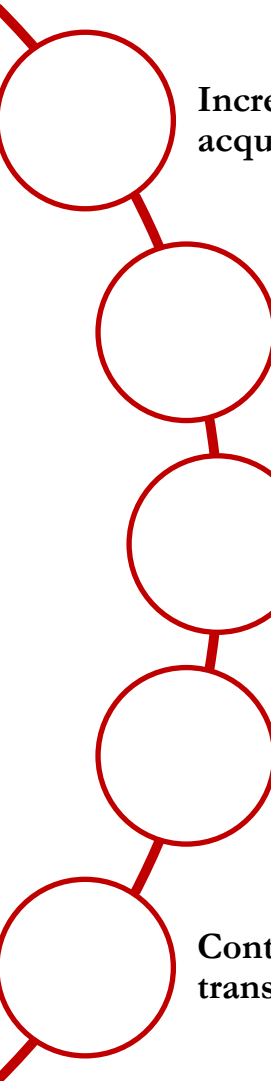
2024

The Group fulfilled the statutory conditions for a Regulated Real Estate Investment Company; therefore, the Company was registered by the Court of Registration of the Metropolitan Regional Court as a Regulated Real Estate Investment Company (REIT). The Group continuously reviews its portfolio and the income-generating capacity of its properties, as a result of which its less profitable elements were advertised for sale.

2025

The Group prepared the sale of its properties held for sale; identified, conducted due diligence on, and evaluated potential transaction targets; and reorganized its organizational structure in line with its transaction goals. The completed solar power plants were integrated into the energy supply of the shopping centers owned by Kantrum Property Kft. and Tidaholm Properties Kft. A Master Agreement was signed with DEKADA S.A. for the purchase of 11 Polish retail properties. The completion of the transaction is subject to several conditions, including its classification as an asset purchase by the tax authorities and obtaining financing that aligns with the strategy.

The Company's most important results in 2025:



Increasing the EUR-denominated value of the Group's portfolio and the assets (companies and properties) acquired in 2023, as well as elevating the standard of their operation and facility management.

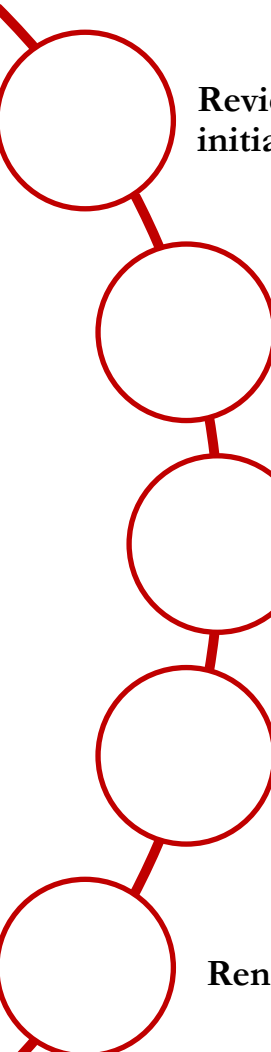
Stabilizing the investment rating classification assigned by Scope Ratings

Introduction of an institutionalized internal audit system.

Enhancing the regulation and transparency of external partner selection, along with the preliminary screening and control of partner risks.

Continuous rationalization of the organizational and operational structure, alongside the enhanced enforcement of transparency and cost-efficiency considerations.

The Company's most important results in 2025:



Review of the Corporate Social Responsibility (CSR) strategy: we have re-evaluated the scope of supported initiatives to ensure they closely reflect our corporate values.

In order to strengthen corporate transparency and visibility, we have technologically and renewed the content and technology of our digital platform (the corporate website).

A health insurance program was introduced for our employees to support their physical and mental well-being.

In the spirit of digital competence development, our employees received theoretical and practical training to ensure the responsible and efficient application of artificial intelligence (AI).

Renewal and maintenance of the sustainability certifications (BREEAM) of the Dounby real estate portfolio.

2.1. Organizational structure

The executive body of the Company - instead of having a separate board of directors and supervisory board - is the Board of Directors. It has minimum 5 and maximum 9 members, natural persons only. The majority of the Board of Directors members shall be independent persons as defined in the Civil Code.

Member of the Board of Directors in 2025:

- **Györgyi Magdolna Szathmáriné Szűcs (Chairwoman)**
- **Dr. Tibor Endre Illés**
- **Zoltán Jombik**
- **Dr. István Hüse**
- **Dr. János Dezső Jákó**

The Company's day-to-day work is managed and controlled by the Chief Executive Officer within the legal framework provided by the relevant legislation and the Articles of Association and in accordance with the decisions of the General Assembly and the Board of Directors.

Chief Executive Officer:

Györgyi Magdolna Szathmáriné Szűcs

The Audit Committee operates alongside the Board of Directors. It carries out its activities in compliance with the laws in force at any time, the Company's Articles of Association and the Rules of Procedure in force.

