

FOTEX HOLDING
Société Européenne

Annual Accounts
for the year ended
as at December 31st, 2021
(with the report of the réviseur d'entreprises
agréé thereon)

Address of the registered office: 272, rue de Neudorf
L-2222 Luxembourg
R.C.S. Luxembourg : B-146938

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FOTEX HOLDING, Société Européenne
Registered office: 272, rue de Neudorf, L-2222 Luxembourg
RCS Luxembourg B-146938
The « Company »

Report of the Board of Directors

Dear Sirs,

The Board of Directors is pleased to present the Annual Accounts for the financial year ended on 31st December 2021.

The company's financial statements show a loss of EUR 346,499.50.

At this time, there is no information concerning items likely to affect the company's financial position.

Relevant events of the year 2021

During the financial year, since the end of the annual accounts as at 31st December, 2020, there have been no events which may have an impact on the financial statements of the Company.

Activities and future prospect

The Company will carry on its activities and development as it did during the last former years – no amendment is foreseen by the Board of Directors of the Company for the future.

Research & Development projects

The Company did not undertake any Research & Development projects.

Subscribed capital and own shares

During the year 2021, the Company has acquired 154,652 units of its own ordinary shares with a nominal value of EUR 0.42 per each (representing 0.21% of the subscribed capital of the Company). As at the reporting date, the Company holds (directly and indirectly) 41.01% of its own shares:

Directly owned shares as at 31st December, 2021:

- 14,312,592 pieces of ordinary shares with a nominal value of EUR 0.42 per each;
- 1,225,000 pieces of dividend preference shares with a nominal value of EUR 0.42 per each.

Indirectly owned shares:

- 13,514,890 pieces of ordinary shares with a nominal value of EUR 0.42 per each;
- 775,000 pieces of dividend preference shares with a nominal value of EUR 0.42 per each.

Fotex Holding SE acquires own shares in order to protect its shareholders' investments in the Company; when the share price changes adversely, the Company does the necessary actions to reverse such changes. The repurchase of shares depends on the market conditions.

As at December 31st, 2021, the Company has an issued and subscribed capital of EUR 30,543,933.00 divided into 70,723,650 ordinary shares and 2,000,000 dividend preference shares, i.e. a total of 72,723,650 shares with a par value of EUR 0.42.

The dividend preference shares carry the same rights as ordinary shares in the event of liquidation or dissolution of the Company.

Dividend preference shares come with a right to an annual dividend decided by the General Assembly, but are without right to vote. This dividend may not exceed 50% of the average annual price of the ordinary shares but may not be less than twice the amount produced by applying the 12-month interest rate of the European Central Bank prevailing at 1 January of the year in which the dividend is paid on the nominal value of shares (i.e. $0.42 \times \text{interest rate} \times 2$). This dividend may only be paid if the Company's consolidated financial statements for the relevant year prepared under IFRS show profits which, subject to compliance with legal provisions, allow for the distribution of such dividend.

Financial overview

The table below summarizes the Company's key financial indicators, which are monitored by the Company's management:

	31.12.2021	31.12.2020
	EUR	EUR
Net turnover	826,829.38	869,821.01
Profit/(loss) for the financial year	(346,499.50)	(379,780.90)
Own equity	246,793,864.37	247,140,363.87
Total assets	269,576,003.99	270,083,703.91
Total number of issued shares	72,723,650	72,723,650
Return on equity *(1)	(0.14%)	(0.15%)
Return on assets *(2)	(0.13%)	(0.14%)

*(1) Return on equity: Profit/(loss) for the year/Own equity

*(2) Return on assets: Profit/(loss) for the year/Total assets

Risks and Risk management of the Company:

The Company's business, financial condition or results can be affected by risks and uncertainties, although the Company's exposure to such risks as a standalone company is limited due to the fact the Company predominantly operates as a holding company. The management nevertheless has identified the following risks:

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

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

Credit risk

The Company aims to mitigate credit risk by its careful and continuous debtor portfolio monitoring process. In addition, the Company regularly follows up information about the main debtors in the market.

Interest risk

In order to mitigate the interest risk the Company (and its subsidiaries) applies the following procedures:

- tries to obtain fixed rate loans
- in case of variable interest rate loans, the Company tries to balance its interest income and interest expense by granting loans with appropriate interest rate.

Liquidity risk

Liquidity risk is monitored as follows:

- monitoring daily available deposited and free cash
- monitoring weekly cash flows

As part of the management information system, the operations of the Company are monitored on a monthly basis.

The Company as a standalone holding company did not use hedge accounting in the course of the financial year as its revenue (name wearing and management fees) has been invoiced in EUR currency.

The Company's internal control and risk management systems in relation to the financial reporting process

The Board of Directors has overall responsibility for ensuring that the Company and its affiliates maintain a sound system of internal controls, including financial, operational and compliance controls. Such a system is an integral part of the corporate governance strategy of the Company. Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the Company can be achieved. The internal control procedures are defined and implemented by the Company to ensure:

- the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
- the efficiency and effectiveness of operations and the optimal use of the Company's resources;
- the correct implementation of the Company's internal processes, notably those to ensure the safeguarding of assets;
- the integrity and reliability of financial and operational information, both for internal and external use;
- that management's instructions and directions are properly applied; and
- that material risks are properly identified, assessed, mitigated and reported.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally mitigated or eliminated. The control environment is an essential element of the Company's internal control framework, as it sets the tone for the organization. This is the foundation of the other components of internal control, providing discipline and structure.

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

- In the context of the ongoing organizational realignment implemented since the Company moved its headquarters to Luxembourg, a greater integration of the financial operations of the parent company and affiliates under a single management structure was established.
- Controls have been established in the processing of accounting transactions to ensure appropriate authorizations for transactions, effective segregation of duties, and the complete and accurate recording of financial information.

The Company relies on a comprehensive system of financial reporting. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the Group are drawn up and brought to the Board for approval. The Board also approves all significant investments. The Board receives monthly financial reports setting out the Company's financial performance in comparison to the approved budget and prior year figures.

A clear segregation of duties and assignment of bank mandates between members of management, and the accounting departments is implemented.

Suggestion for Dividends to be paid on ordinary and dividend preference shares

It is proposed to the Annual General Meeting that the Company does not pay any dividend on the ordinary shares for the year 2021 and it is proposed not to pay dividends on the dividend preference shares.

