UBM Group

UBM Holding Nyrt.
Annual Report

30 June 2024

CONTENTS OF THE ANNUAL REPORT

198 billion HUF
consolidated revenues
8.2 billion HUF
EBITDA

1.7 million tons
grain and commodity trade

Hungarian ownership
and an international management team

Export to 19 countries
54% of
turnover

Almost **1500 partners** in Hungary and the export markets

Market leader
Market leader group of companies in feed production and commodity trade in Hungary

454,000 tons
of feed produced, 500 products

Certified
feed efficiency, manufacturing technology and quality assurance

10.32% average growth rate
between 2020 and 2024

408 full time employees
devoted, almost 2/3 professional workers, average age 43 years

More than **28 years**
of experience in providing for the Hungarian animal production sector

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CONSOLIDATED MANAGEMENT (BUSINESS) REPORT

PRESENTATION OF THE ACTIVITIES AND RESULTS OF THE PERIOD COVERED BY THE ANNUAL REPORT

UBM Holding Nyrt. and its affiliates have experienced a successful business year in 2023/24 despite the economic environment during the year. The implementation of the growth strategy announced in spring 2023 continues to progress, but it is important to highlight that the results for the closed business year are slightly below plan, both in terms of EBITDA and annual turnover.

The business year for our company spans the period between July 1st 2023 and June 30th 2024, corresponding to the seasonality of crop production, which fundamentally determines the Group's activities. Grains and sunflower are harvested and stored during the second half of the year, so the increase in stocks bought in and stored can be tracked seasonally and can be separated from the previous and the coming years.

The consolidated total annual turnover for UBM Holding Nyrt. in the closed business year was 198.7 billion HUF, which is 14.2% lower than in the previous business year. It is clear that this decline was due to the drop - in many cases a decrease of 50% - in grain and other raw material prices, which was reflected in both retail and manufacturing prices. Output volumes show a clear increase, as output of feed manufacturing increased by 4% to 454 thousand tons, trade of protein crops (soybean meal and soybean) increased by 21% to 240 thousand tons, while the trade of grains and oil seeds increased by 27% to 1,049 thousand tons. Total turnover from manufacturing and trade has thus increased by 19% to 1,742 thousand tons.

Two factors determining results and EBITDA must be highlighted: interest rates environment and the effect of credit rates on profitability. The average 1 month BUBOR rate during the 2022/23 business year was 15.15%. This rate decreased to 10.89% for the 2023/24 business year, with BUBOR rates at 15.85% at the start of the business year, dropping to 7.00% by June 2024. The main reason for this was the continuously decreasing inflation that allowed for a reduction of the benchmark interest rates. Inflation was reduced to a single digit by the end of the year 2023, which is considered a milestone in this process.

Therefore, it can be concluded that the declining interest rate environment provided a more favourable financing opportunity for the Group and its business partners, while the interest costs incurred were significantly lower, by around HUF 1.5 billion.

UBM Group has managed to incorporate the costs of financing into its prices by providing feed, grains, commodities and other services of outstanding quality to their partners during the closed business year.

Export sales have increased their share compared to the previous year, accounting for 54.3% of total sales revenues, reflecting the success of UBM's intent to expand internationally. The Group is committed to pursuing a strategic expansion, which hopefully will mean completed acquisitions in the target countries during the next business year.

The Group has opened its newest trade office, UBM Italy Srl. in Italy on July 10th 2023, which actively contributes to the increase in export sales from January 2024. Even though the company is still in the starting phase, we can conclude that the opening of Italian export relations as a business destination has great potential for further growth. Italy is historically a major destination for the export of Hungarian grains and we don't expect this to change.

A substantial contamination of hydrocarbon origin has been discovered on the premises of UBM Feed Zrt., an affiliate of UBM Holding Nyrt. at 2851 Környe, Tópart utca 1. in the Környe Industrial Park. Preliminary investigations revealed that there are now unused tanks under the ground and these tanks or the connecting pipes are most probably the source of the contamination, which also affects other areas next to our premises in the Környe Industrial Park. UBM Group has not performed any activities on the premises either before or after acquiring it that could lead to such contamination; until the discovery of the contamination we didn't even know about the underground tanks. The exact extent of the contamination is currently under evaluation in close cooperation with the Department of Environmental protection and nature conservation of the Government Office of the county Komárom-Esztergom.

The UBM Group sees major opportunities in further expansion on both domestic and international markets. Regional expansion is one of the main pillars of our growth strategy, with a focus on the countries in the Carpathian basin, mainly Romania and Serbia. We also see great potential in reaching the Western Balkan countries, an aim we can reach through increasing operations in Serbia. Our aim is to become one of the two largest feed manufacturers on the Romanian market within 1 to 3 years, while we are planning to reach this target within 2 to 4 years on the Serbian market.

In parallel with regional expansion, we have also identified a new investment destination through extensive and thorough market research. We identified great opportunities to enter the market in Kazakhstan, the dominant country and economy in Central Asia, with the high technological level feed manufacturing facilities and premix production that we operate with in Hungary and other countries. Our inquiries and investment plans have been well received by both market participants and the Kazakh state. The Kazakh state's strategic aim is to enhance the level of agricultural production as much as possible in the shortest time possible with investments and they provide support to companies willing to invest in Kazakhstan. We will prepare a business/investment plan after negotiations and market research and then negotiate with Kazakh government institutions and agricultural companies. The main pillars of our business plan:

- construction of a premix manufacturing plant with 30,000 ton annual production capacity with an accompanying laboratory and training centre in the form of a brown field investment in the Almaty region, with total investment of EUR 23 million
- construction of three feed mills with 100,000 ton annual production capacity each in counties to be chosen at a later time point, with the preferred counties being Almaty, Kostana, Karaganda and Turkestan, with an investment of EUR 10 million each

The production facilities will be constructed and operated as a joint venture, with the Kazakh partner as a minority shareholder.

We plan to sign a contract of this intent to invest with the Kazakh state in 2024. The planned time horizon of the investment is 1-4 years, starting with the construction of the premix plant and the accompanying laboratory and training centre from 2025, followed by the construction and start-up of the feed mills in a step-by-step overlapping approach. We are confident that the high technical and quality standards represented by the UBM Group will contribute to the development of the Kazakh agriculture and the continuous improvement of results.

UBM Group has always put focus on employee retention and continuous training through various employee incentive schemes. The human resources policy of the Group is based on the following:

- investment in the training of employees;
- increasing employee commitment;
- providing employees opportunities to give feedback;
- vocational traineeship programme;
- forum for young employees;
- contractual rights to teleworking, possibility to work from home;
- special attention to older employees;
- operating realistic evaluation systems.

The result of various family friendly and employee wellbeing measures UBM has implemented can be seen as employees are becoming more committed and loyal towards their workplace. This is also reflected in the low fluctuation rate of the Group (fluctuation was 14.45% at the Group level for the past business year, which is 1% lower than the previous year and only 7.59% of it was voluntary transfer), which can be considered as quite favourable in the current market environment. These numbers show that the Group was able to retain employees despite the challenges on the labour market.

Average employment time at our company is 7 years. Almost half of the employees (57.24%) have been working for the company for more than 5 years, and almost 1 in 5 colleagues (23.52%) has been employed for more than 10 years. 6% of the employees have been working at UBM for more than 20 years. These data demonstrate that a large proportion of our employees have been loyal to the Group for many years and that UBM's corporate culture, its attitude towards the employees and the family friendly approach have a great employee-retention power.

Our family friendly approach has been put to the test during tenders and audits. As a result we have been awarded a GOLDEN certification as Responsible Employers for the past business year. During the period covered by this report we have received further acknowledgements:

2023 two awards were given to the UBM Group at the BeneFit Prize award ceremony in November:

a) BeneFit Prize special award in the *Family Friendly* category

b) BeneFit Prize Public choice award

Following an audit in spring 2024 we obtained the "Family-friendly Place 2024" seal, as well as the "Advanced" level of certification in Mental Health, plus its special award for "Creative Solutions" *(for our company library)* in June 2024.

We also pay special attention to sustainability goals defined by stakeholders within and outside our Group. Accompanying this Annual Report we are also publishing our first ESG report that contains the consumption and emission values for the Group for the past business year in a standardised (GRI) format. We will publish the next ESG report as an integrated part of the Annual Report at the end of the upcoming business year, as we have committed to this in our medium term strategy.

The UBM Group has always operated transparently and responsibly with its investors, customers, suppliers and partners; with care for its employees, the local communities, those in need supported by donations and a conscious awareness towards the environment. Our employees are our greatest asset and we are proud to have our efforts and strong company brand appreciated by objective awards such as the Family-friendly Company, Workplace and Responsible Employer awards.

As an environmentally conscious group of companies we put emphasis on developing management competencies in ESG, putting the approach into practice, implementing sustainability criteria in the supply chain and achieving our objectives and commitments.

This report is an important milestone of our journey but far from the end! We will continue to do our utmost to actively contribute to creating a better, more liveable world in our own economic environment, with our own means!

The Group has achieved substantial and practical results in Research and Development within the Feed division:

- UBM is the first feed company in the world to receive the Palm Oil Free Certification Accreditation Programme certification mark. We have received the Grand Prize of the "Hungarian Livestock Breeding Product Award 2023" for our research work.
- Our research project titled "A new approach diagnostic method and msb-met measuring system to monitor physiological changes in reproduction caused by feed additives in livestock breeding" has received 1st prize of the "Hungarian Livestock Breeding Product Award 2023".
- We have developed and marketed a new piglet feed range manufactured in Hungary.
- We have developed a freeze-dried probiotic based on rumen fluid to increase production efficiency in meat breeds of ruminants and to promote antibiotic-free production.
- We have developed a new feed range for meat ducks, with the specific aim to reduce the effects of heat stress.
- We have developed poultry feeds without added inorganic phosphate compounds in order to reduce the environmental load.
- We have organized trials to assess the use of alternative proteins in feed of production animals.
- Modification of milk composition (Fit-Fat milk, modification of milk fat content).
- Research and development of a microbiological product portfolio to support the elimination of Salmonella from poultry flocks
- Process of manufacturing feed with high oil content from full value sunflower seeds and feed ingredients with high oil content
- Fibre evaluation concept (a concept of lowering raw protein content to decrease ammonia emissions)
- We have studied the role of insect proteins as potential feed raw materials.
- The implementation of bacteriophages in the animal product supply chain to promote the safety of food production.
- Formulating feed for production animals to optimize carbon-footprint.

Based on the results achieved in the completed business year, the market position of UBM Holding Nyrt. and its affiliates is stable, UBM is an indispensable player in Hungarian agriculture and the number one feed producer. The management of UBM Holding Nyrt. is optimistic regarding the stability and profitability of the company and its affiliates despite the continuous market, financial and other challenges they face. We hope our present and potential future investors share our view of the company's situation and this will be reflected in an increase in shareholders.

GENERAL INTRODUCTION OF UBM HOLDING NYRT. AND INTRODUCTION OF OUR SITES

Activities of the UBM Group

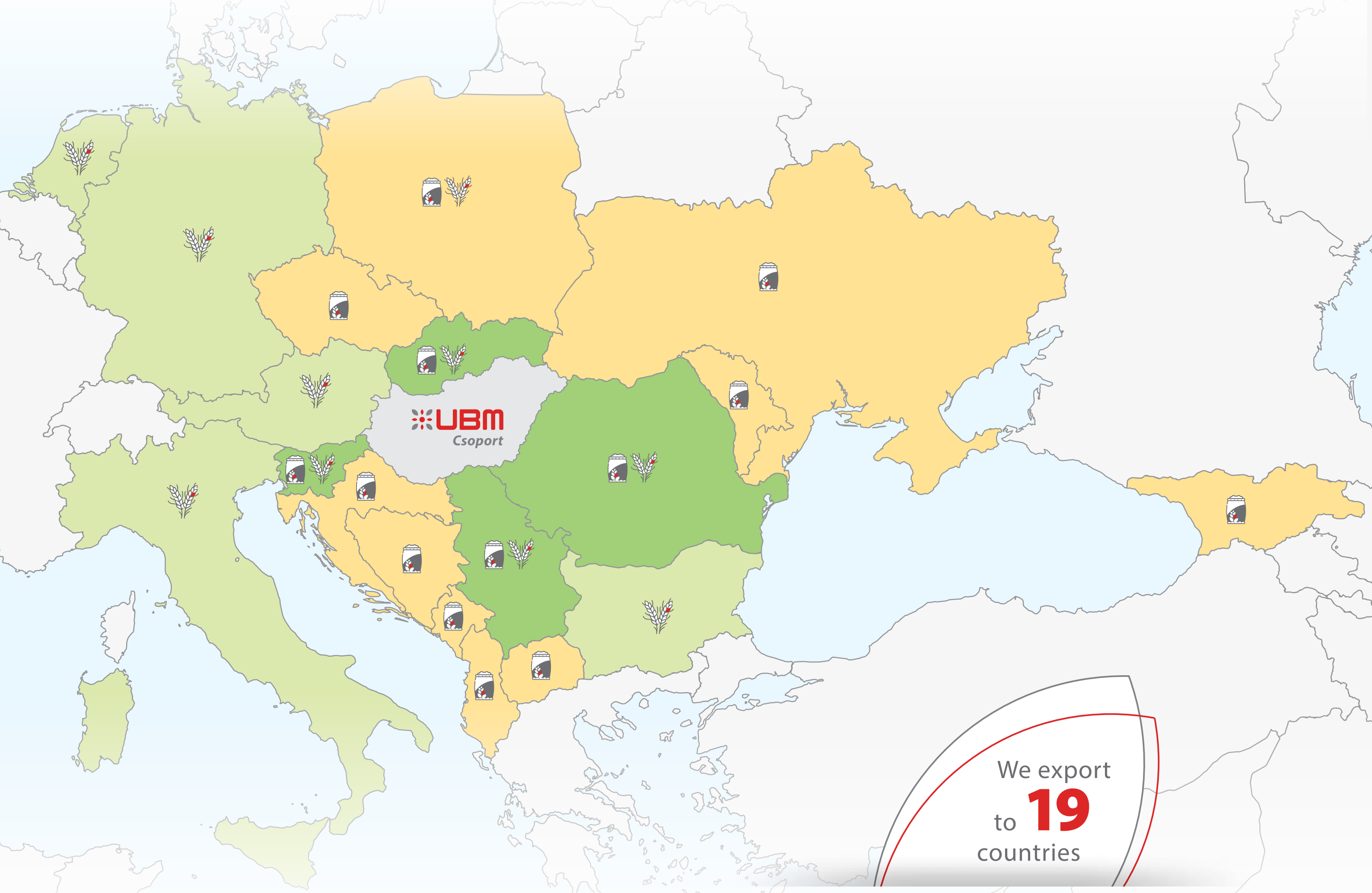
UBM Holding Nyrt. was established in 1996 and is one of the major commodity traders in Hungary with a volume of 1.7 million tons. UBM Holding Nyrt. also has feed production capacities of 454,000 tons, making the Group the market leader in the feed manufacturing sector. Our Group of companies manufactures and sells feed, feed additives and premixes. Feed transport specialised for each animal species and technical support ensure a solid background for our partners.

Feed manufacturing is our main profile with production sites in Hungary (Szeleste, Környe, Szentes, Mátészalka), Romania (Kerelőszentpál) and Slovakia (Hernádcsány). Our plants operate efficiently due to the applied technologies and the size of the facilities. The second important segment is the trade of commodities, the buying-in and sale of grains, oilseeds and protein crops on both the domestic market and the Central European market, from the Black Sea to Italy. We have trade offices in Bucharest, Belgrade, Pilisvörösvár, Milan and Linz. The livestock segment is our third pillar, with swine breeding operations widening the scope of UBM Group's activities, performed by our associated company, Mangal Ilona Sertéshizlalda Kft.

Interest of the UBM Group

Export destinations of the UBM Group

For quite a few years our Group has been the market leader in the region for the trade of protein crops, grains and oil seeds, as well as the distribution of feed ingredients and complete feeds. Our main task as stakeholders in the supply chain is to deliver the commodities produced by farmers to the processing industry in compliance with modern requirements: as efficiently as possible, with the lowest possible environmental footprint, in line with sustainability, traceability and ESG guidelines, by land (road and rail) and water (ship). In addition to providing supplies to the feed mills of our Group, our activities include trade activities with domestic and foreign processors, all performed efficiently, in close cooperation with our international offices, making the most of the synergies between them.



FEED EXPORT — Albania, Bosnia and Herzegovina, Czechia, North Macedonia, Georgia, Croatia, Poland, Moldova, Montenegro, Ukraine

COMMODITY TRADE export — Austria, Bulgaria, Netherlands, Germany, Italy

FEED + COMMODITY TRADE — Slovakia, Slovenia, Romania, Serbia

Company history - reliable, stable background

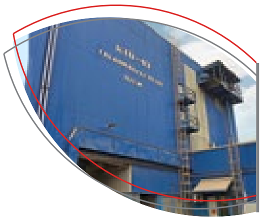
Our Group has been growing dynamically since the start in 1996, with its activities expanding both geographically and in complexity, which we would like to demonstrate with this timeline:

1996
Establishment of UB Merchants Kft.
Focusing on soy trade

1997
Start of commodity trade
almost 1,000,000 tons of grains sold

2000
Sales of feed additives
for production animals

2004
Launching the feed business unit
500 feed products marketed



2008
Acquisition of the feed mill in Környe
40,000 ton capacity

2012
Start of operations at the Soypreme® plant in Környe
Production of unique full-fat soy products

Start of the MA-KA plant in Szentes
Achieved a capacity of over 2 million tons of feed

UBM Agro Slovakia, s.r.o.

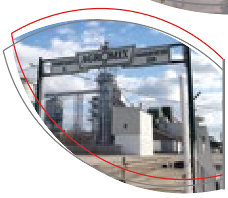
2014
Opening the Slovakian commodity trade office in Kassa

2012-2015
Acquisition and renewing of the feed mill in Szeleste
240,000 ton capacity

2016
Start of manufacturing at the new premix plant in Környe
We have become key players on the premix market

UBM Agri Trade Srl

2017
Opening the commodity trade office in Bucharest
The first step on the Romanian market



2018
Acquiring ownership in the Agromix feed mill
80,000 ton capacity

Acquisition of the feed mill in Hernádcsány (Čaňa), Slovakia
100,000 ton capacity

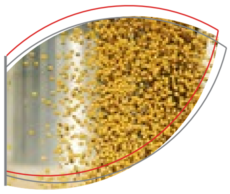
2019
Opening the nem plant in Kerelőszentpál (Sânpaul), Romania
The largest independent plant in the region

Opening the Serbian commodity trade office in Belgrade
Strengthening regional trade

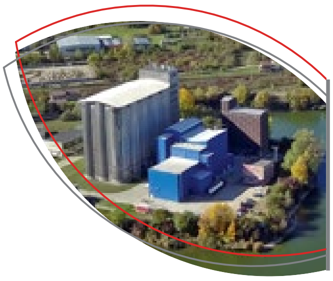
UBM d.o.o.

UBM Agrar GmbH

2020
Opening the Austrian commodity trade office in Linz
Entering a new market



2021
Establishing a Serbian feed trading company in Belgrade
Building markets for further expansion



2022
Reconstruction of the feed mills in Hernádcsány and Szeleste
Investments to fulfill future needs in capacity

UBM Italy S.r.l.

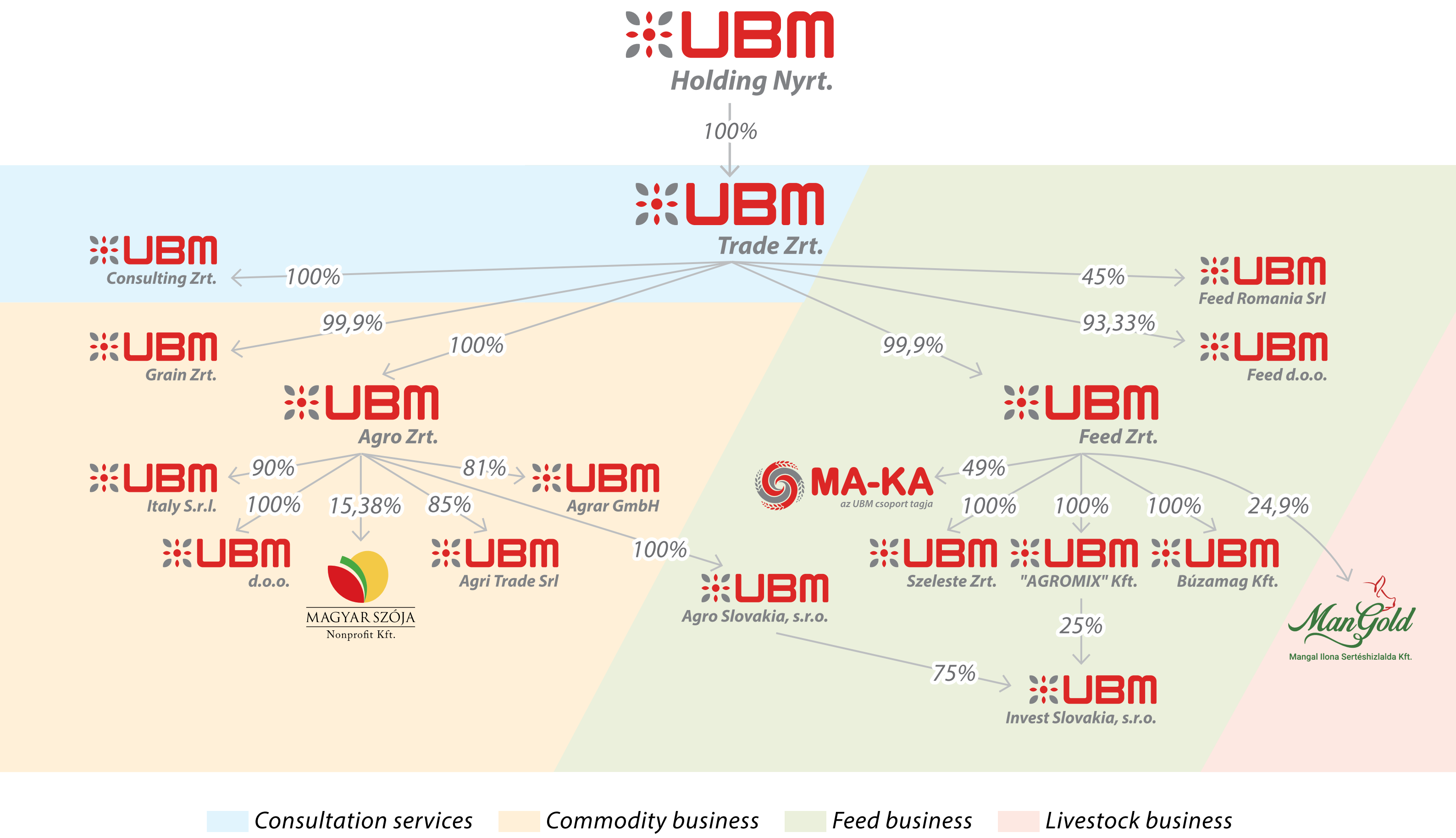
2023
UBM Italy S.r.l.
Opening the Italian commodity trade office in Milan

Logistics centre in Budeşti
Purchasing a 30-50,000 ton capacity warehouse

Launch of the Livestock business unit
Acquiring ownership in Mangal Ilona Sertéshízlalda Kft.

The widespread domestic and international activities of the company require the integration of 16 fully consolidated companies and 3 associated companies in the three main fields of activity.

An overview of the companies in the UBM Group



Leading companies according to business units

UBM Grain Zrt. (commodity): Main field of activity: trade of grains, protein sources and oilseeds.

UBM Feed Zrt. (feed manufacturing): Within the UBM Group UBM Feed Zrt. - along with others - represents the feed business unit. Its market activities include the manufacturing of feed, concentrates, premixes and feed additives as well as the trade of commodities, feed additives and concentrates.

Other companies supporting the main activity

UBM Feed Zrt.: It provides back office services within the Group but is also the owner of the UBM brand and of the licence of the Group's integrated enterprise resourcing system (IFS), while also providing management services.

UBM Consulting Zrt.: Provides administrative services.

Business activities in other affiliates

UBM Agro Zrt.

UBM Feed Zrt.: Main profile: soybean wholesale and commodity trade, on both domestic and international markets.

- The company gained full ownership of UBM Agro Slovakia s.r.o. in 2018, which had acquired the feed mill with an annual production capacity of 30,000 tons in Hernádcsány in 2018. The long-term strategic plan is to merge this unit into the Feed business unit because of its profile. After the renewal of the plant, its annual production capacity has increased to 84,000 tons and it is currently operating at almost full capacity.
- The foreign based commodity trade companies UBM Agrar GmbH (AT), UBM Agri Trade Srl (RO), UBM Italy Srl. and UBM d.o.o. (SRB) also belong to this legal entity.
- UBM Agro has transferred its protein crop (mainly soybean meal) wholesale activities within the Group to UBM Grain Zrt. in the 2023 business year.

UBM Agro Slovakia, s.r.o.

UBM Agro Slovakia s.r.o.: This affiliate of UBM Agro Zrt. provides representation of the Group for activities within the profile of the Group in Slovakia. This company is the owner of the feed mill in Hernádcsány, Slovakia. The company has a 75% ownership of UBM Invest Slovakia s.r.o. (the remaining 25% belongs to "AGROMIX" Kft., also a member of the Group), the company that owns and operates the equipment in the feed mill in Hernádcsány.

UBM Agri Trade Srl

UBM Agri Trade Srl: Trade of soy and cereals in Romania.

UBM d.o.o.

UBM d.o.o.: A trade office located in Belgrade, active in the trade of cereals and soybeans, also supporting the presence of the Group in Serbia.

UBM Feed d.o.o.

UBM Feed d.o.o.: Another trade office located in Belgrade, a UBM Group company specialising in the sale of commodities and premixes in Serbia.

UBM Agrar GmbH

UBM Agrar GmbH: Provides representation of the Group for activities within the profile of the UBM Group and supports sales in Austria.

UBM Búzamag Kft.

Búzamag Kft.: Main profile: manufacturing pet food and medicated feed.

UBM Szeleste Zrt.

UBM Szeleste Zrt.: This feed mill in Szeleste with a capacity of 140,000 tons has been fully rebuilt in 2015 and is owned by the company. Annual capacity increased to 200,000 tons after the reconstruction.

UBM "AGROMIX" Kft.

"AGROMIX" Kft.: This feed mill in Mátészalka with a capacity of 70,000 tons has been acquired by the company in 2019.

UBM Italy S.r.l.

UBM Italy Srl.: A trade office located in Milan, specialising in the sale of cereals and soybean meal, also providing representation of the Group in Italy.

Activities of associates

MA-KA az UBM csoport tagja

MA-KA Kft.: A company jointly owned with Családi Négyes Kft., owns a 200,000 ton feed mill in Szentes.

UBM Feed Romania Srl

UBM Feed Romania Srl: Investor and operator of the feed manufacturing plant in the county of Maros, in Kerelőszentpál.

ManGold Mangal Ilona Sertéshizlalda Kft.

Mangal Ilona Sertéshizlalda Kft.: The first UBM company active in the field of livestock production, that fattens pigs at the Kapoly site and operates an integration with an annual output of 150,000 pigs.

Introduction of our establishments

The following production sites belong to UBM Group:

Address	Activity
2851 Környe, Tópart utca 1.	**Feed mill, premix plant and Soypreme plant in Környe**
9622 Szeleste, Kossuth Lajos u. 24/B	**Feed mill in Szeleste**
4700 Mátészalka, Meggyesi út 0119/24	**Feed mill in Mátészalka**
044 14 Čaňa, Železničná 2., Slovakia	**Feed mill in Hernádcsány**
547550 SAT SANPAUL COM. SANPAUL, NR.6/A, Romania	**Feed mill in Kerelőszentpál**
6600 Szentes Bese László utca 5-7	**Feed mill in Szentes**
2073 Tök, 036/31	**Feed mill in Tök**

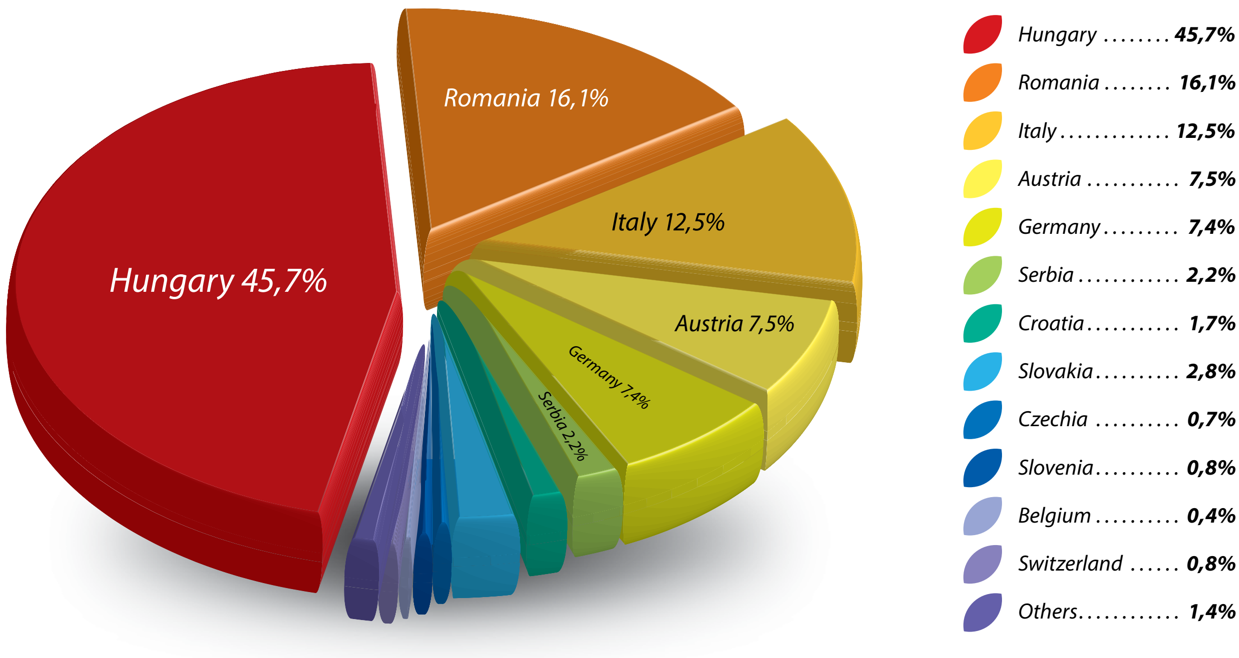
The trade activities of UBM Group are managed from the following offices

Address	Activity
2085 Pilisvörösvár, Kisvasút utca 1.	**Hungarian commercial centre and back-office**
014126 - Bucuresti, 1st district, 4th Tablitei street, Floor 1-2, Romania	**Romanian trade office and back-office**
4020 Linz, Bismarckstrasse 02, Austria	**Austrian trade office**
11070 NOVI BEOGRAD, Bulevar Mihaila Pupina 10I/223, Serbia	**Serbian trade office**
20135 Milano Viale Monte Nero N 66.	**Italian trade office**

MARKET ENVIRONMENT

The activities of the UBM Group and the market environment are shown in the following figure:

The Hungarian market accounts for about half of the Group's consolidated total annual turnover (45.7%), with export activities accounting for 54.3%. Our main markets are countries within our region (25.2%) and West Europe (28.8%).

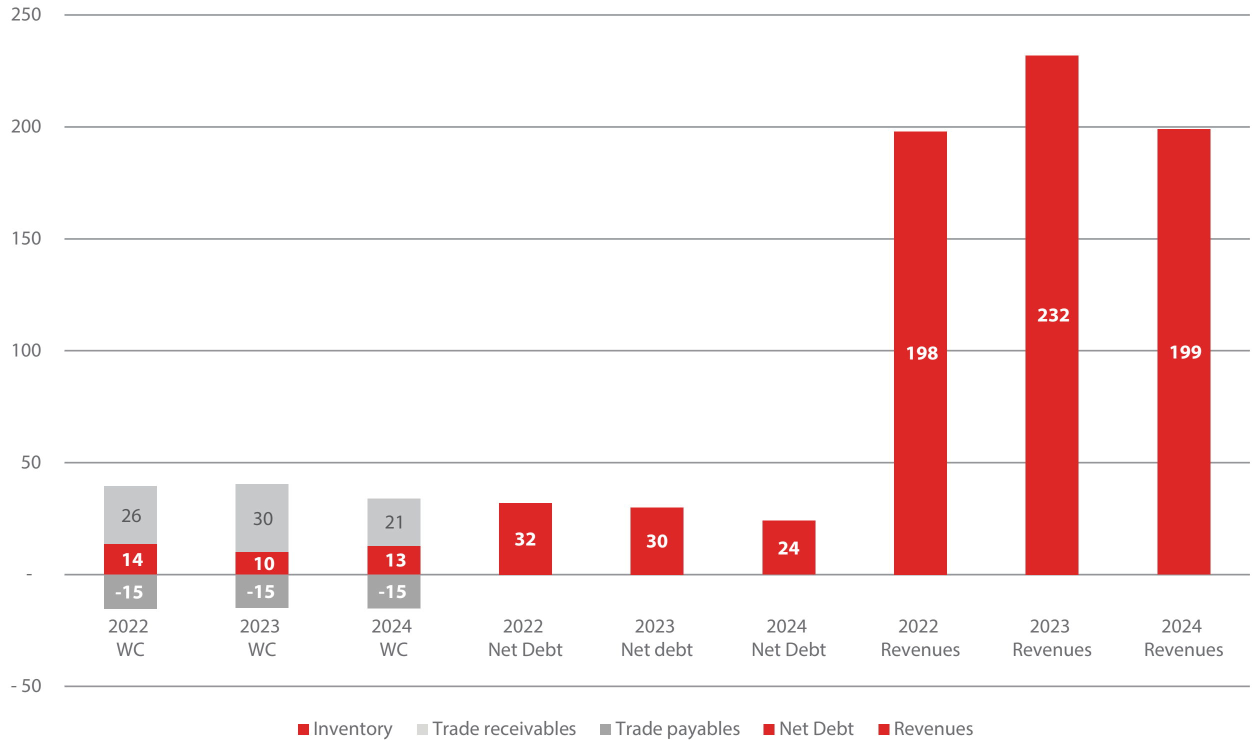


For years now, the trend of using conventional farmed crop not only in the food industry but also as an industrial raw material has dominated the market. Bioethanol, starch and isosugar production capacities have become decisive factors on both domestic and international markets and thus have become important price driving factors. UBM commodity sells predominantly to traditional partners in agriculture, sales to the industrial sector represented only 11% of the volume in Hungary and was insignificant in the neighbouring countries.

In the past business year, sufficient logistics capacity was available, partly due to the decreasing demand in the construction industry in Hungary and neighbouring countries. Ukrainian import plays an important role in the commodity trade activities of UBM Group in Hungary and Romania. Ukrainian imports have dropped from 25% in the previous year to zero in Hungary, while in Romania it has decreased from 43% to 17%.

Cost of financing greatly affects the operation of the UBM Group, and it has decreased significantly in the year under review. Parallel to this, input prices have also changed favourably, decreasing the need for financing for the Group. Working capital needs were effectively reduced in both the commodity and the feed business: the small increase in inventories was due to the early harvest and changes in the activities of the commodity business' foreign entities. The level of trade receivables has also been reduced by the change in the price environment and the stricter business policy of the feed business unit.

Change in Working Capital, Net Debt and Revenues

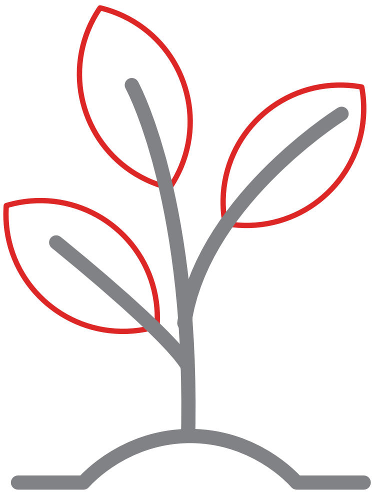


In continental Europe the trends in animal breeding are not changing, resulting in a shift of animal production capacities to Central and Eastern Europe. German, Dutch, Danish and Belgian farmers are giving up animal farming because of environmental and political pressure - and funding, while new investments and increases in production capacities are the trend in Hungary, Romania, Serbia and other Central and Eastern European countries. This trend creates favourable conditions for UBM, as we aim for strengthening our regional presence and regional operations as part of our strategy. Such an expansion results in an increasing number of good partners who can afford feed produced at a high technical level, which provides a strong background for growth for UBM Group.

In the reporting period, less volatility and a more stable price environment was observed regarding the price of agricultural products, which resulted in lower but more stable profitability for the grain and protein trade activities of UBM. As a result of market uncertainty, long term, stable partnerships in feed supply become of particular value. Lower prices had a favourable effect on the margins in livestock production. Lower working capital needs and a parallel drop in interest rates could provide opportunities for new investment, which is particularly needed in the livestock sector.