Members of the Audit Committee in 2025:

- **Zoltán Jombik (Chairman)**
- **Dr. István Hüse**
- **Dr. János Dezső Jákó**



2.2. Ownership structure

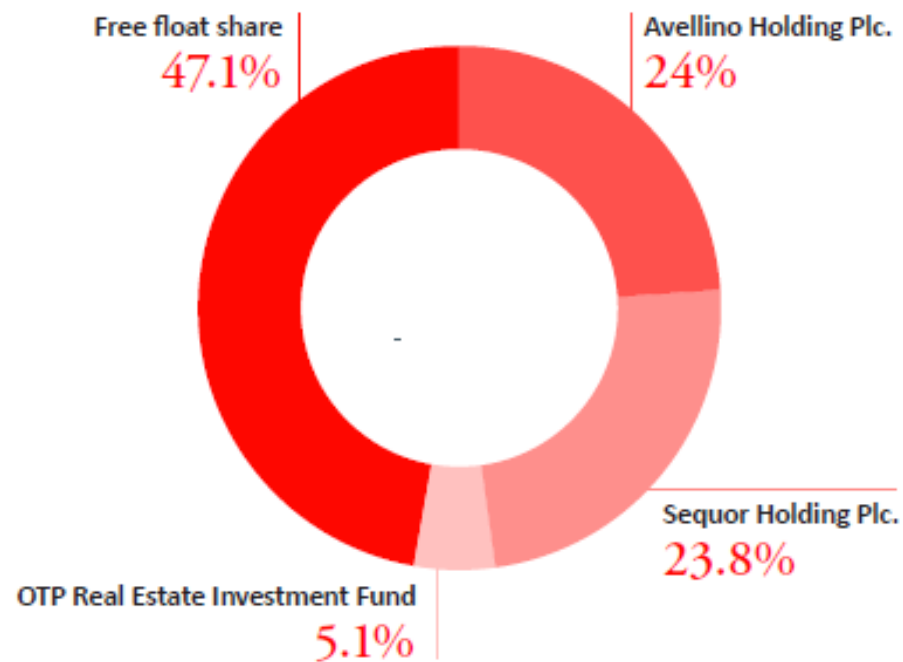
As of December 31, 2025 three shareholders own more than 5% of the shares:

- Avellino Holding Plc.
- Sequor Holding Plc.
- OTP Ingatlanbefektetési Alap

The proportion of free float was 47.1%.

The proportion of treasury shares held by Appenninn Plc. is 0.0039%.

The REIT free float stands at 47.07%.



3. Sustainability at the Company

Appeninn is committed to transparent and credible communication. The objective of our 2025 Sustainability Report is to provide a comprehensive overview of the Company's environmental (E), social (S), and corporate governance (G) performance, as well as its future objectives.

Our sustainability report was prepared in accordance with the recommendations of the Budapest Stock Exchange (BSE) ESG Guide. The Company aims to continuously improve its reporting practices year by year to comply with legal requirements and to meet the expectations of the BSE, its shareholders, partners, the market, as well as its own organization and employees.

The topics discussed in the report were determined through a materiality assessment in accordance with the Global Reporting Initiative (GRI) standards, and are presented along the environmental, social, and corporate governance pillars. In order to ensure a comprehensive approach and the broadest possible integration of ESG values, the Company's employees, experts, and management actively participated in the preparation of the 2025 Sustainability Report.

With this reporting, we aim to do more than simply meet legal and market expectations. Our goal is to:

- make the non-financial performance of our operations transparent to stakeholders,
- make our sustainability goals measurable,
- integrate ESG considerations into business decision-making, thereby strengthening the Company's financial stability, competitiveness, and environmental resilience in the long term.

3.1. The company's sustainability strategy

The Board of Directors of Appeninn – in line with globally growing expectations and trends – is committed to ensuring that the ESG approach plays a defining role in the Company's operations and decision-making: environmental awareness, corporate social responsibility, an inspiring corporate atmosphere, as well as transparency and compliance with ethical standards. We believe that integrating these considerations into our business processes will, in the long term, enhance the Group's financial performance and market reputation, just as it will exert a significant positive impact on our immediate and broader environment.

Our strategy focuses on increasing operational efficiency and the greening (decarbonization) of our asset portfolio. Our goal is to establish low-carbon operations relying on alternative sources in connection with our core activities. In this spirit, we prioritize the application of innovative, energy-efficient technologies, as well as the gradually increasing utilization of renewable energy sources – regarding both purchased energy and energy generated with our contribution. In the operation of our existing properties and during future acquisitions alike, we treat the maximization of energy efficiency, responsible water management, and the optimization of waste management as top priorities.

Our Company is committed to continuous improvement; therefore, we plan to incorporate additional ESG indicators and targets into our evaluation system in the future. We strive to ensure that our sustainability report not only serves the fulfillment of our statutory obligations but also authentically reflects our commitment to a sustainable future through the transparent presentation of our goals and performance.



Climate-Resilient, Certified Portfolio: We are committed to gradually achieving carbon-neutral operations. We are building a future-proof real estate portfolio that not only complies with increasingly strict climate and energy regulations but also proactively applies the solutions of the circular economy and renewable energy generation. Our primary goal is for a significant portion of our properties to hold internationally recognized green certifications (BREEAM), thereby ensuring the value preservation of the portfolio and tenant satisfaction.

Energy Efficiency and Electrification: We are preparing our existing building stock for a carbon-neutral future through targeted investments (e.g., modernization of cooling and heating systems, LED lighting programs). We are replacing fossil fuels (gas) by prioritizing heat pump systems and electric solutions (e.g., VRV/VRF technologies).

Integration of Renewable Energy: Our strategic objective is to increase the ratio of self-generated green energy, primarily by utilizing and expanding the capacity of the solar power systems installed on our commercial properties. Furthermore, we also strive to utilize energy from such renewable sources during our energy procurement.