Significant Events after the end of the reporting period

There have been no significant events after the reporting date.

Corporate Governance

The Company is committed to adopt best practice corporate governance standards, including complying with the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange and has drawn-up a Corporate Governance Charter which is available on the Company's website (<https://fotex.lu/relations/corporate>).

Significant direct and indirect shareholders

Gábor Várszegi, Chairman of the Board of the Company, directly or indirectly controls a part of the voting shares of Blackburn International Luxembourg S.à r.l. ("Blackburn Luxembourg"), a Luxembourg company. As at 31st December 2021, Blackburn Luxembourg controlled 50.35% (31st December 2020: 50.35%) of the Company's voting shares.

The Board

The Company is managed by a board of directors (the "Board") composed of a minimum of five (5) and a maximum of eleven (11) members (the "Directors, each a "Director").

The Directors shall be appointed by the general meeting of the shareholders of the Company for a maximum period which will end at the annual general meeting of the Company to take place during the third year following their appointments. They shall remain in office until their successors are elected. They may be re-elected and they may be dismissed at any time by the general meeting, with or without cause.

In the event that one or several positions of the Board become vacant due to death, resignation or any other cause, the remaining Directors shall elect a replacement in accordance with the applicable legal provisions, in which case this appointment shall be ratified at the next general meeting if the shareholders of the Company.

The Board has been authorized by the shareholders to manage the day-to-day operations of the Company, as well as to make administrative decisions at the Company. All rights which have not been conferred to the shareholders by the articles of associations or by the laws remain the competence of the Board. The Board may decide paying interim dividends as prescribed by law.

All long-term pay schemes, plans, or incentive programs relating to the employees of the Company and its subsidiaries, which the Board would like to implement have to be first brought before and approved by the shareholders and the general meeting of the shareholders.

The remuneration of the members of the Board shall be fixed by the general meeting of shareholders.

The Board shall elect a chairman from among its members.

According to the articles of association, persons with no legal or financial link to the Company other than their mandate as Director are considered as "**Independent Persons**".

Independent Persons do not include persons who:

- a) are employed by the Company or its subsidiaries at the time of their appointment as a member of the Board of Directors,
- b) carry out paid work for the benefit of the Company or have technical, legal or financial responsibility towards the Company,
- c) are shareholders of the Company and hold, directly or indirectly, at least 30% of the voting rights or maintain family ties with such a person,
- d) receive financial benefits in association with the activities or results of the Company,
- e) have a legal relationship with a non-independent member of the Company in another company, in which the non-independent member has powers of management or control.

As at 31st December 2021, the Board is composed as follows:

<u>Name:</u>	<u>Position:</u>
• Mr. Gábor VÁRSZEGI	Chairman of the Board
• Mr. Dávid VÁRSZEGI,	Member of the Board
• Mr. Wiggert KARREMAN,	Member of the Board

- Mr. Martijn J.G. WINDELS Member of the Board
- Mr. Gábor MOCISKONYI Member of the Board
- Mr. Alan J. GRIFFITHS Member of the Board

The Annual General Meeting of the Company held on 3rd May, 2021 elected the members of the Board of Directors with a mandate expiring at the Annual General Meeting of shareholders of the Company called to approve the Company's financial statements as at 31st December 2021.

Each member of the Board of Directors is highly-qualified, acclaimed specialist.

Audit Committee

The Company has established an audit committee (the "Audit Committee") consisting of independent members of the Board of Directors for the functions of financial reporting, internal control and risk management.

The Audit Committee plays a role in the Company's internal control and risk management procedures and as a result, monitors the internal control, internal audit and risk management systems, financial reporting process and the effectiveness thereof, monitors the statutory audit of the annual stand-alone and consolidated financial statements, reviews and monitors the independence of the *réviseur d'entreprises agréé*. In addition to the audited financial statements prepared annually, the Company, with the oversight of the Audit Committee, also draws-up unaudited consolidated financial statements on a semi-annual basis in accordance with the provisions of the Law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

The Audit Committee shall be composed of a minimum of three (3) and a maximum of five (5) people. The members of the Audit Committee shall be appointed by the general meeting of the shareholders of the Company among the members of the Board deemed to be "Independent Persons" for a period not exceeding their respective mandates.

The Audit Committee shall elect a chairman from among its members. The quorum shall be met at the Audit Committee meetings when the members have been validly called to attend and when a minimum of two-thirds (2/3) of its members are present. All the Audit Committee's decisions shall be taken by a simple majority vote. In the event of a tie, the person presiding over the meeting shall have the casting vote. They may be re-elected and they may be dismissed at any time by the general meeting, with or without cause.

The Audit Committee opines the annual report of the Company, controls and evaluates the operation of the financial system, provides its tasks in connection with the Auditor of the Company.

Composition of the Audit Committee

The Audit Committee is composed as follows:

Name:	Position:
Ms. Alan J. GRIFFITHS	Chairman of the Audit Committee
Mr. Martijn J.G. WINDELS	Member of the Audit Committee
Mr. Wiggert KARREMAN	Member of the Audit Committee

The members of the Audit Committee were appointed for a period of one (1) year until the Annual General Meeting called to approve the Company's annual accounts as at 31st December 2021.

Other Disclosures

There are no agreements with the shareholders which are known to the Company and may result in restrictions on the transfer of securities or voting rights within the meaning of the 2004/109/EC (transparency directive).

There are no restrictions on the transfer of securities in the articles of incorporation of the Company.

There are no securities granting special control right to their holders and there are no restrictions on voting rights of the ordinary shares.

There are no significant agreements to which the Company is party to and which would take effect, alter or terminate upon a change of control following a public offering or takeover bid.

There are no agreements between the Company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

There have been no transactions carried out under Article 420-26 (6) of the amended Law of 10 August 1915 on commercial companies in relation to the allocation of free shares of the Company.

There is no system of control of employee share scheme where the control rights are not exercised directly by the employees

The Board of Directors shall be vested with the most extensive powers to manage the affairs of the Company and to carry out all measures and administrative acts falling within the scope of the corporate object. Any powers not expressly reserved for the general meeting by the Articles of Association or by the law shall fall within the remit of the Board of Directors.