COMPANY GOALS AND STRATEGY

UBM Group announced its three-year strategy with the title "Tuned for growth - 2025" in March 2023. The main goals are summarized in the following figure:



1. **1 million ton**
   of feed produced annually
2. **2 million tons**
   commodity trade volume annually
3. **Expansion in Central and Eastern Europe**
   with acquisitions and investments
4. **Widening the scope of operations**
   by evaluating entry into livestock breeding
5. **Opening new trade offices**
   in Eastern and Western Europe

Annual feed production: 1 million ton

Our group of companies is the largest producer in Hungary in terms of production capacity and volume of produced feed, and we achieved this without being members in vertical integrations. We aim to achieve the strategic goal by manufacturing high quality feed, continuous innovation; with a highly qualified team of consultants and other services related to feed production, such as providing laboratory background. In addition to this we are planning acquisitions in Central and Eastern Europe. Beside this, it is equally important to create strategic partnerships with suppliers and customers that can provide further benefits and stability for the partners involved. The production performance of the fully consolidated subsidiaries was 453,555 tonnes, with the additional volumes of the associated company, MA-KA Ltd. (181,548 tonnes) and UBM Feed Romania Srl. (174,086 tonnes), resulting in a total of 809 thousand tonnes for the given year. The aim of achieving an annual production volume of 1 million tonnes is based on this calculation.

Annual commodity trade volume: 2 million tons

The structure of the regional commodity trade, which is related to feed production will be developed through our offices in Hungary, Romania, Serbia, Austria and Italy. We have established our Italian trade company as part of our regional expansion strategy, and the Italian trade activities previously conducted through intermediaries is now carried out directly through client relationships. Regional feed manufacture is strongly linked to regional trade activities, which not only provides a supply of feed ingredients as an input for production but also an opportunity to make the most of the special characteristics of the local markets. Such characteristics can include weather conditions, expected crop yields and stocks, price movements of the foreign currency on the given market, available logistics, as well as other factors that can be used to generate profits in trading. This is why it is a priority to create and efficiently operate regional branches of the trading divisions.

Expansion in the feed segment in Central and Eastern Europe

Strengthening regional presence is the most important goal of our company because we see this as a resource that supports long-term efficient operations and further growth. The market trend of livestock production activities shifting to Central and Eastern Europe form Western Europe provides a good basis for reaching this target. We must take into account however, that the risks associated with foreign green or brown field investments are significantly greater than previously planned. This means that we must consider the use of other instruments to achieve our goals, such as acquisitions or establishment of joint ventures. Romania and Serbia are our most important target markets, where UBM has already established manufacturing and export activities.

Widening the scope of operations

UBM can widen the scope of its activities both “downwards” (production of input material) and “upwards” (livestock production, food sector). Considering how fragmented animal production and more specifically the swine sector is, and considering that it is relatively underdeveloped technologically, our strategical aim is to build a significant animal production potential to increase the efficiency and the quality of output in this sector. Beside increasing volumes, we aim to achieve intensive development with regards to both our partners in livestock breeding and UBM capacities, supported by major IT investments.

Opening further trade offices

There is great potential in expanding the commodity network of the UBM Group by connecting traditional regions of production in Central and Eastern Europe with the import demands in Western Europe. This was the reason why we opened the office of UBM Italy in Milan in 2023, as it could be able to acquire 2% to 3% of the Italian import market within 3 years. Currently we are examining further markets in Central and Eastern Europe with the aim of adding them to our existing network.

The pillars of our growth strategy:

- Livestock breeding and feed production is shifting from Western Europe to Central and Eastern Europe, especially to Hungary, driven by the over-regulated economic environment in Western Europe and the availability of professional workforce with expertise in swine production in Hungary. UBM can play many roles in this process, this transformation, exploiting further opportunities for growth.
- The development of intensive animal production is expected in Romania, Serbia and the Balkan countries in the next 5 to 15 years, with a decrease in the number of backyard farms. We can promote this process with the production of high-quality feeds, so we are focusing on this area.
- UBM is at the forefront in Europe regarding production technologies for feed and feed additives, and our aim is to establish and represent this standard in further countries as well.
- We also aim to expand our commercial activities, opening new offices in Eastern and Western Europe by 2025. As a result, our Group of companies will be able to serve all markets within a 2.000 km radius of Hungary.

Research and development is the driving factor determining the efficiency of our products, and it is a part of client expectations that enables them to increase performance, and also the key to our success in business. Our laboratory is available to our partners also and conducts 25,500 test every year, providing an opportunity to promote professional knowledge and increase data awareness in clients. Our network of consultants plays a key role in the livestock production supply chain, in monitoring feed conversion rates and implementing animal welfare conscious livestock production practices. We have established strategic partnerships with both Hungarian and foreign universities and research institutes to incorporate the newest advances and technologies into our feed manufacturing practices.

Sustainability

UBM Group is committed to improving sustainability and feed conversion rates, which frees arable land for other purposes and advances environmental responsibility. Sustainability is a priority for us, and we have already integrated the GRI standardised ESG report and the relevant criteria into our activities. The ESG report for the business year 2024 will be published along with the Annual Report.

The activities of UBM Group require an integrated management of all its companies. This means that the enforcement of ESG criteria, accountability and reporting are also applied to the group of companies as a whole.

UBM Group presents the climate risks in detail as part of the ESG report published together with the Annual Report.

SEGMENT INFORMATION: FEED MANUFACTURING

Sales data regarding the feed segment:

CONSOLIDATED (tons)	2023-2024	2022-2023	Change
Total	453,555	435,831	4%
compound feed	338,085	324,111	4%
premix	13,419	13,157	2%
soypreme	16,849	16,221	4%
sale of feed raw materials	85,203	82,342	3%

Profit and loss for the Feed segment in the given period:

CONSOLIDATED (thousand HUF)	2023-2024	2022-2023	Change
Sales revenue	74,057,360	92,518,010	-20%
Cost of goods sold and material expenditures	(66,146,811)	(84,712,810)	22%
Profit before tax	1,228,416	(400,494)	-307%

Major factors affecting the commercial and production performance of the Feed segment in the closed business year:

- The competitiveness of small feed mills (output 20,000–40,000 tons/year) continues to decrease, and consolidation of players is continuous in our target markets. Because of current raw material prices, the technology gap and increasing cost of skilled labour, no changes are expected in the process of market concentration.
- Prices of compound feed finished products continued to decrease after July 2023, even though this was not justified by commodity prices starting from the beginning of the period. The reason behind this was the fact that feed mills and milling companies used their existing stocks for production, which delayed the appearance of cheaper raw materials in the finished product.
- The stabilisation of energy markets resulted in a significant decrease of energy costs per ton of finished product compared to the previous year. UBM Group purchases electricity and gas for production through long-term service contracts, the cost of which is covered by hedging or prices negotiated annually.
- The profitability of the swine sector has improved with the winter trend change in feed prices in 2022, providing outstanding profitability from Q2 of 2023 for producers operating at a high technological level, with the trend continuing until summer 2024.
- With farms closing in Western Europe, swine production is shifting towards Eastern Europe, and this is reflected in the investments in this period (e.g. modernisation of slaughterhouses, new sow farms).
- The demand for broiler feeds is continuous and shows dynamic growth year after year. The avian influenza risk affecting waterfowl was not as high in the 2023/24 season as in the previous years.
- There was also continuous demand for ruminant feeds. The feed industry was able to manage the change of trend starting in Q2 of 2023 and the decreasing profitability, with profitability consolidating in the dairy and beef cattle industry by 2024.

SEGMENT INFORMATION: COMMODITY TRADE

Consolidated volumes for the commodity segment for the reporting period are stated below:

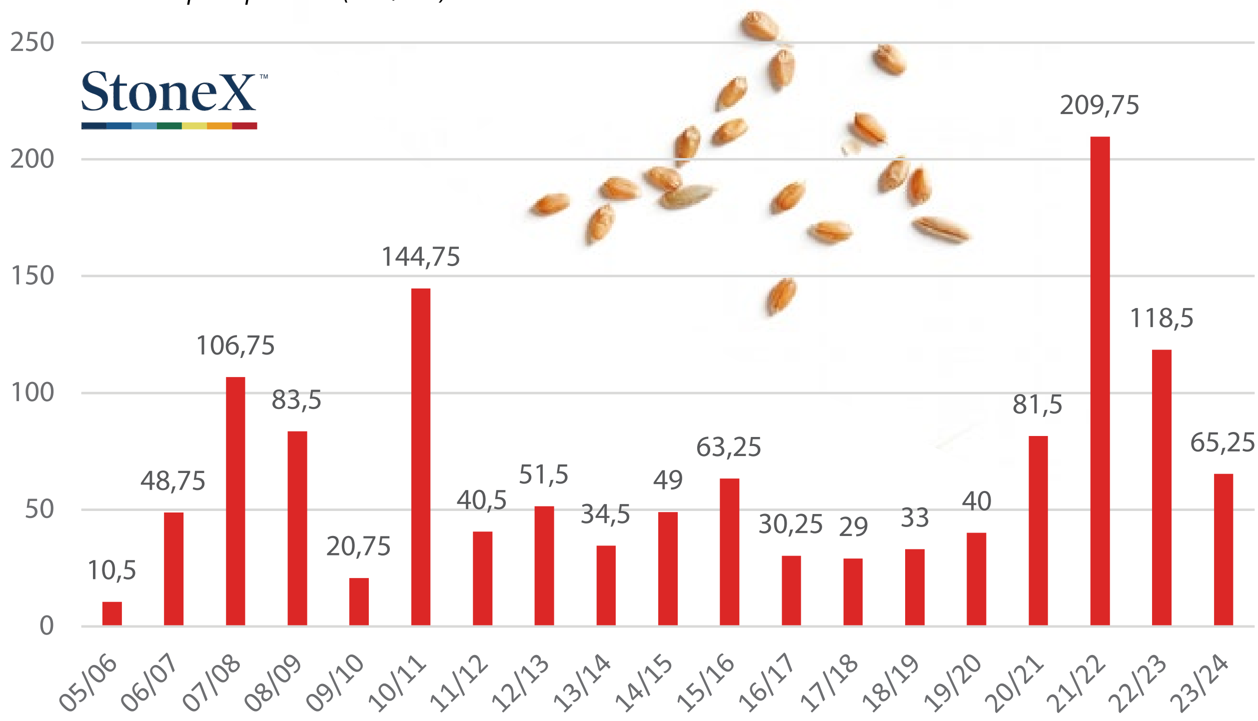
CONSOLIDATED (tons)	2023-2024	2022-2023	Change
Grains	1,048,642	825,028	27%
Wheat	339,535	277,455	22%
Corn	376,823	281,361	34%
Barley	180,559	66,980	169%
Other	151,725	199,232	-24%
Protein sources	239,544	198,386	21%
Soybean meal	194,870	162,258	20%
Soybean	44,674	36,126	24%

Profit and loss for the Commodity segment:

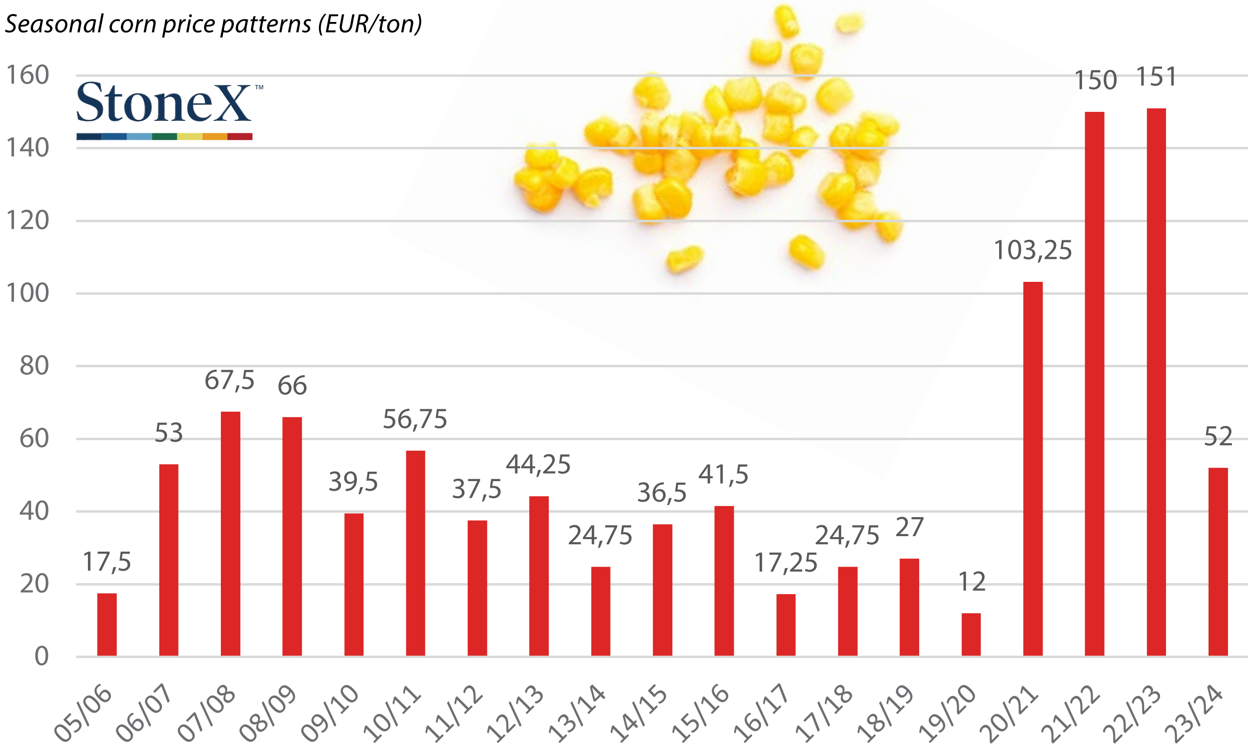
CONSOLIDATED (thousand HUF)	2023-2024	2022-2023	Change
Sales revenue	144,885,535	165,325,887	-12%
Cost of goods sold and material expenditures	(141,456,199)	(157,857,391)	-10%
Profit before tax	734,783	2,274,703	-68%

The commercial environment was characterised by a decreasing price trend and lower margins for most of commodity products.

Seasonal wheat price patterns (EUR/ton)

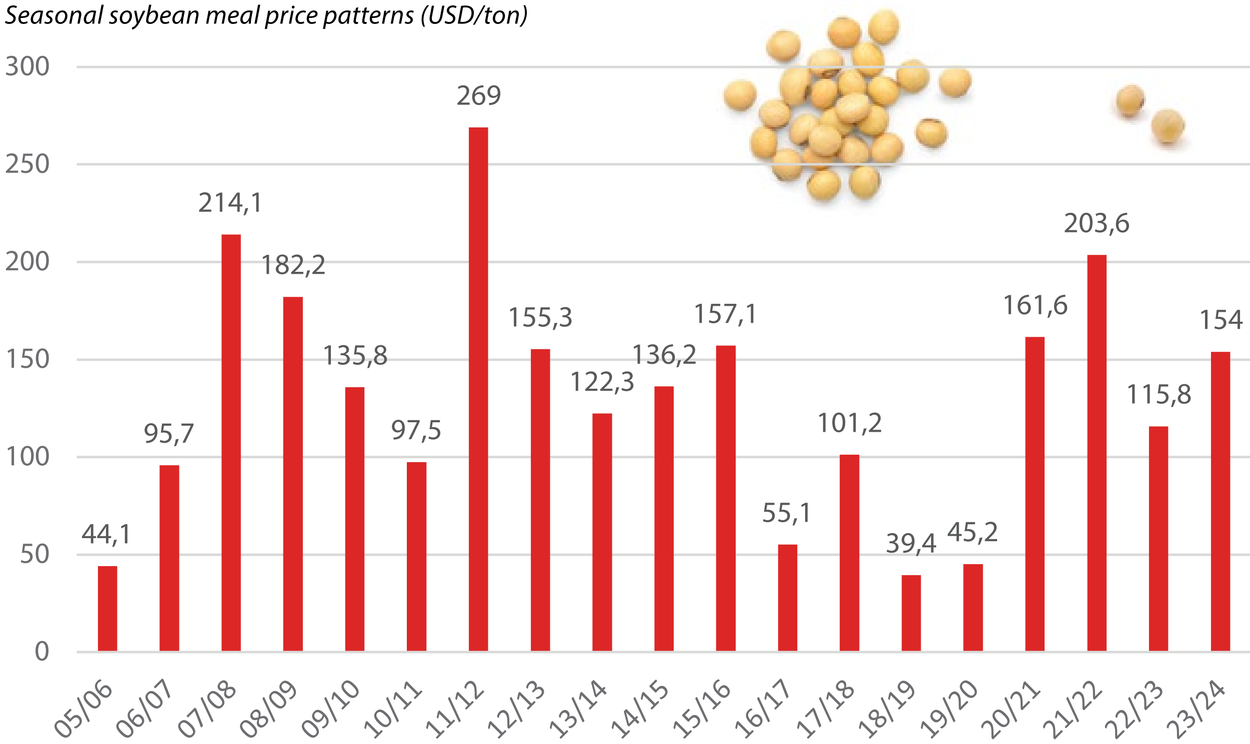


Seasonal corn price patterns (EUR/ton)



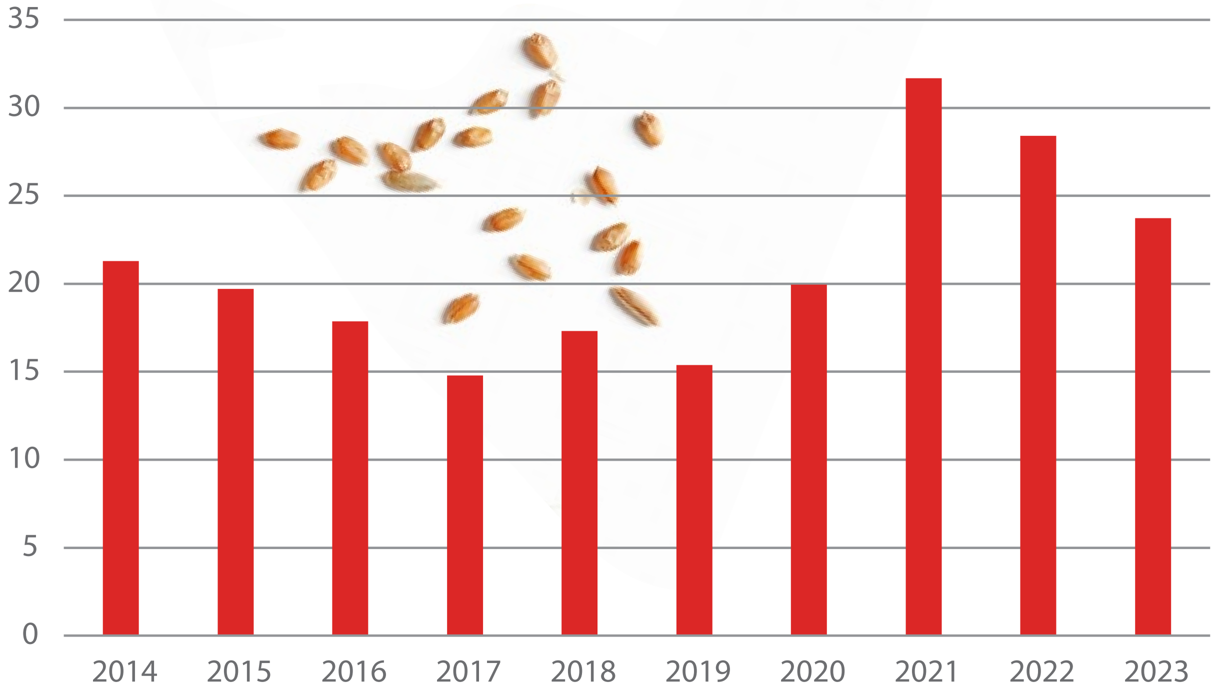
The decreasing price trend was driven by the decreasing demand in the food industry and the general decline in consumption. The excellent global wheat and barley harvest in autumn 2023 and the downward trend in European feed production also contributed to the decline of prices. Low prices had a negative influence on profitability for the producers, to which they reacted by delaying sales, only selling their stock at the price lower than the previous years as a last resort. No clear trend could be observed on the soybean meal market in the given year, the range of prices indicating a sideways moving market.

Seasonal soybean meal price patterns (USD/ton)

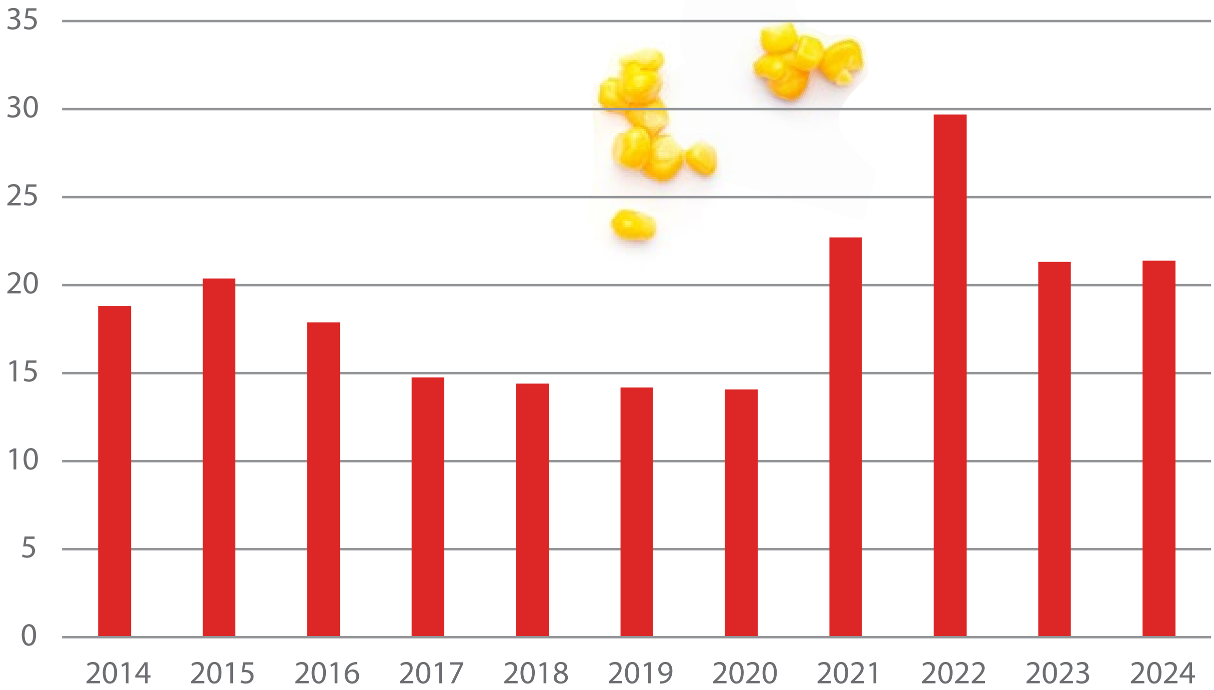


There is a decrease in corn acreage and an increase in cereal grain acreage in Hungary, which is not surprising given the change in climatic conditions. There were no quality issues with supply after the 2023 harvest either in commodity trade or feed production. However, in parallel to the general decrease of prices, a significant change was observed in the increase of production costs (freight, quality control, storage, etc.) associated with commodity trade. This meant that these costs increased their ratio relative to the selling price significantly compared to recent years.

Average annual wheat price volatility (%)

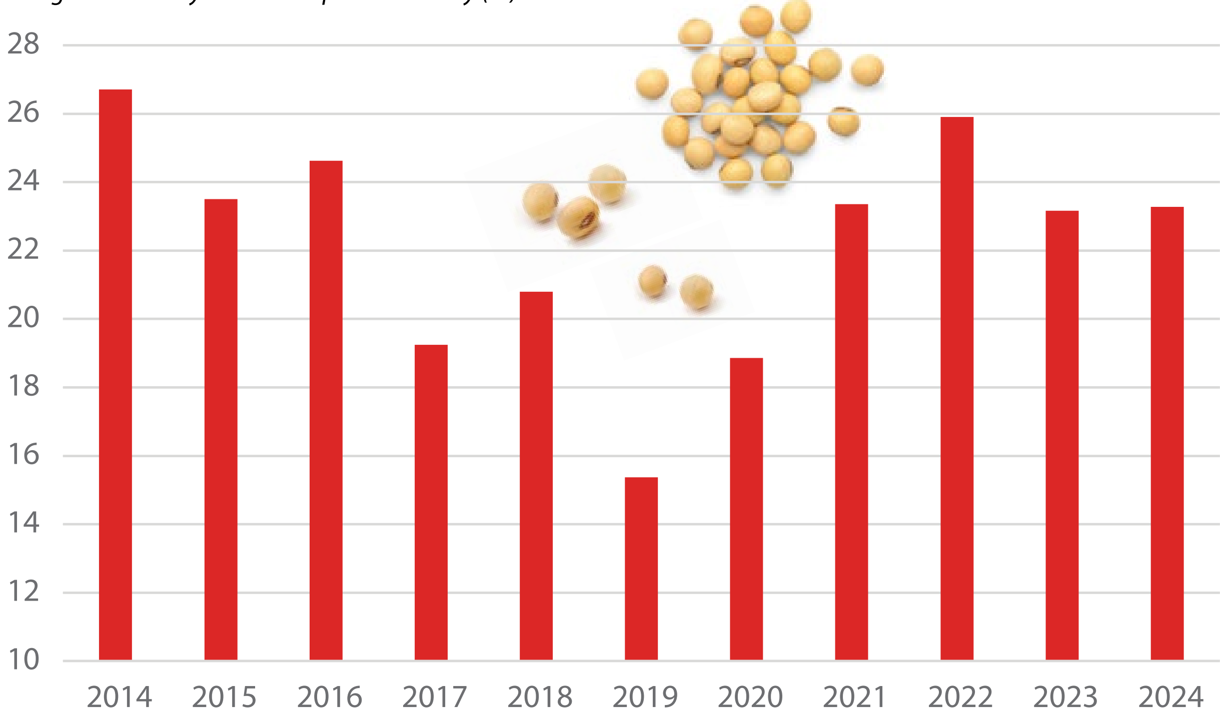


Average annual corn price volatility (%)



European sourcing is gaining importance on the market of protein crops, underpinned by sustainability efforts and an increasing demand for GMO-free cultivars authorised in Europe. Domestic production is additionally supported by state funding available for cultivating leguminous crops.

Average annual soybean meal price volatility (%)

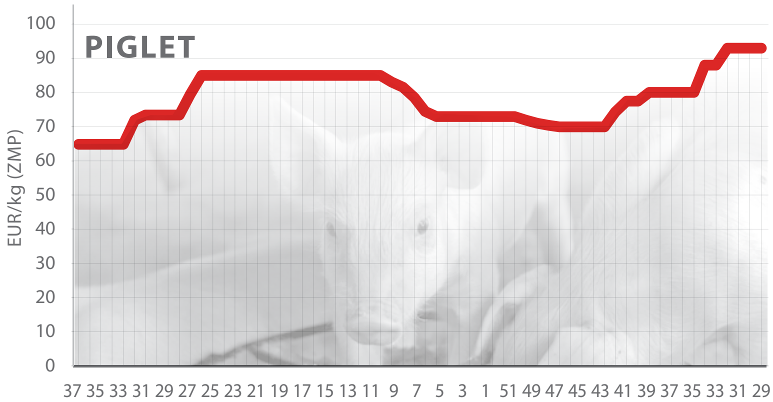


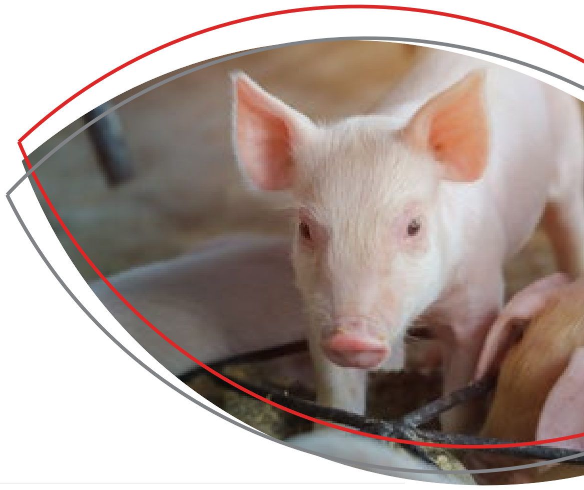
Regarding import soybean meal, this business year was dedicated to preparation for compliance with the EUDR Regulation of the European Union on Deforestation. This Regulation shall take effect on January 1, 2025. Meanwhile the value of soybean meal imported from the Ukrainian has increased, as it is not subject to the EUDR Regulation.

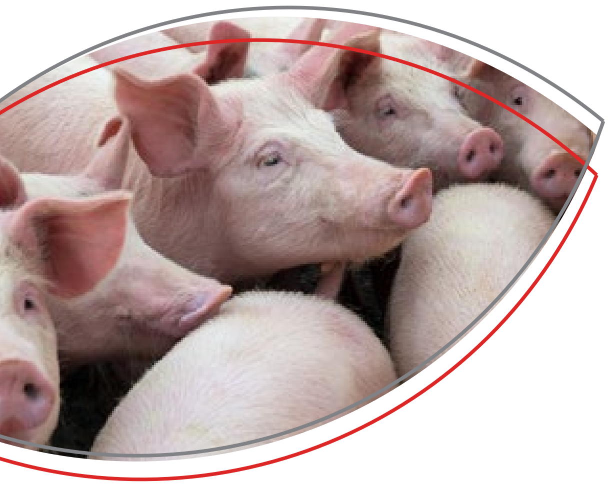
We expect to trade in a depressed price environment with low volatility in the upcoming business year, since global average yields and results are promising. The positioning of hedge funds, which have played an increasingly important role in recent years, remains high, mainly in short positions.

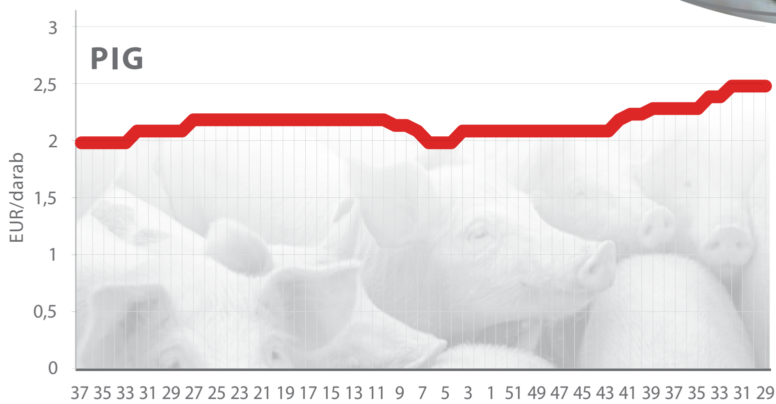
SEGMENT INFORMATION: LIVESTOCK

The Livestock business of UBM currently concerns pig farming. One of the most important input costs in pork production is the price of piglets for the breeding stock, while the most important sales price indicator is the purchase price of live pigs. The below graphs demonstrate the evolution of the German basis price for the given period.









The price of pig feed has decreased continuously during in 2024, parallel to the decrease in commodity prices. In our experience, the pig sector had no issues with demand in the past year; the strong demand seen in the second half of 2023 started to decline towards the end of the period. Demand is mainly driven by underlying food industry needs, and export markets - particularly China, as one of the largest export markets - have a significant impact on the EU pig sector.

Another fact that projects a favourable outcome is that a significant number of Hungarian slaughterhouses are upgrading their capacities. According to our calculations, the processing capacity in Hungary will increase by 1 million pigs in the coming years. This is very important for us because it means that the demand for stable, good quality supply will increase at the slaughterhouse level. The fact that large integrators - like UBM - are capable of meeting individual needs of slaughterhouses (such as transport from a specific region, different fat content, etc.) is another important factor in this regard.

From the regulatory side we can see a clear intent to improve the level of domestic piglet production - that is currently based on German and Danish imports - which would decrease the risks associated with African Swine Fever (ASF) and have favourable effects on the stress levels of piglets because of shorter transport times. There are quite significant regulatory efforts at the EU level to create new ethical standards in livestock breeding. Although this doesn't have a significant effect on the industry yet, it may pose serious challenges to producers who are less flexible and suffer from lack of capital.

We continue to develop our integration with focus on digitalisation and precision farming:

- To increase volume in the integrations we equip the new farms with digital equipment.
- We are continuously working on expanding the functionality and the supporting processes for these systems.

Based on the developments at the slaughterhouse level and the increasing export demand, the UBM Livestock business expects the market to grow, and we aim to increase our share on this market.

INVESTMENTS IN THE GIVEN PERIOD

UBM Group has performed the following investments during the given period:

Acquiring shares in Mangal Ilona Sertéshizlalda Kft.

By acquiring shared ownership in Mangal Ilona Sertéshizlalda Kft., that has an annual output of 150 000 pigs, UBM Group has widened its scope of operations further. UBM wishes to become an active player in the field of animal farming, beside its activities in commodity trade, the manufacture and sales of feed additives, premix production, production of compound feeds and distribution. We are continuously developing the acquired company, and we have almost doubled the annual output of the swine integration in one year.

Budești logistics centre

The Romanian affiliate of the Group, UBM Agri Trade has purchased a facility with a floor area of 104,000 m2 suitable for storing 30-50,000 tons of agricultural commodities in the town of Budești on June 15, 2023. The investment in Budești focuses mainly on the Konstanta market, which is currently the highest liquidity market in the region. This acquisition makes it significantly easier to deliver goods to Konstanta. The investment included the renewal and reconstruction of the railway tracks leading directly from the silos to the port of Konstanta, which optimises shipping costs. We upgraded the railway connection in Budești in the first half of 2024.

UBM Italy

The newly established affiliate of the Group, UBM Italy S.r.l. is seated in Milan and has traded 22 thousand tons of goods in the 2023/2024 business year. For the upcoming, 2024/2025 business year the trade of 160,000 tons of corn, wheat, soybeans, barley, as well as sunflower-, rapeseed- and soybean meal as raw materials for feed production is planned. With the expansion of the company, we will implement the ERP system used within the Group in January 2025.

Construction of a solar power plant

UBM Feed Zrt. has started the construction of a 4000 kW solar power plant in the county of Szabolcs-Szatmár-Bereg, in Nyírmeggyes during the year under review. UBM Feed Zrt. received state funding for this investment from the Hungarian Investment Promotion Agency, HIPA (Nemzeti Befektetési Ügynökség), to provide financial support to this renewable energy project. Construction is expected to be completed by the end of November 2024, with energy generated by spring 2025.

EMPLOYMENT POLICY, EQUAL OPPORTUNITIES AND CSR

a. Workforce structure

a.1. The number of active employees in the companies of the UBM Group was 420 on 30.06.2024, with the average statistical number of employees being 408.4 for the 2023/2024-es business year. During the given period 62% of our employees were qualified professionals and 38% performed manual labour. Employees who perform manual labour work predominantly at production sites, in feed mills.

a.2. Gender statistics: 68% of the company's employees are men. 94% of employees performing manual labour are men.

a.3. Average age of employees is 43 years.

a.4. UBM believes in long-term cooperation that brings mutual advantages to both parties and thus works exclusively with their own employees. UBM has never employed outsourced or temporary workers its existence of 28 years.

b. Fluctuation rate, years of service

b.1. Fluctuation rate decreased by one percentage point at the Group level in the period between 1/7/2023 and 30/6/2024 compared to the previous business year (1/7/2022– 30/6/2023). Fluctuation rate was 15.49% in the previous year and decreased to 14.45% in the closed business year, but only 7.59% was voluntary transfer, which can be considered as quite favourable in the current market environment. These numbers show that the Group was able to retain employees despite the challenges.

b.2. Fluctuation rates are low since UBM has a tradition of focusing on employee commitment. 57.24% of the employees have been working at UBM for at least 5 years, and 23.52% of our colleagues have been employed at the Group for more than 10 years. 6% of our employees have been working at UBM for more than 20 years, so we can say that quite a large proportion of employees remain loyal to the company for long periods of time. Average employment time at our company is 7 years. These data demonstrate that UBM's corporate culture, its attitude towards the employees and the family friendly approach have a great employee-retention power.

c. Wages and other forms of payment to employees

c.1. The Group has reacted to the challenges of the economic environment by a general increase of wages in summer 2023, to somewhat counteract the effects of inflation.

c.2. In addition, the Group also provides a cafeteria system as a form of payment to both qualified professionals and those performing manual labour. Even the passive employees (on sick leave, maternity leave, etc.) are eligible for other forms of payment, although to a smaller amount (a gross amount of HUF 30,000 per month) than the active employees, in line with UBM's family friendly approach.

c.3. UBM Holding Nyrt. and its three flagship affiliates, UBM Feed Zrt., UBM Trade Zrt. and UBM Grain Zrt. decided to launch an Employee Shareholder Program (MRP) on December 22, 2023. The aims of the MRP program are to achieve the economic objectives set out in the MRP remuneration policy and to strengthen the long-term commitment of the employees participating in the program.

d. Family-friendly measures and awards

UBM traditionally has a strong, family-type corporate culture and we aim to maintain employee loyalty towards our company. We continuously look for solutions that support employees in fulfilling their personal goals while also creating a strong connection towards organizational goals. UBM's management believe in balanced, good partnerships, and employees are also considered as partners in this regard. We put special emphasis on implementing and maintaining many small measures that increase the well-being of employees. UBM Group has been awarded a GOLDEN certification as Responsible Employers in spring 2023, stepping two levels up from the BRONZE certification in 2021.

