

WING

Green bond Allocation and Impact report

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Table of Content

• Management statement	03
• Sustainability at WING	04-06
• Green bond in a nutshell	07-08
• Green Finance Framework	09-12
• Overview of eligible green projects	13-16
• Allocation report	17-19
• Impact report	20-21

Management statement



„We are committed to environmental sustainability, therefore we are keen on increasing our contribution to climate change mitigation and adaptation through our developments.“

Noah Steinberg
Chairman of the Management Board

- WINGHOLDING (WING) Plc. successfully issued green bonds in a volume of HUF 24.5 billion in the end of Sept 2021.
- As a part of the Green Finance Framework WING has set up the Green Finance Committee (GFC) to oversee and control the allocation of green funding.
- The Green Finance Committee has approved 2 eligible green projects, with an allocation of around HUF 13.1 billion in the first year.
- Green investments have been improving: both the Liberty Project and the East Gate PRO II. project will deliver BB energy rating.
- WING manages green developments with top priority and strives to reach the predetermined targets. This is further supported by the fact, that the company provided ESG training for two employees, both of whom have since completed it.

Sustainability at WING

WING takes great steps towards sustainability

Green Finance

- In September 2021 WING issued green bonds in a volume of HUF 24.5 billion to finance green and sustainable projects
- An agreement has been concluded with Zöldterv Kft. in order to monitor the delivery of the energy targets, efficiency gains and consumption reductions determined in the Green Bond Framework and the achievement of the target KPIs
- WING set up a Green Finance Committee to oversee and control potential and ongoing projects considered as eligible green
- During the past 12 months the Green Finance Committee met five times instead of the minimum four to review the utilization of the green funding

ESG

- WING is working on the transition to ESG-based operation
- In 2022 Wing held management workshops on the topics of sustainability and ESG reporting
- WING's sustainability report is under preparation with the professional support of Deloitte

Green finance for energy efficient property developments

Goals of Green Finance Framework to prioritize green investments



Supports the carbon transition through the issuance of green finance instruments



Enables financing opportunities for green projects through its green finance framework



Preparations for ESG reporting are underway to strengthen investor confidence

Green bond in a nutshell

Main features of the issued green bonds

**Auction date:
20th Sept 2021**

**Volume of issued capital
HUF 24.5 billion**

ISIN: HU0000360805





**Scheduled maturity at
2031**

**Coupon rate fixed 3%,
payment due annually**





**100% of green proceeds to
finance projects in part or
full**

Green Finance Framework

Use of Proceeds

Eligible category	Eligible projects	Contribution to the SDGs	Eligibility Project Portfolio
Green Buildings	Investments for new projects		<ul style="list-style-type: none"> Design and construction of buildings which meet recognized standards: <ul style="list-style-type: none"> BREEAM (Very good or above) or LEED (Gold or above) and Hungarian EPC rating of at least BB
Energy efficiency	Investments for refurbishment projects		<ul style="list-style-type: none"> Refurbishment of existing buildings Design and installation of building management systems based on renewable energy sources
Clean transportation	Investments for the development of e-mobility		<ul style="list-style-type: none"> Design and construction of electric vehicle charging stations related to real estate development E-carsharing availability and support for real estate projects
Biodiversity	Investments for new or refurbishment projects		<ul style="list-style-type: none"> Natural landscape restoration through the establishment of green roofs, green facades and roof gardens

About the indicators

	Eligible projects	Impact indicators and criteria
	Investments for new projects	<p>Number of buildings compared to the total real estate portfolio, which have meet at least one of the following standards:</p> <ul style="list-style-type: none"> • BREEAM (Very good or above) • LEED (Gold or above) • Hungarian EPC rating of at least BB
	Investments for retrofitting projects	<p>On an annual basis</p> <ul style="list-style-type: none"> • CO2 emissions reduced/avoided in tCO2 • Energy saving in kWh/m2 • Water saving/reused in m3/m2 • Amount of waste minimized, reused, or recycled in tons
	Investments for the development of e-mobility	<p>On an annual basis</p> <ul style="list-style-type: none"> • CO2 emissions reduced/avoided in tCO2 • Number of EV charging stations • Geographical coverage of the EV charging stations in km2
	Investments for new or retrofitting projects	<p>On an annual basis</p> <ul style="list-style-type: none"> • developed natural surface in m2

The Green Finance Committee has approved 2 projects

The Green Finance Committee had a meeting in 30 Sept 2021. The Committee decided to provide green funding as loans to certain subsidiaries of the holding company to finance in part or whole the following two eligible green projects. The decision was in line with the criteria as defined in WING's Green Finance Framework and was based on the external energy expert's opinion.