A subsequent General Meeting representing at least 50% of the Ordinary Shares may establish the limits and conditions applicable to the authorized capital, within the limits laid down by the Law. In this case, the Board of Directors is authorised and mandated to:

- carry out a capital increase, in one or several stages, by issuing new shares to be paid up either in cash, via contributions in kind, the transformation of debt or, subject to the approval of the Annual General Meeting, via the integration of profits or reserves into the capital;
- set the place and date of the issue or of successive issues, the issue price, and the conditions and procedures for subscribing and paying up the new shares;
- abolish or restrict the preferential subscription rights of shareholders with regard to new shares to be issued as part of the authorized share capital.

This authorization is valid for a period of five years from the publication date of the authorization deed and may be renewed by a General Meeting of Shareholders for any shares of the authorized capital which have not been issued by the Board of Directors in the meantime.

Following each capital increase carried out and duly recorded according to the legal formalities, the first paragraph of Article of Association shall be amended in such a way as to reflect the increase carried out;

this amendment shall be recorded in the notarial deed by the Board of Directors or any other authorized person.

As a result of the decision of the annual general meeting of the shareholders of the Company held on 25th May, 2016, the Board of Directors have been granted the power to continue with the share buyback program for a further five years up to a maximum of 17 million shares at a price set between the nominal value and the market value on the transaction date.

The Company being a financial holding company does not have any diversity policy as defined under Article 68ter (1) point g) of the law of 19 December 2002, as amended, however, in substance there is a diversity at all levels.

Rules Governing Amendments of the Articles of Incorporation

Amendments to the Articles of Incorporation are approved by resolution of the extraordinary general meeting of the shareholders under the conditions of the law.

Branches of the Company

The Company has no branches.

The Directors request that the general meeting discharges the Board and the Audit Committee for the execution of their mandates for the financial year ended as at 31st December, 2021.

Luxembourg, 3 March 2022

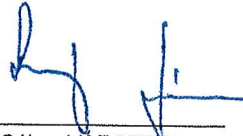


Mr. Gábor VARSZEGI
Chairman of the Board of Directors of
Fotex Holding S.E.

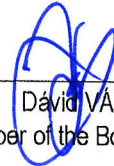
Management Responsibility Statement

We confirm that to the best of our knowledge, the present financial statements as of 31 December 2021 have been prepared in accordance with Luxembourg GAAP and give a true and fair view of the assets, liabilities, financial position and profit or loss of Fotex Holding S.E. In addition, the management report includes a fair review of the development and performance of the business and the position of Fotex Holding S.E. together with a description of the principal risks and uncertainties that they face.

Luxembourg, 3 March 2022



Gábor VARSZEGI
Chairman of the Board of Directors



Dávid VARSZEGI
Member of the Board of Directors

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
Fotex Holding S.E.
272, rue de Neudorf
L-2222 Luxembourg

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Fotex Holding S.E. (the "Company"), which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the shares in affiliated undertakings

a) Why the matter was considered to be one of the most significant in the audit?

Investments in shares in affiliated undertakings (financial assets) amount to EUR 240.6 million (2020: EUR 238.4 million), representing 89.2% of total assets of the Company at 31 December 2021. Those represent investment of the Company in the underlying group and its underlying assets, which are investment properties.

The shares in affiliated undertakings are recorded at historical acquisition costs. Value adjustments are recorded, if in the opinion of the Board of Director's, there is a durable impairment in value. The value in use estimated by the Board of Directors is based on the share in the statutory net assets of the relevant entities. The identification of impairment indicators and the determination of a value adjustment requires the application of significant judgment by the Board of Directors.

The significance of the estimates and judgments involved, requires specific audit focus in this area.

b) How the matter was addressed during the audit?

Our audit procedures over the valuation of shares in affiliated undertakings include:

- We obtained an understanding of the impairment assessment process through inquiries with the Board of Directors, based on their knowledge of the recent developments in the financial position and cash flows of the subsidiaries.
- We compared the carrying amount of the shares in affiliated undertakings with their net assets, considering also the fair value of properties of these underlying affiliated undertakings (recoverable amount).
- We assessed the competence, capabilities, qualifications, independence and integrity of the external valuer of the investment properties in the affiliated undertakings and read the terms of engagement by Fotex Holding S.E. to determine whether there were any matters that might have affected her objectivity or limited the scope of their work, ensuring that these values are based on appropriate justification of the valuation methodology applied.
- Further we assessed the adequacy and completeness of the disclosures in the notes to the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the Corporate Governance Statement but does not include the annual accounts and our report of "*réviseur d'entreprises agréé*" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects in accordance with the requirements laid down in the ESEF Regulation.



As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "*réviseur d'entreprises agréé*" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.



Report on Other Legal and Regulatory Requirements

We have been appointed as “*réviseur d’entreprises agréé*” by the General Meeting of the Shareholders on 3 May 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is two years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remain independent of the Company in conducting the audit.

We have checked the compliance of the annual accounts of the Company as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the company it relates to:

- Annual accounts prepared in a valid xHTML format.

In our opinion, the annual accounts of Fotex Holding S.E. as at 31 December 2021, identified as Fotex 2021 stand alone signed.xhtml, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Luxembourg, 4 March 2022

BDO Audit
Cabinet de révision agréé
represented by

Christoph Schmitt



Annual Accounts Helpdesk :

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 Email : centralebilans@statec.etat.lu

RCSL Nr. : B146938 Matricule : 2009 8400 010

BALANCE SHEET

Financial year from ⁰¹ 01.01.2021 to ⁰² 31.12.2021 (in ⁰³ EUR)

Fotex Holding SE

rue de Neudorf, 272

2222 LUXEMBOURG

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101	101	102
II. Subscribed capital called but unpaid	1103	103	104
	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets		243 623 202,11	244 076 166,34
I. Intangible assets	1109	109	110
1. Costs of development	1111	1 659 262,78	1 659 439,75
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113	113	114
a) acquired for valuable consideration and need not be shown under C.I.3	1115	3 1 659 262,78	116 1 659 439,75
b) created by the undertaking itself	1117	117 1 659 262,78	118 1 659 439,75
3. Goodwill, to the extent that it was acquired for valuable consideration	1119	119	120
4. Payments on account and intangible assets under development	1121	121	122
II. Tangible assets	1123	123	124
1. Land and buildings	1125	1 399 751,62	126 3 969 209,43
2. Plant and machinery	1127	4 1 399 751,62	128 3 969 209,43
	1129	129	130