- d.1. UBM has received many awards since 2018, including Family Friendly Place 2022, Family Friendly Company 2022, Responsible Employer Gold level 2023.
- d.2. We have achieved further recognitions during the reporting period: Two awards were given to the UBM Group at the BeneFit Prize award ceremony in November 2023, a special award in the Family Friendly category and a public choice award. In spring 2024 we obtained the "Family-friendly Place" seal, as well as the "Advanced" level of certification in Mental Health, plus its special award for "Creative Solutions" in June 2024.
- d.3. For UBM it is important to widen its family-friendly approach as much as possible. If a child is born to a colleague, they receive a gift card for the first Christmas of the baby, and while new fathers are entitled to a rest leave by law, UBM is paying them 100% of their wage for the period of absence, which is 10 working days.
- d.4. UBM takes care of employees and has them covered by group health and accident insurance since 2014. This covers not only chronic diseases, surgical procedures and non-workplace related accidents but also provides financial help after the birth of a child.
- d.5. UBM also tries to help families with (small) children during the summer holidays by organizing day camps every summer. These camps are organised for two weeks every summer since 2016 and employees can bring their children between the ages of 4 and 12.
- d.6. Children aged 16 and above can apply for a few weeks of student jobs every summer and get to know their parent's workplace, while also familiarizing themselves with the world of employment.
- d.7. UBM employees can buy the cars from the company fleet at a discount when they are sold.
- d.8. We have active relationships with colleagues who are on maternity leave: we invite them regularly to company events and health screening programs. After returning to work, we try to offer them part-time jobs if they apply for it and it's possible.

e. Health programs, preservation of physical and mental health

e.1. Employees who have been working for UBM for more than 3 years will be covered by health insurance, which gives them free access to private medical care at a level they are entitled to.

e.2. UBM organizes health days every autumn and provides free health screening programs (e.g. melanoma screening, sight test, assessment of the spine and vascular health) at many of the company's sites. UBM's employees and their family members are entitled to free dental screening and panoramic dental X-rays under a framework contract.

e.3. 10–15-minute office "training sessions" (yoga, stretching) are available at our headquarters 6 times per week during working hours as breaks. We also provide access to a small gym, a sauna and a gravitational bench free of charge, and yoga classes are available twice a week after work hours.

e.4. The Group also provides participation in running competitions (UBM Red Run in Pilisvörösvár, UltraBalaton) for free or at a reduced rate for employees and their family members, thus promoting a more active, healthy lifestyle.

f. Maintaining work-life balance

We believe that if an organisation helps, or at least makes it possible for its employees to become authentic and self-reflective people with good emotional competences, with the right skills and professional competences - and most of the people who work for the company, or the leaders are like this - they will survive many difficulties and also make the company successful. If the company invests resources well to encourage this, it will definitely pay off, because the quality and competences of the employees, their organisational skills cannot be copied by competitors, so it can be a "source of sustainable competitive advantage".

This is why UBM Group aims to support work-life balance and has and has developed various benefit packages adapted to life situations and ages to ensure diversity in this area as well.

f.1. UBM allows its qualified professionals to work flexibly and in home office if their job allows it, as this might help them achieve a better work-life balance.

f.2. The cafeteria framework can also be used to take extra days off.

f.3. Our colleagues who are in their twenties are guaranteed 23 days off at their request (instead of the 20 days required by law).

f.4. The Loyalty Programme is part of the corporate welfare programme at UBM, which provides added security to the first years of retirement to employees who will retire within 10 years.

f.5. Employees are eligible for an advance of their salary, a personal or a housing loan from UBM. Starting in 2023 we will allocate a budget to providing interest- and tax-free housing loans to young colleagues to make it easier for them to buy their first home near their workplace, with specific conditions.

f.6. We give extra days off to colleagues who are getting married.

f.7. We opened the UBM Library and a relax room at the end of 2023.

f.8. We are now offering "grandchild days off" for our colleagues who have become grandparents.

PILISVÖRÖSVÁR UBM redrun

UBM Családi nap

g. Equal opportunities, CSR

g.1. UBM Group is open to employing disadvantaged people for jobs that allow for this. Currently we have 6 disadvantaged employees, 1.67% of the total number of employees.

g.2. UBM has widespread CSR activities. Besides a dedicated CSR-coordinator, our Social Responsibility Group - consisting of colleagues from different positions and disciplines - plays a major role in these activities, and this means that it is not the management that decides on the allocation of support. Our main aim is to support charitable organisations, especially foundations helping sick or disadvantaged children. The organization that receives most support from us is Mosoly Alapítvány (Smile Foundation). Our colleagues can also recommend organisations or goals to support (e.g. a family whose house has burned down or the modernisation of the restrooms at the local school). Our colleagues can also get to vote on the organisations to support every December.

g.3. In addition to this we also focus on supporting local communities and organisations, such as the reconstruction of the local funeral home, Christmas presents for those in need). We organised a day for career guidance at one of the local schools and presented the diverse work processes and jobs at UBM.

g.4. We also prioritise the area of volunteering: we support and encourage our employees to take part in such activities. We strive to provide opportunities where they can take part in volunteering activities and encourage them to continue these activities outside the company framework. We have already organised a local blood donation campaign, trash collection and baked cookies for the homeless, and are working on building our network further (e.g. tree planting, helping animal shelters).

g.5. Paying attention to the well-being of our employees is also an important part of our social responsibilities. As responsible employers we strive to support their physical and mental well-being and provide various ways for them to achieve a better work-life balance (e.g. programmes during mental health month, health days, health screens in the office).

g.6. We launched our "Giving is good!" campaign in December 2023 and have "adopted" a small settlement in Baranya county. Our colleagues prepared personalised gifts for children in need as part of our "shoe box" campaign. We received so many donations from our employees, that we had enough to give nicely wrapped gifts to those in need in our local community as well.

g.7. UBM believes that a company should not only strive to achieve business goals and strategies but as a part of the society, also needs to act responsibly towards its environment. We strongly believe that we need to use our resources and energy to alleviate social inequalities and to serve the communities living around us.

ENVIRONMENTAL PROTECTION AND WASTE MANAGEMENT

Environmental protection

The global significance of the agricultural sector is obvious not only in food security but also in its environmental load. Agriculture, including soil management and forestry, accounts for 18.4% of greenhouse gas emissions, making commitment to sustainability inevitable. Therefore, it is of utmost importance for the sector to take steps to lessen its environmental footprint, in particular by increasing energy efficiency and reducing emissions.

Our Company, as a major player of the Hungarian agricultural sector, pays special attention to reducing energy consumption of its manufacturing and sales activities, and to continue increasing the share of renewable energy sources. A major step in this direction was our solar plant project, that will contribute significantly to the switch to renewable energy sources, making it possible for the company to satisfy part of its electricity needs from green sources. In addition, we have implemented investments to increase energy efficiency within the framework of EKR, making significant progress towards reducing our environmental load.

Reducing ESG Scope 1 and Scope 2 emissions is our priority, a goal we will achieve by improving manufacturing technologies, using energy efficient equipment and optimising logistics. In the field of logistics, we aim to systematically develop the methods for measuring emissions of not only our fleet, but also of independent carriers throughout the supply chain. Based on the more precise data obtained we will implement further measures to reduce the environmental impact of our industry.

We support our livestock breeding partners by offering innovative feed formulations and product range so they can also contribute to achieving sustainability goals. These developments reduce not only the protein, nitrogen and phosphorous content of the feed but the water consumption of animals and emissions as well, contributing to a reduction of Scope 3 emissions. Our R&D team is continuously working on the widespread applicability of these developments and on achieving a positive environmental effect throughout the product life cycle.

Waste management

Based on our activities (manufacturing, trade) we put special emphasis on waste management, that is under strict control at our sites. It encompasses the management of both hazardous and non-hazardous wastes. In accordance with Hungarian law we dispose of wastes, keep record of the different types of waste, and follow detailed procedures when disposing contaminated packaging wastes and other hazardous wastes, to ensure compliance with environmental protection and safety regulations.

RESEARCH AND DEVELOPMENT

UBM Group is active in research and development to support the development of high-quality feeds, other nutritional products and services. The role and aim of innovation can be summarised as follows:

- to increase profits benefiting from the novelty or efficiency of a product, service or manufacturing process
- to fit the business strategy of the Group
- provide answers to future challenges and changes
- the potential investment regarding the innovation is realistic
- it can secure or speed up the return on investments or on the increase of production capacities
- provide professional support or control of commercial activities
- stimulating the interest of the upcoming generation

Our R&D division currently has 2 employees with PhD degrees, 2 employees who are working on their PhD and 10 employees with MSc degrees. The company has a laboratory at the Környe site where all tests needed for the evaluation of feed quality can be performed. Our quality management and quality assurance systems are integrated into the R&D division. Providing technical support to farm visits is also the task of the R&D division.

UBM Group is actively cooperating with the following Hungarian and international organisations:

- MATE (Hungarian University of Agriculture and Life Sciences) Georgikon Campus
- University of Debrecen
- University of Pécs
- University of Szeged, Institute of Pharmacodynamics and Biopharmacy
- University Of Veterinary Medicine
- Biological Research Centre of the Hungarian Academy of Sciences (MTA), Szeged
- Schothorst Feed Research
- Feed Design Lab
- Cumberland Valley Analytical Services
- Nutreco
- Alltech
- Ohio State University
- University of Wisconsin
- Micromir Research and Development Centre

Innovation

UBM's innovation and R&D activities is based on scientific knowledge, partnerships, farm trials and cooperations with our partners. We have established partnerships with 10 universities, research institutes and companies in Hungary and abroad.

R&D results

- Broiler chicken and broiler duck feed range;
- Launching the swine model - optimising genetics-selling price-nutrition;
- Dairy Cow nutritional concept;
- SoyPreme® - production of fullfat by-pass soy;
- Effective protection against toxins;
- Development of a fibre evaluation concept;
- Introducing split feeding in commercial layers;
- Modification of milk composition - Fit-Fat milk, modification of milk fat content
- Precision feed formulation to decrease feed costs.

Quality management

- **Laboratory testing** all feeds **before shipment**;
- **Testing analytical constituents and contamination** for all incoming raw materials;
- Over **25,500 laboratory tests** during the year under review;
- Performing **accredited laboratory tests** every week;
- **Evaluating** and interpreting laboratory test **results**;
- **Storing samples** during the shelf life of the product;
- **Solving issues** – **LUFA**- German partnership;
- Purchasing raw materials from **certified suppliers.**

Within the framework of these partnerships UBM operates own or contracted trial facilities and has access to research results of various institutes and universities. We would like to highlight the following results of the R&D division:

- Broiler feed range (1.51-1.55 FCR, feeding 100 million broilers/year);
- Broiler duck feed range (1.8-1.9 FCR, 82% market share, feeding 25 million ducks/year);
- By using the Dairy Cow nutritional concept, our consultants supervise the nutrition of over 40,000 cows, which means a market share of 30%. (380 million litres of milk / year);
- SoyPreme® - fullfat by-pass soy;
- Effective protection against toxins (our research results were acquired by the Brazilian feed additive manufacturer ICC);
- Fibre evaluation concept (a concept of lowering raw protein content to decrease ammonia emissions)
- Split feeding (160 Ft/layer cost reduction);
- Assessment of carbon footprint for each product
- Precision formulation (0.2-1.6 HUF/kg better price);
- Modification of milk composition (Fit-Fat milk, modification of milk fat content).
- Research and development of a microbiological product portfolio to support the elimination of Salmonella from poultry flocks
- Process of manufacturing feed with high oil content from full value sunflower seeds and feed ingredients with high oil content

PROFESSIONAL AWARDS AND RECOGNITION

Professional awards

- The Animal Husbandry Grand Prize was awarded to UBM Feed Zrt. - at the Livestock Breeding and Farming Days 2024 - "The combined effect of a day-old-chick gel and a broiler prestarter feed on the performance of broiler chicken",
- The Animal Husbandry Grand Prize was awarded to UBM Feed Zrt. - at the Livestock Breeding and Farming Days 2023 - "For the development of palm oil-free feeding of dairy cows and the acquisition of a trademark certifying this",
- The 1st prize in the Agricultural informatics, husbandry technology category - at the Livestock Breeding and Farming Days 2023 - "Complex, non-invasive oestrus monitoring and based on this, feeding rich in omega-3 fats".
- Product Grand Prize – Livestock Breeding and Farming Days – 2019 – "Development of broiler duck feed range by determining species specific nutritional requirements and digestibility coefficients"
- Product Grand Prize – Livestock Breeding and Farming Days – 2014 – "Introducing the concept of including whole grain wheat in poultry nutrition"
- SoyPreme 1st prize in the Product category – Livestock Breeding and Farming Days – 2013

Other awards and recognition

- "Advanced" level of certification in Mental Health and "Creative Solutions" special award - June 2024.
- Family-friendly workplace - May 2024.
- BeneFit Prize special award in the Family Friendly category and BeneFit Prize Public choice award - November 2023.
- Responsible Employer, Gold certification - May 2023.
- Family-friendly company - November 2022.

Professional awards and recognition

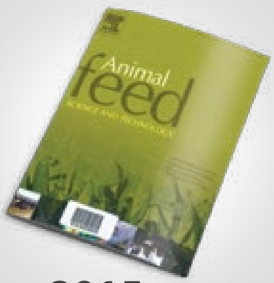
2023
Animal Husbandry
Grand Prize

2021 és 2023
Responsible
Employer

2020 és 2022
Family-friendly
Workplace

ALFÖLDI ÁLLATTENYÉSZTÉSI ÉS MEZŐGAZDA NAPOK NAGYDÍJ 2019

2019
Animal Husbandry
Grand Prize



2015
Recognition
in the USA

2014
Animal Husbandry
Grand Prize

2013
Soypreme® Animal Husbandry
Product Prize

QUANTITATIVE AND QUALITATIVE MEASUREMENTS AND INDICATORS OF PERFORMANCE

The UBM Group's performance is measured mainly through financial indicators, of which the following three can be highlighted:

EBITDA: Profit before tax + Interest expenditure + Depreciation and amortisation

Calculation of EBITDA	
Depreciation	1,701,289
Interest expenditure	4,550,907
Profit before tax	1,935,424
Calculated EBITDA	**8,187,620**

Net debt/EBITDA: (Long and short-term debt - Cash and cash equivalents) / (Profit before tax + Interest expenditure + Depreciation and amortisation)

Calculation of net debt/EBITDA	
Long-term loans and borrowings	4,435,338
Long-term finance lease liabilities	953,621
Short-term loans and borrowings	20,195,287
Short-term finance lease liabilities	564,983
Cash and cash equivalents	(1,151,233)
Net debt	24,997,996
EBITDA	8,187,620
Net debt/EBITDA:	**3.05**

Debt service coverage ratio (DSCR): (Profit before tax + Interest expenditure + Depreciation and amortisation) / (Repayment of loans, borrowings and leases due during the following year + Interest expenditure in the current year)

Calculation of the Debt Service Coverage Ratio (DSCR)	
Short-term part of investment loans	587,160
Short-term portion of general-purpose credits	708,919
Interest expenditure	4,550,907
Debt service	5,846,986
EBITDA	8,187,620
Debt service (DSCR) indicator	**1.40**

INFORMATION ON SHARES

The share capital of the Company is HUF 118,518,500, consisting of 23,703,700 dematerialised ordinary registered shares with a nominal value of HUF 5 each, giving equal rights. The shares are freely transferable, and the transfer of the issued shares is not restricted. There are no shares with special management rights and no voting rights are restricted.

The 9 private owners of UBM Holding Nyrt. and the MFB Vállalati Beruházási és Tranzakciós Magántőkealap (MFB Corporate Investment and Transaction Private Equity Fund) have agreed that the dominant owner of the UBM Holding as of 30 June 2022 will be maintained until the ownership of the Investor is held. The Private Owners undertake a "lock-up" commitment that their combined ownership in the Issuer will not fall below 75%.

Following an increase in the share capital, a change in the ownership of the Issuer is only possible with the prior approval of the Investor and the MFB Corporate Investment and Transaction Private Equity Fund may not unreasonably refuse to do so. An exception to this is if the combined ownership of the private equity holders does not fall below 75%.

The shares of the Company were listed on the Budapest Stock Exchange on 3 March 2017.

We are not aware of any shareholder agreement on management rights, and no agreement shall enter into force, be amended or terminated because of a change in the Company's management following a takeover bid.

There is no agreement between the Company and any executive officer or employee that provides for indemnification in the event of that officer's or employee's resignation or illegal termination, or the termination of employment as a result of a takeover bid.

OTHER PRESENTATION OBLIGATIONS PROVIDED FOR IN THE ACT ON ACCOUNTING

The UBM Group discloses information on financial instruments and risk management in the Consolidated Financial Statements.

We also disclose information about investors that have a significant direct or indirect interest in the equity of UBM Holding Nyrt.:

Owner	Ownership share (%)
Andor Ágoston Botos	13.47%
Ákos Varga	12.63%
Imre Varga	11.57%
Péter Horváth	8.74%
Gábor Varga	8.77%
László Bustyaházai	8.76%
András Uzsoki	3.38%
Mihály Fekete	3.84%
Szabolcs Szalontai	3.84%
UBM Agro Zrt.	3.92%
UBM Feed Zrt.	1.82%
UBM Trade Zrt.	1.00%
UBM Szeleste Zrt.	0.49%
MFB Vállalati Beruházási és Tranzakciós Magántőkealap	15.62%
Public domain	2.15%
Total	100.00%

Events after the Balance Sheet date:

- UBM Grain Zrt., a subsidiary of the Group of Companies, purchased a total number of 33.334 dematerialised ordinary shares issued by the Issuer with ID number HU0000207543 ISIN with a nominal value of HUF 5, under a share purchase agreement, in an OTC transaction executed on 29 July 2024. Following the above transaction, the total number of treasury shares held by the Issuer's subsidiaries: 1,745,422. Following the above transaction, the ratio of the total nominal value of the treasury shares held by the Issuer's subsidiaries to the share capital has increased to 7.36%.
- UBM Trade Zrt., a subsidiary of the Group of Companies sold a total number of 25.000 dematerialised ordinary registered shares with the ID number HU0000146063 ISIN and a nominal value of HUF 100 each, representing 50% of the share capital of UBM Consulting Zártkörűen Működő Részvénytársaság (registered office: 2085 Pilisvörösvár, Kisvasút utca 1.) to MICROMIR Hungary Korlátolt Felelősségű Társaság (registered office: 1121 Budapest, Csorna utca 5. 4. em. 11.) as the buyer under a share purchase agreement executed on 28 August 2024. The aim of the above sale of shares is to provide appropriate framework for the cooperation between UBM Group and MICROMIR Hungary Kft. regarding the biotechnological developments to be used in livestock breeding.
- By exercising the right of option under an investment and syndicate contract executed on 20 June 2022, UBM Holding Nyrt. and Andor Ágoston Botos, László Bustyaházai, Mihály Fekete, Péter Horváth, Szabolcs Szalontai, András Uzsoki, Ákos Varga, Gábor Varga and Imre Varga as shareholders and MFB Vállalati Beruházási és Tranzakciós Magántőkealap (registered office: 1027 Budapest, Kapás utca 6-12.; registration number: 6122-91) as investor, a subsidiary of the Issuer, UBM Grain Zrt. (registered office: 2085 Pilisvörösvár, Kisvasút utca 1.), purchased a total number of 51,449 dematerialised ordinary shares issued by the Issuer with ID number HU0000207543 ISIN with a nominal value of HUF 5 each, in an OTC transaction executed on 30 August 2024. Following the transaction, the total number of treasury shares held by the Issuer's subsidiaries: 1,796,871. Following the above transaction, the ratio of the total nominal value of the treasury shares held by the Issuer's subsidiaries to the share capital: increased to 7.58%.

Decisions on issues related to shares and buybacks are at the discretion of the Board of Directors.

In UBM Holding Nyrt. there is no governance mechanism provided for by an employee share ownership scheme in which control rights are not directly exercised by employees.

The General Assembly also has the power to elect and recall members of the Board of Directors and to amend the Articles of Association.

Corporate governance rules are published in the responsible corporate governance code.

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(amounts in thousands of HUF, unless otherwise indicated)

ASSETS	*Annexes*	30/6/2024	30/6/2023
Non-current assets			
Property, plant and equipment	*6.6*	12,783,103	12,139,430
Intangible assets	*6.7*	993,507	652,143
Other long-term receivables	*6.8*	1,401,733	1,183,307
Investments in associates and joint ventures	*6.9*	3,285,176	2,007,544
Other investments	*6.10*	153,959	153,959
Right-to-use assets	*6.11*	1,597,561	1,490,453
Deferred tax receivables	*6.12*	396,107	250,825
Total non-current assets		**20,611,146**	**17,877,661**
Current assets			
Inventories	*6.13*	12,407,874	8,153,465
Trade receivables	*6.14*	22,362,884	30,265,365
Income tax receivable	*6.23*	457,407	93,809
Other receivables and accrued income	*6.15*	5,119,103	3,970,608
Cash and cash equivalents	*6.16*	1,151,233	2,669,337
Total current assets		**41,498,501**	**45,152,584**
Total assets		**62,109,647**	**63,030,245**

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(amounts in thousands of HUF, unless otherwise indicated)

LIABILITIES	Annexes	30/6/2024	30/6/2023
Equity			
Share capital	6.17	118,519	118,519
Reserve for share-based payments	6.17	55,774	0
Treasury share reserve	6.17	(2,353,915)	(1,942,303)
Capital reserve	6.17	25,671,447	25,671,447
Cash flow hedging reserve	6.17	(717,066)	562,206
Translation reserve	6.17	41,045	(12,267)
Retained earnings	6.17	(11,161,693)	(12,164,120)
Equity attributable to shareholders of the Company		**11,654,111**	**12,233,482**
Non-controlling interests		215,781	188,203
Total equity		**11,869,892**	**12,421,685**
Long-term liabilities			
Long-term loans and borrowings	6.18	4,435,338	4,755,369
Government grants	6.19	1,050,406	1,349,903
Long-term finance lease liabilities	6.20	953,621	946,417
Deferred tax liability	6.12	169,329	216,927
Total long-term liabilities		**6,608,694**	**7,268,616**
Current liabilities			
Short-term loans and borrowings	6.18	20,195,287	24,575,785
Trade payables	6.21	14,577,692	14,696,401
Provisions	6.22	326,000	326,000
Other liabilities and accruals	6.24	7,919,005	3,039,701
Short-term finance lease liabilities	6.20	564,983	492,969
Income tax liability	6.23	48,094	209,088
Total current liabilities		**43,631,061**	**43,339,944**
Total liabilities and equity		**62,109,647**	**63,030,245**

2. CONSOLIDATED PROFIT AND LOSS STATEMENTS

(amounts in thousands of HUF, unless otherwise indicated)

	Annexes	30/6/2024	30/6/2023
Sales revenue	6.25	198,667,178	231,612,070
Other operating revenue	6.26	1,078,792	916,156
Total operating revenue		**199,745,970**	**232,528,226**
Capitalised own performance	6.27	95,511	305,873
Costs of goods and services sold	6.28	129,729,207	151,831,784
Materials expenditure	6.29	57,676,671	65,995,593
Personnel expenditures	6.30	5,399,860	4,674,861
Depreciation	6.6, 6.7, 6.11	1,701,289	1,413,819
Impairment	6.14, 6.15	70,548	78,166
Other operating costs and expenses	6.31	612,002	1,008,315
Total operating costs		**195,189,577**	**225,002,538**
Earnings before interest and tax (EBIT)		**4,651,904**	**7,831,561**
Revenues from financial transactions	6.32	3,111,326	5,810,411
Expenditures on financial transactions	6.33	2,410,582	5,595,670
Interest expenditure	6.34	4,550,907	6,639,593
Share of profit of associates and joint ventures	6.9	1,133,683	94,240
Profit from financial operations		**(2,716,480)**	**(6,330,612)**
Profit before tax		**1,935,424**	**1,500,949**
Deferred tax		(40,667)	(2,124)
Income tax expense	6.35	543,752	589,961
Profit after tax		**1,432,339**	**913,112**
Profit attributable to:			
Shareholders of the Company		**1,364,618**	**800,414**
Non-controlling interests		**67,721**	**112,698**
Earnings per share (HUF)			
Basic	6.36	61.45	35.89
Diluted	6.36	61.45	35.89
EBITDA	6.38	**8,187,620**	**9,554,361**

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(amounts in thousands of HUF, unless otherwise indicated)

	Annexes	30/6/2024	30/6/2023
Profit after tax		**1,432,339**	**913,112**
Impact of the fair value changing of cash flow hedge	*6.17*	(1,434,888)	1,295,105
Impact of the changing of exchange rate	*6.17*	63,074	(101,863)
Impact of deferred tax	*6.12*	136,282	(128,772)
Other comprehensive income		**(1,235,532)**	**1,064,470**
From other comprehensive income			
Shareholders of the Company		(1,225,959)	1,023,872
Non-controlling interests		(9,573)	40,598
Total comprehensive income		**196,807**	**1,977,582**
From total comprehensive income			
Shareholders of the Company		138,658	1,824,286
Non-controlling interests		58,149	153,296

Notes to the Statement of comprehensive income

* *The impact of the fair value measurement of the cash flow hedge is an item reversed to the income statement in the future.*

** *The impact of exchange rate differences is an item reversed to the income statement in the future.*

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in thousands of HUF, unless otherwise indicated)

	Annexes	Share capital	Reserve for share-based payments	Treasury shares reserve	Capital reserve	Cash flow hedge reserve	Retained earnings	Translation difference	Equity attributable to the parent company	Non-controlling interests	Total equity
Balance on 30 June 2022		**118,519**	**-**	**(1,775,000)**	**25,671,447**	**(546,462)**	**(10,319,234)**	**72,529**	**13,221,799**	**437,766**	**13,659,565**
Dividend payment	*6.17*						(1,500,000)		(1,500,000)		**(1,500,000)**
Transactions with non-controlling interests with control retained	*6.17*						(487,700)		(487,700)	(306,804)	**(794,504)**
Dividends received by minority shareholders	*6.17*						(657,600)		(657,600)	(96,055)	**(753,655)**
Treasury shares purchase	*6.17*			(167,303)					(167,303)		**(167,303)**
Total comprehensive income	*6.17*					1,108,668	800,414	(84,796)	1,824,286	153,296	**1,977,582**
Balance on 30 June 2023		**118,519**	**-**	**(1,942,303)**	**25,671,447**	**562,206**	**(12,164,120)**	**(12,267)**	**12,233,482**	**188,203**	**12,421,685**
Dividends received by minority shareholders	*6.17*						(362,191)		(362,191)	(34,457)	**(396,648)**
Treasury shares purchase	*6.17*			(411,612)					(411,612)		**(411,612)**
Total comprehensive income	*6.17*					(1,279,272)	1,364,618	53,312	138,658	58,149	**196,807**
NCI arising from the establishment of a subsidiary	*6.17*								–	3,886	**3,886**
Share-based payments	*6.17*		55,774						55,774		**55,774**
Balance on 30 June 2024		**118,519**	**55,774**	**(2,353,915)**	**25,671,447**	**(717,066)**	**(11,161,693)**	**41,045**	**11,654,111**	**215,781**	**11,869,892**

5. CONSOLIDATED CASH FLOW STATEMENT

(amounts in thousands of HUF, unless otherwise indicated)

	30/6/2024	30/6/2023
Cash flow from operating activities		
Profit after tax	1,432,339	913,112
Corrections:		
Interest paid	4,550,907	6,639,593
Result of valuation of participations using the equity method	(1,155,132)	103,396
Exchange rate changes	62,065	(101,107)
Depreciation and amortisation for the current year	1,701,289	1,413,819
Result on sale of tangible fixed assets	(34,353)	(8,529)
Scrapping of fixed assets	55	617
Impairment of receivables	70,548	78,166
Deferred tax	(192,880)	182,735
Income tax	(524,592)	(111,819)
Changes in derivative transactions	(2,035,100)	2,566,271
Change in provisions	0	254,891
Change in stocks	(4,254,409)	3,269,613
Change of buyers	7,885,772	(3,477,108)
Other receivables and changes in accrued income and prepaid expenses	(100,223)	1,243,546
Changes in trade payables	(118,709)	(230,035)
Other liabilities and changes in accruals and deferred income	4,863,687	(4,261,071)
Net cash flow from operating activities	**12,151,264**	**8,476,090**
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(2,086,267)	(1,505,517)
Proceeds from sale of tangible fixed assets	34,353	10,570
Changes in financial assets	(218,426)	43,836
Investment (in an associated company)	(622,500)	0
Cash received from non-controlling interest	3,886	57,029
Dividends received	150,000	0
Net cash flow from investing activities	**(2,738,954)**	**(1,394,082)**
Cash flow from financing activities		
Loans and borrowings	3,331,107	2,845,639
Repayment of loans and borrowings	(8,031,636)	(7,076,580)
Change in leasing liability	(628,004)	(426,222)
Change in share-based payment reserve	55,774	0
Changes in government grants	(299,497)	830,464
Treasury shares purchase	(411,612)	0
Dividends paid	(396,648)	(2,253,655)
Interest paid	(4,550,907)	(6,639,593)
Net cash flow from financing activities	**(10,931,423)**	**(12,719,947)**
Change in cash and cash equivalents	**(1,519,113)**	**(5,637,939)**
Cash and cash equivalents at the beginning of the year	2,669,337	8,308,032
Effect of exchange rate changes on foreign currency balances	1,009	(756)
Balance of cash and cash equivalents at the end of the year	**1,151,233**	**2,669,337**

6. NOTES TO THE FINANCIAL STATEMENTS

6.1 GENERAL INTRODUCTION

UBM HOLDING Nyrt., the parent company of UBM Group (hereinafter referred to as the "Company") was established on 8 February 2016, its main activities are asset management and internal audit and controlling. There were no changes in the name or other identifying information of the reporting entity compared to the previous reporting period. The registered office of the Company is at 2085 Pilisvörösvár, Kisvasút utca 1. The legal form of the Company is Public Limited Company and its shares are traded on the Budapest Stock Exchange. The Company is registered in Hungary and is engaged in the production and trading of feed and the wholesale trade in cereals and protein crops. The registered office of the entity is at 2085 Pilisvörösvár, Kisvasút utca 1. The Company, its subsidiaries and companies accounted for using the equity method form the UBM Group. UBM Holding Nyrt. was listed in the Technical category of the BSE upon its incorporation and was moved to the Standard category of the BSE with effect from 2 May 2022.

The compliance, reliability and veracity of the accounts for the year under review have been audited by:

CMT Consulting Korlátolt Felelősségű Társaság

The Independent Auditor's Report is signed by Zsuzsanna Freiszberger, registered auditor, member of the Chamber of Hungarian Auditors, with registration number 007229. The audit fee for individual and consolidated financial statements for the year 2024 is HUF 17,600,000.

The person responsible for the management of the tasks falling within the scope of IFRS accounting services is Dávid Bagosi (registration number: 205339).

The Company's website: *www.ubm.hu*

Owners of UBM HOLDING Nyrt. on 30 June 2024:

Owner	Ownership share (%)
Andor Ágoston Botos	13.47%
Ákos Varga	12.63%
Imre Varga	11.57%
Péter Horváth	8.74%
Gábor Varga	8.77%
László Bustyaházai	8.76%
András Uzsoki	3.38%
Mihály Fekete	3.84%
Szabolcs Szalontai	3.84%
UBM Agro Zrt.	3.92%
UBM Feed Zrt.	1.82%
UBM Trade Zrt.	1.00%
UBM Szeleste Zrt.	0.49%
MFB Vállalati Beruházási és Tranzakciós Magántőkealap	15.62%
Public domain	2.15%
Total	100.00%

Voting shares	Share of the vote (%)
Andor Ágoston Botos	14.52%
Ákos Varga	13.61%
Imre Varga	12.47%
Péter Horváth	9.42%
Gábor Varga	9.45%
László Bustyaházai	9.45%
András Uzsoki	3.65%
Mihály Fekete	4.14%
Szabolcs Szalontai	4.14%
MFB Vállalati Beruházási és Tranzakciós Magántőkealap	16.84%
Public domain	2.31%
Total	100.00%

6.2 CORPORATE GOVERNANCE

As a company listed on the Budapest Stock Exchange (BSE), it is of paramount importance for UBM to operate under a clearly defined corporate governance model that is transparent to the public and to comply with legal and stock exchange requirements.

According to the Articles of Association of UBM Holding Nyrt., the governing body of the company is the Board of Directors and the members of the Board of Directors are entitled to represent the Company in transactions with third parties.

Name	Position	Start of legal relationship	End of legal relationship
Ákos Varga	President	15 February 2016	indefinite
László Bustyaházai	member	15 February 2016	indefinite
Péter Horváth	member	15 February 2016	indefinite
András Uzsoki	member	15 February 2016	indefinite
Gábor Varga	member	15 February 2016	indefinite
Imre Varga	member	15 February 2016	indefinite
Andor Ágoston Botos	member	28 October 2022	indefinite
Mihály Fekete	member	28 October 2022	indefinite
Janositz Balázs Ferenc	member	28 October 2022	indefinite
Szabolcs Szalontai	member	28 October 2022	indefinite
József Tóth	member	28 October 2022	indefinite

The Chair of the Board of Directors is elected by the members from among themselves for a term determined by the Board of Directors. The Board of Directors may revoke this mandate at any time. When the Chair of the Board of Directors ceases to be a member of the Board of Directors, he/she shall cease to be Chair of the Board. Mr. Ákos Varga, Chair of the Board of Directors, and Mr. Horváth, member of the Board of Directors, shall have independent right to sign documents in the Company's name. Two members resigned as a member of the UBM Holding Nyrt. Board of Directors: András Uzsoki with effect from 2 July 2024, and Imre Varga with effect from 23 September 2024.

The functioning of the Board of Directors

I. The Board of Directors shall hold regular meetings as and when necessary, or at the frequency specified in its Rules of Procedure, but at least four (4) meetings per year. The Chair of the Board of Directors, or in his/her absence, a designated member of the Board of Directors, shall be responsible for preparing, convening and chairing the meetings of the Board of Directors. Meetings of the Board of Directors shall be convened at the request of any two members of the Board of Directors.

II. A meeting convened in accordance with its Rules of Procedure shall constitute a quorum if at least half of its members are present. Minutes shall be taken of its meetings.

III. The Board takes its decisions by a simple majority of votes. At the request of any member of the Board, the Chair shall order a secret ballot.

IV. During the performance of its tasks, the Board may, if necessary, call in external experts or set up a committee or working group to carry out specific tasks.

The members of the **Supervisory Board** and the **Audit Committee** are the same and are all independent of the Company.

Name	Position	Independence
József Tóth	Chair	independent
Sándor Buda	member	independent
Attila Fazekas	member	independent

The term of the members of the Supervisory Board is for an indefinite period.

The functioning of the Supervisory Board

I. The Supervisory Board elects a Chair from among its members.

II. The quorum for a meeting of the Supervisory Board convened in accordance with the its Rules of Procedure shall be at least two thirds of its members, but at least three persons. Decisions shall be taken by a majority of votes. In the event of a tie, the Chair shall have a casting vote.

III. Minutes shall be taken of the meetings of the Supervisory Board.

IV. The Supervisory Board shall adopt its own Rules of Procedure.

The supreme body of the Company is the General Meeting, which consists of all the shareholders.

6.3 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

I. Acceptance and declaration of compliance with International Financial Reporting Standards.

All financial statements were approved by the Board of Directors on 7 October 2024. These financial statements have been prepared in accordance with International Financial Reporting Standards, as published and incorporated by regulation in the Official Journal of the European Union (EU). IFRS are standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

These financial statements are presented in Hungarian Forints, rounded to the nearest thousands, unless otherwise indicated.

II. Basis for the preparation of the accounts

All financial statements have been prepared in accordance with standards and IFRIC interpretations issued and in force until 1 July 2023.

These financial statements have been prepared under the historical cost convention, except where IFRS requires the use of a different measurement basis than that disclosed in the accounting policies. The Company has changed its financial year from 31 December to 30 June from 2021 onwards.

III. Basis of measurement

For financial statements, the measurement basis is the original cost, except for the following assets and liabilities, which are presented at fair value, which are financial instruments at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the accounting policies used. Estimates and related assumptions are based on past experiences and a number of other factors that are believed to be reasonable under the circumstances, the results of which form the basis for estimating the book values of assets and liabilities that are not readily determinable from other sources. Actual results may differ from these estimates.

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

6.4 ACCOUNTING POLICIES

THE BASIS FOR CONSOLIDATION

Subsidiaries

The consolidated financial statements include UBM Holding Nyrt. and the subsidiaries under its control. Control is generally presumed to exist when the Group directly or indirectly holds more than 50% of the voting rights of a company and benefits from its activities through its influence over the financial and operating activities of that company.

The Group exercises control over an investee when it is exposed to, or has rights to, variable returns from its participation in the investee and has the power to affect those returns through its influence over the investee.

Accordingly, the Group exercises control over the investee if, and only if, the investor has all of the following:

a) power over the investee;

b) exposure to or rights to variable returns arising from its participation in the investee; and

c) the ability to use its power over the investee to influence the amount of the investor's returns.