Transparency and Ethical Corporate Governance: As a Regulated Real Estate Investment Company (REIT), we adhere to the highest standards of corporate governance; integrity and transparency are the cornerstones of our operations. Within our regulated framework (Code of Ethics), we formulate clear expectations towards both our colleagues and our partners. Our goal is to strengthen proactive communication with market participants (stakeholders), develop our digital platforms, and continuously expand the content of our published non-financial (ESG) information. In our vision, ESG is not an isolated task but an integral part of the Company: we integrate sustainability considerations into all our processes, from decision-making and financing to supply chain management.



Data-Driven Operations and Digitalization:

Prioritizing the concept of a paperless office, we treat digitalization as the engine of efficiency. Our plans include the introduction of artificial intelligence (AI)-based solutions and smart search systems, which not only accelerate administration and our operational processes but also make energy consumption monitoring and business decision-making more transparent.

Human-Centric Spaces: We believe that real estate is not merely four walls, but a service. Our goal is to create inspiring, healthy, and safe spaces that support the business success of our tenants and the development of our employees.



Employee Well-being and Health Preservation: Our Company is committed to maintaining a safe, inspiring, and caring work environment. Through our targeted measures – such as the introduction of a comprehensive, prevention-focused health insurance program, the support of mental health, and the regulation of hybrid working arrangements that promote work-life balance – we guarantee the physical and psychological well-being of our colleagues in the long term.



Corporate Social Responsibility (Child Well-being and Education): We have placed the support of future generations at the focus of our external social (CSR) strategy. Through long-term and conscious partnerships (such as supporting the Amigos for Children Foundation and the Szabó Kálmán Talent Program), we actively contribute to the hospital rehabilitation of sick children, as well as providing disadvantaged but talented students with access to education and equal opportunities.

3.2. Stakeholders and materiality assessment

3.2.1. Stakeholders

Appennin's stakeholders were identified by means of benchmark analysis, with the results discussed and finalised during an internal workshop by the management, experts and staff of the Company. This process identified the following stakeholders:

- Shareholders
- Employees
- Senior and middle managers
- Consultants and contracted service partners
- Financiers
- Credit rating agencies and analysts
- Tenants
- Business partners and suppliers
- Affiliated companies
- Local communities
- Supervisory bodies and authorities
- Domestic and international competitors
- Foundations and associations

In the future, the Company plans to consult with the identified stakeholders for a more thorough understanding of the ESG-related impacts and the Company's effect on material ESG-related matters.

3.2.2 Materiality Assessment

The foundation of the Company's sustainability strategy and reporting was established by the first comprehensive materiality assessment conducted in 2023. Responding to the changing market environment and the evolving portfolio, management reviewed this process in 2024 and 2025, expanding the scope of disclosures with the sustainability topics most critical to our operations.

Methodology of the materiality assessment:

Application of international frameworks: During the assessment, we took into account the recommendations of two of the most recognized global rating agencies (Sustainability Accounting Standards Board (SASB), Morgan Stanley Capital International (MSCI)) regarding the real estate and real estate services sector.

Industry benchmark analysis: We assessed the ESG performance and objectives of our direct domestic and international competitors to ensure the competitiveness of our strategy.

Internal validation and context: During internal workshops involving management, functional leaders, and colleagues, we evaluated the relevance of the identified topics from the perspective of the Group's business strategy.

3.3. Our ESG approach and material topics

Environmental Pillar

- Energy management and energy efficiency;
- Climate protection and emissions (GHG inventory, intensity indicator);
- Resource management (waste management – selective waste collection; water management – water efficiency);
- Digitalization for sustainability (transitioning document management and decision-making processes to digital platforms);
- Utilization of renewable energy sources; Protection of biodiversity.

Social Pillar

- Diversity, openness, non-discrimination, and inclusion;
- Corporate culture, employee well-being, and development;
- Corporate social responsibility (CSR);

Governance Pillar

- Transparency and ethical business conduct;
- Anti-corruption measures;
- Compliance and risk management;
- Data security;
- Responsible procurement policy.

4. Environmental indicators

We are aware that environmental protection and the maintenance of a livable environment are of fundamental importance for sustainable development. As a responsible player in the real estate market, we are fully aware of and take responsibility for the environmental impacts of the Group's activities, and we are committed to exerting a positive influence on the affected areas through our operations.

Our strategic objective is to maintain our green building certifications (BREEAM) and to implement projects that reduce the carbon footprint of our real estate portfolio and increase the share of renewable energy sources. Bearing the principles of the circular economy in mind, the Company pays special attention to responsible water and waste management. It ensures the reduction of material consumption through the enhanced digitalization of internal processes, as well as by increasing the role of selective waste collection systems.

4.1. Energy consumption

Measures taken to reduce energy consumption:

- Providing lighting with modern and energy-efficient LED technology in our rural shopping centers and the common areas of our other properties;
- Installing sub-meters in leased areas, which encourages all market participants to save energy;
- Utilizing green electricity generated from renewable sources at Dounby Sp. z o.o.

4.1.1. Energy consumption from non-renewable energy sources in 2025

Table 1: Total energy consumption (kWh) of the Appeninn Group. For subsidiaries not included in the table, energy consumption is not applicable.