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B146938	Matricule :	2009 8400 010
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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	240 564 187,71	238 447 517,16
1. Shares in affiliated undertakings	1137 5	240 563 293,46	238 447 156,16
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145 5	894,25	361,00
6. Other loans	1147	147	148
D. Current assets	1151	25 944 481,88	25 999 217,57
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	1 289 297,41	2 388 781,53
1. Trade debtors	1165	243 686,43	221 606,30
a) becoming due and payable within one year	1167	243 686,43	221 606,30
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	755 520,60	1 420 841,38
a) becoming due and payable within one year	1173 6	755 520,60	1 420 841,38
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	290 090,38	746 333,85
a) becoming due and payable within one year	1185 7	290 090,38	395 121,31
b) becoming due and payable after more than one year	1187	187	351 212,54

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____ 22 970 475,55	190 _____ 22 580 316,94
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____ 8	209 _____ 22 970 475,55	210 _____ 22 580 316,94
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 _____ 1 684 708,92	198 _____ 1 030 119,10
E. Prepayments	1199 _____	199 _____ 8 320,00	200 _____ 8 320,00
	TOTAL (ASSETS)	201 _____ 269 576 003,99	202 _____ 270 083 703,91

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	9		
I. Subscribed capital	1301	246 793 864,37	247 140 363,87
II. Share premium account	1303	30 543 933,00	30 543 933,00
III. Revaluation reserve	1305	6 429 700,45	6 819 859,06
IV. Reserves	1307		
1. Legal reserve	1309	26 117 987,21	25 727 828,60
2. Reserve for own shares	1311	3 054 393,30	3 054 393,30
3. Reserves provided for by the articles of association	1313	22 970 475,55	22 580 316,94
4. Other reserves, including the fair value reserve	1315		
a) other available reserves	1429	93 118,36	93 118,36
b) other non available reserves	1431		
V. Profit or loss brought forward	1433	93 118,36	93 118,36
VI. Profit or loss for the financial year	1439	184 048 743,21	184 428 524,11
VII. Interim dividends	1319	-346 499,50	-379 780,90
VIII. Capital investment subsidies	1321		
	1323		
	1325		
B. Provisions	1331		
1. Provisions for pensions and similar obligations	1333		
2. Provisions for taxation	1335		
3. Other provisions	1337		
C. Creditors	10		
1. Debenture loans	1435	22 782 139,62	22 943 340,04
a) Convertible loans	1437		
i) becoming due and payable within one year	1439		
ii) becoming due and payable after more than one year	1441		
b) Non convertible loans	1443		
i) becoming due and payable within one year	1445		
ii) becoming due and payable after more than one year	1447		
2. Amounts owed to credit institutions	1449		
a) becoming due and payable within one year	1355		
b) becoming due and payable after more than one year	1357		
	1359		

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>88 365,50</u>	368 <u>247 204,15</u>
a) becoming due and payable within one year	1369 _____	369 <u>88 365,50</u>	370 <u>247 204,15</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>22 453 403,19</u>	380 <u>22 352 813,39</u>
a) becoming due and payable within one year	1381 _____	381 _____	382 _____
b) becoming due and payable after more than one year	1383 _____	383 <u>22 453 403,19</u>	384 <u>22 352 813,39</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>240 370,93</u>	452 <u>343 322,50</u>
a) Tax authorities	1393 _____	393 <u>29 464,92</u>	394 _____
b) Social security authorities	1395 _____	395 <u>1 013,57</u>	396 <u>861,52</u>
c) Other creditors	1397 _____	397 <u>209 892,44</u>	398 <u>342 460,98</u>
i) becoming due and payable within one year	1399 _____	399 <u>209 892,44</u>	400 <u>342 460,98</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405 _____	<u>269 576 003,99</u>	<u>270 083 703,91</u>

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RCSL Nr. : B146938 Matricule : 2009 8400 010

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01.01.2021 to ⁰² 31.12.2021 (in ⁰³ EUR)

Fotex Holding SE

rue de Neudorf, 272

2222 LUXEMBOURG

	Reference(s)	Current year	Previous year
1. Net turnover	1701 <u>11</u>	701 <u>826 829,38</u>	702 <u>869 821,01</u>
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 <u>12</u>	713 <u>185 660,85</u>	714 <u>1 208,80</u>
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-461 687,81</u>	672 <u>-536 381,62</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>13</u>	603 <u>-461 687,81</u>	604 <u>-536 381,62</u>
6. Staff costs	1605 <u>18</u>	605 <u>-258 345,99</u>	606 <u>-256 167,84</u>
a) Wages and salaries	1607 _____	607 <u>-241 868,01</u>	608 <u>-240 366,36</u>
b) Social security costs	1609 _____	609 <u>-16 477,98</u>	610 <u>-15 801,48</u>
i) relating to pensions	1653 _____	653 <u>-10 635,27</u>	654 <u>-10 281,60</u>
ii) other social security costs	1655 _____	655 <u>-5 842,71</u>	656 <u>-5 519,88</u>
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 <u>-47 967,54</u>	658 <u>-60 921,25</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 <u>-47 967,54</u>	660 <u>-60 921,25</u>
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 <u>14</u>	621 <u>-779 758,04</u>	622 <u>-358 036,99</u>
9. Income from participating interests	1715 _____	715 <u>307 766,85</u>	716 <u>207 169,66</u>
a) derived from affiliated undertakings	1717 <u>15</u>	717 <u>307 766,85</u>	718 <u>207 169,66</u>
b) other income from participating interests	1719 _____	719 _____	720 _____