The acquisition method of accounting applies to the acquired shares, based on the fair value of assets and liabilities on the acquisition date, that is, based on its market value at the date on which control is obtained. The cost of acquisition is the sum of the consideration and the non-controlling interest in the acquired business. Companies acquired or sold during a year shall be included in the consolidated financial statements from the date of the transaction or up to the date of the transaction, as appropriate.

Transactions between consolidated companies, balances and results and unrealised gains and losses shall be eliminated unless such losses indicate impairment of related assets. In preparing the consolidated financial statements, similar transactions and events are recorded using uniform accounting principles.

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

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

Joint ventures and associated enterprises

A joint venture is a contractual arrangement whereby two or more parties (contractors) carry out an economic activity under joint control. Joint control is achieved when the strategic, financial and operational decisions relating to the activity require the unanimous agreement of the entities. A joint venture is an undertaking that involves the creation of a company, partnership or other legal entity engaged in an economic activity that is jointly controlled by the Group and the other entities.

An associate is a company over whose financial and operating policies the Group has significant influence, but which is not a subsidiary or joint venture.

The Group's investments in joint ventures and associates are accounted for using the equity method. Under the equity method, investments in joint ventures and associates are carried in the Balance Sheet at cost plus the post-acquisition change in the Group's share of the net asset value of the business. Goodwill relating to the business is included in the carrying amount of the investment and is not amortised. The Profit and Loss Account includes the Group's share of the profit or loss from the operation of the business. If there is a recognised change in the equity of the entity, the Group also recognises its share and, where appropriate, discloses it as a change in equity.

The reporting dates of the joint ventures and associates are not the same as those of the Group, but a consolidation reporting package is prepared for the 30 June reporting date. The accounting policies of the entities are consistent with those used by the Group for similar transactions in similar circumstances.

Investments in joint ventures and associates are reviewed for objective evidence of impairment at the Balance Sheet date. Where such evidence exists, the realisable value of the investment and the impairment loss to be recognised shall be determined. The reasons for losses recognised in previous years will be considered in order to determine whether losses can be reversed or not.

On the cessation of significant influence in a joint venture or associate, the Group shall revaluate the remaining interest and recognise it at fair value. The difference between the carrying amount of the associate and the fair value of the investment retained and the consideration for the sale is recognised in the profit or loss.

Presentation currency and foreign currency balances

Given the content and circumstances of the underlying economic events, the Group's functional currency is the Hungarian Forint.

Foreign exchange transactions denominated in currencies other than HUF were initially recorded at the exchange rate established for the date of execution of such transactions. Receivables and payables in foreign currencies were translated into HUF at the exchange rate prevailing at the Balance Sheet date, irrespective of whether the return on the asset was considered doubtful or not. The resulting exchange differences are recognised in the Profit or Loss Account under financial income or expenses.

Financial statements are presented in Hungarian Forint (HUF), rounded to the nearest thousands, except where otherwise indicated.

Foreign operations are translated in accordance with IAS 21, assets and liabilities are translated at the closing rate, and the statement of comprehensive income is translated at the average exchange rate for the period, unless exchange rates fluctuate significantly during that period. Significant fluctuations are defined as fluctuations of more than 15% between the lower and upper quartile values calculated using daily exchange rates during the period. In such a case, the result for the period is converted at the average exchange rate for shorter intervals. Capital items are recorded at the rate at which they were initially recorded. The resulting differences are recorded in the line for translation reserve.

Transactions in foreign currencies are recorded in the functional currency, using the exchange rate between the reporting currency and the foreign currency at the date of the transaction for the amount in the foreign currency. In the Comprehensive Income Statement, exchange differences arising on the settlement of monetary items, on initial recognition during the period, or arising from the use of an exchange rate different from that used in the previous financial statements, are recognised as income or expense in the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate of the functional currency at the end of the reporting period. Foreign currency items measured at fair value are translated at the exchange rate at the date when the fair value was determined. Exchange differences on trade receivables and trade payables are included in the results of operations, while exchange differences on loans are included in the income or expense from financial operations.

Sales revenue

Revenue from sales transactions is recognised when the conditions of the contracts are met. Sales revenue excludes value added tax. All income and expenses are recognised in the appropriate period using the principle of matching.

The basic principle of IFRS 15 is that companies should recognise revenue according to the amount of goods or services provided to their customers, which reflects the consideration (i.e. payment) to which the company expects to be entitled in exchange for those goods or services. The new standard has resulted in a more detailed presentation of revenue, and it provides guidance for transactions that were previously not clearly covered (e.g. revenue from services and contract amendments) and new guidance for multi-element agreements.

The standard has led to the development of a new model, the so-called 5-step model, in which important steps include the identification of the contract(s), the identification of individual performance obligations, the determination of the transaction price, the allocation of the transaction price between individual elements and the recognition of the revenue allocated to each obligation.

Performance obligations

When concluding a contract, the Company is required to identify which goods or services it has promised to provide to the buyer, i.e. what performance obligation it has undertaken. The Company may recognise revenue when it has fulfilled its obligations by delivering the promised goods or rendering the promised service. Obligations are met when the buyer has obtained control of the asset (service), which is indicated by signs such as:

- The Company has the right to receive consideration for the asset,
- Ownership title has passed to the buyer,
- The Company has physically transferred the asset,
- The buyer has significant risk and profit potential from owning the asset,
- The buyer has accepted the asset.

Determination of the transaction price

When a contract is performed, the Company is required to recognize the revenue associated with the performance, which is the transaction price assigned to the performance obligation. The transaction price is the amount that the Company expects to receive in exchange for the sale of goods and services. The elements of variable consideration (rebates and discounts) should also be taken into account in determining the transaction price. An expected value has been calculated to estimate the variable consideration, weighted by the Company using probability factors.

Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation. This accumulated depreciation includes depreciation charges recognised for the depreciation of assets incurred in the continuing use and operation of the asset and for the extraordinary depreciation of assets as a result of unforeseen extraordinary circumstances, including significant damage or loss of assets.

The cost of a tangible asset includes the cost of its acquisition and, in the case of an investment in its own enterprises, the cost of materials and labour and other direct costs incurred. Interest recognised on credits for capital expenditure on tangible assets increases the cost of the asset until the asset is ready for its intended use.

The carrying amount of tangible fixed assets is reviewed at regular intervals to determine whether the carrying amount does not exceed the fair value of the asset, in which case a write-down to fair value is required. The fair market value of the asset is the higher of the selling price and the value in use of the asset. Value in use is the discounted value of the future cash flows generated by the asset.

The discount rate includes the corporate pre-tax interest rate, taking into account the time value of money and the impact of other risk factors associated with the asset. If no future cash flows can be attributed to the asset individually, the cash flows of the entity of which the asset is a part are used as the basis. Any impairment loss or write-down so determined is recognised in the Profit and Loss Account.

The cost of repair and maintenance of fixed assets and the replacement of spare parts are charged to maintenance expenditures. Value-adding investments and renovations are capitalised. The cost and accumulated depreciation of unused assets sold or written off at zero are written off. Any gain or loss arising in this way is included in the profit or loss for the year.

The Company depreciates the value of its assets over their useful lives using the straight-line method.

Lifetime by asset groups:

Assets	Depreciation rate
Real estate	2.00% - 8.00%
Technical machinery and equipment	4% - 14.50%
Office equipment	14.50%; 33.00%
IT equipment	33.00%
Other equipment	14.50%
Vehicles	20.00%

Assets with an individual purchase price of less than HUF 200,000 are depreciated immediately in one lump sum upon acquisition.

Useful lives and depreciation methods are reviewed at least annually on the basis of the actual economic benefits provided by the assets. If necessary, the adjustment is recognised against the profit or loss for the year.

Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there has been any change in the carrying amount of any assets that might be impaired. If such a change has occurred, the Company estimates the expected recovery value of the asset. The expected recovery value of an asset or cash-generating unit is its fair value less costs to sell and its value in use, whichever is higher. The Company recognises an impairment loss in profit or loss when the expected recovery value of an asset is less than its carrying amount. The Company makes the necessary calculations based on appropriate discounting of long-term future cash flow projections.

Intangible assets

Intangible assets acquired individually and in a business combination are recorded at cost and at fair value at the date of acquisition, respectively. Recognition is made when there is evidence that the use of an asset will generate future economic benefits and its cost can be clearly determined.

After inclusion, the cost model is used for intangible assets. The useful lives of these assets can be either finite or indefinite. Assets with finite useful lives are amortised using the straight-line method based on the best estimate of their useful lives. The amortisation period and the amortisation method are reviewed annually at the end of the financial year. Internally generated intangible assets, other than development costs, are not capitalised but are charged to profit or loss in the year in which they are incurred. Intangible assets are reviewed annually for impairment, either individually or at the level of the cash-generating unit.

The acquisition costs of trademarks, licences, assets subject to industrial property rights and software are capitalised and amortised using the straight-line method over their estimated useful lives:

Intangible goods	Depreciation rate
Software	33.00%
Software developed for UBM Group	10.00%
Contracts with customers	linear over the expected dropout time
Exclusive supply contracts	linear over the contract period

Research and development

Research costs are charged to the profit and loss account as incurred, as future economic benefits are not yet measurable at this stage Development costs may be capitalised from the date on which their recovery can be demonstrated.

Depreciation cannot be charged during the development phase, only after the asset has been put into use. The carrying amount of development costs should be reviewed annually for impairment, in particular if circumstances arise that threaten the future economic viability of the project. Capitalised development costs are capitalised at cost less any impairment. Amortisation is calculated using the straight-line method over the useful life of the asset.

Management regularly reviews the economic viability of the project by assessing market demand and technical feasibility to ensure the future economic viability of the asset.

Biological assets

Our Company is active in livestock, namely swine breeding and biological assets - pigs in the fattening phase - are stated at fair value less costs to sell in accordance with IAS 41. Biological assets are initially recognised and measured at fair value at each balance sheet date unless fair value cannot be measured reliably. In such cases, assets are carried at cost less accumulated depreciation and impairment losses.

Where reliable market prices or other relevant methods of estimation are not available, biological assets are carried at cost until fair value becomes measurable. The asset is then revalued to fair value less costs to sell based on market prices.

Changes in the value of biological assets during the period are recognised in the profit and loss statement until the asset is derecognised. Biological assets are not split into intra-year and inter-year categories but are treated as a single unit.

The livestock breeding activities of UBM Group are carried out in an associated company, therefore neither biological assets nor changes in their value are directly recognised in the consolidated balance sheet. The results of the associated company are recognised by UBM Group in the line "Share of results of equity-accounted companies" in proportion to the interest held, thus the effect of biological assets is indirectly reflected in the consolidated financial statements.

To establish the fair value of the fattening pigs, they are separated into three groups as follows:

1. **Pigs under 40 kg bodyweight:** These pigs are typically recent additions to the company's books, as we buy piglets with about 25 kg bodyweight. These animals are carried at cost because this is a reliable reflection of their fair value due to the short holding period.
2. **Pigs weighing between 40 kg and 120 kg:** The fair value of this stock is calculated by deducting the carrying amount and the expected costs until the sale from the expected selling price. The calculated difference in value is recorded according to the current state of the fattening process, in proportion to the fattening period and the weight ratio achieved.
3. **Pigs above 120 kg bodyweight:** These animals are valued at the expected selling price.

The price per kg used for determining the fair value is calculated based on the average ZMP (Zentrale Markt- und Preisberichtstelle) price for the three months preceding the balance sheet date, since this is the indicator that has the greatest influence on domestic pig prices and this is the benchmark pricing for the sale of live animals (level 3 fair value).

Inventories

Inventories are assets that the Group

- acquired for sale in the ordinary course of business,
- which are at some stage of production or processing before sale or are awaiting sale in the finished state,
- which will be used in the production of goods to be sold or in the rendering of services (materials).

The Group uses the FIFO method to determine the value of inventories.

The cost of inventories includes all costs of acquisition, costs of conversion and costs necessary to bring the inventories to their current location and condition.

Costs shall exclude non-ordinary losses of materials, labour and other production costs, storage costs, unless these are part of the production process, administrative management costs not incurred in bringing stocks to their current state and condition, and selling costs.

The costs of acquisition are the costs incurred by the acquirer of the stocks to obtain it from other parties. These costs include:

- the consideration paid for the inventory itself;
- import-related charges;
- non-recoverable taxes;
- transport and handling costs;
- any other payment directly linked to the purchase of the inventory in question.

The purchase cost is reduced by the discounts and rebates received.

The costs of conversion (transformation) can be linked to the production process, i.e. stocks from own-production. According to the standard, these are the costs associated with each unit of production. A typical example for the Group is the direct labour costs (wages and salaries) and direct material costs. Allocable indirect costs are also included in the conversion costs.

Other miscellaneous costs should be included in the value of the inventory if they are incurred to bring stocks to their current location and condition (for example, storage costs that are directly related to the technology (required by the technology) or the cost of normal (unavoidable) scraps).

Inventories are valued at purchase cost or net realisable value, whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business after deducting the variable costs related to the sale.

Purchased inventories are presented in the Balance Sheet at average cost less impairment losses or reversals of impairment losses, and own-account inventories are included in the Balance Sheet at actual cost less impairment losses or reversals of impairment losses.

Inventories are presented at cost less any write-down for excess stocks or idle stocks or at net realisable value, whichever is lower.

Impairment is not assessed individually at contract level for commodities, but aggregated by product groups. In addition to the selling price less selling cost of the products, the impact of hedge transactions expected to occur after the Balance Sheet date in connection with the sale of the stocks is taken into account in determining the impairment.

Receivables

Receivables are stated at nominal value less an appropriate allowance for estimated losses. An estimate of bad debts has been made on the basis of a full review of the amounts still to be received at the end of the year.

Financial instruments

Financial instruments within the scope of IFRS 9 fall into three measurement categories: those measured at amortised cost on initial recognition, those measured at fair value through other comprehensive income (FVOCI) on initial recognition, and those measured at fair value through profit or loss (FVPL) on initial recognition.

The classification into a valuation group depends on the characteristics of the cash flows associated with a financial instrument. For debt financial instruments that the Company intends to measure at amortised cost or fair value through other comprehensive income, the cash flows of the financial instrument are assessed to determine whether they meet the requirement of Solely Payments of Principal and Interest (SPPI) under IFRS 9. The principal is the fair value of the financial instrument at initial recognition. Interest primarily reflects the time value of money of the outstanding principal and the credit risk over a period of time, in addition to other basic credit risks and charges and a profit margin.

When the SPPI requirement is met, the Company assesses whether the cash flows arising from the contract are consistent with the underlying loan agreements in the denominated currency of the financial instrument.

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

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

All equity instruments are measured at fair value in the Balance Sheet and the effect of changes in fair value is recognised directly in profit or loss, except for equity instruments where the enterprise has elected the Other Comprehensive Income (FVOCI) option. The Company does not uses the FVTOCI option.

The Company offsets financial assets and financial liabilities and recognises a net amount in the Balance Sheet if, and only if, the Company has a legally enforceable right to set off the amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Lending losses on financial assets

Based on changes in credit risk, the impairment should be reviewed at each reporting date and an assessment made as to whether the impairment should be recognised up to the amount of the lifetime expected credit loss or the 12-month' expected credit loss. If it is not possible to assess at the level of an individual financial instrument whether its credit risk has increased significantly, it should be assessed on a group basis. The simplified and general approaches to impairment assessment and recognition should apply.

1. Simplified approach

All financial instruments valued using the simplified approach are valued at the lifetime expected credit loss. The simplified approach is used for receivables from customers and contractual assets.

2. General approach

Based on the expected credit loss model, financial instruments are classified into three categories. This classification into the three categories is based on changes in the credit risk of the financial instrument. The relative credit risk model is used to assess the elevated credit risk. The increase in credit risk from the initial recognition is reflected in the transfer of the financial instruments between headings.

Based on the expected credit loss model, impairment can be divided into three categories: impairment calculated on the basis of expected credit loss over 12 months / impairment calculated on the basis of expected credit loss over lifetime / impairment calculated using the effective interest rate method.

This general approach is applied to other financial receivables and loans granted.

An enterprise should use the simplified practical approach to estimate expected credit losses if they follow the principles of the standard. For the valuation of trade receivables, it may be appropriate to use empirical tables, taking into account future expectations, where specified percentages of losses are determined by maturity group.

In the case of receivables with a small amount per buyer and debtor, the amount of the impairment is determined as a percentage of the book value of these receivables, based on the combined classification of buyers and debtors.

Expected credit loss based on group-level data	
Not expired	0.03%
Between 1-30 days	0.04%
Between 31-60 days	0.38%
Between 61-180 days	1.38%
Between 181-360 days	13.43%
Beyond 361 days	51.20%

The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss. Financial assets are derecognised only when the rights to the cash flows from the investment have expired or are transferred, and the entity has transferred all substantial risks and rewards of ownership.

Our expectations of expected credit losses on related receivables are based on experience. Over the past 25 years, the Group has incurred minimal losses on receivables arising from loans and other financing (e.g. customer financing) to related parties, resulting from the write-off of receivables in the liquidation of UBM RUS, a Russian subsidiary. These facts support the expectation that the recognition of an impairment loss on related receivables is not warranted. The Group companies have significant positive equity and/or significant positive cash flow generating capacity, with the parent company increasing the capital or making additional contributions to companies operating at a loss to comply with the law. For these reasons, there is no doubt about the realisability of the related receivables.

Financial liabilities

The Company's Statement of Financial Position includes the following financial liabilities: payables and other short-term payables, loans, borrowings, bank overdrafts. These are disclosed and measured in the relevant sections of the accompanying notes to the financial statements as follows:

The Company initially measures all financial liabilities at fair value. In the case of loans, it even takes into account transaction costs that are directly attributable to the acquisition of the financial liability. Financial liabilities within the scope of IFRS 9 fall into two measurement categories: those measured at amortised cost on initial recognition and those measured at fair value through profit or loss (FVPL) on initial recognition. The classification of each financial liability is determined by the Company on acquisition. Loans and borrowings are stated at amortised cost using the effective interest method in the Statement of Financial Position. Gains and losses related to loans and borrowings are recognized in the Statement of Income through amortization using the effective interest method and on derecognition of the financial liability. Amortisation is recognised in the Statement of Income as a financial expense.

Provisions

The Company recognises provisions for obligations (legal or constructive) as a result of past events that are probable that the Company will be required to settle when the amount of the obligation can be measured reliably.

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

Existing commitments arising from unfavourable contracts are recognised as provisions. The Company classifies a contract as an unfavourable contract when the unavoidable costs of meeting the obligations under the contract exceed the financial benefits expected from the contract.

A provision for restructuring is recognised when the Company has prepared a detailed formal plan for the restructuring and, by starting to implement the plan or by announcing the main features of the plan to stakeholders, has created a legitimate expectation that it will carry out the restructuring. A provision for restructuring includes only direct costs incurred in connection with the restructuring that are necessarily incidental to the restructuring and not related to the continuing operations of the entity.

Income taxes

The rate of corporate tax is based on the tax liability determined by the Law on Corporate and Dividend Tax and the Ordinance on Local Business Tax, adjusted by the deferred tax. The corporate tax liability includes current and deferred tax elements. The Company also includes the amount of the subsidy paid for spectator sports in the corporate tax line, as it is considered as income tax in substance.

The tax liability for the current year is determined on the basis of the taxable profit for the current year. The taxable profit differs from the profit before tax shown in the accounts because of non-taxable profits and losses and items that are included in the taxable profit of other years. The current tax liability of the Company is determined using the tax rate that has been in force or enacted (if enactment is equivalent to being in force) on the Balance Sheet date. Deferred tax is calculated using the liability method.

Deferred tax arises when there is a timing difference between the recognition of an item in the annual accounts and the recognition of an item under the Tax Act. Deferred tax assets and liabilities are measured using the tax rates applicable to taxable income for the years in which the timing differences are expected to be recovered. The amount of the deferred tax liability and asset reflects the Company's estimate at the Balance Sheet date of how the tax assets and liabilities will be recovered or settled.

A deferred tax asset is recognised for deductible temporary differences, carried forward tax benefits and tax losses only if it is probable that the Company will realise a taxable profit in the future against which the deferred tax asset can be utilised.

At each Balance Sheet date, the Company takes into account deferred tax assets not recognised in the Balance Sheet and the carrying amount of recognised tax assets. It recognizes the portion of receivables not previously recognised in the Balance Sheet that is expected to be recovered through a reduction in future income taxes. Conversely, it reduces the Company's deferred tax asset to the extent that no taxable profit is expected to be available to recover this amount.

Current and deferred tax is charged directly to equity when it relates to items that were also charged to equity in the same or a different period, including adjustments to the opening balance of reserves due to retrospective changes in accounting policies.

Deferred tax assets and liabilities can be offset if the Company has a legal right to offset its current tax assets and liabilities with the same tax authority and the Company intends to settle these assets and liabilities on a net basis.

Leasing

Under IFRS 16 Leases, a lessee is required to recognise and measure a right to use an asset and a liability simultaneously on the Balance Sheet. The right to use assets is treated in the same way as other non-financial assets and depreciation is recognised accordingly. The initial measurement of the lease liability is based on the present value of the lease payments over the lease term, calculated using the implicit interest rate, if that rate can be determined precisely. If this rate is not available or is difficult to determine, the lessee may then use the incremental borrowing rate for discounting.

Off-balance sheet items

Off-balance-sheet liabilities are not included in the Balance Sheet and the Profit and Loss Account that are part of the annual accounts. They are presented in the accompanying notes unless the possibility of an outflow of resources embodying economic benefits is remote and minimal. Off-balance-sheet receivables are not included in the Balance Sheet and Profit and Loss Account that are part of the annual accounts but are disclosed in the accompanying notes to the financial statements if an inflow of economic benefits is probable.

Treasury shares reserve

The UBM Holding Nyrt. shares repurchased by the Group are recorded as a reduction of equity in the amount of the value at the time of purchase.

Dividends

Dividends are recognised in the year in which they are approved by the shareholders.

Profit from financial operations

Financial result includes interest and dividend income, interest and other financial expenses, fair value gains and losses on financial instruments and realised and unrealised exchange rate differences.

Government grants

Government grants are recognised when it is probable that the grant will be received, and the conditions attached to the grant have been met. When a grant is used to offset a cost, it is charged to the income statement in the period in which the cost to be offset is incurred (among other income items). When a grant relates to the acquisition of an asset, it is recognised as deferred income and charged to profit or loss in equal annual amounts over the useful life of the related asset.

Events after the Balance Sheet date

Events that occurred after the end of the reporting period, which provide additional information about the circumstances (adjusting items) at the end of the Company's reporting period, are presented in the financial statements. Post-year end events that do not change the amounts reported are reported in the notes to the financial statements, when material.

Changes in accounting policies

The Company has prepared its financial statements in accordance with all standards and interpretations, which entered into force before 30 July 2024.

Interpretations of existing standards relevant to the preparation of the Company's financial statements and new standards adopted by the Company:

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting policies (Amendments)

The amendments will apply for the financial years beginning on or after 1 January 2023. The amendments provide guidance on how to make materiality judgements regarding the disclosure of accounting policies. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. The IFRS Practice Statement also provides guidance and illustrative examples to help apply the concept of materiality when making decisions about accounting policy disclosures.

The Company has assessed the disclosure of accounting policies and prepared its accounts accordingly.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates Definition of Accounting Estimates (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2023 and apply to changes in accounting policies and accounting estimates that occur on or after the beginning of that period. The amendments introduce a new concept of accounting estimates, defined as monetary amounts in the financial statements that are subject to measurement uncertainty if they are not the result of a prior period error correction. The amendments also clarify what changes in accounting estimates mean and how they differ from changes in accounting policies and corrections of errors.

The amendments did not have a material impact on the Company's financial statements.

IAS 12 Income taxes: Deferred tax assets and liabilities arising from a single transaction (Amendments)

The amendments will apply for financial years commencing on or after 1 January 2023. The amendments narrow the scope of the exception for initial recognition under IAS 12 and specify how companies should account for deferred tax relating to assets and liabilities arising from a single transaction, such as leases and decommissioning liabilities. The amendments clarify that, where payments to settle a liability are deductible for tax purposes, it is a matter of judgement, taking into account the relevant tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that give rise to the same taxable and deductible temporary differences on initial recognition. Only applicable when the recognition of a lease receivable and a lease liability (or a decommissioning liability and a decommissioning asset component) results in taxable and deductible temporary differences that are not equal.

The amendments did not have a material impact on the Company's financial statements.

IAS 12 Income taxes: International Tax Reform — Pillar Two Model Rules (Amendments)

The amendments apply immediately upon issuance, but certain disclosure requirements will take effect later. In December 2021 the Organisation for Economic Co-operation and Development (OECD) released pillar two model rules to ensure that large multinational enterprises pay tax of at least 15% on the income. On 23 May 2023 the International Accounting Standards Board (IASB) issued International Tax Reform — Pillar Two Model Rules - Amendments to IAS 12. The amendments introduce a mandatory transitional exemption from the accounting for deferred taxes arising from the jurisdictional application of the second pillar model rules and impose disclosure requirements on the entities concerned regarding their potential exposure to second pillar income tax. The amendments require the disclosure, in periods when second pillar legislation is (substantively) enacted but not yet effective, of known or reasonably estimable information that helps users of financial statements understand an entity's exposure to second pillar income taxes. To meet these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to income tax under the second pillar at the end of the reporting period. Disclosure of income tax expense related to the second pillar and disclosure for periods prior to the effective date of the legislation is required for annual reporting periods beginning on or after 1 January 2023 but is not required for interim periods ending on or before 31 December 2023.

The amendments are not expected to have an impact on the Company’s financial statements.

Standards issued but not yet in force and not subject to early application

Standards/amendments that have not yet taken effect but have been endorsed by the EU

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and are to be applied retrospectively in accordance with IAS 8. Earlier application is permitted. The aim of the amendments is to clarify the principles of classification of liabilities as current or non-current as stated in IAS 1. The amendments clarify the reporting of the right to defer settlement, the requirement that this right must exist at the end of the reporting period, that management's intention does not affect current or non-current classification, that a counterparty's options that may result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. The amendments also specify that only covenants that the entity is required to meet on or before the reporting date affect the classification of a liability. Additional disclosures are also required for long-term liabilities arising from loan agreements that are subject to a covenant to be performed within twelve months after the reporting period.

Management has assessed the expected impact of applying the standard and it is not significant.

IFRS 16 — Leases: Lease Liability in a Sale and Leaseback (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted. The amendments aim to improve the requirements that a seller-lessee applies in measuring a lease liability in a leaseback transaction under IFRS 16, but do not change the accounting for leases not related to leaseback transactions. A seller-lessee is required to determine the "lease payments" or "revised lease payments” in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is the beginning of the reporting period in which the entity first applied IFRS 16.

Management has assessed the possibility of applying the standard and it is not expected to have any effect on the financial statements.

Standards/amendments that have not yet taken effect and have not been endorsed by the EU

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted. The amendments complement current requirements in IFRSs by adding additional disclosure requirements about the terms and conditions of the supplier finance arrangements. In addition, the entities shall disclose at the beginning and end of the reporting period: the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented, and the carrying amount of financial liabilities for which suppliers have already received payment from the finance providers. Entities shall also disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement that prevent comparability of the carrying amount of financial liabilities. The amendments add further disclosure requirements about the range of payment due dates of financial liabilities to finance providers and comparable trade payables that are not part of a supplier finance arrangement at the beginning and end of the reporting period. These amendments have not yet been endorsed by the EU.

Management has assessed the possibility of applying the standard and it is not expected to have any effect on the financial statements.

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2025 and earlier application is permitted. The amendments include explicit requirements on how an entity should assess whether a currency is exchangeable and how to determine the spot exchange rate if it is not. A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The Amendments note that the entity can either use an observable exchange rate without adjustment or another estimation technique. These amendments have not yet been endorsed by the EU.

Management has assessed the possibility of applying the standard and it is not expected to have any effect on the financial statements.

Significant accounting estimates and assumptions

The application of accounting policies requires the use of estimates and assumptions in determining the amounts of certain assets and liabilities at a given date that cannot be clearly identified from other sources. The estimation process involves judgements and relevant factors based on the latest information available. These significant estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses in the financial statements and the disclosure of contingent assets and liabilities in the notes to the financial statements. Actual results may differ from these estimates.

The estimates are continuously updated. Changes in accounting estimates should be taken into account in the period of the change if the change affects only that period, or in the period of the change and future periods if the change affects both periods.

The main areas of estimation uncertainty and critical accounting judgements that have the most significant impact on the amounts recognised in the consolidated financial statements are:

Depreciation and impairment

Property, plant and equipment and intangible assets are recorded at cost and depreciated on a straight-line basis over their useful lives. The useful life of an asset is determined on the basis of historical experience of similar assets and expected technological developments and changes in wider economic or industry factors. The estimated useful life is reviewed on an annual basis.

Hedge accounting

Description of general IFRS requirements

UBM applies the hedge accounting rules for derivatives in accordance with IFRS 9.

Companies are exposed to various risks due to their management and may enter into hedging transactions to offset these risks. As part of a hedge transaction, a company takes on a risk in the opposite direction to its existing position in order to reduce the risk from an open position. In economic terms, the purpose of a hedge is to neutralise two transactions that react in opposite directions to the hedged risk. The extent to which the two transactions together can mitigate the risk is called hedging effectiveness.

For the purposes of these standards, a derivative is a financial instrument or other contract that has all of the following three characteristics:

- The value of the product changes due to changes in certain variables (e.g. the price of a commodity on the stock exchange, exchange rate, price index, etc.)
- The product requires little or no initial net investment compared to other types of contracts that would be expected to respond similarly to changes in market conditions, and
- The value of the product and the contract will be settled at a future date.

Derivatives usually have a nominal value, which determines the amount of the contract. This quantity must be multiplied by the change in the underlying price to determine the value that will be settled upon completion.

Under IFRS, a derivative is initially recognised in the Balance Sheet at fair value at the time of acquisition. Derivatives are subsequently measured at fair value. Changes in the fair value of derivatives are recognised in the income statement as required by IFRS 9, unless the derivative qualifies for hedge accounting.

The purpose of hedge accounting is to ensure that the effects of the hedged items and the hedging instrument are reflected in the profit or loss for the same reporting period, so they are offsetting each other.

The effective portion of hedging transactions (derivatives) is recognised in other comprehensive income, while the ineffective portion is recognised directly in the income statement in the results on financial operations.

Hedge effectiveness is measured in a forward-looking (prospective) way. The measurement should examine whether the expected changes in the fair value of the hedging instrument and the fair value or cash flows of the hedged item adequately offset each other and whether the appropriate economic relationship exists. UBM shall examine the causes of any lack of hedging effectiveness during the audit.

Hedging relationships in the Company's practice are typically cash flow hedges ("CFH").

Description of IFRS requirements for cash flow hedges

Cash flow hedge: a hedge of the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or a component thereof that could affect profit or loss. A hedging relationship qualifies for hedge accounting only if the hedging relationship meets the following hedge effectiveness criteria:

I. there is an economic link between the hedged item and the hedging instrument, and

II. credit risk does not play a dominant role in the changes in value resulting from the economic relationship; and

III. the hedge ratio is the ratio between the amount of the hedged item actually hedged by the hedging entity and the amount of the hedging instrument actually used by the hedging entity.

The hedged item may be a recognised asset or liability, an unrecognised firm commitment, a forecast transaction or a net investment in a foreign operation. The hedged item may be: (a) an individual item; or (b) a group of items. The hedged item must be reliably measurable. If the hedged item is a forecast transaction (or a component thereof), the transaction must be highly probable.

Item group(s) are eligible as hedged item(s) only if:

I. items in the group are individually eligible;

II. the item group is managed on a group basis for risk management purposes.

Hedge accounting can (and should) be discontinued prospectively only when the hedging relationship (or part of it) no longer meets the qualifying criteria (taking into account, where appropriate, the rebalancing of the hedging relationship). This includes cases where the hedging instrument expires or is terminated.

The portion of the gain or loss on the hedging instrument that is designated as an effective hedge (i.e. offset by a change in the cash flow hedging reserve) is recognised in other comprehensive income.

As long as the cash flow hedge meets the qualifying criteria, the hedging relationship is accounted for as follows: the amount of the cash flow hedge reserve (effective portion) to be recognised in other comprehensive income is adjusted to the lower of the following (in absolute amounts):

I. cumulative gain/loss on the hedging instrument from the inception of the hedge; and

II. cumulative change in the fair value (present value) of the hedged item (whether or not represented as a hypothetical transaction) from the inception of the hedge (i.e. the present value of the cumulative change in the hedged expected future cash flows).

The ineffective portion of the hedging relationship, i.e. the amount of other gains/losses on the hedging instrument due to hedge ineffectiveness (or the gain or loss required to offset the change in the cash flow hedge reserve), is recognised in the income statement.

The cumulative amount of the cash flow hedge reserve shall be accounted for as follows:

- in the case of cash flow hedges, reclassification adjustments from other comprehensive income to profit or loss in the period or periods in which the hedged forecast future cash flows affect profit or loss (for example, in periods when interest income or interest expense is recognised or when the forecast sale occurs);
- if, however, the Company expects that all or part of the loss will not be recovered in one or more future periods, it shall immediately reclassify the amount not expected to be recovered to profit or loss as a reclassification adjustment.

In the income statement, the reclassification of the cash flow hedge reserve shall be recognised in the same lines of the income statement in which the effects on profit or loss of the hedged items are recognised.

If the Company discontinues cash flow hedge accounting, it shall account for the amount accumulated in the cash flow hedge reserve as follows:

- if hedged future cash flows are still expected to occur, the amount remains in the cash flow hedge reserve until the occurrence of certain future cash flow elements or until the reclassification of the amount not expected to be recovered.
- if the hedged future cash flows are no longer expected to occur, the amount shall be reclassified immediately from cash flow hedge reserve to profit or loss as a reclassification adjustment.

Net investment hedge

In order to reduce the risk of exchange rate differences, the UBM Group has entered into forward foreign exchange contracts to hedge its net investments in foreign operations. The purpose of these transactions is to minimise the impact of translation differences arising in foreign subsidiaries operating in a currency other than the Group's functional currency. The effective portion of hedges is recognised in the revaluation surplus on equity, while the ineffective portion is recognised in the financial results for the year.

Description of UBM-specific accounting decisions/accounting methods

The Group makes use of hedge accounting.

The purpose of hedging is to mitigate market risks, and based on its business processes, there are two types of risk for the UBM Group:

- Currency risk: the risk that the fair value or cash flows of financial instruments, inventories, and contracts to be performed in the future will fluctuate because of changes in exchange rates.
- Other price risk: the risk that the fair value or future cash flows of financial instruments, inventories, and contracts to be performed in the future will fluctuate due to changes in commodities (other than those arising from interest rate risk or currency risk). In the case of the UBM Group, this is the case for commodities (including soya, wheat, maize, and rapeseed).

Without hedge accounting, forward/futures transactions are measured at fair value through profit or loss. These forward/futures transactions are entered into by the Company at market price (arm's length market transactions), and therefore the market value of the transactions at inception according to IFRS requirements was zero.

In connection with ineffective CFH, the Company recognizes the effective portion of changes in the fair value of the hedge against other comprehensive income ("OCI") instead of the income statement in order to resolve the temporary accounting inconsistencies resulting from the default measurement of the hedged items and hedging instruments. In this way, the result of forward/futures transactions is recognised in profit or loss at the same rate at which the effect on profit or loss of the hedged risk of the cash flows of the hedged transactions is recognised in the income statement.

The Company reclassifies amounts from fair value differences accumulated in OCI to the income statement using CFH accounting in periods when the hedged expected future cash flows (cash flows from acquisitions or disposals) affect profit or loss (i.e. periods when the sales or consideration for acquisitions result in a foreign exchange gain or loss or a foreign exchange revaluation to the MNB exchange rate). This means that the foreign exchange revaluation effect of forward/futures transactions is "rolled over" through OCI, but is recognised immediately in the profit and loss account in the same way as the foreign exchange revaluation effect of hedged transactions.

As described above, changes in the fair value of forward/futures contracts relative to their market value at the time of designation are accounted for from the date of designation as follows:

- the amount of the effective portion is recognised as part of equity in OCI,
- and the amount of the ineffective part is recognised in the profit and loss account,
- the amount of the foreign exchange revaluation for the nominal value of the hedge transaction (and also the hedged items) is returned from equity to the income statement, i.e. the amounts arising from the spot element of the hedging relationship are recognised in the income statement.

The Company records the effective portion of the hedging relationship in the Balance Sheet line "Effect of fair value measurement" in other comprehensive income. The amount of the ineffective portion is recognised in the income statement under "Income/expenses from financial operations".

Rules for accounting for an effective cash flow hedge:

- In the case of hedging transactions related to the purchase of protein stocks, the Company adjusts the value of the stocks by the hedging result until the purchase, therefore the income statement is presented at the cost of goods sold in the case of commercial stocks and at the cost of materials in the case of raw materials.
- The results of hedging transactions affecting revenue are recorded under financial operations.
- The results of hedging transactions involving financial assets (e.g. foreign currency bank accounts) are recorded under financial operations.
- Cash flow hedges of investments adjust the value of tangible assets.