Company	Total energy consumption within the organisation(kWh)	Purchased heating energy(natural gas)consumption (kWh)	Sold heating energy(kWh)	Own natural gas consumption(kWh)	Purchased electricity consumption(kWh)	Sold electricity(kWh)	Own electricity consumption(kWh)
Appeninn E-Office Zrt.	2 549 336	2 070 254	350 044	1 720 211	1 176 349	347 224	829 125
Alagút Investments Kft.	0	0	0,00	0	0	0	0
Tidaholm Properties Kft.	0	937 758	941 139	0	1 570 797	1 738 440	0
Kantrum Property Kft.	819 280	718 071	38 798	679 273	970 472	830 464	140 008
Appeninn Projekt-MSKC	0	0	0	0	292 331	292 331	0
Appeninn Project-BSV Kft.	329 764	258 189,48	0,00	258 189	101 932,71	30 357,96	71 575
Appeninn Property Zrt.	9 758	0	0	0	17 800	8 042	9 758
Dounby Sp. Z o.o.	1 475 420	5 642 374	4 166 954	1 475 420	0	0	0
Total:	5 183 559	9 626 646	5 496 934	4 133 093	4 129 682	3 246 859	1 050 466

4.1.2. Total renewable energy use in 2025

Table 1: Total energy consumption (kWh) of the Appeninn Group. For subsidiaries not included in the table, energy consumption is not applicable.

Company	Total renewable energy consumption within the organisation(kWh)	Purchased renewable electricity consumption(kWh)	Sold renewable electricity (kWh)
Appeninn E-Office Zrt.	322 815	458 005	135 189
Alagút Investments Kft.	0	0	0
Tidaholm Properties Kft.	0	611 581	676 852
Kantrum Property Kft.	54 511	377 847,70	323 337
Appeninn Projekt-MSKC	0	113 817,28	113 817,28
Appeninn Project-BSV Kft.	27 867	39 687	11 820
Appeninn Property Zrt.	3 799	6 931	3 131
Dounby Sp. Z.o.o.	334 491	9 370 764	9 036 273
Total:	743 484	10 978 632	10 300 419

4.2. Completed energy efficiency and modernization projects

Hattyúház:

The task of summer comfort cooling has been taken over by a new, energy-efficient, and modern circulation pump and heat exchanger. The maximization of the energy and cost efficiency of the newly installed chillers is supported by newly integrated frequency converters and the optimization software associated with the equipment. The R454B refrigerant used by the chillers is state-of-the-art and possesses a low GWP (Global Warming Potential). The application of modern chillers reduces the primary energy demand per unit of cooling capacity, thereby directly contributing to the reduction of the building's lifecycle carbon footprint (Scope 2 emissions). Furthermore, the more stable and consistent cooling performance improves indoor climate comfort. The investment closely aligns with our responsible asset management principles, prioritizing long-term sustainability and the mitigation of operational risks, while the application of modern technology enables more transparent energy consumption and more accurate monitoring. The project creates significant value for the Group across all three ESG pillars.



4.2. Completed energy efficiency and modernization projects

Rózsaházak B:

The renovation and modernization of Rózsaházak B were carried out in two phases. The objective of the investment was to increase the building's energy efficiency, guarantee operational safety, and support the well-being of the tenants and their employees. The building envelope was renewed (replacement of windows, exterior doors, and the curtain wall along the fire escape), along with the interior spaces and the shading system. A partial replacement of the radiators and air conditioners, as well as a complete replacement of the electrical network, took place. The boilers and sanitary facilities were renovated, and the electrical and mechanical systems were modernized, resulting in reduced energy demand, a higher level of comfort, and enhanced operational safety. The establishment of a fitness room on the ground floor further supports employee well-being.



4.2. Completed energy efficiency and modernization projects

Regional shopping centers in the countryside:

Small-scale solar power plants were commissioned on the roof structures of our shopping centers in Székesfehérvár, Zalaegerszeg, and Nagykanizsa. Thanks to the investment, a significant portion of the electricity demand of the affected buildings is covered by locally generated clean energy.

The integration of the solar panels not only contributes to the greening of our energy mix but also significantly reduces the portfolio's indirect (Scope 2) greenhouse gas emissions and its dependence on grid energy, mitigates the carbon footprint associated with electricity consumption, and strengthens the sustainability of the energy supply.

The systems have a total installed capacity of 1.8 MWp (Fehérvár Center: 575.64 kWp; Zala Center: 582.77 kWp; Kanizsa Centrum: 657.9 kWp), and generated a total of nearly 773 MWh of renewable electricity in 2025. As a result, we achieve a significant green energy ratio in the electricity consumption of the properties:

Fehérvár Center: 22.95%

Kanizsa Centrum: 20.23%

Zala Center: 10.11%



4.3. The Company's energy efficiency and modernization project under preparation

Kanizsa Centrum:

The modernization of the heating system at Kanizsa Centrum is currently in the preparation and planning phase; implementation is expected to take place in several stages over the coming years. The leased and common areas will receive independent, modern cooling and heating systems (e.g., split air conditioners, VRV/VRF systems, heat recovery air handling units), which will improve controllability and support optimal energy consumption. The application of more efficient equipment and low-GWP refrigerants will reduce energy demand, while electrification will lead to a significant drop in gas consumption, thereby minimizing the building's carbon footprint.