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
10. Income from other investments and loans forming part of the fixed assets			
a) derived from affiliated undertakings	1721 _____	721 _____ 534,88	722 _____
b) other income not included under a)	1723 _____	723 _____	724 _____
	1725 _____	725 _____ 534,88	726 _____
11. Other interest receivable and similar income			
a) derived from affiliated undertakings	1727 _____	727 _____ 20 147,67	728 _____ 14 705,90
b) other interest and similar income	1729 _____	729 _____ 20 060,26	730 _____ 14 343,67
	1731 _____	731 _____ 87,41	732 _____ 362,23
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665 _____	665 _____	666 _____
14. Interest payable and similar expenses			
a) concerning affiliated undertakings	1627 _____	627 _____ -134 864,75	628 _____ -256 363,57
b) other interest and similar expenses	1629 _____ 16	629 _____ -103 499,18	630 _____ -255 950,46
	1631 _____	631 _____ -31 365,57	632 _____ -413,11
15. Tax on profit or loss			
	1635 _____	635 _____	636 _____
16. Profit or loss after taxation			
	1667 _____	667 _____ -341 684,50	668 _____ -374 965,90
17. Other taxes not shown under items 1 to 16			
	1637 _____ 17	637 _____ -4 815,00	638 _____ -4 815,00
18. Profit or loss for the financial year			
	1669 _____	669 _____ -346 499,50	670 _____ -379 780,90

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 1 – General information

Fotex Holding Société Européenne (the “Company”) is a European public limited company regulated under the laws of the Grand Duchy of Luxembourg.

The Company has been registered in the Luxembourg Trade and Companies’ Register (“Registre de Commerce et des Sociétés Luxembourg”) under registration no. R.C.S. B 146938.

The registered office of the Company is established at 272, rue de Neudorf, L-2222 Luxembourg.

The object of the Company is to acquire participating interests, in any form whatsoever in Luxembourg or foreign companies, to acquire any kind of transferable securities via purchases, subscriptions or any other means as well as to dispose thereof via sales, exchanges or any other means, to manage and develop its portfolio and to acquire, sell and develop patents and licenses associated thereto.

The Company may lend and borrow with or without security, participate in the creation and development of any companies and may render them assistance.

In general, the Company may carry out any commercial or financial transaction or any transaction involving movable or immovable assets that is directly or indirectly linked to its corporate object or is likely to facilitate the expansion and development thereof.

The financial year starts on January 1st and ends on December 31st each year.

The Company also prepares consolidated financial statements, which are published according to the provisions of the law.

The consolidated financial statements are prepared in accordance with IFRS as approved by the European Union.

In addition, the Company is included in the consolidated financial statements of BLACKBURN INTERNATIONAL LUXEMBOURG S.à.r.l. forming the largest body of undertakings of which the company forms a part as a direct subsidiary undertaking. The registered office of BLACKBURN INTERNATIONAL LUXEMBOURG S.à.r.l. is located at 272, rue de Neudorf, L-2222 Luxembourg. The consolidated financial statements may be obtained at its registered office.

NOTE 2 – Summary of significant accounting policies

2.1 General principle

The statutory standalone annual accounts have been prepared in accordance with the Luxembourg Commercial Company Law of 10 August 1915 as amended and the amended law of 19 December 2002. Accounting policies, valuation policies and valuation rules are, besides the ones laid down by the said law, determined and applied by the Board of Directors.

In preparing these annual accounts, the Board of Directors have assessed the ability of the Company to continue to operate; following this assessment the Board of Directors believes it appropriate to prepare these annual accounts on a going concern basis.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 2 – Summary of significant accounting policies (continued)

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Summary of significant accounting policies

Foreign currency translation

- The accounts are expressed in Euro.
- Transactions expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.
- Formation expenses, intangible, tangible and financial fixed assets, expressed in currencies other than Euro are translated into Euro at the time of the transaction. At the balance sheet date, these assets remain translated at historic exchange rates.
- Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.
- Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.
- The interests on the loans are converted in using the average monthly exchange rate.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021
(expressed in EUR)

NOTE 2 – Summary of significant accounting policies (continued)

Intangible assets

Intangible assets other than formation expenses are recorded at their acquisition price, less cumulative value adjustments. Where applicable, amortization is calculated on the basis of generally accepted rates according to the estimated useful life of these assets.

The rates and methods of depreciation applied are as follows:

	Depreciation rate %	Depreciation method
Trade mark concessions "Fotex"	4,17	Linear
Trade mark concessions "Fotex"-renewal 10 years	10,00	Linear
IP rights and software	33,00	Linear

In case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of these intangible assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Intangible fixed assets with indefinite useful lives such as media rights are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of intangible assets with indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to definite is made on a prospective basis.

Tangible assets

Tangible assets and other similar assets are valued at their acquisition price, less cumulative value adjustments. When applicable, depreciation is calculated on the basis of the estimated useful life of these fixed assets.

The « Land and buildings » item includes real estate properties owned by the Company in Budaörs, Hungary and Gárdony, Hungary.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The economic useful lives used are as follows:

	Depreciation rate %	Depreciation method
Real estate and related property rights	2.00	Linear
Hardware	33.00	Linear
Office equipment	14.28	Linear

Land is not depreciated.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 2 – Summary of significant accounting policies (continued)

Where the Company considers that tangible fixed assets have suffered a decline in value in excess of the accumulated depreciation recognised, an additional write-down is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

Financial assets

Shares in affiliated undertakings/participating interests/loans to these undertakings/held as financial fixed assets/other loans are valued at purchase price including the expenses incidental thereto.

In case of a durable impairment in value according to the opinion of the Board of Directors, value adjustments are made in respect of these financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors, amounts owed by affiliated undertakings, amounts owed by undertakings with which the undertaking is linked by virtue of participating interests and other debtors are recorded at their nominal value.

According to the information provided by the Board of Directors, the debtors are subject to a depreciation recorded in the annual accounts so that these items are valued at the lowest market value.

Value adjustments made in previous financial years which are no longer necessary following the disappearance of the recovery risk shall be rectified.

Investments

Own shares are recorded at the purchase cost including expenses incidental thereto expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the weighted average price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to the last available quotation on the valuation day for the investments.

Cash at bank and in hand

Cash at bank and in hand is recorded at their nominal values.

Prepayments

This asset item includes expenses incurred during the financial period but relating to a subsequent financial period.

FOTEX HOLDING

**Annual Accounts for the year ended 31/12/2021
(expressed in EUR)**

NOTE 2 – Summary of significant accounting policies (continued)

Provisions

On the last day of the financial year, provisions are formed to cover all known or foreseeable liabilities and charges.

Provisions are regularly reviewed and adjusted when the source of the liability or charge no longer exist.

Provisions for taxation correspond to the tax liability estimated by the Company for the financial years for which tax returns have not been filed or tax assessments have not been received yet.

