

INDEPENDENT LIMITED ASSURANCE REPORT

Report on MFB Hungarian Development Bank Consolidated Sustainability Financial Statements

To the founder of MFB Hungarian Development Bank Private Limited Company

We have performed a limited assurance engagement on the Consolidated Sustainability Report of MFB Magyar Fejlesztési Bank Zrt. (the Bank) and its subsidiaries (hereinafter referred to as the Group) as of the reporting date of 31 December 2024 and for the period from 1 January 2024 to 31 December 2024, which is included in the digital file¹ of the Group's Consolidated Business Report ("MFB_konszolidált_2024_üzleti_jelentes.xhtml"), as well as in the Group's Consolidated Management Report (549300KCFVCFTUJZYT59-2024-12-31-0-en.zip)² for the business year ending on the same date.

Identification of the criteria to be applied

The Consolidated Sustainability Report has been prepared by Group management in order to comply with the requirements of Section 134/I-K of Act C of 2000 on Accounting, implementing Article 29a of the European Union Directive 2013/34/EU (the "Accounting Act"), including:

- Compliance with the European Sustainability Reporting Standards ("ESRS"), including that the double materiality assessment processes used by the Group to identify the information presented in the Consolidated Sustainability Report (the "Process") are consistent with the description in ESRS 2 Part IRO-1, and
- Compliance of the disclosures in subsection 5.1 of the environmental section of the Consolidated Sustainability Report with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852 (the 'Taxonomy Regulation').

Limitations of the Consolidated Sustainability Report

Non-financial performance information contains a number of inherent limitations compared to financial information, given the characteristics of its subject matter, the methods used to determine, calculate, sample and estimate such information.

The lack of best practice on which to rely allows for the selection of certain different but acceptable measurement techniques, which may result in different measurements and affect comparability. The qualitative interpretation of relevance, materiality and data accuracy depends on individual assumptions and judgments. It is therefore important that the information is read in conjunction with the methodology used by management and described in the Consolidated Sustainability Report, for which management is responsible. In particular, where information relies on factors derived by independent third parties, our limited assurance service did not cover the analysis of these factors and other third-party information.

¹ Digital identification of the digital file referenced above with SHA 256 HASH algorithm: 841186489265a6540e6a080aec255c5912bbe546968bb37aa6da83ec1f0279a1

² Digital identification of the digital file referenced above with SHA 256 HASH algorithm: bbee301ed86e63fa1224bb521ba60bbb4ff389b848823dcfb42ecf8cb1acfb91

The Consolidated Sustainability Report also includes forward-looking, forward-looking information. When reporting forward-looking information in accordance with the ESRS, management is required to prepare the forward-looking information taking into account the forward-looking assumptions disclosed in the report and the Group's possible future actions. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Basis of the auditor's conclusion

The limited assurance engagement was executed in accordance with the Hungarian National Audit Standard for Assurance Engagements ("ISAE 3000 Revised") – "Assurance Engagements Other than Audits or Review of Historical Financial Information".

In the case of a limited assurance mandate, the procedures carried out vary in nature, timing and depth (scope) from the reasonable assurance engagement. As a result, the level of assurance obtained is significantly lower than it would have been if a reasonable assurance engagement had been carried out.

Our procedures are designed in such a way that the evidence obtained is sufficient to obtain a limited level of assurance and to support our conclusions. We believe that the evidence obtained is sufficient and appropriate to support our conclusion with limited assurance.

A more detailed description of our tasks under this standard is described in the chapter of our report entitled "The Auditor's Responsibilities in Relation to a Limited Assurance Engagement".

Our independence and quality management

We declare that we are independent of the Group in accordance with the relevant legislation in force in Hungary and the "International Code of Ethics for Auditors for Chamber Members of the Auditors' Profession (Consolidated with the International Standards of Independence)" issued by the Board of International Standards of Auditors in respect of matters not resolved therein, as well as the issues not resolved therein. (IESBA Code) and we comply with the other ethical standards contained in the same standards.