The UBM Group values its derivatives at the available forward rate. It also considers the forward points of the hedge as part of the hedge, so it does not use the approach that only the SPOT element is part of the hedge accounting. The UBM Group considers any change in the fair value of the forward points of derivatives as a hedge cost.

Real value hierarchy

Financial instruments measured at fair value are classified in a hierarchy for disclosure purposes consisting of three "levels". The levels within the hierarchy reflect the significance of the inputs used in measuring fair value. The Group uses Level 3 for fair value measurements, with the exception of derivative valuations. Derivatives are classified as Level 2 (Valuation techniques based on observable market data).

Share-based payments

Under the Employee Share Ownership Plan (MRP), certain employees of the Company receive share-based payments in the form of equity-settled equity instruments. The official start date (grant date) of the plan is the date on which the parties agree on the essential terms of the plan and the employees accept the conditions of participation.

The Company measures the cost of share-based payments on the basis of the fair market value of the shares transferred to employees, which is measured using the stock market price. The fair value of benefits is allocated pro rata over the vesting period.

The agreed cost is charged to a separate reserve in equity, the “Reserve for share-based payments”. This reserve is calculated at the end of the plan when the shares are allocated or if it is found that the conditions of the plan have not been met.

Share-based payments are processed by the Company through the Employee Share Ownership Plan organisation. In presenting the Employee Share Ownership Plan entity, the Company uses the "extended method", i.e. it treats the shares held by the Employee Share Ownership Plan entity in connection with the plan as if it held them directly. As a result, the shares are accounted for as treasury shares in equity.

Cash flow

Operating cash flow is compiled using the indirect method, while investment and financing cash flow is compiled using the direct method.

Liabilities arising from assumption of debt

Transactions in which the consideration payable to suppliers is realised by the supplier through reverse factoring play a significant role in the Company's operations. The substance of the transaction is that the purchase consideration is not paid directly by the Company to the supplier, but by an intermediary financial institution and will be collected from the Company by that financial institution - at a later date. In view of the number and size of such transactions, the Company has decided to separate its liabilities arising from such transactions in the financial statements under current liabilities (Liabilities arising from assumption of debt), and not to recognise them as loans or as trade payables. The Company recognises interest or interest expense related to the transaction in financial expenses.

6.5 DISCLOSURES ON CONSOLIDATION

Subsidiaries included in the consolidation

Name	Address	Voting shares
UBM Trade Zrt.	2085 Pilisvörösvár, Kisvasút utca 1.	100.00%
UBM Grain Zrt.	2085 Pilisvörösvár, Kisvasút utca 1.	99.93%
UBM Agro Zrt.	2085 Pilisvörösvár, Kisvasút utca 1.	99.99%
UBM Consulting Zrt.	2085 Pilisvörösvár, Kisvasút utca 1.	100.00%
UBM Feed Zrt.	2085 Pilisvörösvár, Kisvasút utca 1.	99.93%
UBM Szeleste Zrt.	9622 Szeleste, Kossuth Lajos u. 24/B	99.93%
"AGROMIX" Terményszárító és takarmánykeverő Kft.	4700 Mátészalka, Meggyesi út 0119/24	99.93%
Búzamag Kft.	2073 Tök, parcel 036/31	99.93%
UBM Agri Trade Srl	014126 - Bucuresti, 1st district, 4th Tablitei street, Floor 1-2, Romania	84.99%
UBM Invest Slovakia SRO	04414 Železničná 2., Košice, Slovakia	99.98%
UBM D.o.o	11070 NOVI BEOGRAD, Bulevar Mihaila Pupina 10I/223, Serbia	99.99%
UBM Agrar GmbH	4020 Linz, Bismarckstrasse 02, Austria	80.99%
UBM Feed d.o.o.	11070 NOVI BEOGRAD, Bulevar Mihaila Pupina 10I/223, Serbia	93.29%
UBM Agro Slovakia, s.r.o.	04414 Železničná 2., Košice, Slovakia	99.99%
UBM Italy S.r.l.	20135 Milano, Viale Monte Nero 66.Italy	89.99%

Companies included as joint ventures

1% of MA-KA Kft.'s business has been sold during the given period, so MA-KA Kft. has been included as an associated company for the given period not as a joint venture as before.

Name	Address	Voting shares
MA-KA Kft.	6600 Szentes Bese László utca 5-7	49.00%

Companies included as associated companies

Name	Address	Voting shares
UBM Feed Romania Srl	547550 SAT SANPAUL COM. SANPAUL, NR.6/A, Romania	45.00%

6.6 PROPERTY, PLANT AND EQUIPMENT

Data in thousands of HUF	Real estate	Machinery and equipment	Investments in progress and advances	Total
Gross value				
30 June 2022.	**3,933,474**	**5,861,325**	**4,096,473**	**13,891,272**
Change in the scope of consolidation	0	0	0	0
Growth and reclassification	1,759,655	3,123,671	1,994,369	6,877,695
Reduction and reclassification	–	(161,000)	(5,259,568)	(5,420,568)
Exchange rate impact	(25,867)	(34,279)	(163,863)	(224,009)
30 June 2023	**5,667,262**	**8,789,717**	**667,411**	**15,124,390**
Growth and reclassification	142,827	1,004,834	1,394,424	2,542,085
Reduction and reclassification	(3,894)	(79,129)	(1,154,522)	(1,237,545)
Exchange rate impact	122,538	118,341	3,781	244,660
30 June 2024	**5,928,733**	**9,833,763**	**911,094**	**16,673,590**
Accumulated depreciation				
2022.06.30	**392,627**	**2,012,041**	**-**	**2,404,668**
Change in the scope of consolidation	0	0	-	0
Annual depreciation	170,648	572,593	-	743,241
Decrease	–	(154,445)	-	(154,445)
Exchange rate impact	(1,670)	(6,834)	-	(8,504)
30 June 2023	**561,605**	**2,423,355**	**-**	**2,984,960**
Annual depreciation	209,702	757,267	–	966,969
Decrease	(297)	(83,217)	–	(83,514)
Exchange rate impact	3,731	18,341	–	22,072
30 June 2024	**774,741**	**3,115,746**	**-**	**3,890,487**
Net book value				
30 June 2023	**5,105,657**	**6,366,362**	**667,411**	**12,139,430**
30 June 2024	**5,153,992**	**6,718,017**	**911,094**	**12,783,103**

The Company has defined the solar plant investment of UBM Feed Zrt. as a qualifying asset. The interest expense incurred on this qualifying asset until capitalisation of the investment loans is recognised as part of costs, however, no drawdowns had been made by the balance sheet date. No interest expenditure is capitalised in addition to these dedicated loans because no other external financing is used for them.

The most valuable assets included in tangible fixed assets are the feed mixing plants:

Name of the plant	Owning subsidiary
Feed mixer in Környe	UBM Feed Zrt.
Premix plant in Környe	UBM Feed Zrt.
Soypreme plant in Környe	UBM Feed Zrt.
Feed mixer in Szeleste	UBM Szeleste Zrt.
Feed mixer in Mátészalka	"AGROMIX" Kft.
Feed mixer in Hernádcsány	UBM Agro Slovakia Sro
Feed mixer in Tök	Búzamag Kft.

The Group has no significant commitment to acquire new tangible assets.

The Group applies the cost model to all its assets. There are no significant assets written down to zero but still in use. The Group's feed mixing plants are collateral for loans from financing banks.

6.7 INTANGIBLE ASSETS

Data in thousands of HUF	Property rights	Intellectual property	Total
Gross value			
30 June 2022.	**986,407**	**188,430**	**1,174,837**
Change in the scope of consolidation	0	0	0
Growth and reclassification	70,278	22,100	92,378
Reduction and reclassification	(21)	–	(21)
Exchange rate impact	(5,709)	–	(5,709)
30 June 2023	**1,050,955**	**210,530**	**1,261,485**
Growth and reclassification	386,617	92,871	479,488
Reduction and reclassification	–	–	–
Exchange rate impact	6,982	–	6,982
30 June 2024	**1,444,554**	**303,401**	**1,747,955**
Accumulated depreciation			
30 June 2022.	**375,653**	**115,023**	**490,676**
Change in the scope of consolidation	0	0	0
Annual depreciation	100,099	20,113	120,212
Decrease	(10)	–	(10)
Exchange rate impact	(1,536)	–	(1,536)
30 June 2023	**474,206**	**135,136**	**609,342**
Annual depreciation	129,904	13,118	143,020
Decrease	–	–	–
Exchange rate impact	2,084	–	2,084
30 June 2024	**606,194**	**148,254**	**754,448**
Net book value			
30 June 2023	**576,749**	**75,394**	**652,143**
30 June 2024	**838,36**	**155,147**	**993,507**

Among intangible assets, in addition to the software used by the Group, significant value is represented by the exclusive feed supply contracts acquired (gross value HUF 500,000,000; accumulated depreciation HUF 75,269,000; net value HUF 399,731,000) and customer contracts (gross value HUF 243,921,000; accumulated depreciation HUF 78,258,000; net value HUF 154,991,000). The most important software is the IFS ERP system (gross value HUF 347,184,000; accumulated depreciation HUF 199,206,000; net value HUF 123,060,000). The UBM Group considers the three assets mentioned above to be the most significant intangible assets for the Company.

6.8 OTHER LONG-TERM RECEIVABLES

Data in thousands of HUF	30/6/2024	30/6/2023
Company name		
LOANS GRANTED		
S.P.M Hungary Kft.	80,891	190,891
BARSER Mezőgazdasági Kft.	–	–
UBM Feed Romania Srl	662,562	767,776
Livestock Investment Kft.	418,169	–
Other loans	89,583	29,117
OTHER ITEMS		
Minority owner of UBM Szeleste Zrt.	–	–
BARSER Mezőgazdasági Kft.	119,797	130,723
HOLLAND-AGRO Kft.	30,031	64,140
Other	700	660
Total	**1,401,733**	**1,183,307**

Loans granted to related parties

The S.P.M Hungary Kft. loan is the result of the UBM Group's portfolio adjustment with real estate development being removed from UBM's activities. The annual instalment for the loan is HUF 154 million in the financial year 2025 and HUF 80.9 million in the following years, with an effective interest rate of 4.9%. The loan matures on 31 March 2026.

The participating loan granted to UBM Feed Romania is the unpaid part of the co-financing for the construction of a feed mixing plant in Kerelőszentpál, Romania. The loan matures on 31 December 2025 and bears interest at 3 months ROBOR +1.3%.

Other items - related and other parties

The pig-rearing facility in Baracska was sold to BARSER Mezőgazdasági Kft. (related party) for the purpose of portfolio adjustment. Other items include the purchase price instalments due after the year of sale of the property, with the last instalment due in February 2030.

In December 2020, UBM Trade Zrt. sold its 100% share in UBM Genetics Kft. to Holland-Agro Kft. The purchase price in this case will also be paid over a number of years, and the table above shows the discounted purchase price after one year. The last instalment of the purchase price should be paid on 8 December 2025.

The receivables from a related party (Szögedi Gazdaság Kft.) with a total sum of HUF 418 million were sold to Livestock Investment Kft. (related party). Livestock Investment raised the capital in Szögedi Gazdaság Kft. with the receivables purchased and acquired a 76% stake. Pays interest of 7% per annum on outstanding claims against Livestock Investment and repays the claim over 10 years.

No impairment is warranted for receivables, the loans are not past due, counterparty risk is low, and there are no signs indicative of other credit losses.

6.9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Joint ventures and associates are consolidated using the equity method, and in the year under review the Group's share of their net profit or loss is recognised in the consolidated income statement.

Data in thousands of HUF	30/6/2024	30/6/2023
Company name		
MA-KA Takarmánykeverő és Forgalmazó Kft.	1,487,184	1,354,495
UBM Feed Romania Srl	1,224,789	653,049
Mangal Ilona Sertéshizlalda Kft.	573,203	–
Total	**3,285,176**	**2,007,544**

The breakdown of the amounts recognised in the income statement is as follows:

Data in thousands of HUF	30/6/2024	30/6/2023
Company name		
MA-KA Takarmánykeverő és Forgalmazó Kft.	162,592	(60,301)
UBM Feed Romania S.r.l.	520,390	154,541
Mangal Ilona Sertéshizlalda Kft.:	450,701	–
Total	**1,133,683**	**94,240**

In the case of MAKA, the Group's result for the year is HUF 131,000,000 and the elimination due to the recognised interim result is + HUF 31,000,000.

Key financial data of the enterprises for the period between 1 July 2023 and 30 June 2024:

Data in thousands of HUF	Mangal Ilona Sertéshizlalda Kft.	MA-KA Kft.	UBM Feed Romania Srl
Balance Sheet total	7,376,926	11,079,997	10,833,954
Profit or loss	901,402	257,616	1,237,743
Equity capital	1,355,024	3,041,783	2,740,349

All three companies are profitable, there are no indications of impairment.

6.10 OTHER INVESTMENTS

Data in thousands of HUF	30/6/2024	30/6/2023
Company name		
Magyar Szója nonprofit Kft.	1,109	1,109
ÁRPÁD-AGRÁR Zrt.	152,250	152,250
Vegavit '99 Szövetkezet	600	600
Total	**153,959**	**153,959**

The UBM Group reports under other participating interests those interests in which the voting rights do not exceed 20%. These equity instruments are measured at fair value through profit or loss in accordance with IFRS 9. No reliable information is available at the Balance Sheet date to determine fair value and therefore the investments are carried at cost as an approximation of the fair value.

6.11 RIGHTS-TO-USE ASSETS

The Group presents its leased assets separately from its tangible assets, and the balances at the end of the financial year were as follows:

Data in thousands of HUF	Real estate	Machinery and equipment	Total
Gross value			
30 June 2022.	**463,998**	**1,510,094**	**1,974,092**
Change in the scope of consolidation	0	0	0
Growth and reclassification	31,084	599,249	630,333
Reduction and reclassification	(23,181)	(22,187)	(45,368)
Exchange rate impact	–	(3,803)	(3,803)
30 June 2023	**471,901**	**2,083,353**	**2,555,254**
Growth and reclassification	24,433	688,275	712,708
Reduction and reclassification	(15,862)	(274,295)	(290,157)
Exchange rate impact		8,040	8,040
30 June 2024	**480,472**	**2,505,373**	**2,985,845**
Accumulated depreciation			
30 June 2022.	**31,232**	**518,641**	**549,873**
Change in the scope of consolidation	0	0	0
Annual depreciation	114,282	417,486	531,768
Decrease	(3,033)	(12,378)	(15,411)
Exchange rate impact	(556)	(873)	(1,429)
30 June 2023	**141,925**	**922,876**	**1,064,801**
Annual depreciation	115,905	484,209	600,114
Decrease	(18,429)	(261,357)	(279,786)
Exchange rate impact	1,069	2,086	3,155
30 June 2024	**240,470**	**1,147,814**	**1,388,284**
Net book value			
30 June 2023	**329,976**	**1,160,477**	**1,490,453**
30 June 2024	**240,002**	**1,357,559**	**1,597,561**

Among the real estate, the central office rented in Pilisvörösvár (gross value HUF 167,404,000; accumulated depreciation HUF 101,140,000; net value HUF 66,264,000) and the railway transfer station in Mátészalka (gross value HUF 256,054,000; accumulated depreciation HUF 118,543,000; net value HUF 137,511,000) represent a more significant value. Among the machinery and equipment, the vehicles and laboratory equipment rented by the Group represent a larger item.

Leasing liabilities by maturity	30/6/2024	30/6/2023
Within a year	431,053	343,045
Over one year but less than 5 years	687,465	700,208
Over 5 years	–	–
Total	**1,118,518**	**1,043,253**

Presentation of IFRS 16 impact on profit or loss	30/6/2024	30/6/2023
Depreciation of right of use	(440,842)	(380,963)
Interest expenditure related to leasing liabilities	(83,653)	(62,708)
Exchange rate changes related to leasing liabilities	488,175	415,236
	(36,320)	**(28,435)**

Presentation of IFRS 16 impact on cash flow	30/6/2024	30/6/2023
Profit before tax	(36,321)	(28,434)
Depreciation	440,843	380,963
Interest expenditure	83,653	62,708
Net CF from operating activities	**488,175**	**415,237**
Repayment of leasing liabilities	(402,567)	(354,836)
Interest paid	(82,630)	(60,043)
Net CF from financial activities	**(485,197)**	**(414,879)**

Short-term rentals are included in material expenses in the amount of HUF 104,500,000.

6.12 DEFERRED TAX RECEIVABLES

In calculating deferred tax, the Group compares the tax base with the carrying amount by assets and liabilities. If the difference is a temporary difference, i.e. the difference will reverse in the foreseeable future, a deferred tax liability or asset is recognised, as appropriate. When an asset is included, the Company examines the recovery separately.

Based on the Company's assessment, the deferred tax asset recognised is expected to be recovered in the future based on the business plans of the subsidiaries that recognise the asset.

Deferred tax is calculated using the tax rate in the country where the parent company or the subsidiary is residing, as the assets and liabilities become current tax in periods when the tax rate is expected to remain unchanged.

Data in thousands of HUF	30/6/2024	30/6/2023
Differences in valuation of tangible fixed assets	(179,944)	(172,991)
Discounting of financial assets	30	(18,824)
Impairment	124,852	111,025
Provisions	29,340	29,340
Hedge	57,003	(68,658)
Carried forward losses	193,627	149,722
Other	1,870	4,285
Total	**226,778**	**33,898**
Total deferred tax assets	**396,107**	**250,825**
Total deferred tax liability	**169,329**	**216,927**

6.13 INVENTORIES

Data in thousands of HUF	30/6/2024	30/6/2023
Materials	1,753,798	2,037,391
Finished products	184,432	230,946
Goods	10,469,644	5,885,128
Total	**12,407,874**	**8,153,465**

Inventories include raw materials for production and finished goods and commercials goods. No impairment has been recognised for inventories because they were sold after the balance sheet date with a positive margin. The increase in goods was due to UBM Italy Srl. starting its activities in this business year and has a significant amount of stock, beside UBM Grain Zrt. having a higher corn stock than usual.

A significant portion of the Group's inventories is used as collateral for loans granted by financing banks.

6.14 TRADE RECEIVABLES

Trade receivables include receivables from the sale of goods and the provision of services, with the following year-end balance:

Data in thousands of HUF	30/6/2024	30/6/2023
Trade receivables	20,437,381	26,870,936
Trade receivables MA-KA Kft.	379,713	1,512,582
Trade receivables Mangal Ilona Sertéshízlalda Kft.	399,507	–
Trade receivables UBM Feed Romania Srl	1,146,283	1,881,847
Total	**22,362,884**	**30,265,365**

Trade receivables do not include a significant financing component.

The reason behind the lower level of trade receivables is the change in the price environment and the stricter business policy of the feed business unit.

The expected loss on trade receivables is determined on the basis of the expected credit loss model (ECL).

Changes in the reported impairment / credit loss:

Data in thousands of HUF	30/6/2024
Opening impairment	532,921
exchange rate effect of opening impairment	26,313
Impairment in the current year	52,064
Reversal/recognition of impairment for the current year	(35,355)
Closing impairment	**575,943**

6.15 OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments include the following items:

Data in thousands of HUF	30/6/2024	30/6/2023
Advances on inventories	928,941	334,078
Advance for investment	117,857	64,240
Other advances	204,157	39,852
Stock exchange deposits	788,010	207,040
Customs	20,405	38,496
Purchased and assigned receivables	581,166	567,183
VAT receivable	460,778	151,398
Foreign VAT receivables	280,262	407,979
Accruals and deferred income	66,490	89,476
Accrued expenses and charges	265,134	263,244
Loans granted	603,412	480,044
Derivatives	261,125	1,013,236
Other	541,366	314,342
Total	**5,119,102**	**3,970,608**

The assigned receivables include trade receivables originally due from producers that have been assigned to the slaughterhouses to which the producers sell the live animals.

The advances on inventories were used up to the Balance Sheet date.

The UBM Group reports the fair value differences on cash flow hedges open at the Balance Sheet date in the derivatives line.

The stock exchange deposits include the balance of the deposit claims paid for open commodity futures, confirmed by the stock exchange brokers as at 30 June 2024. The Company treats these deposits as short term deposits as they are freely available for use after the termination of the deposits required.

The most significant of the short-term loans are those granted to S.P.M Hungary Kft. in the amount of HUF 154,000,000 and the loan of HUF 331,447,000 and interest to the senior officials of the UBM Group.

Changes in impairment/loss on loans and advances recognised for other receivables:

Data in thousands of HUF	30/6/2024
Opening impairment	127,092
Impairment in the current year	69,847
Reversal/recognition of impairment for the current year	(13,318)
Closing impairment	**183,621**

Impaired receivables include assigned trade receivables, for which impairment is determined on the basis of the ECL model.

6.16 CASH AND CASH EQUIVALENTS

Data in thousands of HUF	30/6/2024	30/6/2023
Cash and vouchers	10,673	3,102
Bank deposits	1,140,560	2,666,235
Total	**1,151,233**	**2,669,337**

6.17 SUBSCRIBED CAPITAL

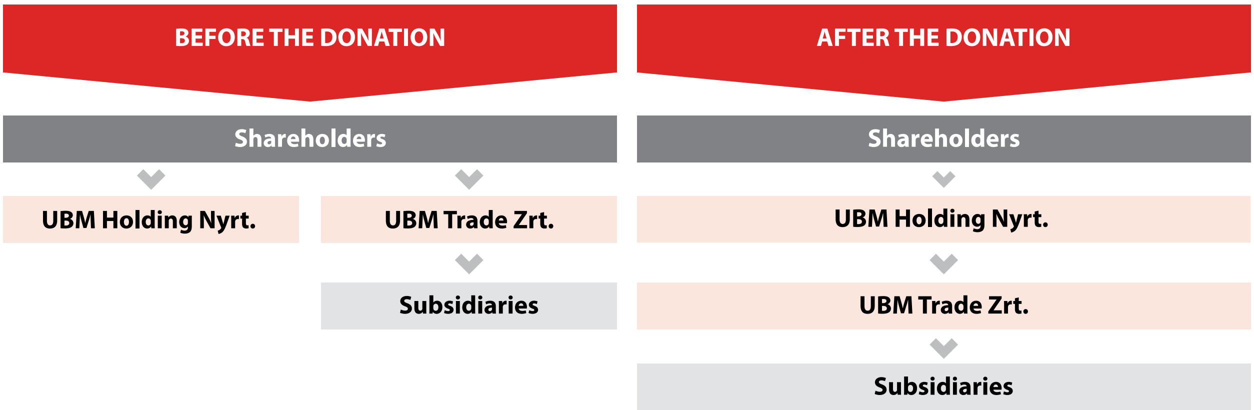
The composition of the share capital is as follows:

Series of shares	Nominal value (HUF/ share)	Shares issued (number)	Total nominal value (HUF)
"Series A" (ordinary share)	HUF 5	23,703,700	HUF 118,518,500
Amount of the share capital:			HUF 118,518,500

The General Meeting of UBM Holding Nyrt. held on 5 April 2023 decided on the distribution of the nominal value of the ordinary shares at a ratio of 1:20. Accordingly, the nominal value of the shares was changed from HUF 100 to HUF 5, and the volume of UBM's securities quoted on the stock exchange was increased from 1,185,185 shares to 23,703,700 shares.

Presentation of the donation

As of 1 October 2021, the private owners of UBM Holding Nyrt. donated (without consideration to be paid) 99.82% of their shares in UBM Trade Zrt. to UBM Holding Nyrt. Prior to this donation, UBM Trade Zrt. was the ultimate subsidiary of the UBM Group, which directly or indirectly held the shares and controlled the subsidiaries. After the donation, control rights were transferred to UBM Holding Nyrt. In order to determine the value of the donation, the UBM Group carried out an independent valuation, which resulted in a value of 99.82% of the shares in UBM Trade Zrt. of HUF 20,710 million. The valuation used the DCF approach based on the business plan adopted by the Company. The economic objective of the donation is for UBM Holding Nyrt. to own UBM Trade Zrt. and through it the member companies of the UBM Group in order to enable the raising of capital through the stock exchange for the Group.



Accounting treatment for donations under IFRS

A donation can be considered a common control business combination.

The accounting for business combinations of entities under common control is not regulated by IFRS, and the Company chooses to consolidate the assets and liabilities of its subsidiaries at their carrying amounts in its IFRS consolidated financial statements (in IFRS terminology, the "pooling of interest method").

For capital consolidation, the value of UBM Trade Zrt's equity interest recorded at market value in the separate financial statements is higher than the net carrying amount of the assets and liabilities recorded in the consolidated financial statements according to the IFRS, and the resulting difference is recognised against the consolidated equity.

Capital increase in the previous financial year

The share capital of UBM Holding Nyrt. increased from HUF 100,000,000 to HUF 118,518,500 in the previous financial year 2023. The total value of the new shares issued within the framework of the share capital increase was HUF 4,999,995,000. The new shares were created by over-issuance to the series of shares issued with ID number HU0000145990 ISIN and listed on the stock exchange.

The MFB Vállalati Beruházási és Tranzakciós Magántőkealap (MFB Corporate Investment and Transaction Private Equity Fund, registered office: 1027 Budapest, Kapás utca 6-12., MFB VBTM), managed by Hiventures Kockázati Tőkealap-kezelő Zártkörűen Működő Részvénytársaság (Hiventures Venture Capital Fund Management Limited Liability Company, registered office: 1027 Budapest, Kapás utca 6-12.), was assigned to implement this increase in capital. On 29 June 2022, MFB VBTM paid in full the full issue value of the new shares to UBM Holding Nyrt., i.e. HUF 4,999,995,000.

From the day following the last day of the 7th year after the date of the capital increase until 30 June 2031, MFB VBTM may exercise the investor's right to sale in respect of these new shares, the persons liable to exercise this right being those who were shareholders of the Company on 20 June 2022. If the investor exercises this right to sale, UBM Holding Nyrt. or UBM Trade Zrt. shall be entitled to assume the obligation to pay the option purchase price in accordance with the rules on the assumption of debts provided for in Article 6:203 of the the Civil Code on. The Company expects that UBM Holding Nyrt. does not intend to make use of this assumption of debt.

Pursuant to the Agreement, UBM Holding Nyrt. and the respective shareholders have an option to purchase all or part of the shares issued for a fixed term from the date of crediting the new Shares to the Investor Securities Account until the last day of the 7th year following the date of creation of the new shares to trading on the BSE, upon payment of the option purchase price. The Company expects that UBM Holding Nyrt. will not exercise this right.

Of the amount of the capital increase, an amount of HUF 18,519,000 was transferred as the increase in subscribed capital, while the remaining amount was transferred to the capital reserve after deduction of the costs related to the capital increase. The amount of the premium, taking into account the consultancy and legal costs of HUF 20,030,000, was HUF 4,961,447,000.

Dividends

UBM Holding Nyrt. didn't pay dividends in the given year.

Reserve for share-based payments

Introduction of the plan and initial recognition

UBM Holding Nyrt. and its three flagship affiliates, UBM Feed Zrt., UBM Trade Zrt. and UBM Grain Zrt. decided to launch an Employee Shareholder Plan (MRP) on 22 December 2023. The MRP was established on the basis of Articles of Association adopted by the founders, resulting in the creation of the UBM Employee Shareholder Plan Organisation (registered office: 2085 Pilisvörösvár, Kisvasút utca 1..; hereinafter as: UBM MRP Organisation). The aims of the UBM MRP Organisation are to achieve the economic objectives set out in the MRP remuneration policy and to strengthen the long-term commitment of the employees participating in the program. The authorised capital of UBM MRP Organisation consists of 302,092 shares of UBM Holding Nyrt., which are provided by UBM Feed Zrt., UBM Trade Zrt. and UBM Grain Zrt.

Under the plan, certain employees of the Company receive share-based payments in the form of equity instruments. The initial recognition of the plan is the grant date, which is the date on which the parties agree on the essential terms of the plan and the employees accept the conditions of participation.

Main parameters of the MRP I. plan:

UBM MRP I.	
Grant date	31 January 2024
Number of shares	302,092
Fair value of a share at grant date	HUF 1433/share
Total value of the benefit at the date of grant	HUF 263,398,000
Vesting period	2 to 10 years
Vesting conditions	2% increase in equity value
Type of plan	settled in shares

Determination and recognition of costs

The Group recognises expenses under share-based payment plans based on the fair value of the shares transferred to employees. The Black-Scholes model is used to calculate the fair value on the date of grant. The fair value of shares is allocated pro rata over the vesting period. The calculated cost is charged to the equity share-based payment reserve line. This reserve is released at the end of the plan when the shares are allocated or if it is found that the conditions of the plan have not been met.

Measurement and recognition

Equity instruments are measured at grant date, based on their fair value at that date. Conditions that are not reflected in the determination of fair value, such as service or non-market performance conditions, are estimated for instruments that are expected to meet those conditions. The estimate is reviewed periodically during the vesting period and the resulting costs are accounted for accordingly

Participants of the plan and activities

Participants of the MRP plan are the employees of UBM Holding Nyrt. and its wholly owned subsidiaries, who are covered by the company's remuneration policy. The participants of the plan acquire an interest in the MRP organisation through UBM Holding shares provided by the "founders of the UBM MRP I. plan" and financial instruments.

Treasury shares reserve

The subsidiaries of UBM Holding Nyrt., UBM Agro Zrt., UBM Feed Zrt., UBM Trade Zrt. and UBM Szeleste Zrt. hold a total number of 1,712,088 dematerialised ordinary shares (hereinafter referred to as "shares"), issued by UBM Holding Nyrt. with ID number HU0000145990 ISIN with a nominal value of HUF 5 each at the Balance Sheet date. From these treasury shares UBM Feed Zrt. purchased a total number of 274,408 shares at a price of HUF 1,500/share during the 2024 business year.

The UBM Group accounted for the cost of the repurchased shares as a reduction of equity. The total purchase price paid for the shares is reported in this line and no adjustment to share capital has been made.

Cash flow hedging reserve

The UBM Group recognises the fair value of derivative transactions directly in equity (OCI - cash flow hedge reserve) against the derivative asset or liability

The UBM Group has assessed hedge effectiveness as at the reporting date, and only the effective portion, which is the lower of the following two in absolute terms, is shown in the cash flow hedging reserve (OCI):

- The cumulative gain or loss on the hedging instrument (derivative) from the inception of the hedging relationship, and
- The cumulative gain or loss on the hedged expected future cash flows calculated from the inception of the hedging relationship.

Translation difference

In the translation differences line, the Group shows the cumulative exchange rate differences arising on the translation of the financial statements of foreign subsidiaries into HUF. When the related assets are derecognised, the accumulated translation reserve is recognised as income or expense (in the Profit or loss account) in the same period in which the gain or loss on the assets sold is recognised. The Group has entered into foreign exchange hedges to reduce the foreign currency exposure arising from revaluation in the context of net investment hedges. The foreign exchange forward contracts entered into effectively hedged the financial risk arising from the revaluation of foreign subsidiaries. The Group's accounting policy is to use the forward exchange rate.

Non-controlling interests

Non-controlling interests are presented at the carrying amount of the Group. The non-controlling interests represent a significant portion (over 85%) of the NCI attributable to UBM Agri Trade Srl and UBM Agrar GmbH (HUF 98,569,000 and HUF 109,519,000).

6.18 LONG-TERM LOANS AND BORROWINGS

Loans and borrowings represent a significant proportion of the Group's liabilities, and at the end of the financial year the Group had the following outstanding balances:

Data in thousands of HUF	30/6/2024	30/6/2023
Long-term:		
Investment loans	1,227,484	1,796,024
General purpose loans	2,264,225	1,682,881
Working capital loans	911,755	1,213,599
Loans from other enterprises	31,874	62,865
Total	**4,435,338**	**4,755,369**
Short-term:		
Working capital loans	18,623,670	23,298,830
Short-term part of investment loans	593,935	674,693
Short-term part of general purpose loans	842,006	481,669
Loans from other contractors	135,676	120,593
Total	**20,195,287**	**24,575,785**

During the period under review, loans amounting to HUF 3,331,107,000 were borrowed and loans amounting to HUF 8,031,636,000 were repaid. The working capital loans mainly finance commodities and secured trade receivables. Investment loans include loans taken out for the construction and modernisation of the Group's feed mixers. The general purpose loan did not include dedicated investment or working capital financing and was taken out by UBM for general financing of the Group. Further information regarding the qualifying asset are given under tangible assets.

The expected repayment of long-term loans is due in the following financial years:

Repayment plan	30/6/2024
1/7/2024 - 30/6/2025	20,195,287
1/7/2025 - 30/6/2026	1,858,722
1/7/2026 - 30/6/2027	1,678,522
After 1 July 2027	898,094
Total	**24,630,625**

The main guarantees and mortgages related to the loans are:

- In the case of working capital loans, the obligation to make a pledge on inventory and trade receivables, and the obligation to take out credit insurance on trade payables
- Mortgage on the related real estate and technical equipment of the feed mixing and premixing plant in Környe, the feed mixing plant in Szeleste and the feed mixing plant in Mátészalka
- Insurance obligation for plants and other assets

Presentation of the main data on loans outstanding at 30 June 2024:

Type of credit	Credit line (th HUF)	Interest on transactions	Expiry	Balance at 30/6/2024
Investment loans	3,117,892	1 month BUBOR + market interest margin	30/11/2026 and 30/6/2029	1,209,006
Investment loans (EUR)	1,217,456	3-month EURIBOR + market interest margin	26/11/2026 and 31/03/2027	612,413
General purpose loans	3,930,000	3 months BUBOR + market interest margin	30/10/2027 and 20/12/2028	2,379,155
General purpose loans (EUR)	987,875	3-month EURIBOR + market interest margin	2027.12.20	727,076
Working capital loans	44,269,347	1 month BUBOR + market interest margin	Between 05/05/2025 and 16/06/2027	14,997,050
Working capital loans (EUR)	14,223,380	1 month EURIBOR + market interest margin	Between 03/31/2025 and 30/06/2027	4,538,375
Loans from other enterprises	–			167,550

The Group has taken out a subsidized loan of HUF 4,000,000 thousand, with a fixed interest rate of 6%. The discounted value of the interest rate difference between the market interest rate (3-month BUBOR + market interest rate) and the actual interest rate is recognised as government grants, while HUF 3,795,420 thousand is recognised as working capital loans.

6.19 GOVERNMENT GRANTS

Government grants include the open balances at the end of the financial year of grants received for the development of facilities and capacity expansion. Income from grants is recognised in the Profit and Loss Account in proportion to the depreciation of the related assets.

Company name	Organisation providing support	Title of financing	30/6/2024
"AGROMIX" Kft.	Ministry of Innovation and Technology - Food Supplier Development Programme	Modernisation of a feed mixing plant	107,992
UBM Feed Zrt.	Ministry of Foreign Affairs and Trade - Competitiveness Enhancement Grant	Grant for the pig feed production plant	272,827
UBM Invest Slovakia SRO	CED Közép-európai Gazdaságfejlesztési Hálózat Nonprofit Kft. - Baross Programme	Expansion of feed mixing plant capacity	465,007
UBM Feed Zrt.	EXIM Bank - Baross Gábor Re-industrialisation Programme	Subsidised loan	204,580

The Group's subsidiary, UBM Feed Zrt., has taken out a HUF 4,000 million working capital loan at a fixed interest rate of 6% under the Baross Gábor Reindustrialisation Programme. The interest rate of the loan is more favourable than the financing available on the market at 3-month BUBOR + market interest margin. According to the Group's calculations, the discounted value of the interest rate differential due to the more favourable interest rate is HUF 204,580 thousand, which the UBM Group recognises as government grant.

6.20 LEASING LIABILITIES

The leases due in more than one year are shown in the table below:

Data in thousands of HUF	30/6/2024	30/6/2023
Real estate	128,703	256,148
Machinery and equipment	824,918	690,269
Total	**953,621**	**946,417**

Data in thousands of HUF	30/6/2024	30/6/2023
Short-term parts:		
Real estate	78,438	91,753
Machinery and equipment	486,545	401,216
Total	**564,983**	**492,969**

The breakdown of leasing liabilities by maturity is as follows:

Repayment plan	30/6/2024
1/7/2024 - 30/6/2025	564,983
1/7/2025 - 30/6/2026	492,796
1/7/2026 - 30/6/2027	293,000
1/7/2027 - 30/6/2028	141,079
After 1/7/2028	26,746
Total	**1,518,604**

6.21 TRADE PAYABLES

Trade payables relate primarily to the purchase of commercial goods and raw materials for production.

Data in thousands of HUF	30/6/2024	30/6/2023
Suppliers outside the Group	14,568,089	13,397,155
Trade payables - UBM Feed Romania Srl	6,167	48,007
Trade payables – Mangal Ilona Sertéshízlalda Kft.	–	–
Trade payables - MA-KA Kft.	3,436	1,251,239
Total	**14,577,692**	**14,696,401**

The fair value of trade payables approximates their carrying amount.