4.4. Scope 1 and Scope 2 greenhouse gas (GHG) emissions

When calculating the Company's carbon footprint, the internationally recognised Greenhouse Gas Protocol (GHG Protocol) accounting standards were applied. In this report, Scope 1 (direct) and Scope 2 (indirect) emissions are presented.

For the Scope 1 and Scope 2 calculations, we applied the Operational control methodology in accordance with the GHG Protocol; therefore, the energy consumed by tenants is not included in the report.

To ensure the transparency of Scope 2 data, the report includes the results of both the location-based and market-based approaches. For the calculations, the official conversion factors of DEFRA (Department for Environment, Food & Rural Affairs) and AIB (Association of Issuing Bodies) were applied.

The results are expressed in tonnes of carbon dioxide equivalent (tCO₂e). A comprehensive assessment of Scope 3 (value chain) emissions has been included among our future objectives.

4.4.1. GHG emission intensity

GHG emission intensity has been calculated as the ratio of the Company's 2025 sales revenue and the sum of Scope 1 and Scope 2 emissions.

Sales revenue in 2025: EUR 22,928,709

Scope 1 + Scope 2 emissions in 2025: 1,369 tCO₂e

GHG intensity: 51,35 g/euro

Table 3.: Emission of Scope 1 and Scope 2 GHGs of the Appeninn Group (tCO₂e) calculated from the data available.

Company	Scope 1	Scope 2 - location based	Scope 2 - market based	Scope 1+2 market based	Scope 1+2 market based (%)
Appeninn Nyrt.	5,64	0,00	0,00	5,64	0,22%
Appeninn E-Office Zrt.	594,36	209,01	306,48	900,85	35,30%
Appeninn Property Zrt.	222,42	17,46	25,60	248,02	9,72%
Alagút Investment Kft.	76,96	0,00	0,00	76,96	3,02%
Kantrum Property Kft.	0,00	115,79	169,79	169,79	6,65%
Tidaholm Properties Kft.	0,00	57,01	83,59	83,59	3,28%
Dounby Sp. Z.o.o.	1067,24	2195,32	0,00	1067,24	41,82%
Total	1 966,63	2 594,58	585,46	2 552,09	100%

Through the purchase of green electricity (334,491 kWh/year) at the Wisniowy Business Park in Poland, we achieved significant emission reductions. Based on the "location-based" methodology—taking into account the emission factors (174.8 gCO₂eq/MJ) published by the IEA (International Energy Agency) and stipulated in EU Regulation 2025/2359—we calculated that thanks to the procurement of green electricity, the Company saved 210.49 tCO₂e/year in Scope 2 greenhouse gas emissions compared to purchasing conventional grid electricity.

4.5. Waste generation

In the case of the office in Poland and retail properties in Hungary, the generated waste is collected selectively. The proportion of waste collected according to categories is increasing for other properties, too, in line with our earlier targets.

Table 4: Total volume of waste generated by the Group (t) according to the information available.

Company	Total mass of generated waste (tonnes)
Appeninn E-Office Zrt.	842,93
Appeninn Project-BSV Kft.	172,06
Appeninn Property Zrt.	12,51
Appeninn Project-MSKC Kft.	1,498
Tidaholm Properties Kft.	127,41
Kantrum Property Kft.	35,3
Dounby Sp. Z o.o.	674,5
Total:	1866,208

4.6. Water use

The Company and its subsidiaries consume piped water. Their wastewater is discharged into the municipal sewage network. The wastewater discharged by the Group's operation does not pose a threat to natural waters. The data presented for water consumption include both Appeninn Plc.'s and its subsidiaries' own consumption and water use by tenants in leased buildings.

Table 5. Total water consumption by the Appeninn Group (l) according to the information available.

Company	Total body water consumption (liters)
Appeninn E-Office Zrt.	12 246 730
Appeninn Project-BSV Kft.	1 265 050
Appeninn Property Zrt.	759 840
Appeninn Project-MSKC Kft.	1 011 000
Tidaholm Properties Kft.	4 547 000
Kantrum Property Kft.	12 135 000
Dounby Sp. Z o.o.	8 232 000
Appeninn Nyrt.	229 000
Total:	40 425 620

4.7. Biodiversity initiative

The apiary at the Wisniowy Business Park, established in June 2017, perfectly reflects the Group's commitment to sustainable development and the biodiversity of the urban environment. Located in the heart of the office complex, the apiary consists of 5 beehives, which provide shelter for approximately a quarter of a million bees during the peak season (late June and early July). A professional beekeeping enterprise is responsible for the maintenance of the hives. Through their pollinating activity along the 2.5 km long avenue of linden trees, which forms part of the local flora, the bees play a key role in preserving the health of the ecosystem. Given the bees' average flight range of approximately 3 km, the beneficial impact of the apiary also extends to a significant portion of the surrounding vegetation. The recreational area hosting the apiary also exerts a positive impact on the environmental awareness of the employees. Observing the bees and recognizing their importance in the ecosystem contributes to a better understanding and appreciation of natural interconnections. Approximately 90 kg of honey is produced annually in the apiary, which, by eliminating transportation from distant regions, significantly reduces the carbon footprint associated with distribution. The honey produced by the bees is primarily used for promotional purposes and is distributed to service providers, tenants, and during site visits. The annual cost of the service is currently PLN 13,140 (EUR 3,056). The apiary demonstrates the Group's commitment to creating a green, sustainable work environment that promotes employee well-being and supports the local environment.