Our firm applies the requirements of the Hungarian National Quality Management Standard (ISQM 1) – "Quality Management for Firms that Perform Audits or Review of Financial Statements or Other Assurance or Related Service Engagement" and accordingly maintains a comprehensive quality management system, including compliance with ethical requirements, professional standards and relevant legal and regulatory requirements. policies and procedures for compliance.

Responsibility of management and those charged with governance for the Consolidated Sustainability Report

The Group management is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Report in accordance with the ESRSs and for disclosing this Process as part of the General information in ESRS 2 IRO-1.

This responsibility includes:

- Understanding the contexts that define the Group's activities and business relationships and the definition of stakeholders;
- Identifying actual and potential impacts (whether negative or positive) on sustainability issues, as well as risks and opportunities that affect or could reasonably be expected to affect the

Group's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term;

- Assessing the materiality of the identified impacts, risks and opportunities related to sustainability issues by selecting and applying appropriate thresholds, and
- Making assumptions that are reasonable in the given circumstances.

The Group's management is also responsible for the preparation of the Consolidated Sustainability Report in accordance with the provisions of Section 134/I-K of the Accounting Act, which provides for the transposition of Article 29a of Directive 2013/34/EU, including:

- Compliance with the ESRS, for the fair presentation of sustainability information in accordance with the relevant criteria set out in the applicable sustainability reporting framework, i.e. the ESRS;
- Preparing the disclosures in subsection 5.1 of the environmental section of the Consolidated Sustainability Report, in accordance with Article 8 of the Taxonomy Regulation (EU) 2020/852;
- Designing, implementing and maintaining internal controls relevant to the preparation of the Consolidated Sustainability Report to ensure that it is possible to report free from material misstatements, whether due to fraud or error, and
- For selecting and applying appropriate sustainability reporting methodologies and for making reasonable assumptions and estimates under the circumstances.

Auditor's Responsibilities for a Limited Assurance Engagement

Our responsibility is to plan and perform the limited assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Consolidated Sustainability Report as a whole.

We conduct the engagement in accordance with the Hungarian National Standard on Assurance Engagements, ISAE 3000 (Revised), "Engagements other than Audits or Reviews of Historical Financial Information," and we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities for the Consolidated Sustainability Report include the following for the Process:

- Understanding the process undertaken by the Group to identify information to be included in the (group) sustainability report, but not for the purpose of drawing a conclusion on the effectiveness of the Process, including the outcome of the Process,
- Considering whether the identified information complies with the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to assess whether the Process is consistent with the description disclosed in the Consolidated Sustainability Report double materiality assessment ESRS 2 IRO-1.

Our other tasks related to the Consolidated Sustainability Report include:

- Obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report, but not for the purpose of drawing conclusions about the design, implementation or effectiveness of individual controls,

- Identifying where material misstatements, whether due to fraud or error, may arise, and
- Designing and performing procedures to respond to disclosures in the Consolidated Sustainability Report that are likely to be materially misstated. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, false statements or the override of controls. In addition, the risk of not detecting material misstatements in value chain information from sources outside the entity's control (value chain information) is generally higher than the risk of not detecting material misstatements in value chain information from sources within the entity's control, as both the entity's management and we, as auditors, are generally subject to limitations on direct access to the sources of value chain information.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence related to sustainability information. The procedures we perform are based on our professional judgment and include interviews, observation of processes performed, inspection of documents, evaluation of the adequacy of quantification methods and established reporting policies, analytical procedures, and reconciliations with underlying records.

The nature, timing, and extent of the procedures selected depend on professional judgment, including identifying disclosures that are likely to be materially misstated in the Consolidated Sustainability Report, whether due to fraud or error.