6.22 PROVISIONS

Data in thousands of HUF	Expected costs of restructuring the Group	Cost of expected losses on pending transactions	Provision for environmental protection	Total
30 June 2022.	**14,880**	**56,229**	**-**	**71,109**
Change in the scope of consolidation	–	–	–	–
Activation	(14,880)	(56,229)	–	(71,109)
Training	–	–	326,000	326,000
30 June 2023	**-**	**-**	**326,000**	**326,000**
Activation	–	–	–	–
Training	–	–	–	–
30 June 2024	**-**	**-**	**326,000**	**326,000**

The UBM Group discovered significant hydrocarbon contamination at the site of the UBM Group located in the Környe Industrial Park, at Tópart utca 1. Based on the results of the investigations conducted so far, the contamination from the tanks out of service located under the surface of the property or from the pipelines connected to them also affects other areas in the vicinity of the Környe Industrial Park and the property. The Company did not carry out any activities on the property before or after the acquisition of ownership from which the above contamination could have resulted, nor was it aware of the tanks on the property until the contamination was discovered. The Government Office of the county Komárom-Esztergom has issued a decision with the identification number KE/041/00175- 14/2024 ordering UBM Feed Zrt. and the previous owner of the property to jointly and severally apply remediation technologies and monitoring in order to manage the contamination discovered at Környe, Tópart utca 1. The previous owner of the property has brought an action for judicial review of the administrative decision, which is currently pending. An external expert has estimated the remediation costs at HUF 326 million last year and there is no change in this amount based on current estimations.. A significant portion of the environmental remediation costs will be incurred within one year, with expenses from monitoring activities expected in subsequent years. Environmental remediation has been initiated after the balance sheet date.

6.23 INCOME TAX ASSETS AND LIABILITIES

The Group's income tax includes is corporate tax, local business tax and innovation contribution.

Other tax liabilities are included in other short-term liabilities.

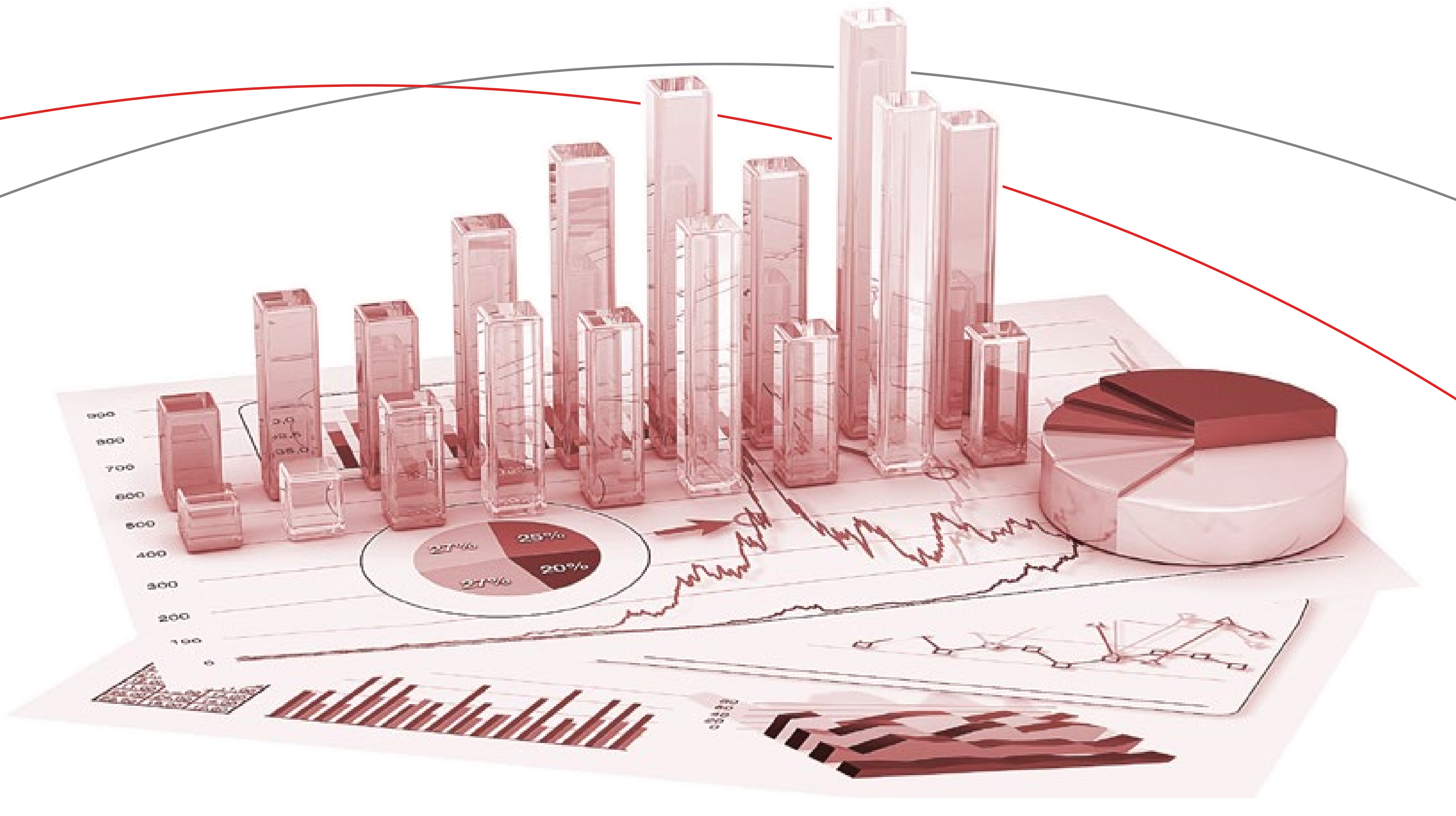
Data in thousands of HUF	30/6/2024	30/6/2023
Corporation tax	369,153	43,682
Business tax	54,796	45,103
Innovation contribution	(14,636)	26,494
Total	**409,313**	**115,279**
Total income tax receivables	**457,407**	**93,809**
Total income tax liabilities	**48,094**	**209,088**

6.24 OTHER LIABILITIES AND ACCRUALS

Data in thousands of HUF	30/6/2024	30/6/2023
Uninvoiced stocks	192,451	528,047
Advances received from customers	38,803	51,305
Tender advance received	324,061	217,573
Obligations to tax authorities	158,661	149,411
VAT liability	815,720	1,146,364
Obligations to employees	304,729	257,358
Accrued income	17,776	27,933
Accrued costs and charges	284,810	186,248
Derivatives	309,692	325,309
Liabilities arising from assumption of debt	5,057,720	0
Other	414,582	150,153
Total	**7,919,005**	**3,039,701**

The increase in liabilities arising from assumption of debt was caused by the introduction of a new banking product. This means that the bank pays the supplier invoices instead of UBM Feed Zrt. and UBM Grain Zrt., then the subsidiaries fulfil their obligations to the bank after a short grace period. Assumption of debt can reduce banking costs while improving the efficiency of financial operations.

The UBM Group shows the fair value differences on cash flow hedges open at the Balance Sheet date in the derivatives line.



6.25 SALES REVENUE

Data in thousands of HUF	30/6/2024	30/6/2023
Domestic sales revenue	90,751,358	121,646,766
Export sales	107,915,820	109,965,304
Total	**198,667,178**	**231,612,070**

A negligible portion of the sales revenue comes from the provision of services. The main reason for the decrease in sales revenue was the change in the price environment; unit prices for both feed and grains have decreased.

Export sales by country are shown in the table below.

Percentage distribution of exports	30/6/2024	30/6/2023
Romania	29.63%	26.22%
Italy	23.02%	31.92%
Austria	13.83%	16.53%
Germany	13.70%	6.58%
Serbia	4.03%	5.57%
Croatia	3.13%	3.34%
Slovakia	5.15%	2.42%
Czech Republic	1.37%	0.05%
Slovenia	1.42%	2.12%
Belgium	0.71%	0.48%
Switzerland	1.43%	2.88%
Other	2.58%	1.89%
Total	**100.00%**	**100.00%**

Export sales by country and by segment for the year under review are shown in the table below.

Export amount per business unit	Commodities	Feed
Romania	27,887,265	4,055,022
Italy	24,566,102	274,770
Austria	14,919,699	–
Germany	14,783,941	4,392
Serbia	1,647,676	2,704,853
Croatia	517,548	2,859,352
Slovakia	1,279,179	4,276,492
Czech Republic	1,378,254	103,332
Slovenia	1,443,311	86,258
Belgium	763,787	–
Switzerland	1,546,092	–
Other	1,774,220	1,010,183
Total	**92,507,074**	**15,374,654**

Sales of products account for almost all of the Company's sales and the revenue is recognised at the time when control of the product is transferred to the customer. The Company's invoices to customers are based on contracts that clearly define the price, nature and point of receipt of the products/services provided.

We do not have any special contracts (repurchase agreements, agency agreements, retroactive rebates, significant financing components, sales commissions or customer contracts that would incur significant costs to enter into that would justify capitalising these costs as separate assets and amortising them subsequently).

6.26 OTHER OPERATING REVENUE

Data in thousands of HUF	30/6/2024	30/6/2023
Profit on tangible assets sold	34,353	10,570
Compensation	132,748	292,877
Inventory difference	57,167	42,250
Discounts received	19,942	61,546
Other revenue	275,078	155,256
Grants received	24,031	52,006
Wash-out revenue	241,221	201,545
Default interest received	294,252	100,106
Total	**1,078,792**	**916,156**

A wash-out is an agreement used in the grain and soybean trading sector to deal with situations where the parties agree to buy crops in the future at a predetermined price, but later agree to settle at the difference between the market price at the time of the contract and the current market price on the day of termination, rather than physically buying the crops.

6.27 CAPITALISED OWN PERFORMANCE

The value of the capitalised own performance in the year under review was HUF 145,005,000, while in the previous year it was HUF 49,494,000.

6.28 COST OF GOODS AND SERVICES SOLD

The UBM Group reports the cost of goods sold and indirect transport costs as part of the cost of goods and services sold.

6.29 MATERIAL EXPENDITURES

Data in thousands of HUF	30/6/2024	30/6/2023
Cost of raw materials and other related materials for production	45,568,634	54,723,049
Utility charges	1,305,119	2,291,399
Fuel costs	549,587	592,474
Maintenance materials	305,496	315,581
Other material costs	82,200	79,089
Transport costs	4,763,473	2,917,337
Storage and related costs	1,329,293	1,287,331
Service costs and overhead	129,922	122,069
Rental fees	104,500	167,033
Maintenance costs	234,210	273,583
Other services used	441,069	583,964
Marketing costs	91,766	85,140
Travel and accommodation costs	60,757	65,323
Internet, telephone, post	57,082	54,108
Other expert fees (accountancy, tax advice, audit, lawyer)	230,479	218,805
Consultancy fees	388,660	458,990
Commission paid	539,086	363,760
Laboratory, R&D, quality control costs	504,779	391,630
IT costs	150,294	161,261
Fees and charges to authorities	57,620	38,898
Bank charges, stock exchange commission	359,459	340,921
Insurance	423,186	463,848
Total	**57,676,671**	**65,995,593**

The significant decrease in utility charges was caused by the significant drop in energy prices.
Of the material expenditure, HUF 109.3 million relates to research and development.

6.30 PERSONNEL EXPENDITURES

Data in thousands of HUF	30/6/2024	30/6/2023
Wage costs	4,332,070	3,698,454
Payments to personnel	399,607	423,141
Social security contributions	668,183	553,266
Total	**5,399,860**	**4,674,861**

The average number of employees in the UBM Group was 408 in the year under review (previous year: 394).
Of the personnel costs, HUF 142.7 million relates to research and development.

6.31 OTHER OPERATING COSTS AND EXPENDITURES

Data in thousands of HUF	30/6/2024	30/6/2023
Wash-out expenditure	63,616	482,629
Compensation paid	64,247	71,032
Profit on tangible assets sold	–	2,041
Result of tangible fixed assets discarded and derecognised	55	617
Inventory difference	43,355	52,294
Carrying amount of receivables released	1,134	-
Allowances and grants to compensate for expenses	24,105	23,240
Write-off of irrecoverable debts	32,123	14,007
Retroactive rebates	51,799	113,839
Provisions for expected liabilities	-	-
Other expenditure	66,230	31,020
Late payment surcharge, default penalty, tax penalty, self-audit surcharge	37,821	4,209
Taxes on vehicles and buildings	9,215	9,727
NÉBIH fee, environmental product charge, environmental pollution charge	218,302	203,660
Total	**612,002**	**1,008,315**

The content of the wash-out agreements is detailed in Section 6.25.

6.32 REVENUES FROM FINANCIAL OPERATIONS

Data in thousands of HUF	30/6/2024	30/6/2023
Other interests received (due)	229,561	573,176
Profit on hedging	824,617	1,087,350
Realised exchange rate gains	1,686,366	4,024,294
Unrealised exchange rate gains	367,477	125,591
Other	3,305	-
Total	**3,111,326**	**5,810,411**

6.33 EXPENDITURES ON FINANCIAL OPERATIONS

Data in thousands of HUF	30/6/2024	30/6/2023
Loss on hedging transactions	559,815	1,627,854
Realised exchange rate losses	1,593,664	3,737,177
Unrealised exchange rate losses	241,770	216,433
Discount paid	15,333	14,206
Total	**2,410,582**	**5,595,670**

The significant volatility in exchange rates observed during the previous year was not present in the year under review, resulting in a decrease in both realised and unrealised exchange rate losses.

6.34 INTEREST EXPENDITURE

Data in thousands of HUF	30/6/2024	30/6/2023
Interests payable to financial institutions	4,396,336	6,484,866
Interests payable to other enterprises	154,571	154,727
Total	**4,550,907**	**6,639,593**

The Group's loans for financing are mainly in the form of floating rate loans, and the declining interest rate environment has led to a significant decrease in interest expenses in the year under review.

6.35 INCOME TAX EXPENSE

Data in thousands of HUF	30/6/2024	30/6/2023
Deferred tax	(40,667)	(2,124)
Income tax expense	543,752	589,961
Total	**503,085**	**587,837**

Data in thousands of HUF	30/6/2024	30/6/2023
Innovation contribution	50,888	61,381
Local business tax	304,515	318,855
Corporation tax	188,349	209,725
Total	**543,752**	**589,961**

6.36 EARNINGS PER SHARE

The calculation of basic earnings per share should take into account the after-tax profit distributable to shareholders and the average annual number of ordinary shares issued, excluding treasury shares.

Data in thousands of HUF	30/6/2024	30/6/2023
Profit after tax	**1,364,618**	**800,414**
Earnings per share (HUF)		
Basic	61.45	35.89
Diluted	61.45	35.89

There are no factors in either 2023 or 2024 that would dilute earnings per share.

6.37 SEGMENT REPORT

The Group's management has identified three distinct operating segments, which can be separated in terms of legal structure, organisational operations and financial reporting:

Commodity trading segment: classic trading activities in wheat, maize, barley, oilseeds, soya meal, soya beans and mid-proteins. Commodity trading operates mainly in a regional operational framework, targeting markets in the geographical areas of the individual trading offices (Hungary, Romania, Austria, Serbia), as well as Italy, Germany, Slovakia - both in terms of buying and selling activities. In commodity trading there is a strong cooperation between the individual trading offices on both the buying and selling side. Approximately 13% to 15% of the total trading volume is used by the UBM Group factories.

Feed manufacturing and feed materials trading segment: feed manufacturing includes the production of compound feeds for poultry, pig and ruminant livestock for the Hungarian, Slovak, Romanian and Serbian markets, as well as premix production and research and development activities to service and develop these manufacturing activities. The feed materials trading unit is engaged in the procurement and trading of raw materials, other than grain crops, required for the production of feed, in particular vitamins, amino acids and trace elements. In view of UBM's large pool of partners, we also sell raw materials directly to our livestock partners.

Livestock segment: Swine production activities are carried out in a subsidiary accounted for using the equity method. The performance of the Livestock investment is regularly monitored by decision-makers, with separate financial information, the result of the segment is the profit or loss of the associated company for the current year attributable to the parent company, accounted for using the equity method. The amount of interest in the Associate company accounted for using the equity method is HUF 573 million at the Balance Sheet date.

30/6/2024	Commodities	Feed	Livestock	Other	Between segments
Sales revenue	144,885,535	74,057,360	-	-	(20,275,717)
Other operating revenue	666,240	678,456	-	-	(265,904)
Total operating revenue	**145,551,775**	**74,735,816**	**-**	**-**	**(20,541,621)**
Capitalised own performance	-	85,270	-	-	10,241
Costs of goods and services sold	134,621,693	15,364,153	-	-	(20,256,639)
Materials expenditure	6,834,506	50,782,658	-	63,207	(3,700)
Personnel expenditures	1,267,386	4,090,330	-	42,144	-
Depreciation	167,839	1,532,742	-	708	-
Impairment	93,836	(23,574)	-	286	-
Other operating costs and expenses	279,594	588,763	-	9,549	(265,904)
Total operating costs	**143,264,854**	**72,335,072**	**-**	**115,894**	**(20,526,243)**
Earnings before interest and tax (EBIT)	**2,286,921**	**2,486,014**	**-**	**(115,894)**	**(5,137)**
Revenues from financial transactions	1,998,419	1,474,586	-	206,327	(568,006)
Expenditures on financial transactions	1,507,457	1,009,838	-	160,103	(266,816)
Interest expenditure	2,043,100	2,405,327	-	408,807	(306,327)
Share of profit of associates and joint ventures	-	682,981	450,702	-	-
Profit from financial operations	**(1,552,138)**	**(1,257,598)**	**450,702**	**(362,583)**	**5,137**
Profit before tax	**734,783**	**1,228,416**	**450,702**	**(478,477)**	**-**
Deferred tax	(22,444)	(15,748)	-	(2,475)	-
Income tax expense	248,111	255,891	-	39,750	-
Profit after tax	**509,116**	**988,273**	**450,702**	**(515,752)**	**-**

30/6/2023	Commodities	Feed	Other	Between segments
Sales revenue	164,426,014	92,143,996	-	(24,957,940)
Other operating revenue	899,873	374,014	2,940	(360,671)
Total operating revenue	**165,325,887**	**92,518,010**	**2,940**	**(25,318,611)**
Capitalised own performance	-	277,332	-	28,551
Costs of goods and services sold	153,100,248	23,433,450	2,000	(24,703,914)
Materials expenditure	4,757,143	61,279,360	232,310	(273,220)
Personnel expenditures	1,058,257	3,600,580	16,024	-
Depreciation	162,634	1,250,690	495	-
Impairment	54,201	23,951	14	-
Other operating costs and expenses	656,691	700,691	16,800	(365,867)
Total operating costs	**159,789,174**	**90,288,722**	**267,643**	**(25,343,001)**
Earnings before interest and tax (EBIT)	5,536,713	2,506,610	(264,703)	52,941
Revenue from financial operations	4,457,646	1,313,059	467,730	(428,024)
Expenditure on financial operations	4,337,201	1,306,882	164,486	(212,899)
Interest expenditure	3,382,455	3,007,521	411,801	(162,184)
Share of profit of associates and joint ventures	-	94,240	-	-
Profit from financial operations	**(3,262,010)**	**(2,907,104)**	**(108,557)**	**(52,941)**
Profit before tax	**2,274,703**	**(400,494)**	**(373,260)**	**-**
Deferred tax	28,435	(30,184)	(375)	-
Income tax expenses	351,367	194,054	44,540	-
Profit after tax	**1,894,901**	**(564,364)**	**(417,425)**	**-**

The UBM Group does not have any customers that account for 10% of total sales revenue.

The breakdown of the main Balance Sheet data by segment is as follows, no Balance Sheet data for the Livestock segment.

30/6/2024	Commodities	Feed	Other
Property, plant and equipment	404,439	12,220,567	155,517
Inventories	7,032,822	4,337,464	-
Trade receivables	8,181,493	13,097,577	76,738
Long-term loans and borrowings	-	2,171,113	2,264,225
Short-term loans and borrowings	7,538,331	11,195,004	924,827
Trade payables	9,005,630	5,515,922	56,140

30/6/2023	Commodities	Feed	Other
Property, plant and equipment	317,844	11,703,211	118,274
Inventories	4,192,488	4,048,632	-
Trade receivables	9,940,949	20,292,247	32,169
Long-term loans and borrowings	-	3,072,488	1,682,881
Short-term loans and borrowings	8,848,306	15,124,761	602,718
Trade payables	7,052,191	7,586,544	57,666

6.38 EBITDA

Application and definition of EBITDA: the Group has chosen to include this commonly used measure in view of widespread industry practice and the Group's belief that its disclosure is useful and informative to users of its financial statements.

Calculation of EBITDA	30/6/2024	30/6/2023
Depreciation	1,701,289	1,413,819
Interest expenditure	4,550,907	6,639,593
Profit before tax	1,935,424	1,500,949
Calculated EBITDA	**8,187,620**	**9,554,361**

For ease of interpretation, the method of calculation is set out below:

- +/- Profit before tax
- -/+ Elimination of interest expenses
- -/+ Elimination of depreciation and amortisation

The Group adjusts profit before tax attributable to owners of the parent company for the following items:

Interest expenses: the Group adjusts the net result by the amount of interest expenses for all items included in the financial result.

Depreciation and amortisation: depreciation and amortisation of assets subject to IAS 16, IAS 40 and IAS 38, as well as depreciation and amortisation of assets under operating leases recognised as assets by the Group, are excluded from the calculation of this indicator. Impairment losses on such assets are also readjusted by the Group. (Impairment losses on other assets, e.g. financial instruments, are not adjusted in the calculation of the indicator.)

6.39 OFF-BALANCE SHEET ITEMS

The UBM Group did not have any contingent liabilities on either 30 June 2024 or 30 June 2023.

The Group's financing bank for the protein business provides a bank guarantee of USD 2,500,000 to a soy supplier. The expiry date of this bank guarantee is 31 August 2026.

The Group provides a bank guarantee to the Hungarian State Treasury in connection with the renovation of the plant in Mátészalka under the Rural Development Programme. The bank guarantee amounts to HUF 212,006,000 and expires on 30 June 2025.

UBM Feed Zrt. provided a bank guarantee to the electricity provider in connection with the solar plant investment in amounts of HUF 6,500,000 and HUF 26,000,000; the expiry date of the bank guarantees is 22 August 2025.

At the Balance Sheet Date UBM Agro Zrt. had an unused bank guarantee facility of USD 2,270,741 with an expiry date of 31/3/2025.

In previous periods, the UBM Group has not incurred any liabilities due to guarantees and the management does not expect to incur any significant liabilities in the future.

Some of the loans used by UBM Agri Trade S.r.l. and UBM Agro Slovakia S.r.o. were taken out by the legal entity UBM Agro Zrt. from its financing bank and then passed on to UBM Agri Trade Srl and UBM Agro Slovakia Sro. These loans are backed by UBM Agri Trade S.r.l. and UBM Agro Slovakia S.r.o. as obligors.

6.40 TRANSACTIONS WITH RELATED PARTIES

Interests received from individual related parties; the interest rate used is the base rate of the Central Bank + 5%.

Individual	Interest income in thousands of HUF
Andor Botos UBM	7,053
László Bustyaházai UBM	4,551
Mihály Fekete UBM	1,845
Péter Horváth UBM	7,251
Szabolcs Szalontai UBM	1,887
András Uzsoki UBM	2,528
Ákos Varga UBM	6,303
Gábor Varga UBM	4,199
Imre Varga UBM	2,005
Total	**37,622**

Individual	Open balance in thousands of HUF
Botos Andor	58,971
László Bustyaházai	38,422
Mihály Fekete	16,801
Péter Horváth	70,186
Szabolcs Szalontai	18,258
András Uzsoki	23,402
Ákos Varga	54,002
Gábor Varga	35,833
Imre Varga	15,562
Total	**331,437**

Business transactions with associates and joint ventures

30/6/2024	MA-KA Kft.	UBM Feed Romania Srl	Mangal Ilona Sertéshízlalda Kft.	Total
Trade and other receivables	379,710	1,271,632	1,276,767	2,928,109
Long-term loans	-	526,514	-	526,514
Payables	3,007	2,871	-	5,878
Sales revenue	11,440,232	1,882,836	7,728,800	21,051,868

30/6/2023	MA-KA Kft.	UBM Feed Romania Srl	Total
Trade and other receivables	1,513,002	1,114,103	2,627,105
Long-term loans	-	767,744	767,744
Payables	1,251,222	50,279	1,301,501
Net sales revenue	16,086,413	9,025,391	25,111,804

Transactions with related parties were as follows. Related party transactions were carried out subject to market terms and appropriate approvals.

Transactions in the current year	BARSER Kft.	Flumen Vitae Kft.	LIVER-LAND Kft.	Fuchs Tojás Kft.	S.P.M. Hungary Kft.	Equicomt Equine Performance Kft.	Fuchs Agrár Kft.	Szögedi-Gazdaság Sertéstenyésztő Kft.	Livestock Investment Kft.
Sales revenue	176	-	320,809	362	-	624	126,688	15,474	-
Service requested	9,165	12,000	-	-	-	17,903	900	-	-
Interest receivable	-	-	-	-	6,325	-	-	-	-

Transactions in the previous year	BARSER Kft.	Flumen Vitae Kft.	LIVER-LAND Kft.	Fuchs Tojás Kft.	S.P.M. Hungary Kft.	Equicomt Equine Performance Kft.	Fuchs Agrár Kft.
Net sales revenue	566	-	74,043	224	-	1,053	360,865
Service requested	24,976	12,000	-	-	-	19,360	-
Interest receivable	10,705	-	-	-	-	-	-

Open balances with related parties in the current and previous year:

Open balances 30 June 2024	BARSER Kft.	Flumen Vitae Kft.	LIVER-LAND Kft.	Fuchs Tojás Kft.	S.P.M. Hungary Kft.	Equicomt Equine Performance Kft.	Fuchs Agrár Kft.	Szögedi-Gazdaság Sertés-tenyésztő Kft.	Livestock Investment Kft.
Trade receivables	154,466	0	199,819	-	-	5	22,726	435,996	464,634
Trade payables	0	1,270	-	-	-	1,651	381	-	-
Loans granted and interests	66,094	0	-	-	234,891	-	-	-	-

Open balances 30 June 2023	BARSER Kft.	Flumen Vitae Kft.	LIVER-LAND Kft.	Fuchs Tojás Kft.	S.P.M. Hungary Kft.	Equicomt Equine Performance Kft.	Fuchs Agrár Kft.
Trade receivables	154,347	2,302	875	-	-	113	-
Payables	2,328	-	-	-	-	1,651	-
Loans granted and interests	59,769	-	-	-	304,891	-	-

6.41 RISK MANAGEMENT

The Company's assets include cash, trade and other receivables and other assets, excluding taxes. The Company's liabilities include loans and borrowings, trade and other payables, excluding taxes and gains and losses arising from the revaluation of financial liabilities at fair value.

The Company is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This chapter describes the above risks of the Company, the Company's objectives, policies, process measurement and risk management, and the Company's management capital. Management has overall responsibility for the establishment, oversight and risk management of the Company.

The Company's risk management policy is designed to identify and investigate the risks faced by the Company, to set up appropriate controls and to monitor the risks. The risk management policy and system will be reviewed to reflect changing market conditions and the Company's activities.

Capital Markets

The Company's policy is to maintain a level of share capital sufficient to sustain investor and creditor confidence in its future development.

The Company's capital consists of the net debt and the Company's equity (the latter includes subscribed capital and provisions).

Credit risk

Credit risk is the risk that a debtor or counterparty will default on its contractual obligations, resulting in a financial loss to the Company. Financial assets that are exposed to credit risk may be long-term or short-term investments, cash and cash equivalents, accounts receivable and other receivables.

The carrying amount of financial assets represents the maximum exposure to risk. The table below shows the Company's maximum exposure to credit risk:

	30/6/2024	30/6/2023
Other long-term receivables	1,401,733	1,183,307
Trade receivables	22,362,884	30,265,365
Other receivables and accrued income	5,119,103	3,970,608
Cash and cash equivalents	1,151,233	2,669,337
Total	**30,034,953**	**38,088,617**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due, both in normal and stressed circumstances, without incurring unacceptable losses or risking the Company's reputation.

The Group's liquidity plan is as follows:

30/6/2024	Due within 1 year	Due in 1-2 years	Due in 2-3 years	Due after 3 years	Total
Other long-term receivables	-	848,918	74,734	478,081	1,401,733
Trade receivables	22,362,884	-	-	-	22,362,884
Income tax receivable	457,407	-	-	-	457,407
Other receivables and accrued income	5,119,103	-	-	-	5,119,103
Cash and cash equivalents	1,151,233	-	-	-	1,151,233
Financial assets	**29,090,627**	**848,918**	**74,734**	**478,081**	**30,492,360**
Long-term loans and borrowings	-	1,858,722	1,678,522	898,094	4,435,338
Long-term finance lease liabilities	-	492,796	293,000	167,825	953,621
Short-term loans and borrowings	20,195,287	-	-	-	20,195,287
Trade payables	14,577,692	-	-	-	14,577,692
Other liabilities and accruals	7,919,005	-	-	-	7,919,005
Short-term finance lease liabilities	564,983	-	-	-	564,983
Income tax liability	48,094	-	-	-	48,094
Financial liabilities	**43,305,061**	**2,351,518**	**1,971,522**	**1,065,919**	**48,694,020**

30/6/2023	Due within 1 year	Due in 1-2 years	Due in 2-3 years	Due after 3 years	Total
Other long-term receivables	-	668,416	204,000	310,891	1,183,307
Trade receivables	30,265,365	-	-	-	30,265,365
Income tax receivable	93,809	-	-	-	93,809
Other receivables and accrued income	3,970,608	-	-	-	3,970,608
Cash and cash equivalents	2,669,337	-	-	-	2,669,337
Financial instruments	**36,999,119**	**668,416**	**204,000**	**310,891**	**38,182,426**
Long-term loans and borrowings	-	1,530,076	1,589,184	1,636,109	4,755,369
Long-term finance lease liabilities	-	398,402	283,097	264,918	946,417
Short-term loans and borrowings	24,575,785	-	-	-	24,575,785
Trade payables	14,696,401	-	-	-	14,696,401
Other liabilities and accruals	3,039,701	-	-	-	3,039,701
Short-term finance lease liabilities	492,969	-	-	-	492,969
Income tax liability	209,088	-	-	-	209,088
Financial liabilities	**43,013,944**	**1,928,478**	**1,872,281**	**1,901,027**	**48,715,730**

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and investment fund prices, will affect the Company's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable limits while optimising profits.

Assessment of climate protection risks

- UBM Group has assessed risks associated with climate protection and has accounted for their effect in the estimations for preparing the report (impairments, recoverable amounts).
- UBM Group has not identified impairment indicators for any of its non-financial assets related to climate protection and sustainability activities.

6.42 EFFICIENCY ANALYSIS

Interest rate sensitivity analysis result (as a percentage of interest rate change). For continuing operations:

With actual interest	30/6/2024	30/6/2023
Profit before tax - excluding interest expenses	6,256,770	7,567,366
Net interest expense	(4,321,346)	(6,066,417)
Profit before tax	**1,935,424**	**1,500,949**
		1%
Profit before tax - excluding interest expenses	6,256,770	7,567,366
Net interest expense	(4,364,559)	(6,127,081)
Profit before tax	**1,892,211**	**1,440,285**
Change in profit before tax	**(43,213)**	**(60,664)**
Change in profit before tax (%)	**-2.23%**	**-4.04%**
		5%
Profit before tax - excluding interest expenses	6,256,770	7,567,366
Net interest expense	(4,537,413)	(6,369,738)
Profit before tax	**1,719,357**	**1,197,628**
Change in profit before tax	**(216,067)**	**(303,321)**
Change in profit before tax (%)	**-11.16%**	**-20.21%**
		10%
Profit before tax - excluding interest expenses	6,256,770	7,567,366
Net interest expense	(4,753,481)	(6,673,059)
Profit before tax	**1,503,289**	**894,307**
Change in profit before tax	**(432,135)**	**(606,642)**
Change in profit before tax (%)	**-22.33%**	**-40.42%**
		-1%
Profit before tax - excluding interest expenses	6,256,770	7,567,366
Net interest expense	(4,278,133)	(6,005,753)
Profit before tax	**1,978,637**	**1,561,613**
Change in profit before tax	**43,213**	**60,664**
Change in profit before tax (%)	**2.23%**	**4.04%**
		-5%
Profit before tax - excluding interest expenses	6,256,770	7,567,366
Net interest expense	(4,105,279)	(5,763,096)
Profit before tax	**2,151,491**	**1,804,270**
Change in profit before tax	**216,067**	**303,321**
Change in profit before tax (%)	**11.16%**	**20.21%**
		-10%
Profit before tax - excluding interest expenses	6,256,770	7,567,366
Net interest expense	(3,889,211)	(5,459,775)
Profit before tax	**2,367,559**	**2,107,591**
Change in profit before tax	**432,135**	**606,642**
Change in profit before tax (%)	**22.33%**	**40.42%**

Foreign exchange change sensitivity test results (as a percentage of the change in the exchange rate):

Exchange rate	**30/6/2024**	**30/6/2023**
Profit before tax - excluding exchange rate effects	1,717,015	1,304,674
Net exchange rate effect	218,409	196,275
Profit before tax	**1,935,424**	**1,500,949**
		1%
Profit before tax - excluding exchange rate effects	1,717,015	1,304,674
Net exchange rate effect	220,593	198,238
Profit before tax	**1,937,608**	**1,502,912**
Change in profit before tax	**2,184**	**1,963**
Change in profit before tax (%)	**0.11%**	**0.13%**
		5%
Profit before tax - excluding exchange rate effects	1,717,015	1,304,674
Net exchange rate effect	229,329	206,089
Profit before tax	**1,946,344**	**1,510,763**
Change in profit before tax	**10,920**	**9,814**
Change in profit before tax (%)	**0.56%**	**0.65%**
		10%
Profit before tax - excluding exchange rate effects	1,717,015	1,304,674
Net exchange rate effect	240,250	215,903
Profit before tax	**1,957,265**	**1,520,577**
Change in profit before tax	**21,841**	**19,628**
Change in profit before tax (%)	**1.13%**	**1.31%**
		-1%
Profit before tax - excluding exchange rate effects	1,717,015	1,304,674
Net exchange rate effect	216,225	194,312
Profit before tax	**1,933,240**	**1,498,986**
Change in profit before tax	**(2,184)**	**(1,963)**
Change in profit before tax (%)	**-0.11%**	**-0.13%**
		-5%
Profit before tax - excluding exchange rate effects	1,717,015	1,304,674
Net exchange rate effect	207,489	186,461
Profit before tax	**1,924,504**	**1,491,135**
Change in profit before tax	**(10,920)**	**(9,814)**
Change in profit before tax (%)	**-0.56%**	**-0.65%**
		-10%
Profit before tax - excluding exchange rate effects	1,717,015	1,304,674
Net exchange rate effect	196,568	176,648
Profit before tax	**1,913,583**	**1,481,322**
Change in profit before tax	**(21,841)**	**(19,628)**
Change in profit before tax (%)	**-1.13%**	**-1.31%**

The result of the exchange rate sensitivity analysis (as a percentage of the change in the exchange rate):

With current exchange rates	30/6/2024	30/6/2023
Non-monetary assets and assets denominated in HUF	44,774,066	44,717,010
Foreign currency assets	17,335,581	18,313,236
Liabilities denominated in HUF	29,547,966	35,113,314
Foreign currency liabilities	19,105,603	15,495,246
Net assets	**13,456,078**	**12,421,686**
		1%
Non-monetary assets and assets denominated in HUF	44,774,066	44,717,010
Foreign currency assets	17,508,937	18,496,369
Liabilities denominated in HUF	29,547,966	35,113,314
Foreign currency liabilities	19,296,659	15,650,198
Net assets	**13,438,378**	**12,449,866**
Change in net assets	**(17,700)**	**28,180**
Change in net assets (%)	**-0.13%**	**0.23%**
		5%
Non-monetary assets and assets denominated in HUF	44,774,066	44,717,010
Foreign currency assets	18,202,360	19,228,898
Liabilities denominated in HUF	29,547,966	35,113,314
Foreign currency liabilities	20,060,883	16,270,008
Net assets	**13,367,577**	**12,562,586**
Change in net assets	**(88,501)**	**140,900**
Change in net assets (%)	**-0.66%**	**1.13%**
		10%
Non-monetary assets and assets denominated in HUF	44,774,066	44,717,010
Foreign currency assets	19,069,139	20,144,560
Liabilities denominated in HUF	29,547,966	35,113,314
Foreign currency liabilities	21,016,163	17,044,770
Net assets	**13,279,076**	**12,703,485**
Change in net assets	**(177,002)**	**281,799**
Change in net assets (%)	**-1.32%**	**2.27%**
		-1%
Non-monetary assets and assets denominated in HUF	44,774,066	44,717,010
Foreign currency assets	17,162,225	18,130,104
Liabilities denominated in HUF	29,547,966	35,113,314
Foreign currency liabilities	18,914,547	15,340,293
Net assets	**13,473,778**	**12,393,506**
Change in net assets	**17,700**	**(28,180)**
Change in net assets (%)	**0.13%**	**-0.23%**
		-5%
Non-monetary assets and assets denominated in HUF	44,774,066	44,717,010
Foreign currency assets	16,468,802	17,397,575
Liabilities denominated in HUF	29,547,966	35,113,314
Foreign currency liabilities	18,150,323	14,720,483
Net assets	**13,544,579**	**12,280,787**
Change in net assets	**88,501**	**(140,900)**
Change in net assets (%)	**0.66%**	**-1.13%**
		-10%
Non-monetary assets and assets denominated in HUF	44,774,066	44,717,010
Foreign currency assets	15,602,023	16,481,913
Liabilities denominated in HUF	29,547,966	35,113,314
Foreign currency liabilities	17,195,043	13,945,721
Net assets	**13,633,080**	**12,139,887**
Change in net assets	**177,002**	**(281,799)**
Change in net assets (%)	**1.32%**	**-2.27%**

6.43 FINANCIAL INSTRUMENTS

Financial instruments include current assets, such as loans granted and cash and cash equivalents, and borrowings, loans and trade payables and derivative transactions.