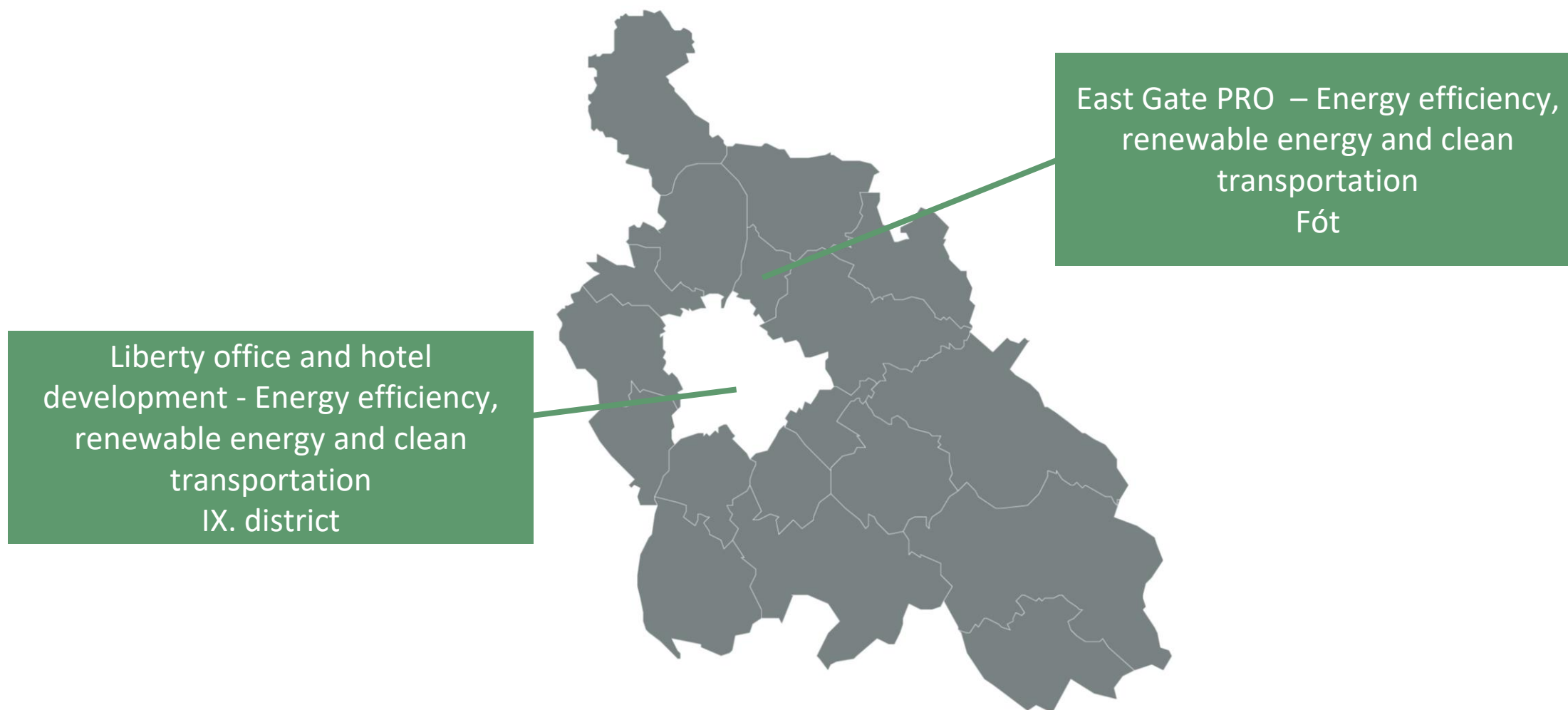
Liberty office and hotel development project – the extent of resources used up to the date of the report: HUF 9.2 billion



East Gate PRO logistics park development project – the extent of resources used up to the date of the report: HUF 3.85 billion

Overview of eligible green projects

Overview of eligible green projects in Budapest area



Liberty hotel and office - Overview



Project Name: Liberty Project

UN SDG Goal – 7; 12

Current status - Under construction, further green developments to be realized.