In performing our limited assurance engagement, we performed the following procedures for the Process:

Obtained an understanding of the Process by:

- We conducted interviews with key employees and managers of the Group (ESG Board, Finance Division (PTKI) accounting, data reporting areas, Business Areas, e.g. Product Management, HR, EU Affairs departments, Group Management Area, Strategic Risk Management Area, Controlling, BI Area, Compliance, Operations organizational units), and external consultants of the Group to understand the process of collecting, organizing and producing sustainability information, which enabled the Group to identify and assess impacts, risks and opportunities related to sustainability issues in accordance with the ESRS,
- We compared the methodology for the Process with the ESRS implementation guide on double materiality,
- We reviewed the Group's internal documentation for the Process,
- We understood the Process, including exactly which activities, entities, local geographical exposure and the to what extent the Group has carried out the double materiality assessment in terms of its value chain, how it has identified the impacts, risks and opportunities arising from sustainability issues, what criteria system it has used to weight the impacts, risks and opportunities during the impact and financial materiality assessment process, how it has involved stakeholders in the process, how it has decided which sustainability issues will be included in the report during the method of determining the criteria for materiality decisions, and we have also examined the double materiality analysis compiled by the Group,
- We have assessed whether the evidence obtained during our procedures is consistent with the description of the Group's Process in the Process section (ESRS 1.3. and ESRS 2 IRO-1 subsection).

In performing our limited assurance engagement with respect to the Consolidated Sustainability Report, we performed the following:

- We understood the reporting processes relevant to the preparation of the Consolidated Sustainability Report, including the consolidation processes, by understanding the control environment, processes and information systems of the Group relevant to the preparation of the Consolidated Sustainability Report, but we did not evaluate the design of individual control activities, obtain evidence of their implementation or test their operating effectiveness,
- We assessed whether the material information identified by the Process is included in the Consolidated Sustainability Report,
- We assessed whether the structure and presentation of the Consolidated Sustainability Report is in accordance with the ESRS,
- We conducted interviews with relevant persons and performed analytical procedures in relation to selected disclosures in the Consolidated Sustainability Report,
- We performed substantive audit procedures on a sample basis on selected disclosures in the Consolidated Sustainability Report disclosures,
- Where necessary, we compared the disclosures in the Consolidated Sustainability Report with the corresponding disclosures in the financial statements and the business and management report,
- We examined the documents and reports supporting the material measurements,
- We assessed the methods, assumptions and data used to develop the material estimates and forward-looking information, and
- We understood the process used by the Group to identify its economic activities that are eligible for taxonomy and those that are aligned with the taxonomy,
- We understood the Group's process for determining those that are taxonomically eligible ("supporting activities") and those that are aligned with the taxonomy ("transition supporting economic activities"), and
- We assessed whether the disclosures comply with the requirements of the taxonomic reference framework, including the format in which these activities are presented,
- We verified, through sampling, that the companies included by the Group in the calculation of the GAR KPIs have been appropriately categorized in the NFRD for companies subject to and not subject to NFRD,
- We were satisfied through interviews and sampling that the Group had fully and appropriately calculated the GAR KPIs and that the related qualitative and quantitative information had been appropriately presented in its sustainability report.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report for the financial year ending 31 December 2024 has not been prepared, in all material respects, in accordance with the provisions of Section 134/I-K of Act C of 2000 on Accounting, which transposes Article 29a of Directive 2013/34/EU of the European Parliament and of the Council (hereinafter referred to as the Accounting Act), including the following:

- Compliance with the European Sustainability Reporting Standards (ESRS), including whether the Group's double materiality assessment process (the "Process") to identify the information to be included in the Consolidated Sustainability Report is in line with the description in Part 2 IRO-1 of ESRS 2; and
- Compliance of the disclosures in subsection 5.1 of the environmental section of the Consolidated Sustainability Report with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation").

Other matters

Section 134/L of the Accounting Act requires us to provide a limited assurance conclusion on the compliance with the requirement to mark-up the disclosures included in the Consolidated Sustainability Report prepared in the electronic reporting format (XHTML) set out in the Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) in accordance with the relevant ESEF taxonomy, including the disclosures required by Article 8 of Regulation (EU) 2020/852. Given that the ESEF taxonomy for sustainability reports has not yet been adopted, the Group - as presented in Section 1 of the Consolidated Sustainability Report - was not able to mark the disclosures and therefore we cannot draw a conclusion in this regard.

Our conclusion is not modified in this regard.

In accordance with the Accounting Act, the Consolidated Sustainability Report prepared for the reporting date of 31 December 2024 does not contain data from previous periods.

Budapest, 8 April 2025.

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