30/6/2024	Declared value	Real value
Financial assets		
Valued at fair value against profit or loss		
Other investments	153,959	153,959
Valued at fair value against other comprehensive income		
Positive fair value of derivative assets	261,125	261,125
from which		
Currency hedge	193,324	193,324
Commodity hedge	67,801	67,801
Loans and receivables carried at amortised cost		
Other long-term receivables	1,401,733	1,401,733
Trade receivables	22,362,884	22,362,884
Other receivables	1,946,421	1,946,421
Loans granted	603,412	603,412
Cash and cash equivalents	1,151,233	1,151,233

Financial liabilities		
Valued at fair value against other comprehensive income		
Negative fair value of derivatives (Liability)	309,692	309,692
from which		
Currency hedge	2,263	2,263
Commodity hedge	307,429	307,429
Liabilities carried at amortised cost		
Long-term loans and borrowings	4,435,338	4,435,338
Short-term loans and borrowings	20,195,287	20,195,287
Other liabilities	5,308,207	5,308,207
Lease liabilities	1,518,604	1,518,604
Payables	14,577,692	14,577,692

30/6/2023	Declared value	Real value
Financial assets		
Valued at fair value against profit or loss		
Other investments	153,959	153,959
Valued at fair value against other comprehensive income		
Positive fair value of derivative assets	1,013,236	1,013,236
from which		
Currency hedge	760,364	760,364
Commodity hedge	252,872	252,872
Loans and receivables carried at amortised cost		
Other long-term receivables	1,183,307	1,183,307
Trade receivables	30,265,365	30,265,365
Other receivables	1,251,460	1,251,460
Loans granted	480,044	480,044
Cash and cash equivalents	2,669,337	2,669,337

Financial liabilities		
Valued at fair value against other comprehensive income		
Negative fair value of derivatives (Liability)	325,309	325,309
from which		
Currency hedge	298,646	298,646
Commodity hedge	26,663	26,663
Liabilities carried at amortised cost		
Long-term loans and borrowings	4,755,369	4,755,369
Short-term loans and borrowings	24,575,785	24,575,785
Other liabilities	1,054,283	1,054,283
Lease liabilities	1,439,386	1,439,386
Payables	14,696,401	14,696,401

Financial instruments measured at fair value are classified in a hierarchy for disclosure purposes consisting of three "levels". The levels within the hierarchy reflect the significance of the inputs used in measuring fair value. The Group uses Level 3 for fair value measurements, with the exception of derivative valuations. Derivatives are classified as Level 2 (Valuation techniques based on observable market data). For other investments, fair value approximates carrying value.

6.44 EVENTS AFTER THE BALANCE SHEET DATE

Important issuer disclosures after the reporting date were as follows.

- UBM Grain Zrt., a subsidiary of the Group of Companies, purchased a total number of 33.334 dematerialised ordinary shares issued by the Issuer with ID number HU0000207543 ISIN with a nominal value of HUF 5, under a share purchase agreement, in an OTC transaction executed on 29 July 2024. Following the above transaction, the total number of treasury shares held by the Issuer's subsidiaries: 1,745,422. Following the above transaction, the ratio of the total nominal value of the treasury shares held by the Issuer's subsidiaries to the share capital has increased to 7.36%.
- UBM Trade Zrt., a subsidiary of the Group of Companies sold a total number of 25.000 dematerialised ordinary registered shares with the ID number HU0000146063 ISIN and a nominal value of HUF 100 each, representing 50% of the share capital of UBM Consulting Zártkörűen Működő Részvénytársaság (registered office: 2085 Pilisvörösvár, Kisvasút utca 1.) to MICROMIR Hungary Korlátolt Felelősségű Társaság (registered office: 1121 Budapest, Csorna utca 5. 4. em. 11.) as the buyer under a share purchase agreement executed on 28 August 2024. The aim of the above sale of shares is to provide appropriate framework for the cooperation between UBM Group and MICROMIR Hungary Kft. regarding the biotechnological developments to be used in livestock breeding.
- By exercising the right of option under an investment and syndicate contract executed on 20 June 2022, UBM Holding Nyrt. and Andor Ágoston Botos, László Bustyaházai, Mihály Fekete, Péter Horváth, Szabolcs Szalontai, András Uzsoki, Ákos Varga, Gábor Varga and Imre Varga as shareholders and MFB Vállalati Beruházási és Tranzakciós Magántőkealap (registered office: 1027 Budapest, Kapás utca 6-12.; registration number: 6122-91) as investor, a subsidiary of the Issuer, UBM Grain Zrt. (registered office: 2085 Pilisvörösvár, Kisvasút utca 1.), purchased a total number of 51,449 dematerialised ordinary shares issued by the Issuer with ID number HU0000207543 ISIN with a nominal value of HUF 5 each, in an OTC transaction executed on 30 August 2024. Following the transaction, the total number of treasury shares held by the Issuer's subsidiaries: 1,796,871. Following the above transaction, the ratio of the total nominal value of the treasury shares held by the Issuer's subsidiaries to the share capital: increased to 7.58%.

6.45 REMUNERATION OF THE BOARD OF DIRECTORS

The amount of compensation for key management personnel is shown in the table below.

Data in thousands of HUF	30/6/2024	30/6/2023
Short-term employee benefits	271,763	189,229
Post-employment benefits	-	-
Other long-term benefits	-	-
Severance payments	-	-
Share-based payments	-	-
Total	**271,763**	**189,229**

Key management personnel include all members of the Board of Directors.

6.46 GOING CONCERN

In the context of the effects of the war in Ukraine, and after considering other market and liquidity risks, the Company has assessed and made estimates as to whether there is any material uncertainty as to its ability to continue as a going concern and concluded that it is appropriate to assume that it will continue as a going concern for the foreseeable future and that there is no material uncertainty.

6.47 RESPONSIBLE CORPORATE GOVERNANCE

The Company has a Responsible Corporate Governance Report and Statement and reviews its corporate governance system each year and makes changes where necessary. At the Annual General Meeting, shareholders vote to approve the Company's Corporate Governance Report and the Company publishes the Corporate Governance Statement after the meeting.

- The Corporate Governance Report is available at www.ubm.hu, www.bet.hu and www.kozzetetelek.hu.
- The Company prepares its Corporate Governance Report and Statement based on the Corporate Governance Recommendations published by the Budapest Stock Exchange.
- The Corporate Governance Report is adopted by the Board of Directors and approved by the General Meeting. The Corporate Governance Report contains the BSE recommendations and the details of and reasons for any deviation from them.
- The Corporate Governance Report contains the reasons for the practice outside the requirements of the legislation.
- The Corporate Governance Report contains the main features of the Company's internal control and risk management practices.

6.48 PERSONS AUTHORISED TO SIGN THE FINANCIAL STATEMENTS

Ákos Varga and Péter Horváth are jointly authorised to sign the accounts of the Company.

6.49 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements were discussed and approved for disclosure in this form by the Board of Directors of the Company at its meeting on 7 October 2024.

Pilisvörösvár, 7 October 2024.

Ákos Varga	**Péter Horváth**
Chair of the Board	*member of the Board*

DECLARATIONS

The consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of UBM Holding Nyrt. and the entities included in the consolidation to the best of the Company's knowledge, and the Consolidated Management (Business) Report gives a true and fair view of the state of affairs, development and performance of UBM Holding Nyrt. and the entities included in the consolidation, together with a description of the principal risks and uncertainties.

The Issuer declares that the (consolidated) annual financial statements give a true and fair view of the development and performance of the Company, that its data and statements are accurate and do not omit any fact material to the assessment of the Issuer's position.

Pursuant to Section 57(1) of the Act on the Capital Market, the Issuer shall be liable for compensation for any damage caused by the non-disclosure or misleading content of regulated information.

I accept responsibility for the financial information in this consolidated Annual Report for the year ended on 30 June 2024 and for the accuracy of the analyses and conclusions.

Pilisvörösvár, 7 October 2024.

Ákos Varga
Chair of the Board

Péter Horváth
member of the Board

UBM Holding Nyrt.
Individual annual financial statements

based on International Financial Reporting Standards (IFRS)
adopted by the EU

30 June 2024

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1. STATEMENT OF FINANCIAL POSITION

figures in thousands of HUF, unless otherwise indicated

	Annex	30/6/2024	30/6/2023
ASSETS			
Non-current assets			
Intangible assets	*7*	1,101	759
Permanent participations in affiliated entities	*8*	25,709,995	25,709,995
Total non-current assets		**25,711,096**	**25,710,754**
Current assets			
Receivables from related parties	*10*	36,576	24,484
Other current receivables	*11*	16,493	12,520
Income tax receivables	*9*	118	-
Dividends receivable	*12*	201,462	274,462
Cash and cash equivalents	*13*	5,631	6,382
Total current assets		**260,280**	**317,848**
Total assets		**25,971,376**	**26,028,602**
LIABILITIES			
Equity			
Share capital	*14*	118,519	118,519
Capital reserve	*14*	25,671,447	25,671,447
Retained earnings	*14*	157,748	209,470
Total equity:		**25,947,714**	**25,999,436**
Current liabilities			
Payables	*15*	4,729	5,706
Amounts to be paid to related parties	*16*	-	-
Other liabilities		1,333	1,333
Income tax liabilities		-	327
Accruals	*17*	17,600	21,800
Total short-term liabilities		**23,662**	**29,166**
Total liabilities and equity		**25,971,376**	**26,028,602**

The annexes on pages 108 to 133 form an integral part of these accounts

2. STATEMENT OF COMPREHENSIVE INCOME

figures in thousands of HUF, unless otherwise indicated

	Annex	30/6/2024	30/6/2023
Sales revenue	*18*	28,800	40,000
Other operating revenue	*19*	-	2
Material expenditures		-	-
Goods and services sold		-	(4,800)
Services requested	*20*	(63,207)	(71,302)
Personnel expenditures	*21*	(16,024)	(16,024)
Depreciation and impairment	*7*	(708)	(495)
Other operating expenses	*22*	-	(341)
Earnings before interest and tax (EBIT)		**(51,139)**	**(52,960)**
Revenues from financial transactions	*23*	36	1,556,424
Expenditures on financial transactions	*24*	-	(1,051)
Profit before tax		**(51,103)**	**1,502,413**
Tax liability	*25*	(619)	(832)
Deferred tax expense	*25*	-	-
Net result		**(51,722)**	**1,501,581**
Other comprehensive income		**-**	**-**
Total comprehensive income		**(51,722)**	**1,501,581**
Earnings per share (HUF) *			
Basic	*26*	-2.2	63.3
Diluted	*26*	-2.2	63.3
EBITDA		**(50,395)**	**1,502,350**

The annexes on pages 108 to 133 are an integral partof the accounts

3. STATEMENT OF CHANGES IN EQUITY

figures in thousands of HUF, unless otherwise indicated

	Annex	Share capital	Capital reserve	Retained earnings	Total equity
30 June 2022.		**118,519**	**25,671,447**	**207,889**	**25,997,855**
Profit for the period				1,501,581	1,501,581
Dividend payment				(1,500,000)	(1,500,000)
UBM Trade Zrt. donation	*14*				
Capital increase	*14*				
30 June 2023		**118,519**	**25,671,447**	**209,470**	**25,999,436**
Profit for the period				(51,722)	(51,722)
Dividend payment	*14*				
30 June 2024		**118,519**	**25,671,447**	**157,748**	**25,947,714**

The annexes on pages 108 to 133 form an integral part of these accounts

4. CASH FLOW STATEMENT

figures in thousands of HUF, unless otherwise indicated

	30/6/2024	30/6/2023
Cash flow from operating activities		
Profit before tax	(51,103)	1,502,413
Corrections:		
Depreciation in the current year	708	495
Deferred tax	-	-
Tax liability	(619)	(832)
Dividends paid		-
Changes in working capital		
Change in amounts due from related parties	(12,092)	2,032
Change in trade and other receivables	(4,091)	(83)
Change in dividends receivable	73,000	25,003
Changes in trade payables	(977)	(27,003)
Other current liabilities and accruals	(327)	(3,845)
Changes in accrued liabilities	(4,200)	10,200
Net cash flow from operating activities	**299**	**1,508,380**
Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(1,050)	-
Loans granted	-	-
Capital increase in a subsidiary	-	(4,999,995)
Net cash flow from investing activities	**(1,050)**	**(4,999,995)**
Cash flow from financing activities		
Capital payment	-	-
Dividends paid	-	(1,500,000)
Loans received	-	(13,000)
Net cash flow from financing activities	**-**	**(1,513,000)**
Net change in cash and cash equivalents	(751)	(5,004,615)
Effect of exchange rate changes on foreign currency balances	-	-
Cash and cash equivalents at the beginning of the year	6,382	5,010,997
Year-end cash and cash equivalents	**5,631**	**6,382**

The annexes on pages 108 to 133 form an integral part of these accounts

5. GENERAL SECTION

Presentation of the Company

UBM HOLDING Nyrt - hereinafter referred to as the "Company" - was established on 8 February 2016, its main activities are asset management and internal audit and controlling.

The registered office of the Company is 2085 Pilisvörösvár, Kisvasút utca 1.

Owners of UBM HOLDING Nyrt. on 30 June 2024:

Owner	Ownership (%)	Vote share (%)
Andor Ágoston Botos	13.47%	14.52%
Ákos Varga	12.63%	13.61%
Imre Varga	11.57%	12.47%
Péter Horváth	8.74%	9.42%
Gábor Varga	8.77%	9.45%
László Bustyaházai	8.76%	9.45%
András Uzsoki	3.38%	3.65%
Mihály Fekete	3.84%	4.14%
Szabolcs Szalontai	3.84%	4.14%
UBM Agro Zrt.	3.92%	0.00%
UBM Feed Zrt.	1.82%	0.00%
UBM Trade Zrt.	1.00%	0.00%
UBM Szeleste Zrt.	0.49%	0.00%
MFB Vállalati Beruházási és Tranzakciós Magántőkealap	15.62%	16.84%
Public domain	2.15%	2.31%
Total	**100.00%**	**100.00%**

The gross salary paid to key management personnel in the year under review was HUF 2,544,000.

The Company's related parties are:

List of companies belonging to the UBM Group (subsidiaries)

Name	Address
UBM Agro Zrt.	2085 Pilisvörösvár Kisvasút utca 1.
UBM Consulting Zrt.	2085 Pilisvörösvár Kisvasút utca 1.
UBM Feed Zrt.	2085 Pilisvörösvár Kisvasút utca 1.
UBM Grain Zrt.	2085 Pilisvörösvár Kisvasút utca 1.
UBM Trade Zrt.	2085 Pilisvörösvár Kisvasút utca 1.
UBM D.o.o	11070 Novi Beograd, Bulevar Mihajla Pupina 10i/223, Serbia
Búzamag Kft.	2073 Tök, parcel 036/31
UBM Szeleste Zrt.	9622 Szeleste, Kossuth Lajos u. 24/B
UBM Agri Trade Srl	014126 - Bucuresti, 1st district, 4th Tablitei street, Floor 1-2, Romania
UBM Agro Slovakia, s.r.o.	04414 Železničná 2., Košice, Slovakia
"AGROMIX" Kft.	4700 Mátészalka, Meggyesi út 0119/24.
UBM Invest Slovakia Sro.	04414 Železničná 2., Košice, Slovakia
UBM Agrar GmbH	4020 Linz, Bismarckstrasse 02, Austria
UBM Feed d.o.o.	11070 NOVI BEOGRAD, Bulevar Mihaila Pupina 10I/223, Serbia
UBM Italy Srl.	20135 Milano, Viale Monte Nero 66.Italy

List of UBM Group companies (associates and joint ventures)

Name	Address
MA-KA Kft.	6600 Szentes Bese László utca 5-7
UBM Feed Romania Srl	547550, Sanpaul, nr. 6A, Jud. Mures, Romania
Mangal Ilona Sertéshizlalda Kft.	1013 Budapest, Pauler utca 6.

List of companies which are related parties and had business relations with the Company during the year under review:

Name	Address
Flumen Vitae Kft.	2081 Piliscsaba, Hegyalja utca 11-13.

The above company is not controlled by UBM Holding Nyrt. and this company does not control UBM Holding Nyrt. The business transaction with this company was conducted on approved arm's length terms.

Transactions in the year 2024:

Name	Legal address	Amount in thousands of HUF
Flumen Vitae Kft.	Consultancy services required	12,000

List of individual related parties:

Name	Address
Ákos Varga	2081 Piliscsaba, Domb utca 8.
László Bustyaházai	2481 Venice, Enyedi utca 11.
Péter Horváth	2081 Piliscsaba, József liget utca 36.
András Uzsoki	2081 Piliscsaba, Hegyalja utca 11-13.
Imre Varga	2000 Szentendre, Dézsma utca 1.
Gábor Varga	2081 Piliscsaba, Kilátó utca 5.
Andor Ágoston Botos	2081 Piliscsaba, Csokonai utca 10.
Mihály Fekete	2074 Perbál, Petőfi utca 10.
Janositz Balázs Ferenc	2081 Piliscsaba, Szent István király útja 110.
Szabolcs Szalontai	8000 Székesfehérvár, Iglói utca 19.
József Tóth	1138 Budapest, Népfürdő utca 13. 3rd floor, door 4.

Consolidated accounts

The consolidated financial statements of the Group are prepared by UBM Holding Nyrt. in accordance with IFRS international standards, for which the subsidiaries provide data. The consolidated accounts are publicly available. They are available at www.ubm.hu and www.bet.hu and at the office of UBM Holding Nyrt., Kisvasút utca 1, 2085 Pilisvörösvár, Hungary.

Basis of preparation of the Balance Sheet

I. Acceptance and declaration of compliance with International Financial Reporting Standards

All financial statements were approved by the Board of Directors on 7 October 2024. These financial statements have been prepared in accordance with International Financial Reporting Standards, as published and incorporated by regulation in the Official Journal of the European Union (EU). IFRS are standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

These financial statements are presented in Hungarian Forints, rounded to the nearest thousands, unless otherwise indicated.

II. Basis for the preparation of the accounts

All financial statements have been prepared in accordance with standards and IFRIC interpretations issued and in force until 1 July 2023.

These financial statements have been prepared under the historical cost convention, except where IFRS requires the use of a different measurement basis than that disclosed in the accounting policies. The Company has changed its fiscal year to 30 June beginning from 2021 onwards, the reason for this is to better align with the cyclicality of agriculture.

III. Basis of measurement

For financial statements, the measurement basis is the original cost, except for assets and liabilities that are financial instruments to be valued at fair value.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the accounting policies used. Estimates and related assumptions are based on historical experience and a number of other factors that are believed to be reasonable under the circumstances, the results of which form the basis for estimating the carrying amounts of assets and liabilities that are not readily determinable from other sources. Actual results may differ from these estimates.

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

6. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. Accounting policies have been consistently applied to the periods covered by these financial statements. The principal accounting policies applied in the preparation of the financial statements are as follows:

SIGNIFICANT ACCOUNTING POLICIES

Presentation currency and foreign currency balances

Given the content and circumstances of the underlying economic events, the Group's functional currency is the Hungarian Forint.

Foreign exchange transactions denominated in currencies other than HUF were initially recorded at the exchange rate established for the date of execution of such transactions. Receivables and payables in foreign currencies were translated into HUF at the exchange rate prevailing at the Balance Sheet date, irrespective of whether the return on the asset was considered doubtful or not. The resulting exchange differences are recognised in the Profit or Loss Account under financial income or expenses.

Financial statements are presented in Hungarian Forint (HUF), rounded to the nearest thousands, except where otherwise indicated.

Transactions in foreign currencies are recorded in the functional currency, using the exchange rate between the reporting currency and the foreign currency at the date of the transaction for the amount in the foreign currency. In the Comprehensive Income Statement, exchange differences arising on the settlement of monetary items, on initial recognition during the period, or arising from the use of an exchange rate different from that used in the previous financial statements, are recognised as income or expense in the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate of the functional currency at the end of the reporting period. Foreign currency items measured at fair value are translated at the exchange rate at the date when the fair value was determined. Exchange differences on trade receivables and trade payables are included in the results of operations, while exchange differences on loans are included in the income or expense from financial operations.

Sales revenue

Revenue from sales transactions is recognised when the conditions of the contracts are met. Sales revenue excludes value added tax. All income and expenses are recognised in the appropriate period using the principle of matching.

The basic principle of IFRS 15 is that companies should recognise revenue according to the amount of goods or services provided to their customers, which reflects the consideration (i.e. payment) to which the company expects to be entitled in exchange for those goods or services. The new standard has resulted in a more detailed presentation of revenue, and it provides guidance for transactions that were previously not clearly covered (e.g. revenue from services and contract amendments) and new guidance for multi-element agreements.

The standard has led to the development of a new model, the so-called 5-step model, in which important steps include the identification of the contract(s), the identification of individual performance obligations, the determination of the transaction price, the allocation of the transaction price between individual elements and the recognition of the revenue allocated to each obligation.

Performance obligations

When concluding a contract, the Company is required to identify which goods or services it has promised to provide to the buyer, i.e. what performance obligation it has undertaken. The Company may recognise revenue when it has fulfilled its obligations by delivering the promised goods or rendering the promised service. Obligations are met when the buyer has obtained control of the asset (service), which is indicated by signs such as:

- The Company has the right to receive consideration for the asset,
- Ownership title has passed to the buyer,
- The Company has physically transferred the asset,
- The buyer has significant risk and profit potential from owning the asset,
- The buyer has accepted the asset.

Determination of the transaction price

When a contract is performed, the Company is required to recognize the revenue associated with the performance, which is the transaction price assigned to the performance obligation. The transaction price is the amount that the Company expects to receive in exchange for the sale of goods and services. The elements of variable consideration (rebates and discounts) should also be taken into account in determining the transaction price. An expected value has been calculated to estimate the variable consideration, weighted by the Company using probability factors.

Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation. This accumulated depreciation includes depreciation charges recognised for the depreciation of assets incurred in the continuing use and operation of the asset and for the extraordinary depreciation of assets as a result of unforeseen extraordinary circumstances, including significant damage or loss of assets.

The cost of a tangible asset includes the cost of its acquisition and, in the case of an investment in its own enterprises, the cost of materials and labour and other direct costs incurred. Interest recognised on credits for capital expenditure on tangible assets increases the cost of the asset until the asset is ready for its intended use.

The carrying amount of tangible fixed assets is reviewed at regular intervals to determine whether the carrying amount does not exceed the fair value of the asset, in which case a write-down to fair value is required. The fair market value of the asset is the higher of the selling price and the value in use of the asset. Value in use is the discounted value of the future cash flows generated by the asset.

The discount rate includes the corporate pre-tax interest rate, taking into account the time value of money and the impact of other risk factors associated with the asset. If no future cash flows can be attributed to the asset individually, the cash flows of the entity of which the asset is a part are used as the basis. Any impairment loss or write-down so determined is recognised in the Profit and Loss Account.

The cost of repair and maintenance of fixed assets and the replacement of spare parts are charged to maintenance expenditures. Value-adding investments and renovations are capitalised. The cost and accumulated depreciation of unused assets sold or written off at zero are written off. Any gain or loss arising in this way is included in the profit or loss for the year.

The Company depreciates the value of its assets over their useful lives using the straight-line method.

Lifetime by asset groups:

Assets	Depreciation rate
Real estate	2.00% - 8.00%
Technical machinery and equipment	4% - 14.50%
Office equipment	14.50%; 33.00%
IT equipment	33.00%
Other equipment	14.50%
Vehicles	20.00%

Assets with an individual purchase price of less than HUF 200,000 are depreciated immediately in one lump sum upon acquisition.

Useful lives and depreciation methods are reviewed at least annually on the basis of the actual economic benefits provided by the assets. If necessary, the adjustment is recognised against the profit or loss for the year.

Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there has been any change in the carrying amount of any assets that might be impaired. If such a change has occurred, the Company estimates the expected recovery value of the asset. The expected recovery value of an asset or cash-generating unit is its fair value less costs to sell and its value in use, whichever is higher. The Company recognises an impairment loss in profit or loss when the expected recovery value of an asset is less than its carrying amount. The Company makes the necessary calculations based on appropriate discounting of long-term future cash flow projections.

Intangible assets

Intangible assets acquired individually and in a business combination are recorded at cost and at fair value at the date of acquisition, respectively. Recognition is made when there is evidence that the use of an asset will generate future economic benefits and its cost can be clearly determined.

After inclusion, the cost model is used for intangible assets. The useful lives of these assets can be either finite or indefinite. Assets with finite useful lives are amortised using the straight-line method based on the best estimate of their useful lives. The amortisation period and the amortisation method are reviewed annually at the end of the financial year. Internally generated intangible assets, other than development costs, are not capitalised but are charged to profit or loss in the year in which they are incurred. Intangible assets are reviewed annually for impairment, either individually or at the level of the cash-generating unit.

The acquisition costs of trademarks, licences, assets subject to industrial property rights and software are capitalised and amortised using the straight-line method over their estimated useful lives:

Intangible goods	Depreciation rate
Intellectual property and other rights and software	16.6-33%

Interests (in subsidiaries, joint ventures and associates)

UBM Holding Nyrt. does not meet the definition of an investment entity as defined in IFRS 10. It has elected to measure its investments at cost in accordance with Section 10 of IAS 27 as regards the valuation of the interests. Initial cost is the fair value of the investment.

The subsequent measurement is determined in accordance with IAS 36 Impairment of Assets. An indication of impairment may arise, for example, if an adverse significant change in the technological, market, economic or legal environment in which the investment is held has occurred during the period or is expected to occur in the near future.

If the above circumstances indicate that the investment in a subsidiary may have fallen below cost, the recovery value of the investment should be determined.

If the recovery value is less than the cost, an impairment loss is recognised.

Inventories

Inventories are presented at cost less any write-down for excess stocks or idle stocks or at net realisable value, whichever is lower. The value of inventories is determined at actual cost.

Receivables

Receivables are stated at nominal value less an appropriate allowance for estimated losses. An estimate of bad debts has been made on the basis of a full review of the amounts still to be received at the end of the year.

Financial instruments

Financial instruments within the scope of IFRS 9 fall into three measurement categories: those measured at amortised cost on initial recognition, those measured at fair value through other comprehensive income (FVOCI) on initial recognition, and those measured at fair value through profit or loss (FVPL) on initial recognition.

The classification into a valuation group depends on the characteristics of the cash flows associated with a financial instrument. For debt financial instruments that the Company intends to measure at amortised cost or fair value through other comprehensive income, the cash flows of the financial instrument are assessed to determine whether they meet the requirement of Solely Payments of Principal and Interest (SPPI) under IFRS 9. The principal is the fair value of the financial instrument at initial recognition. Interest primarily reflects the time value of money of the outstanding principal and the credit risk over a period of time, in addition to other basic credit risks and charges and a profit margin.

When the SPPI requirement is met, the Company assesses whether the cash flows arising from the contract are consistent with the underlying loan agreements in the denominated currency of the financial instrument.

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

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

All equity instruments are measured at fair value in the Balance Sheet and the effect of changes in fair value is recognised directly in profit or loss, except for equity instruments where the enterprise has elected the Other Comprehensive Income (FVOCI) option. The Company does not uses the FVTOCI option.

The Company offsets financial assets and financial liabilities and recognises a net amount in the Balance Sheet if, and only if, the Company has a legally enforceable right to set off the amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Lending losses on financial assets

Based on changes in credit risk, the impairment should be reviewed at each reporting date and an assessment made as to whether the impairment should be recognised up to the amount of the lifetime expected credit loss or the 12-month expected credit loss. If it is not possible to assess at the level of an individual financial instrument whether its credit risk has increased significantly, it should be assessed on a group basis.

The simplified and general approaches to impairment assessment and recognition should apply.

1. Simplified approach

All financial instruments valued using the simplified approach are valued at the lifetime expected credit loss. The simplified approach is used for receivables from customers.

2. General approach

Based on the expected credit loss model, financial instruments are classified into three categories. This classification into the three categories is based on changes in the credit risk of the financial instrument. The relative credit risk model is used to assess the elevated credit risk. The increase in credit risk from the initial recognition is reflected in the transfer of the financial instruments between headings.

Based on the expected credit loss model, impairment can be divided into three categories: impairment calculated on the basis of expected credit loss over 12 months / impairment calculated on the basis of expected credit loss over lifetime / impairment calculated using the effective interest rate method.

This general approach is applied to other financial receivables and loans granted.

An enterprise should use the simplified practical approach to estimate expected credit losses if they follow the principles of the standard. For the valuation of trade receivables, it may be appropriate to use empirical tables, taking into account future expectations, where specified percentages of losses are determined by maturity group.

In the case of receivables with a small amount per buyer and debtor, the amount of the impairment is determined as a percentage of the book value of these receivables, based on the combined classification of buyers and debtors.

Expected credit loss based on group-level data	
Not expired	0.03%
Between 1-30 days	0.04%
Between 31-60 days	0.38%
Between 61-180 days	1.38%
Between 181-360 days	13.43%
Beyond 361 days	51.20%

The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss.

Financial assets are derecognised only when the rights to the cash flows from the investment have expired or are transferred, and the entity has transferred all substantial risks and rewards of ownership.

Our expectations of expected credit losses on related receivables are based on past experience. Over the past 27 years, the Group has incurred minimal losses on receivables arising from loans and other financing (e.g. customer financing) to related parties, resulting from the write-off of receivables in the liquidation of UBM RUS, a Russian subsidiary. These facts support the expectation that the recognition of an impairment loss on related receivables is not warranted. The Group companies have significant positive equity and/or significant positive cash flow generating capacity, with the parent company increasing the capital or making additional contributions to companies operating at a loss to comply with the law. For these reasons, there is no doubt about the realisability of the related receivables.

Financial liabilities

The Company's Statement of Financial Position includes the following financial liabilities: payables and other short-term payables, loans, borrowings, bank overdrafts. These are disclosed and measured in the relevant sections of the accompanying notes to the financial statements as follows:

The Company initially measures all financial liabilities at fair value. In the case of loans, it even takes into account transaction costs that are directly attributable to the acquisition of the financial liability.

Financial liabilities within the scope of IFRS 9 fall into two measurement categories: those measured at amortised cost on initial recognition and those measured at fair value through profit or loss (FVPL) on initial recognition. The classification of each financial liability is determined by the Company on acquisition.

Loans and borrowings are stated at amortised cost using the effective interest method in the Statement of Financial Position. Gains and losses related to loans and borrowings are recognized in the Statement of Income through amortization using the effective interest method and on derecognition of the financial liability. Amortisation is recognised in the Statement of Income as a financial expense.

Provisions

The Company recognises provisions for obligations (legal or constructive) as a result of past events that are probable that the Company will be required to settle when the amount of the obligation can be measured reliably.

The amount recognised as a provision is the best estimate of the expenditure required to settle an existing obligation at the Balance Sheet date, taking into account the risks and uncertainties specific to the obligation. Where the expected cash flows required to settle an existing obligation are used to measure the provision, the carrying amount of the provision is the current value of those cash flows.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the receivable is recognised as an asset if it is virtually certain that the entity will receive reimbursement and the amount of the receivable can be measured reliably.

Existing commitments arising from unfavourable contracts are recognised as provisions. The Company classifies a contract as an unfavourable contract when the unavoidable costs of meeting the obligations under the contract exceed the financial benefits expected from the contract.

A provision for restructuring is recognised when the Company has prepared a detailed formal plan for the restructuring and, by starting to implement the plan or by announcing the main features of the plan to stakeholders, has created a legitimate expectation that it will carry out the restructuring. A provision for restructuring includes only direct costs incurred in connection with the restructuring that are necessarily incidental to the restructuring and not related to the continuing operations of the entity.

Income taxes

The rate of corporate tax is based on the tax liability determined by the Law on Corporate and Dividend Tax and the Ordinance on Local Business Tax, adjusted by the deferred tax. The corporate tax liability includes current and deferred tax elements. The Company also includes the amount of the subsidy paid for spectator sports in the corporate tax line, as it is considered as income tax in substance.

The tax liability for the current year is determined on the basis of the taxable profit for the current year. The taxable profit differs from the profit before tax shown in the accounts because of non-taxable profits and losses and items that are included in the taxable profit of other years. The current tax liability of the Company is determined using the tax rate that has been in force or enacted (if enactment is equivalent to being in force) on the Balance Sheet date. Deferred tax is calculated using the liability method.

Deferred tax arises when there is a timing difference between the recognition of an item in the annual accounts and the recognition of an item under the Tax Act. Deferred tax assets and liabilities are measured using the tax rates applicable to taxable income for the years in which the timing differences are expected to be recovered. The amount of the deferred tax liability and asset reflects the Company's estimate at the Balance Sheet date of how the tax assets and liabilities will be recovered or settled.

A deferred tax asset is recognised for deductible temporary differences, carried forward tax benefits and tax losses only if it is probable that the Company will realise a taxable profit in the future against which the deferred tax asset can be utilised.

At each Balance Sheet date, the Company takes into account deferred tax assets not recognised in the Balance Sheet and the carrying amount of recognised tax assets. It recognizes the portion of receivables not previously recognised in the Balance Sheet that is expected to be recovered through a reduction in future income taxes. Conversely, it reduces the Company's deferred tax asset to the extent that no taxable profit is expected to be available to recover this amount.

Current and deferred tax is charged directly to equity when it relates to items that were also charged to equity in the same or a different period, including adjustments to the opening balance of reserves due to retrospective changes in accounting policies.

Deferred tax assets and liabilities can be offset if the Company has a legal right to offset its current tax assets and liabilities with the same tax authority and the Company intends to settle these assets and liabilities on a net basis.

Leasing

Under IFRS 16 Leases, a lessee is required to recognise and measure a right to use an asset and a liability simultaneously on the Balance Sheet. The right to use assets is treated in the same way as other non-financial assets and depreciation is recognised accordingly. The initial measurement of the lease liability is based on the present value of the lease payments over the lease term, calculated using the implicit interest rate, if that rate can be determined precisely. If this rate is not available or is difficult to determine, the lessee may then use the incremental borrowing rate for discounting.

Off-balance sheet items

Off-balance-sheet liabilities are not included in the Balance Sheet and the Profit and Loss Account that are part of the annual accounts. They are presented in the accompanying notes unless the possibility of an outflow of resources embodying economic benefits is remote and minimal. Off-balance-sheet receivables are not included in the Balance Sheet and Profit and Loss Account that are part of the annual accounts but are disclosed in the accompanying notes to the financial statements if an inflow of economic benefits is probable.

Dividends

Dividends are recognised in the year in which they are approved by the shareholders.

Profit from financial operations

Financial result includes interest and dividend income, interest and other financial expenses, fair value gains and losses on financial instruments and realised and unrealised exchange rate differences.

Government grants

Government grants are recognised when it is probable that the grant will be received and the conditions attached to the grant have been met. When a grant is used to offset a cost, it is charged to the income statement in the period in which the cost to be offset is incurred (among other income items). When a grant relates to the acquisition of an asset, it is recognised as deferred income and charged to profit or loss in equal annual amounts over the useful life of the related asset.

Events after the Balance Sheet date

Events that occurred after the end of the reporting period, which provide additional information about the circumstances (adjusting items) at the end of the Company's reporting period, are presented in the financial statements. Post-year end events that do not change the amounts reported are reported in the notes to the financial statements, when material.

Changes in accounting policies

The Company has prepared its financial statements in accordance with all standards and interpretations, which entered into force before 30 July 2024.

Interpretations of existing standards relevant to the preparation of the Company's financial statements and new standards adopted by the Company:

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)

The amendments will apply for the financial years beginning on or after 1 January 2023. The amendments provide guidance on how to make materiality judgements regarding the disclosure of accounting policies. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. The IFRS Practice Statement also provides guidance and illustrative examples to help apply the concept of materiality when making decisions about accounting policy disclosures.

The Company has assessed the disclosure of accounting policies and prepared its accounts accordingly.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates Definition of Accounting Estimates (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2023 and apply to changes in accounting policies and accounting estimates that occur on or after the beginning of that period. The amendments introduce a new concept of accounting estimates, defined as monetary amounts in the financial statements that are subject to measurement uncertainty if they are not the result of a prior period error correction. The amendments also clarify what changes in accounting estimates mean and how they differ from changes in accounting policies and corrections of errors.

The amendments did not have a material impact on the Company's financial statements.

IAS 12 Income taxes: Deferred tax assets and liabilities arising from a single transaction (Amendments)

The amendments will apply for financial years commencing on or after 1 January 2023. The amendments narrow the scope of the exception for initial recognition under IAS 12 and specify how companies should account for deferred tax relating to assets and liabilities arising from a single transaction, such as leases and decommissioning liabilities. The amendments clarify that, where payments to settle a liability are deductible for tax purposes, it is a matter of judgement, taking into account the relevant tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that give rise to the same taxable and deductible temporary differences on initial recognition. Only applicable when the recognition of a lease receivable and a lease liability (or a decommissioning liability and a decommissioning asset component) results in taxable and deductible temporary differences that are not equal.