- Phase I of the Liberty will include a 332-room Ibis-Tribe dual-branded hotel on floors 5-8 of the South wing, while the other parts of the building will function as office – **current EPC level BB**
- Total planned project cost of the property development is HUF 48 billion, part of which was covered by WING's green bonds.
- The environmentally conscious and high quality building will provide nearly 30,000 m² of office space.
- Received BREEAM Excellent certification for the plan

Well-being services:

- Electric car chargers
- Bicycle storage, changing rooms and showers
- Bicycle and scooter rental
- Rooftop running track, sports fields, relaxation gardens
- Internal garden of 1,000 m² with outdoor work stations

KPIs:

The project is still under development, so the KPIs are not yet available.

East Gate PRO II. - Overview



Project Name: East Gate PRO II.

UN SDG Goal – 7; 12

Current status - The first of the three-phase development was launched in June 2021, and received usage permit in August 2022.

- East Gate PRO is logistics park development project in Fót, near East Gate Business Park – **EPC level BB**
- The total project budget amounts to HUF 27.5 billion, part of which was covered by WING's green bonds.
- The continuous development of the logistics industry has created a need for the expansion of logistics parks
- The East Gate PRO will offer a total of 60.000 m² of rental space in 6 buildings.
- Buildings A1-A2 and B1-B2 will offer different sizes of rental space according to individual needs and will also provide the possibility for future expansion.
- BREEAM certification is planned

Well-being services:

- Electric car charging stations
- LED and natural lighting
- Bicycle storage, electric car chargers

KPIs:





The project is still under development, so the KPIs are not yet available.

Allocation report

Allocation of green funding

Key information	Amount in HUF
Green bond proceeds – September 2021	24 503 000 000
- Interest paid	0
Net balance of green proceeds	24 503 000 000
Total amount of investments in the Eligible Project Portfolio	13 082 825 466
Number of new and existing investments – geo dist.	2
Liberty Hotel and Office – Budapest IX. district; multiple-use property development	9 230 763 466
East Gate Pro phase II. – Vác, Pest county; logistic center	3 852 062 000
The balance of unallocated proceeds	11 420 174 534

Allocation of the green funding by Eligible Project Categories

Key information		Amount in HUF
Total amount of investments in the Eligible Project Portfolio		13 082 825 466
Distribution between Eligible Project Categories		4
	Green building	100%
	Energy efficiency	0%
	Clean transportation	0%
	Biodiversity	0%

Impact report

Green investment impacts

Eligible category	KPIs	Status
Green buildings	<p>Number of buildings compared to the total real estate portfolio, which have meet at least one of the following standards:</p> <ul style="list-style-type: none"> BREEAM (Very good or above) LEED (Gold or above) Hungarian EPC rating of at least BB 	<ul style="list-style-type: none"> Liberty achieved BB, got BREEAM Excellent certification for design East Gate PRO II achieved BB, BREEAM certification is planned
Energy efficiency	<p>On an annual basis</p> <ul style="list-style-type: none"> CO2 emissions reduced/avoided in tCO2 Energy saving in kWh/m2 Water saving/reused in m3/m2 Amount of waste minimized, reused, or recycled in tons 	Funds have not yet been allocated to this project category.
Clean transportation	<p>On an annual basis</p> <ul style="list-style-type: none"> CO2 emissions reduced/avoided in tCO2 Number of EV charging stations Geographical coverage of the EV charging stations in km2 	Funds have not yet been allocated to this project category.
Biodiversity	<p>On an annual basis</p> <ul style="list-style-type: none"> developed natural surface in m2 	Funds have not yet been allocated to this project category.

Disclaimer

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WING Plc. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation.

The information contained in this Green Bond Allocation and Impact report does not purport to be comprehensive.

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