Creditors

Creditors are valued at their reimbursement value.

Net turnover

The net turnover comprises amounts paid by the group companies using and benefiting from the Fotex name (name wearing fee, recharged costs). Fotex Holding SE also provides guidance in the fields of property management to those subsidiaries which require it in exchange for a regular property management fee.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021
(expressed in EUR)

NOTE 3 – Intangible assets

Evolution of intangible assets:

	Trademarks	IP Rights and software	Media rights
Gross book value - opening balance	7,748,182.09	1,889.00	2,658,396.00
Additions for the financial year	0.00	0.00	0.00
Disposals for the financial year	0.00	0.00	0.00
Transfers for the financial years	0.00	0.00	0.00
Gross book value - closing balance	7,748,182.09	1,889.00	2,658,396.00
Value adjustment - opening balance	-7,747,138.34	-1,889.00	-1,000,000.00
Value adjustment for the financial year	-176.97	0.00	0.00
Impairment	0.00	0.00	0.00
Reversals for the financial year	0.00	0.00	0.00
Transfers for the financial year	0.00	0.00	0.00
Value adjustments - closing balance	-7,747,315.31	-1,889.00	-1,000,000.00
Net book value - opening balance	1,043.75	0.00	1,658,396.00
Net book value - closing balance	866.78	0.00	1,658,396.00

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 3 – Intangible assets (continued)

Trademarks

The basis for recognition of the Trade Mark concession “Fotex” as an intangible asset consists of the fact that since its incorporation in 1984 the Company became well known and gained a good reputation. In 1990, in connection with the transformation of the Company to an Rt. (public limited company) and associated to an increase in share capital, the “Fotex” name has been valued by an independent appraiser. The gross value of the “Fotex” name amounts to 2.05 billion HUF which is equivalent to EUR 7.7 million.

The “Fotex” name has been recognized as an asset to be in line with the regulations of Hungarian GAAP. Moreover, since February 10, 2011 the “Fotex” name has been registered not only in Hungary but at an EU level.

Since the “Fotex” name can serve the best interest of the Company for a long period of time and is a well-known name, it has been amortized over 24 years.

Media rights

The media rights presented under intangible assets comprise certain merchandising (media and brand merchandise, distribution and promotion rights, billboards) in the football club FTC, rights which the Company acquired for an indefinite period of time as part of its exit from the ownership in FTC Labdarúgó Zrt.

Owing to changes in Hungarian legislation, as of January 1st, 2012, certain rights reverted to the FTC association against due compensation that should have been received. As a result of the mentioned law, the parties have ongoing legal proceedings as to the said merchandising rights, their value and the compensation to be received, as a consequence of which additional impairment has been recognised in 2015 in the amount of EUR 1,000,000.00.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 4 – Tangible assets

Evolution of tangible assets:

	Lands and buildings	Other fixtures and fittings, tools and equipment
Gross book value - opening balance	5,552,086.00	20,846.35
Additions for the financial year	0.00	0.00
Disposals for the financial year	-3,610,585.00	0.00
Transfers for the financial years	0.00	0.00
Gross book value - closing balance	1,941,501.00	20,846.35
Value adjustment - opening balance	-1,582,876.57	-20,846.35
Value adjustment for the financial year	-57,862.59	0.00
Impairment	0.00	0.00
Reversal impairment	10,072.02	0.00
Reversals for the financial year	1,088,917.76	0.00
Transfers for the financial year	0.00	0.00
Value adjustments - closing balance	-541,749.38	-20,846.35
Net book value - opening balance	3,969,209.43	0.00
Net book value - closing balance	1,399,751.62	0.00

The « Land and buildings » item includes real estate property owned by the Company in Budaörs, Hungary. In October 2021, the Company contributed its real estate properties owned in Gardony to its subsidiary Arany Juhar Idosothton Kft.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 5 – Financial assets

Evolution of financial assets:

	1. Shares in affiliated undertakings	5. Investments held as fixed assets
Gross book value - opening balance	240,132,469.85	718.00
Additions for the financial year	2,116,137.30	533.25
Disposals for the financial year	0.00	0.00
Transfers for the financial years	0.00	0.00
Gross book value - closing balance	242,248,607.15	1,251.25
Value adjustment - opening balance	-1,685,313.69	-357.00
Value adjustment for the financial year	0.00	0.00
Reversals for the financial year	0.00	0.00
Transfers for the financial year	0.00	0.00
Value adjustments - closing balance	-1,685,313.69	-357.00
Net book value - opening balance	238,447,156.16	361.00
Net book value - closing balance	240,563,293.46	894.25

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021
(expressed in EUR)

NOTE 5 – Financial assets (continued)

The capital and reserves of affiliated undertakings/investments held as fixed assets as at December 31st, 2021 are summarized below:

Name of the company	Registered office / Country	Ownership %	Last balance sheet date (not yet approved)	Capital and reserves at the last balance sheet date (*)	Results at the last balance sheet date (*)	Net book value EUR
Hungaroton Music Zrt	Reiiter Ferenc u -45-49., 1135 Budapest, Hungary	99.21	31/12/2021	HUF 258,197,000.00/ EUR 699,360.76	HUF 7,721,000.00/ EUR 20,913.35	EUR 742,001.11
Sigma Kft	Nagy Jeno u 12., 1126 Budapest, Hungary	100.00	31/12/2021	HUF 82,432,000.00 / EUR 223,277.99	HUF 45,783,000.00/ EUR 124,009.32	EUR 217,150.27
Upington Investments Sàrl	272, rue de Neudorf, L- 2222 Luxembourg	100.00	31/12/2021	EUR 20,072,057.68	EUR - 231,844.55	EUR 1,105,093.38
Szekhely 2007 Kft	Nagy Jeno u 12., 1126 Budapest, Hungary	99.28	31/12/2021	HUF 1,609,418,000.00 / EUR 4,359,324.47	HUF 1,520,293,000.00/ EUR 4,117,914.89	EUR 267,702.82
Fotex Netherlands BV	Sarphatikade 13, 1017 WW Amsterdam, The Netherlands	100.00	31/12/2021	EUR 285,941,221.00	EUR 7,195,942.00	EUR 236,115,208.58
Arany Juhar Idosotthon Kft	Gardonyi Géza utca hrsz 3021/21, H-2484, Hungary	99.92	Not yet available			EUR 2,116,137.30

(*) The closing exchange rate used to convert HUF into EUR (when the share capital of the subsidiaries is expressed in HUF) is 369.19 and is given only for information and conversion purpose.