The amendments did not have a material impact on the Company's financial statements.

IAS 12 Income taxes: International Tax Reform — Pillar Two Model Rules (Amendments)

The amendments apply immediately upon issuance but certain disclosure requirements will take effect later. In December 2021 the Organisation for Economic Co-operation and Development (OECD) released pillar two model rules to ensure that large multinational enterprises pay tax of at least 15% on the income. On 23 May 2023 the International Accounting Standards Board (IASB) issued International Tax Reform — Pillar Two Model Rules - Amendments to IAS 12. The amendments introduce a mandatory transitional exemption from the accounting for deferred taxes arising from the jurisdictional application of the second pillar model rules and impose disclosure requirements on the entities concerned regarding their potential exposure to second pillar income tax. The amendments require the disclosure, in periods when second pillar legislation is (substantively) enacted but not yet effective, of known or reasonably estimable information that helps users of financial statements understand an entity's exposure to second pillar income taxes. To meet these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to income tax under the second pillar at the end of the reporting period. Disclosure of income tax expense related to the second pillar and disclosure for periods prior to the effective date of the legislation is required for annual reporting periods beginning on or after 1 January 2023 but is not required for interim periods ending on or before 31 December 2023.

The amendments are not expected to have an impact on the Company's financial statements.

Standards issued but not yet in force and not subject to early application

Standards/amendments that have not yet taken effect but have been endorsed by the EU

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and are to be applied retrospectively in accordance with IAS 8. Earlier application is permitted. The aim of the amendments is to clarify the principles of classification of liabilities as current or non-current as stated in IAS 1. The amendments clarify the reporting of the right to defer settlement, the requirement that this right must exist at the end of the reporting period, that management's intention does not affect current or non-current classification, that a counterparty's options that may result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. The amendments also specify that only covenants that the entity is required to meet on or before the reporting date affect the classification of a liability. Additional disclosures are also required for long-term liabilities arising from loan agreements that are subject to a covenant to be performed within twelve months after the reporting period.

Management has assessed the expected impact of applying the standard and it is not significant.

IFRS 16 — Leases: Lease Liability in a Sale and Leaseback (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted. The amendments aim to improve the requirements that a seller-lessee applies in measuring a lease liability in a leaseback transaction under IFRS 16, but do not change the accounting for leases not related to leaseback transactions. A seller-lessee is required to determine the "lease payments" or "revised lease payments" in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is the beginning of the reporting period in which the entity first applied IFRS 16.

Management has assessed the possibility of applying the standard and it is not expected to have any effect on the financial statements.

Standards/amendments that have not yet taken effect and have not been endorsed by the EU

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted. The amendments complement current requirements in IFRSs by adding additional disclosure requirements about the terms and conditions of the supplier finance arrangements. In addition, the entities shall disclose at the beginning and end of the reporting period: the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented, and the carrying amount of financial liabilities for which suppliers have already received payment from the finance providers. Entities shall also disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement that prevent comparability of the carrying amount of financial liabilities. The amendments add further disclosure requirements about the range of payment due dates of financial liabilities to finance providers and comparable trade payables that are not part of a supplier finance arrangement at the beginning and end of the reporting period. These amendments have not yet been endorsed by the EU.

Management has assessed the possibility of applying the standard and it is not expected to have any effect on the financial statements.

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability (Amendments)

The amendments are effective for annual reporting periods beginning on or after 1 January 2025 and earlier application is permitted. The amendments include explicit requirements on how an entity should assess whether a currency is exchangeable and how to determine the spot exchange rate if it is not. A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The Amendments note that the entity can either use an observable exchange rate without adjustment or another estimation technique. These amendments have not yet been endorsed by the EU.

Management has assessed the possibility of applying the standard and it is not expected to have any effect on the financial statements.

Significant accounting estimates and assumptions

The application of accounting policies requires the use of estimates and assumptions in determining the amounts of certain assets and liabilities at a given date that cannot be clearly identified from other sources. The estimation process involves judgements and relevant factors based on the latest information available. These significant estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses in the financial statements and the disclosure of contingent assets and liabilities in the notes to the financial statements. Actual results may differ from these estimates.

The estimates are continuously updated. Changes in accounting estimates should be taken into account in the period of the change if the change affects only that period, or in the period of the change and future periods if the change affects both periods.

The main areas of estimation uncertainty and critical accounting judgements that have the most significant impact on the amounts recognised in the consolidated financial statements are:

Depreciation and impairment

Property, plant and equipment and intangible assets are recorded at cost and depreciated on a straight-line basis over their useful lives. The useful life of an asset is determined on the basis of historical experience of similar assets and expected technological developments and changes in wider economic or industry factors. The estimated useful life is reviewed on an annual basis.

7. INTANGIBLE ASSETS

	30/6/2024	30/6/2023
Gross value	2,550	1,500
Depreciation in the current year	(708)	(495)
Accumulated depreciation	(1,449)	(741)
Net value	**1,101**	**759**

Intangible assets include software purchased in the previous year.

8. PERMANENT PARTICIPATIONS IN AFFILIATED ENTITIES

	30/6/2024	30/6/2023
Shareholding in UBM Trade Zrt.	25,709,995	25,709,995
Total	**25,709,995**	**25,709,995**

The 100% shareholding in UBM Trade Zrt. is shown under participations. The opening cost of the shares was their fair value at the date of the donation, which was HUF 20,710,000 thousand according to an independent expert opinion. During the previous financial year, UBM Holding Nyrt. increased the capital of its subsidiary by HUF 4,999,995 thousand, which was accounted for as an increase in the shareholding.

The Company carries the recognised investment in this subsidiary at cost in accordance with IAS 27. At the Balance Sheet date, the Company had not identified any indications of impairment of the investment.

A valuation based on a discounted cash flow (DCF) model is carried out each year to support the value of the UBM Group, based on current business plans. The model uses conservative assumptions, including a Beta value reflecting market risk and a weighted average cost of capital (WACC). These parameters ensure that the calculations reflect the true financial position of the Group. Based on the results of the model, the recoverable amount of the group (UBM Trade) is significantly higher than its carrying amount, so no impairment is warranted.

9. DEFERRED TAX ASSETS

In calculating deferred tax, the Group compares the tax base with the carrying amount by assets and liabilities. If the difference is a temporary difference, i.e. the difference will reverse in the foreseeable future, a deferred tax liability or asset is recognised, as appropriate. When an asset is included, the Company examines the recovery separately.

The Company accounts for deferred tax using a tax rate of 9% because the assets and liabilities become current tax in periods when the tax rate is expected to remain unchanged.

The Company would be entitled to recognize a deferred tax asset of HUF 13,420,000 in the current period based on the loss carry forwards from previous years. As the Company's individual level of operations and unforeseen factors may have a significant impact on the Company's tax base, the accuracy of the individual-level plans for the future cannot be guaranteed, therefore, due to the uncertainty of the future, the Company does not recognise a deferred tax asset.

10. RECEIVABLES FROM RELATED PARTIES

	30/6/2024	30/6/2023
Trade receivables	36,576	24,384
Interest on a loan given	0	100
Total	**36,576**	**24,484**

The interest on the loan was received after the Balance Sheet date.

The breakdown of outstanding related trade receivables is as follows:

	30/6/2024
UBM Agro Zrt.	1,176
UBM Feed Zrt.	12,677
UBM Grain Zrt.	13,671
UBM Szeleste Zrt.	5,639
UBM Trade Zrt.	3,413
Total trade receivables	**36,576**

There were no reasons to recognise impairment losses or credit losses on related receivables. The receivables are not overdue and were collected after the Balance Sheet date.

11. OTHER CURRENT RECEIVABLES

	30/6/2024	30/6/2023
VAT receivable	16,493	12,508
Other	0	12
Total	**16,493**	**12,520**

VAT receivable includes deductible VAT relating to transactions in the current year, which are settled after the Balance Sheet date.

12. DIVIDENDS RECEIVABLE

	30/6/2024	30/6/2023
Dividends receivable	201,462	274,462
Total	**201,462**	**274,462**

The dividends receivable line shows the dividends receivable from UBM Trade Zrt. for the financial year but not yet settled.

13. CASH AND CASH EQUIVALENTS

	30/6/2024	30/6/2023
Bank account	5,631	6,382
Fixed term deposits	-	-
Total	**5,631**	**6,382**

14. SHARE CAPITAL, RETAINED EARNINGS AND CAPITAL RESERVE

The composition of the share capital is as follows:

Series of shares	Nominal value (HUF/share)	Shares issued (number)	Total nominal value (HUF)
"Series A" (ordinary share)	HUF 5	23,703,700	HUF 118,518,500
Amount of the share capital:			HUF 118,518,500

The General Meeting of UBM Holding Nyrt. held on 5 April 2023 decided on the distribution of the nominal value of the ordinary shares at a ratio of 1:20. Accordingly, the nominal value of the shares was changed from HUF 100 to HUF 5, and the volume of UBM's securities quoted on the stock exchange was increased from 1,185,185 shares to 23,703,700 shares.

The share capital of UBM Holding Nyrt. increased from HUF 100,000,000 to HUF 118,518,500 in the previous financial year 2023. The total value of the new shares issued within the framework of the share capital increase was HUF 4,999,995,000. The new shares were created by over-issuance to the series of shares issued with ID number HU0000145990 ISIN and listed on the stock exchange.

The MFB Vállalati Beruházási és Tranzakciós Magántőkealap (MFB Corporate Investment and Transaction Private Equity Fund, MFB VBTM), managed by Hiventures Kockázati Tőkealap-kezelő Zártkörűen Működő Részvénytársaság (Hiventures Venture Capital Fund Management Limited Liability Company, registered office: 1027 Budapest, Kapás utca 6-12.), was assigned to implement this increase in capital. On 29 June 2022, MFB VBTM paid in full the full issue value of the new shares to UBM Holding Nyrt., i.e. HUF 4,999,995,000.

From the day following the last day of the 7th year after the date of the capital increase until 30 June 2031, MFB VBTM may exercise the investor's right to sale in respect of these new shares, the persons liable to exercise this right being those who were shareholders of the Company on 20 June 2022. If the investor exercises this right to sale, UBM Holding Nyrt. or UBM Trade Zrt. shall be entitled to assume the obligation to pay the option purchase price in accordance with the rules on the assumption of debts provided for in Article 6:203 of the Civil Code. The Company expects that UBM Holding Nyrt. does not intend to make use of this assumption of debt.

Pursuant to the Agreement, UBM Holding Nyrt. and the respective shareholders have an option to purchase all or part of the shares issued for a fixed term from the date of crediting the new Shares to the Investor Securities Account until the last day of the 7th year following the date of creation of the new shares to trading on the BSE, upon payment of the option purchase price. The Company expects that UBM Holding Nyrt. will not exercise this right.

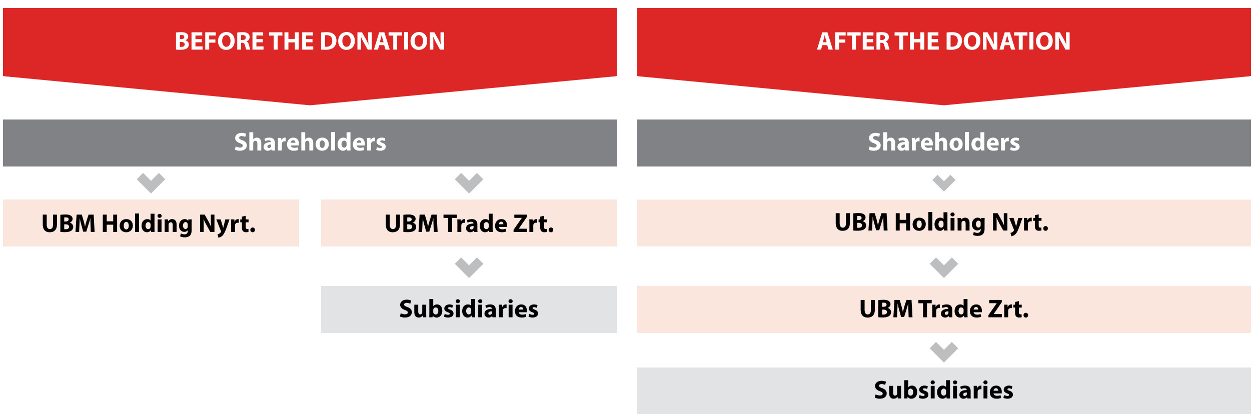
Of the amount of the capital increase, an amount of HUF 18,519,000 was transferred as the increase in subscribed capital, while the remaining amount was transferred to the capital reserve after deduction of the costs related to the capital increase. The amount of the premium, taking into account the consultancy and legal costs of HUF 20,030,000, was HUF 4,961,447,000.

Dividends

The Company didn't pay dividends in the given period.

Capital reserve – Presentation of the donation

As of 1 October 2021, the private owners of UBM Holding Nyrt. donated (without consideration to be paid) 99.82% of their shares in UBM Trade Zrt. to UBM Holding Nyrt. Prior to this donation, UBM Trade Zrt. was the ultimate subsidiary of the UBM Group, which directly or indirectly held the shares and controlled the subsidiaries. After the donation, control rights were transferred to UBM Holding Nyrt. In order to determine the value of the donation, the UBM Group carried out an independent valuation, which resulted in a value of 99.82% of the shares in UBM Trade Zrt. of HUF 20,710 million. The valuation used the DCF approach based on the business plan adopted by the Company. The economic objective of the donation is for UBM Holding Nyrt. to own UBM Trade Zrt. and through it the member companies of the UBM Group in order to enable the raising of capital through the stock exchange for the Group.



Accounting treatment for donations under IFRS

The donation of shares in UBM Trade is an ownership transaction, therefore it should be recorded as a movement in equity, with the amount of the donation recorded as an increase in capital reserve.

Equity correlation table:

The correlation table below shows - in accordance with the provisions of Section 114/B of Act C of 2000 on accounting in force in Hungary ("the Act") - the correspondence between equity components as determined in accordance with Section 114/B (4) a) of the Act C and equity components as reported in the separate financial statements under EU IFRS. The correspondence consists, on the one hand, of the allocation of the equity components under EU IFRS to the equity components under the Act and, on the other hand, of the derivation of the differences between the two types of equity.

Data in thousands of HUF	30 June 2024
Share capital	118,519
Capital subscribed but not yet paid up	-
Treasury shares reserve	-
Capital reserve	25,671,447
Retained earnings	209,470
Valuation reserve	-
Committed reserve	-
Profit after tax	(51,722)
114/B (4) a) Equity under IFRS	**25,947,714**
Subscribed capital as defined in the Articles of Incorporation, if it is an equity instrument	118,519
114/B. (4) b) Subscribed capital under IFRS	**118,519**
114/B (4) c) Capital subscribed but not yet paid up	**-**
The amount of all equity elements that do not meet the IFRS definition of subscribed capital, subscribed but not paid-in capital, retained earnings, valuation reserve, profit for the year or retained earnings	25,895,992
114/B (4) d) Capital reserve	**25,671,447**
Profit accumulated in prior years and not distributed to owners, recognised in the IFRS financial statements	157,748
114/B (4) e) Retained earnings	**157,748**
114/B (4) (h) Committed reserve	**-**
Profit for the year in the profit and loss section of the comprehensive income statement or in the separate income statement	(51,722)
114/B (4) g) Profit/loss for the year under review	**(51,722)**
Profit reserve available for dividend payments	
IFRS profit and loss reserve	157,748
Less: cumulative unrealised gains on fair value gains recognised in accordance with IAS 40 Investment Property	-
Plus: cumulative amount of income tax recognised under related IAS 12 Income Taxes	-
Profit reserve available for dividend payments	**157,748**
dividends received (receivable) accounted for up to the date of authorisation for publication	-
Retained earnings available for dividend payments + dividends received and payable after the current year	**157,748**

15. TRADE AND OTHER PAYABLES

	30/6/2024	30/6/2023
Payables	4,729	5,706
Wages and salaries	851	851
Tax liabilities	482	482
Negative balance of deposits	-	-
Income tax liabilities	-	327
Total	**6,062**	**7,366**

16. AMOUNTS TO BE PAID TO RELATED PARTIES

	30/6/2024	30/6/2023
Trade payables	-	-
Loan received	-	-
Interest on loan received	-	-
Total	**-**	**-**

17. ACCRUALS

	30/6/2024	30/6/2023
Accrued costs	17,600	21,800
Total	**17,600**	**21,800**

Accrued costs include audit fees.

18. NET SALES REVENUE

The amount of internal audit fees and cost re-invoices invoiced to related entities during the financial year is shown as net sales revenue.

	30/6/2024	30/6/2023
Internal audit and controlling services	28,800	35,200
Cost re-invoicing	-	4,800
Total	**28,800**	**40,000**

From recognised sales revenue from an associated company:

	30/6/2024	30/6/2023
UBM Agro Zrt.	926	4,615
UBM Feed Zrt.	9,982	12,829
UBM Grain Zrt.	10,765	13,015
UBM Szeleste Zrt.	4,440	4,741
UBM Trade Zrt.	2,687	4,800
Total sales revenue	**28,800**	**40,000**

19. OTHER OPERATING REVENUE

	30/6/2024	30/6/2023
Other revenue	0	2
Total	**0**	**2**

20. SERVICES REQUESTED

	30/6/2024	30/6/2023
Accounting, tax advice, auditing	(17,600)	(21,793)
Consultancy fees	(18,007)	(25,299)
Lawyer's fees	(2,700)	(2,400)
Fees to authorities	(10,795)	(11,223)
Bank charges	(14,078)	(10,580)
Costs passed on to affiliated entities	-	-
Other	(27)	(7)
Total	**(63,207)**	**(71,302)**

21. PERSONNEL EXPENDITURES

	30/6/2024	30/6/2023
Wage costs	(14,526)	(14,526)
Contributions	(1,498)	(1,498)
Total	**(16,024)**	**(16,024)**

The average number of employees of the Company in the financial year 2024 was 0. Wage costs include the remuneration of the members of the Supervisory Board and the wages of part-time employees.

22. OTHER OPERATING EXPENSES

	30/6/2024	30/6/2023
Write-off of VAT receivables from previous periods	-	-
Self-revision interest	-	(337)
Other	-	(4)
Total	**-**	**(341)**

23. REVENUES FROM FINANCIAL OPERATIONS

	30/6/2024	30/6/2023
Interest received	36	56,427
Dividends received	0	1,499,997
Total	**36**	**1,556,424**

The significant decrease in interest received is due to the fact that in the previous period, UBM Holding Nyrt. tied up the funds received from the capital increase until it could complete the capital increase of the subsidiary UBM Trade Zrt. The dividends received include dividends to UBM Holding Nyrt. approved by UBM Trade Zrt.

24. EXPENDITURES ON FINANCIAL OPERATIONS

	30/6/2024	30/6/2023
Interest paid	-	(558)
Exchange rate loss	-	(493)
Total	**-**	**(1,051)**

25. INCOME TAXES

Expenses related to income taxes consist of:

	30/6/2024	30/6/2023
Tax liability	(619)	(832)
Deferred tax income (expense)	-	-
Total	**(619)**	**(832)**

The corporation tax of HUF 75,000 in the year under review was determined on the basis of the company's tax base, with a tax rate of 9%.

	30/6/2024	30/6/2023
Profit before tax	(51,103)	1,502,413
Tax liability calculated at the current tax rate 9%	4,599	(135,217)
Dividends received	-	135,000
Non-reverting margin	55	67
Impairment / reversion of deferred tax asset	-	-
Activation of loss carried forward	(4,654)	75
Business tax and innovation contribution	(619)	(757)
Net result	**(51,722)**	**1,501,581**

Derivation of the corporate tax base

	30/6/2024
Profit before tax	**(51,103)**
Increasing items	
Other	-
Reducing items	
Business tax and innovation contribution	(619)
Dividends received	-
Carried forward losses	-
Tax base	**(51,722)**

26. EARNINGS PER SHARE

The calculation of basic earnings per share should take into account the after-tax profit distributable to shareholders and the average annual number of ordinary shares issued, excluding treasury shares.

	30/6/2024	30/6/2023
Profit after tax distributable to shareholders (th HUF)	(51,722)	1,501,581
Weighted average number of ordinary shares issued	23,704	23,704
Earnings per share (basic) (HUF)	**(2.2)**	**63.3**

There are no factors in either 2023 or 2024 that would dilute earnings per share.

27. EBITDA

Application and definition of EBITDA: the Group has chosen to include this commonly used measure in view of widespread industry practice and the Group's belief that its disclosure is useful and informative to users of its financial statements.

For ease of interpretation, the method of calculation is set out below:

- +/- Profit before tax
- -/+ Elimination of interest expenses
- -/+ Elimination of depreciation and amortisation

The Group adjusts profit before tax attributable to owners of the parent company for the following items:

Interest expenses: the Group adjusts the net result by the amount of interest expenses for all items included in the financial result.

Depreciation and amortisation: depreciation and amortisation of assets subject to IAS 16, IAS 40 and IAS 38, as well as depreciation and amortisation of assets under operating leases recognised as assets by the Group, are excluded from the calculation of this indicator. Impairment losses on such assets are also readjusted by the Group. (Impairment losses on other assets, e.g. financial instruments, are not adjusted in the calculation of the indicator.)

28. RISK MANAGEMENT

The Company's assets include cash, trade and other receivables and other assets, excluding taxes. The Company's liabilities include loans and borrowings, trade and other payables, excluding taxes and gains and losses arising from the revaluation of financial liabilities at fair value.

The Company is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This chapter describes the above risks of the Company, the Company's objectives, policies, process measurement and risk management, and the Company's management capital. Management has overall responsibility for the establishment, oversight and risk management of the Company.

The Company's risk management policy is designed to identify and investigate the risks faced by the Company, to set up appropriate controls and to monitor the risks. The risk management policy and system will be reviewed to reflect changing market conditions and the Company's activities.

Capital Markets

The Company's policy is to maintain a level of share capital sufficient to sustain investor and creditor confidence in its future development.

The Company's capital consists of the net debt and the Company's equity (the latter includes subscribed capital and provisions).

Credit risk

Credit risk is the risk that a debtor or counterparty will default on its contractual obligations, resulting in a financial loss to the Company. Financial assets that are exposed to credit risk may be long-term or short-term investments, cash and cash equivalents, accounts receivable and other receivables.

The carrying amount of financial assets represents the maximum exposure to risk. The table below shows the Company's maximum exposure to credit risk:

	30/6/2024	30/6/2023
Trade receivables	36,576	24,384
Loans granted	0	100
Other receivables	16,493	12,520
Cash and cash equivalents	5,631	6,382
Total	**58,700**	**43,386**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due, both in normal and stressed circumstances, without incurring unacceptable losses or risking the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and investment fund prices, will affect the Company's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable limits while optimising profits.

29. FINANCIAL INSTRUMENTS

Financial instruments include current assets, such as loans granted and cash and cash equivalents, and borrowings, loans and trade payables.

30 June 2024	Book value
Financial assets	
Assets carried at amortised cost	
Dividends receivable	201,462
Related trade receivables	36,576
Cash and cash equivalents	5,631
Financial liabilities	
Liabilities carried at amortised cost	
Trade and other payables	4,729
Amounts to be paid to related parties	

30 June 2023	Book value
Financial assets	
Assets carried at amortised cost	
Dividends receivable	274,462
Related trade receivables	24,384
Cash and cash equivalents	6,382
Financial liabilities	
Liabilities carried at amortised cost	
Trade and other payables	5,706
Amounts to be paid to related parties	

Financial assets are not impaired and no expected credit loss has been recognised in relation to them, as the Company expects a full recovery on both related receivables and cash.

The fair values of financial instruments measured at amortised cost approximate their carrying amounts in both years.

30. INFORMATION ON THE SEGMENT

The whole company represents one segment, so no separate segment information is published. Customer sales in excess of 10% are disclosed in Section 18.

31. REMUNERATION OF THE BOARD OF DIRECTORS

The members of the Board of Directors received remuneration from the Company amounting to HUF 2,544,000 in the year under review. The remuneration received from the other members of the Group is disclosed in the Remuneration Report and in the Consolidated Supplementary Notes.

32. CONTINGENT LIABILITIES

The Company has not recorded any contingent liabilities on 30 June 2024 or 30 June 2023.

33. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the Company's Balance Sheet date.

34. PROPOSAL FOR THE APPROPRIATION OF PROFIT AFTER TAX

The Board does not propose to pay dividends in 2024.

35. GOING CONCERN

In the context of the effects of the war in Ukraine, and after considering other market and liquidity risks, the Company has assessed and made estimates as to whether there is any material uncertainty as to its ability to continue as a going concern and concluded that it is appropriate to assume that it will continue as a going concern for the foreseeable future and that there is no material uncertainty.

36. IMPACT OF THE RUSSIAN-UKRAINIAN CONFLICT

The impact of the protracted conflict in Ukraine on the Group's energy business has been resolved in a reassuring way for the Group. The Group purchases electricity and gas under long-term contracts (electricity - evergreen, gas 3 years) with international traders, which ensures that UBM is protected against short-term price fluctuations by long-term price agreements.

37. IMPACT OF THE COVID PANDEMIC

The COVID pandemic of previous years has had no impact on the current financial year.

38. AUDIT AND ACCOUNTING SERVICES

The compliance, reliability and veracity of the accounts for the year under review have been audited by:

CMT Consulting Korlátolt Felelősségű Társaság

The Independent Auditor's Report is signed by Zsuzsanna Freiszberger, registered auditor, member of the Chamber of Hungarian Auditors, with registration number 007229. The audit fee for individual and consolidated financial statements for the year 2024 is HUF 3,630 thousand.

The person responsible for the management of the tasks falling within the scope of IFRS accounting services is Dávid Bagosi (registration number: 205339).

39. PERSONS AUTHORISED TO SIGN THE FINANCIAL STATEMENTS

Ákos Varga and Péter Horváth are jointly authorised to sign the accounts of the Company.

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR DISCLOSURE

The financial statements were discussed and approved for disclosure in this form by the Board of Directors of the Company at its meeting on 7 October 2024.

Pilisvörösvár, 7 October 2024.

Ákos Varga
Chair of the Board

Péter Horváth
member of the Board

UBM Holding Nyrt.

Separate Management (Business) Report

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1. PRESENTATION OF THE ACTIVITIES AND RESULTS OF THE PERIOD COVERED BY THE ANNUAL REPORT

UBM Holding Nyrt. operated at a loss in the period under review due to the fact that it did not realise dividend income this year, which would have offset the costs of the holding activity. The drop in turnover was due to the fact that no costs were passed on this year and service revenues also decreased. The company ended the year with an EBIT result comparable to the previous year, while dividend income expected next year is expected to cover the current losses.

UBM Holding Nyrt. and its affiliates have experienced a successful business year in 2023/24 despite the economic environment during the year. The implementation of the growth strategy announced in spring 2023 continues to progress, but it is important to highlight that the results for the closed business year are slightly below plan, both in terms of EBITDA and annual turnover.

The business year for our company spans the period between 1 July 2023 and 30 June 2024, corresponding to the seasonality of crop production, which fundamentally determines the Group's activities. Grains and sunflower are harvested and stored during the second half of the year, so the increase in stocks bought in and stored can be tracked seasonally and can be separated from the previous and the coming years.

The consolidated total annual turnover for UBM Holding Nyrt. in the closed business year was 198.7 billion HUF, which is 14.2% lower than in the previous business year. It is clear that this decline was due to the drop - in many cases a decrease of 50% - in grain and other raw material prices, which was reflected in both retail and manufacturing prices. Output volumes show a clear increase, as output of feed manufacturing increased by 4% to 454 thousand tons, trade of protein crops (soybean meal and soybean) increased by 21% to 240 thousand tons, while the trade of grains and oil seeds increased by 27% to 1,049 thousand tons. Total turnover from manufacturing and trade has thus increased by 19% to 1,742 thousand tons.

Two factors determining results and EBITDA must be highlighted: interest rates environment and the effect of credit rates on profitability. The average 1 month BUBOR rate during the 2022/23 business year was 15.15%. This rate decreased to 10.89% for the 2023/24 business year, with BUBOR rates at 15.85% at the start of the business year, dropping to 7.00% by June 2024. The main reason for this was the continuously decreasing inflation that allowed for a reduction of the benchmark interest rates. Inflation was reduced to a single digit by the end of the year 2023, which is considered a milestone in this process.

Therefore, it can be concluded that the declining interest rate environment provided a more favourable financing opportunity for the Group and its business partners, while the interest costs incurred were significantly lower, by around HUF 1.5 billion.

UBM Group has managed to incorporate the costs of financing into its prices by providing feed, grains, commodities and other services of outstanding quality to their partners during the closed business year.

Export sales have increased their share compared to the previous year, accounting for 54.3% of total sales revenues, reflecting the success of UBM's intent to expand internationally. The Group is committed to pursuing a strategic expansion, which hopefully will mean completed acquisitions in the target countries during the next business year.

The Group has opened its newest trade office, UBM Italy Srl. in Italy on July 10th 2023, which actively contributes to the increase in export sales from January 2024. Even though the company is still in the starting phase, we can conclude that the opening of Italian export relations as a business destination has great potential for further growth. Italy is historically a major destination for the export of Hungarian grains and we don't expect this to change.

2. GENERAL INTRODUCTION OF UBM HOLDING NYRT. AND INTRODUCTION OF OUR SITES

Introduction of our establishments

The following production sites belong to UBM Group:

Address	Activity
2851 Környe, Tópart utca 1.	**Feed mill, premix plant and Soypreme plant in Környe**
9622 Szeleste, Kossuth Lajos u. 24/B	**Feed mill in Szeleste**
4700 Mátészalka, Meggyesi út 0119/24	**Feed mill in Mátészalka**
044 14 Čaňa, Železničná 2., Slovakia	**Feed mill in Hernádcsány**
547550 SAT SANPAUL COM. SANPAUL, NR.6/A, Romania	**Feed mill in Kerelőszentpál**
6600 Szentes Bese László utca 5-7	**Feed mill in Szentes**
2073 Tök, 036/31	**Feed mill in Tök**

The trade activities of UBM Group are managed from the following offices

Address	Activity
2085 Pilisvörösvár, Kisvasút utca 1.	**Hungarian commercial centre and back-office**
014126 - Bucuresti, 1st district, 4th Tablitei street, Floor 1-2, Romania	**Romanian trade office and back-office**
4020 Linz, Bismarckstrasse 02, Austria	**Austrian trade office**
11070 NOVI BEOGRAD, Bulevar Mihaila Pupina 10I/223, Serbia	**Serbian trade office**
20135 Milano Viale Monte Nero N 66.	**Italian trade office**

3. MARKET ENVIRONMENT

The activities of the UBM Group and the market environment are shown in the following figure:

4. EMPLOYMENT POLICY, EQUAL OPPORTUNITIES AND CSR

Workforce structure:

The number of people employed by UBM Nyrt. is zero.

Group level data are presented in the Consolidated Management (Business) Report

5. ENVIRONMENTAL PROTECTION AND WASTE MANAGEMENT

Environmental protection

UBM Holding Nyrt. has no activities related to environmental protection. Environmental activities relevant at the Group level are presented in the consolidated management report.

6. RESEARCH AND DEVELOPMENT

UBM Holding Nyrt. has no activities related to research and development. Environmental activities relevant at the Group level are presented in the consolidated management report.

7. QUANTITATIVE AND QUALITATIVE MEASUREMENTS AND INDICATORS OF PERFORMANCE

The UBM Group's performance is measured mainly through financial indicators, of which EBITDA, net debt/EBITDA and Debt service coverage ratio (DSCR) can be highlighted, with only EBITDA meaningful in the case of UBM Holding Nyrt.

EBITDA: Profit before tax + Interest expenditure + Depreciation and amortisation

Calculation of EBITDA	
Depreciation	708
Interest expenditure	0
Profit before tax	(51,103)
Calculated EBITDA	**50,395**

8. INFORMATION ON SHARES

The share capital of the Company is HUF 118,518,500, consisting of 23,703,700 dematerialised ordinary registered shares with a nominal value of HUF 5 each, giving equal rights. The shares are freely transferable and the transfer of the issued shares is not restricted. There are no shares with special management rights and no voting rights are restricted.

The 9 private owners of UBM Holding Nyrt. and the MFB Vállalati Beruházási és Tranzakciós Magántőkealap (MFB Corporate Investment and Transaction Private Equity Fund) have agreed that the dominant owner of the UBM Holding as of 30 June 2022 will be maintained until the ownership of the Investor is held. The Private Owners undertake a "lock-up" commitment that their combined ownership in the Issuer will not fall below 75%.

Following an increase in the share capital, a change in the ownership of the Issuer is only possible with the prior approval of the Investor and the MFB Corporate Investment and Transaction Private Equity Fund may not unreasonably refuse to do so. An exception to this is if the combined ownership of the private equity holders does not fall below 75%.

The shares of the Company were listed on the Budapest Stock Exchange on 3 March 2017.

We are not aware of any shareholder agreement on management rights, and no agreement shall enter into force, be amended or terminated as a result of a change in the Company's management following a takeover bid.

There is no agreement between the Company and any executive officer or employee that provides for indemnification in the event of that officer's or employee's resignation or illegal termination, or the termination of employment as a result of a takeover bid.

9. OTHER PRESENTATION OBLIGATIONS PROVIDED FOR IN THE ACT ON ACCOUNTING

The UBM Group discloses information on financial instruments and risk management in the Consolidated Financial Statements.

We also disclose information about investors that have a significant direct or indirect interest in the equity of UBM Holding Nyrt.:

Owner	Ownership share (%)
Andor Ágoston Botos	13.47%
Ákos Varga	12.63%
Imre Varga	11.57%
Péter Horváth	8.74%
Gábor Varga	8.77%
László Bustyaházai	8.76%
András Uzsoki	3.38%
Mihály Fekete	3.84%
Szabolcs Szalontai	3.84%
UBM Agro Zrt.	3.92%
UBM Feed Zrt.	1.82%
UBM Trade Zrt.	1.00%
UBM Szeleste Zrt.	0.49%
MFB Vállalati Beruházási és Tranzakciós Magántőkealap	15.62%
Public domain	2.15%
Total	100.00%

Events after the Balance Sheet date:

- UBM Grain Zrt., a subsidiary of the Group of Companies, purchased a total number of 33.334 dematerialised ordinary shares issued by the Issuer with ID number HU0000207543 ISIN with a nominal value of HUF 5, under a share purchase agreement, in an OTC transaction executed on 29 July 2024. Following the above transaction, the total number of treasury shares held by the Issuer's subsidiaries: 1,745,422. Following the above transaction, the ratio of the total nominal value of the treasury shares held by the Issuer's subsidiaries to the share capital has increased to 7.36%.
- By exercising the right of option under an investment and syndicate contract executed on 20 June 2022, UBM Holding Nyrt. and Andor Ágoston Botos, László Bustyaházai, Mihály Fekete, Péter Horváth, Szabolcs Szalontai, András Uzsoki, Ákos Varga, Gábor Varga and Imre Varga as shareholders and MFB Vállalati Beruházási és Tranzakciós Magántőkealap (registered office: 1027 Budapest, Kapás utca 6-12.; registration number: 6122-91) as investor, a subsidiary of the Issuer, UBM Grain Zrt. (registered office: 2085 Pilisvörösvár, Kisvasút utca 1.), purchased a total number of 51,449 dematerialised ordinary shares issued by the Issuer with ID number HU0000207543 ISIN with a nominal value of HUF 5 each, in an OTC transaction executed on 30 August 2024. Following the transaction, the total number of treasury shares held by the Issuer's subsidiaries: 1,796,871. Following the above transaction, the ratio of the total nominal value of the treasury shares held by the Issuer's subsidiaries to the share capital: increased to 7.58%.

Decisions on issues related to shares and buybacks are at the discretion of the Board of Directors.

In UBM Holding Nyrt. there is no governance mechanism provided for by an employee share ownership scheme in which control rights are not directly exercised by employees.

The General Assembly also has the power to elect and recall members of the Board of Directors and to amend the Articles of Association.

Corporate governance rules are published in the responsible corporate governance code.

DECLARATIONS

The separate annual financial statements prepared in accordance with applicable accounting standards give a true and fair view of the liabilities, financial position and profit or loss of UBM Holding Nyrt. to the best of the Company's knowledge, and the Management Report gives a true and fair view of the development and performance of UBM Holding Nyrt., with a description of the principal risks and uncertainties.

The Issuer declares that the separate annual financial statements give a true and fair view of the development and performance of the Company, that its data and statements are accurate and do not omit any fact material to the assessment of the Issuer's position.

Pursuant to Section 57(1) of the Act on the Capital Market, the Issuer shall be liable for compensation for any damage caused by the non-disclosure or misleading content of regulated information.

I accept responsibility for this Annual Report for the year ended on 30 June 2024 and for the accuracy of the analyses and conclusions.

Pilisvörösvár, 7 October 2024.

Ákos Varga
Chair of the Board

Péter Horváth
member of the Board

UBM HOLDING Nyrt.
ANNUAL REPORT

30 June 2024

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