4.7.1. Interesting Facts About the Apiary:



The local distribution of the honey significantly reduces the carbon footprint.

The annual cost covers complete logistics and packaging.



Every hive bears the logo of the Wiśniowy Business Park

They carry out pollination along the 2.5 km long avenue of linden trees located in the outer green areas of the park.

The hives are inhabited by Carniolan bees, known for their gentle nature.



A total of 170 jars of honey (420 grams each) were produced in 2024.

The labels on the jars feature a custom graphic design.

5. Social indicators

For the Appeninn Group, alongside environmental protection and responsible corporate governance, the social pillar of sustainability is also a key strategic priority. We believe that the foundation of our business success and long-term value creation lies in the mutual trust established with our employees, tenants, partners, and the broader communities. Therefore, our social responsibility is built on two main pillars: internal employee well-being and external community value creation.

We place great emphasis on supporting initiatives and programs that prioritize long-term social value creation. Through our active corporate responsibility, we contribute to leaving a more livable, discrimination-free, and more equitable world that supports individual development for future generations, thereby also strengthening the long-term preservation of trust and positive perception towards the Group.

5.1. Corporate social responsibility



Amigos for Children Foundation

A new project for Appeninn in 2024 was the support of the Amigos for Children Foundation. Over the past 10 years, the members of the organization – university student volunteers (Amigos) – have regularly visited chronically ill children staying in various hospital wards, assisting in their learning and development. We believe that recovery requires not only medicine but also care and cheerfulness. Therefore, we decided that, within the framework of our cooperation, Appeninn would "adopt" the Burn Surgery Department of the Bethesda Hospital, thereby supporting the Foundation's hospital presence and work.



Having recognized the dedicated and professional work of the Foundation, the support initiated in 2024 was maintained unchanged in 2025. This enables the volunteers of the Amigos Foundation to brighten the everyday lives of sick children through their regular visits and experience-based programs. We are proud that through our support, we can meaningfully contribute to ensuring that the time spent in the hospital is not just about illness, but also about learning, playing, and development.



Support for the Szabó Kálmán Talent Program

Appeninn is committed to social equal opportunities and the building of a knowledge-based society. In this spirit, we joined the Szabó Kálmán Talent Program as a new, priority project in 2025. The aim of the program is to provide a financial and professional safety net for highly talented young people living in difficult financial circumstances, thereby promoting their social mobility and the commencement of their higher education studies.

With our contribution in 2025, we supported the scholarship and mentoring program of a talented student studying at the Corvinus University of Budapest. By doing so, we are not only paving the way for a young person's career path but also strengthening the Company's commitment to talent management, access to education, and corporate social responsibility.

The program is built on three main pillars:

Financial support: providing scholarships for further studies in higher education.

Mentoring: university student mentors assist with the integration, academic progress, and skill development of the youngest students.

Community building and talent management: workshops, preparatory, and experience-based programs for professional and personal development.



Cooperation with the SOS Children's Villages Hungary Foundation

Appeninn has been supporting the SOS Children's Villages Hungary Foundation for several years, since 2020. Through this cooperation, the Company supports young people in critical situations by providing the foundation with opportunities for visibility, networking, and fundraising in its retail centers.

Cooperation with the "Segíts, hogy Segíthessünk" Foundation

Similarly to the above, our Group also provides a venue for the "Segíts, hogy Segíthessünk" Foundation in our shopping centers during the holiday season for a Christmas charity fair and fundraising purposes.



Support for the Association of the Physically Disabled of Nagykánizsa and its Surroundings

Our Group is committed to promoting equal opportunities and social integration. In this spirit, we maintained a strategic partnership with the Association of the Physically Disabled of Nagykánizsa and its Surroundings in 2025. The organization performs vital work in the advocacy, rehabilitation, and social integration of people with physical disabilities. Our Company supported their activities by providing a venue and visibility free of charge for their public information campaign held in our shopping center, thereby facilitating the raising of awareness within the local community and reaching out to those in need.

Cooperation with the Zala County Police Headquarters

Our Group maintains close cooperation with the Zala County Police Headquarters. Within the framework of this partnership, we regularly (twice a month) provide visibility in our shopping centers for the authority's crime and accident prevention programs. Through this initiative, we actively contribute to the education of visitors and the local population, as well as to the strengthening of public safety.

5.2. Ratio of female managers

Appeninn is committed to ensuring a discrimination-free workplace environment and, among other things, equal opportunities between genders.

Number of employees	Top management	Mid-management	Total
Female	1	1	2
Male	0	0	0
Total	1	1	2
Ratio of female employees (%)	100%	100%	100,0%

Table 6: Gender composition of the management at Appeninn in 2025

5.3. Accidents at work

Due to the nature of the Company's activities, the employees of the Group are not exposed to workplace accidents; hence, no workplace accidents occurred in 2025.