Sigma Kft.

The Company received a dividend of HUF 65,567,000.00 (EUR 181,933.46) from Sigma Kft approved by its annual general meeting held on April 29th, 2021.

Szekhely 2007 Kft

The Company received a dividend of HUF 44,955,237.41 (EUR 125,833.39) from Szekhely 2007 Kft approved by its annual general meeting held on May 10th, 2021.

Arany Juhar Idosotthon Kft

On June 7th 2021, the Company subscribed for business shares in the nominal of value of HUF 2,400,000.00 (EUR 6,938,20) at the incorporation of Arany Juhar Idosotthon Kft..

On October 15th 2021, the Company increased the share capital of Arany Juhar Idosotthon Kft by a contribution in kind of the real estate properties the Company owned in Gardony, Hungary.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 6 – Amounts owned by affiliated undertakings

As at December 31st, 2021, this caption is mainly composed of:

- Interest bearing loan of EUR 300,000.00 drawn-down as part of a facility for a total amount of EUR 300,000.00 granted to Upington Investments S.à r.l. The loan shall be repaid in full by December 31st 2022 (2020: 100,000.00);
- Interest free loan to Arany Juhar Idosotthon Kft for an amount of EUR 50,000.00 (2020: NIL)
- Interest bearing loan of EUR 400,000.00 drawn-down as part of a facility for a total amount of EUR 1,500,000.00 granted to Arany Juhar Idosotthon Kft. The loan shall be repaid in full by December 31st 2021. (2020: NIL).

NOTE 7 – Other debtors

As at December 31st, 2021, the other debtors are mainly composed of:

- VAT recoverable for an amount of EUR 264,250.71 (2020: EUR 199,387.15);
- Advance paid to the Direct Tax Administration for an amount of EUR 25,839.37 (2020: EUR 194,573.28);

NOTE 8 – Own shares

Own shares

Own shares	Quantity	Recorded Value
Opening balance	15,382,940	EUR 22,580,316.94
Acquisition	154,652	EUR 390,158.61
Closing balance	15,537,592	EUR 22,970,475.55

The Company has created a non-distributable reserve in the caption "*Reserve for own shares*".

The own shares were recorded at purchase price and they are valued at the weighted average cost.

FOTEX HOLDING

Annual Accounts for the year ended 31/12/2021

(expressed in EUR)

NOTE 9 – Capital and reserves

The movements in capital and reserves during the financial year are as follows:

	Subscribed capital	Share premium	Reserve for own shares	Legal reserve	Dividends (*)	Other non-distributable reserves (**)	Profit or loss brought forward	Result for the financial year
As at December 31st, 2020	30,543,933.00	6,819,859.06	22,580,316.94	3,054,393.30	0.00	93,118.36	184,428,524.11	-379,780.90
Transfer to reserve	0.00	-390,158.61	390,158.61	0.00	0.00	0.00	0.00	0.00
Increase capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Decrease capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Allocation of the results	0.00	0.00	0.00	0.00	0.00	0.00	-379,780.90	379,780.90
Result for the financial year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-346,499.50
As at December 31st, 2021	30,543,933.00	6,429,700.45	22,970,475.55	3,054,393.30	0.00	93,118.36	184,048,743.21	-346,499.50

(*) At the Annual General Meeting of the Company held on May 3rd, 2021, the Company has decided not to pay dividends to the shareholders holding ordinary shares of the Company.

(**) At the Annual General Meeting of the Company held on May 12th, 2014, the Company has decided to allocate an amount of EUR 93,118.36 to an un-distributable reserve for unrealized gains on foreign exchange.

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(expressed in EUR)

NOTE 9 – Capital and reserves (continued)

The movements in capital and reserves during the previous financial year are as follows:

	Subscribed capital	Share premium	Reserve for own shares	Legal reserve	Dividends (*)	Other non-distributable reserves (**)	Profit or loss brought forward	Result for the financial year
As at December 31st, 2019	30,543,933.00	8,248,001.98	21,152,174.02	3,054,393.30	0.00	93,118.36	185,313,647.24	-885,123.13
Transfer to reserve	0.00	-1,428,142.92	1,428,142.92	0.00	0.00	0.00	0.00	0.00
Increase capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Decrease capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Allocation of the results	0.00	0.00	0.00	0.00	0.00	0.00	-885,123.13	885,123.13
Result for the financial year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-379,780.90
As at December 31st, 2020	30,543,933.00	6,819,859.06	22,580,316.94	3,054,393.30	0.00	93,118.36	184,428,524.11	-379,780.90

(*) At the Annual General Meeting of the Company held on May 29th, 2020, the Company has decided not to pay dividends to the shareholders holding ordinary shares of the Company.

(**) At the Annual General Meeting of the Company held on May 12th, 2014, the Company has decided to allocate an amount of EUR 93,118.36 to an un-distributable reserve for unrealized gains on foreign exchange.

Subscribed capital

As at December 31st, 2021, the Company has an issued and subscribed capital of EUR 30,543,933.00 divided into 70,723,650 ordinary shares and 2,000,000 dividend preference shares, i.e. a total of 72,723,650 shares with a par value of EUR 0.42.

The dividend preference shares carry the same rights as ordinary shares in the event of liquidation or dissolution of the Company.

Dividend preference shares come with a right to an annual dividend decided by the General Assembly, but are without right to vote. This dividend may not exceed 50% of the average annual price of the ordinary shares but may not be less than twice the amount produced by applying the 12-month interest rate of the European Central Bank prevailing at 1 January of the year in which the dividend is paid on the nominal value of shares (i.e. $0.42 \times \text{interest rate} \times 2$). This dividend may only be paid if the Company's consolidated financial statements for the relevant year prepared under IFRS show profits which, subject to compliance with legal provisions, allow for the distribution of such dividend.

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NOTE 9 – Capital and reserves (continued)

The total dividends paid in respect of dividend preference shares may not exceed thirty percent (30%) of the consolidated after-tax profit based on the IFRS financial statements (less minority interest). The holders of dividend preference shares are not entitled to any other rights or dividends outside those described above, attributed to them by the General Assembly. Such dividends are paid once a year and interim payment is only allowed if the conditions of such a distribution are met.

If the Company is unable to pay such dividends for one year or if it pays only a minimum portion due for a given year and does not regularize the payment of the full amount upon payment of the dividends for the following year, the right to vote identical to that applied to ordinary shares will be granted to the holders of dividend preference shares. The voting will be extended until the Company has paid all minimum dividends due with respect to the dividend preference shares.

A subsequent General Assembly meeting representing at least 50% of the ordinary shares may determine the limits and conditions of the authorised capital within the limits set by the law.

In this case, the Board of Directors is authorised and empowered to:

- increase the capital in one sum or in instalments, by issuing new shares to be paid in cash or in contributions in kind, by converting receivables or, upon approval of the Annual General Assembly, by way of capitalising the profit or reserves.
- determine the place and date of the issue or successive issues of the new shares along with the costs of such an issue as well as the terms and conditions of subscription.
- suppress or limit the preferential subscription right of shareholders should the new shares be issued as part of the authorized capital.

This authorisation is valid for a period of five years from the date of publication of the deed of authorization and may be prolonged by a General Assembly of the shareholders with respect to shares that form part of the authorised capital and have not yet been issued by the Board of Directors.

Following each capital increase realised and duly effected in accordance with the relevant legal forms, the first paragraph of the article 5 shall be amended to reflect the latest increase; such changes will be recorded in due form by the Board of Directors or by a person appointed for that purpose.

Since February 23rd, 2012, the Company's ordinary shares are quoted on the Luxembourg Stock Exchange.

Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

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(expressed in EUR)

NOTE 10 – Creditors

Remaining terms of amounts due and payable for the accounts shown under “creditors” are as follows:

	Within one year	After one year and within five years	After more then five years	Total 31/12/2021	Total 31/12/2020
Amounts owed to credit institutions	0.00	0.00	0.00	0.00	0.00
Trade creditors (1)	88,365.50	0.00	0.00	88,365.50	247,204.15
Amounts owed to affiliated undertakings (2)	0.00	22,453,403.19	0.00	22,453,403.19	22,352,813.39
Other creditors					
Tax authorities	29,464.92	0.00	0.00	29,464.92	0.00
Social security authorities	1,013.57	0.00	0.00	1,013.57	861.52
Other creditors	209,892.44	0.00	0.00	209,892.44	342,460.98
Total	328,736.43	22,453,403.19	0.00	22,782,139.62	22,943,340.04

(1) As at December 31st, 2021, the trade creditors are mainly composed of trade creditors – purchase invoice accruals for an amount of EUR 74,445,17 (2020: EUR 222,501.82).

(2) As at December 31st, 2021, the amounts owed to affiliated undertakings are mainly composed of:

- Interest bearing loan of EUR 8,000,000.00 drawn-down as part of a facility for a total amount of EUR 8,000,000.00 granted by Fotex Netherlands B.V. The loan shall be repaid in full by December 31st, 2025 together with any accrued interest. (2020: EUR 8,000,00.00).

- Interest bearing loan of EUR 14,000,000.00 granted by FN2 B.V, company held indirectly by Fotex Holding SE. The loan shall be repaid in full by December 31st, 2025 together with any accrued interest (2020: EUR 14,000,000.00).

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(expressed in EUR)

NOTE 11 – Net turnover

The Company has had the following revenues during the financial year captured:

	2021	2020
Name wearing fees	485,411.65	486,653.55
Property management fees	341,417.73	383,167.46
	<u>826,829.38</u>	<u>869,821.01</u>

NOTE 12 – Other operating income

As at December 31st, 2021, the other operating income mainly includes a compensation received in relation to a litigation for an amount of EUR 181.159,37.

As at December 31st, 2020, as per the tax assessment received during the year, the late interest paid previously have been cancelled.

NOTE 13 – Raw materials and consumables and other external expenses

The other external expenses are composed of:

	2021	2020
Subcontracting, maintenance and repairs	0.00	-1,194.50
Rent, Commissions and professional fees	-423,825.77	-499,235.13
Insurance premiums	-8,319.98	-6,193.00
Marketing and communication costs	-2,461.68	-1,202.47
Miscellaneous external charges	-27,080.38	-28,556.52
	<u>-461,687.81</u>	<u>-536,381.62</u>

NOTE 14 – Other operating expenses

The other operating expenses mainly include:

- directors' fees for a gross amount of EUR 337,929.23 (2020: EUR 337,575.79).
- loss of EUR 412,468.16 realised on the contribution of the real estate properties located at Gardony to its subsidiary Arany Juhar Idosotthon.(2020 : EUR NIL)

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(expressed in EUR)

NOTE 15 – Income from participating interests

This item is composed of:

- dividends received from affiliated undertakings for an amount of EUR 307,766.85 (2020: EUR 207,169.66).

NOTE 16 – Interest payable and similar expenses concerning affiliated undertakings

The interest payable is composed of:

- interest paid/or due to affiliated undertakings for an amount of EUR 100,596.06 (2020: EUR 122,964.04).

NOTE 17 – Taxes

This caption can be detailed as follows:

	2021	2020
Corporate income tax	0.00	0.00
Municipal business tax	0.00	0.00
Wealth tax	4,815.00	4,815.00
	<u>4,815.00</u>	<u>4,815.00</u>

The Company has entered into a tax consolidation regime with its subsidiary Upington Investment S.à r.l. as per the article 164 bis LIT as of 01/01/2010.

In accordance with the said tax consolidation regime, the corporate income and the municipal business taxes of Fotex Holding S.E. (as parent company) and Upington Investment S.à r.l (subsidiary company) are calculated and accounted for at the level of Fotex Holding S.E.

NOTE 18 – Additional information

Staff costs

During the financial year, the Company employed 1 employee.

The members of the Board of Directors receive directors' fees for a gross amount of EUR 337,929.23 (2020: EUR 337,575.79).

Advances and loans granted to the members of the administrative, managerial and supervisory bodies

During the year, the Company did not grant advances and loans to the members of those bodies.

FOTEX HOLDING

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(expressed in EUR)

Off balance sheet commitments

There are no off-balance sheet commitments.

Subsequent event

There have been no subsequent event following the financial year-end.