5.4. Remuneration Policy

The objective of the Remuneration Policy is to establish clear and transparent principles that ensure prudent operations. These principles are integrally linked to the Group's business and sustainability strategy, support long-term performance, and ensure remuneration practices aligned with effective risk management. A basic principle of the Group's remuneration system is to provide competitive remuneration for its managers and employees. We treat non-discrimination as a top priority: the level of remuneration is proportional to the requirements of the given position, the scope of responsibilities, and the expected professional knowledge and experience. In determining the level of individual remuneration, the Group seeks to develop a results-oriented remuneration system that supports genuine individual performance, organisational cooperation, proactivity, and the achievement of business objectives alike, thereby promoting employee engagement and a supportive attitude among our colleagues within the team.

Our Remuneration Policy includes fixed and variable elements in line with existing Group policies and defines the range of different types of benefits as well as those eligible for these in a consistent and transparent manner. The remuneration concept and the determination of the remuneration and benefits for each function take into account the following:

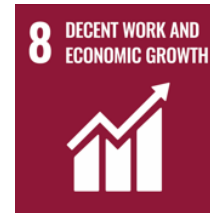
- Professional knowledge, seniority and performance required by different areas of expertise and positions, impact on the ability to create different types of added value and on operating results
- Direct impact on the Group's actual and long-term corporate strategy and objectives,
- Impact on the ability of employees to meet the objectives set for them or perform any specific project assignments,
- level of support, team spirit, commitment, loyalty and proactivity within and beyond the performance of the duties specific for the given position.

5.5. Client satisfaction

The Company operates an efficient centralized system to manage defects and complaints for all its properties in order to increase customer satisfaction. Tenants may make comments and report technical problems through a central system, where property operators directly receive their messages and forward them to the department deemed most competent professionally. Info-boxes set up in retail properties serve same purpose. Using these, tenants may ask questions, report technical and other problems, make comments and file requests in the most convenient way for them, and property operators can manage these as quickly and efficiently as possible.

5.6. Employee satisfaction

Given the size and activity of the Company, employee satisfaction is regularly measured during the semi-annual/annual performance evaluation. Employees can always give direct feedback to the CEO or the Board of Directors.



5.7. Comprehensive health insurance and prevention

To preserve employee health and prevent illnesses, in 2025 we introduced a new private health insurance program covering employees who have completed their probationary period. The aim of the program is to ensure access to fast and high-quality care. To strengthen prevention and health awareness, we provide our colleagues with annual comprehensive health screenings, as well as health risk and mental state assessments (risk assessment), and we actively encourage their utilization.

5.8. Employee training

The Group is convinced that the continuous professional development of its employees is the cornerstone of a future-proof and sustainable corporate strategy. Investing in training programs not only guarantees a high level of professionalism and employee engagement but is also an essential prerequisite for maintaining competitiveness and achieving our business goals.

Digital Competence Development and AI Readiness: The primary training focus in 2025 was supporting digital transformation. Within this framework, our colleagues participated in practice-oriented education supporting the business application of artificial intelligence, following which the application of AI is being gradually integrated into our workflows. The objective of the training was twofold: on the one hand, to increase the efficiency of administration, content creation, and analysis, and on the other hand, to master the responsible, ethical, and safe use of new technologies, with particular regard to data protection considerations. Our training program continues this year with the processing of our databases, as well as the introduction and application of quick search solutions, AI assistants, and other more complex artificial intelligence-based solutions.



5.9. Home Office regulation

One of the cornerstones of employees' physical and mental well-being is ensuring a healthy work-life balance. Taking into account the specificities of individual job roles, we currently provide the opportunity to work from home (home office) and to utilize flexible working hours, thereby helping to harmonize family obligations and career goals.

For 2026, the Company plans to develop a comprehensive, formal Home Office Policy, establishing a uniform and transparent set of conditions for all colleagues.



6. Governance indicators

The foundation of Appeninn's corporate governance practice is transparent, ethical, and prudent operation. We believe that by implementing this, we create stable value in the long term.

The Company's corporate governance strategy is built on the following fundamental pillars:

Sustainable and active asset management: Active portfolio management, the provision of professional asset management and operational activities, and the continuous monitoring and optimization of the financing structure form the basis of a stable, crisis-resilient, and responsible business operation.

Transparent and regulated operation: The Company is committed to a transparent and flexible organizational structure; to this end, it has developed a cost-efficient and transparent holding structure that aligns with its current activities and the statutory requirements of a Regulated Real Estate Investment Company (REIT).

Continuous review and optimization: Adapting to the dynamic market and regulatory environment, management regularly reviews the organizational layout, internal processes, corporate structure, as well as the efficiency and risks of outsourced functions.

The corporate governance report, which is in line with the recommendations of the Budapest Stock Exchange, demonstrates the Company's commitment to transparency and ethical business conduct.

6.1. Responsible procurement policy

Appeninn issued its current Procurement Rules on 4 April 2023. The Company developed the Rules for Appeninn Group to regulate procurement activities with special regard to the rules to generally enforce transparency and realise business objectives, regulating the procurement process in particular (preparation, implementation, control) as well as to define the responsibilities of those involved and the control of procurement documents, the latter one being a prerequisite for transparent and controlled procurement processes. The inclusion of sustainability objectives was also an essential requirement so that they can be effectively integrated into day-to-day operations and activities. The Company also expects its business partners and contracting partners to comply with market, legal and environmental requirements and standards as used by the industry:

- In the procurement procedure, Appeninn Group shall provide for, and the economic operator submitting a bid shall respect the principles of fairness, transparency and publicity regarding the competition.
- Appeninn Group shall ensure equal opportunities and equal treatment for all economic operators submitting a bid.

- Appeninn Group shall act in accordance with the requirements of good faith and fairness and the proper exercise of rights in the procurement procedure.
- Appeninn Group shall place particular emphasis on the principle of sound and responsible management when using its financial resources.
- The procurement procedure may only be broken down into parts in a way that does not result in circumvention of the Company's Procurement Rules.
- Environmental and sustainability considerations shall be integrated into procurement decisions.
- Procurement procedures, criteria and decisions shall be transparent and documented in all relevant aspects.

6.2. Independence guidelines

Instead of having a board of directors and a supervisory board, the Company employs a unified management system led by the Board of Directors. The Board of Directors performs the duties of the board of directors and the supervisory board as defined by law.

The Company's guidelines regarding the independence of the members of the Board of Directors and the members of the Audit Committee and the applied independence criteria were defined and recorded in the Company's Independence Guidelines policy following the Responsible Corporate Governance Recommendations adopted and published by the Budapest Stock Exchange Plc.

The majority of the members of the Board of Directors shall be independent as stipulated by the relevant legislation. Members shall be considered independent if they have no legal relationship with the Company other than their membership in the Board of Directors and a legal relationship based on a transaction that is part of the Company's everyday activities and satisfies the needs of the members of the Board of Directors.

6.3. Risk management

Risk management is of paramount importance to protect Appeninn group's financial stability and good reputation, as well as to use its capital for competitive business activities that serve the interests of its shareholders. When developing its risk management guidelines, the Company considered the principles of integrity, completeness, methodology, transparency, continuity and proportionality.

Appeninn Group considers all those elements, events, and circumstances inherent to its activities and management as risks which, should they occur, may or will adversely affect the operation of the Company. The Company determines the degree of risk as the product of the probability of the threat occurring and the magnitude of the potential damage caused. In selecting a risk management strategy for the hazards identified using the risk factors, the likely impact of actions is assessed and compared with their originally intended outcome and the level of risk. The precise definition of responsibilities and authorities, decision levels and conflict of interest rules, the consistent application of the four-eyes principle and the control points built into the process are considered as effective tools for risk management.

The entire risk management process of the Group is supervised, controlled and managed by the members of the Board of Directors (Audit Committee).

6.4. ESG manager

The Company appointed an ESG Manager in 2023.

6.5. Data protection

Since the establishment of the Company including the year 2025, there have been no complaints on behalf of our clients regarding misuse or loss of private data.

6.6. Home Office regulation

As also presented in Section 5.9 of the Social chapter, the Company is introducing a comprehensive Home Office Policy for 2026. From a corporate governance and risk management perspective, the primary function of this new framework is to minimize cybersecurity risks, ensure strict GDPR compliance, and establish IT protocols for decentralized device usage.



6.7. Code of Ethics

At the end of 2024, Appeninn developed its Code of Ethics and Conduct, which regulates the principles of conduct to be demonstrated in business and workplace relationships, and provides guidance on the values and standards that the Group follows in all its business activities. The code reflects an integrated approach: the key provisions of the previously adopted Anti-Corruption Policy have been incorporated into the Code of Ethics and Conduct.



6.8. Data-Driven operations and AI-supported knowledge management

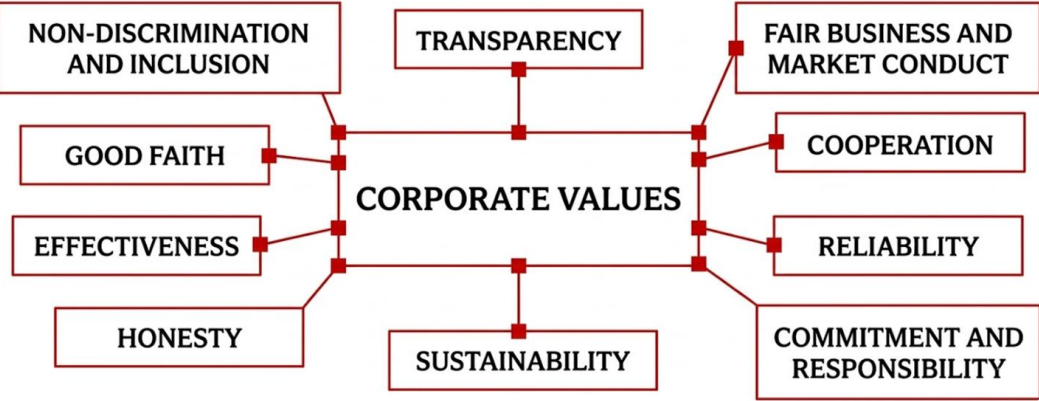
As part of its digitalization strategy, the Company successfully prepared the concept of internal, artificial intelligence-based assistants and an intelligent search solution in 2025, which increases operational efficiency through the structured processing and retrieval of internal documents.

Building on this, one of the key sustainability commitments for 2026 is the actual implementation and integration of the system into daily operations. The objective of this development is to create a progressively built, structured corporate knowledge base that directly supports our ESG goals.

Paperless Operations (E): Further strengthening digital operations.

Efficiency (S): Faster onboarding and administration, enhanced employee experience.

Compliance (G): Auditable and secure data management with source referencing.



Should you have any questions about the Report, do not hesitate to send us an email at info@appeninnholding.com or contact us at <https://appeninnholding.com/kapcsolat/>.



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