

Business and Management Report
related to the separated annual (IFRS) statement of
AKKO Invest Plc. for 2020.

Date: Budapest, 15 April 2021

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1. Presentation of the scope of activities

The legal predecessor of the issuer was registered by the Company Court on 7 August 2006 under the name of Plotinus Vagyonkezelő Kft. (as a limited liability company). Plotinus Zrt. (a private limited company) was established by means of transformation, by changing the legal form of the Company on 3 July 2008 and on 10 November 2010, it was transformed into a public limited company. Subsequently, on 15 February 2011, the ordinary shares of PLOTINUS acting as an Issuer were admitted to trading on the Budapest Stock Exchange, and on 08 April 2011 to the Stuttgart Stock Exchange (Börse Stuttgart).

Having regard to the pandemic and to the compliance with the relevant provisions, 2020 was an ambivalent year for the Company, the management of business processes in the first half of the year imposed more tasks to the employees and to the executive bodies of the Company. The objectives of the long-term strategy of the Company, i.e. acquisitions and real investments took place mostly in the second half of the year. In 2020, the Company did not avail itself of the capital increase option and the relevant mandate given by the General Meeting expired on 28 October 2020, which was re-included in the agenda of the Government Board meeting held within the competence of the Extraordinary General Meeting of 1 February 2021, and with its Resolution no. 5/2021. (of 1 February), it was approved up to the amount corresponding to maximum ten times the share capital recorded in the company register on the day of the Extraordinary General Meeting of the Company, held on 1 February 2021. The acquisition of the Company initiated in the second semester, i.e. the purchase of the 100% business shares of NEO Property Services Zrt. and Elitur Invest Zrt. was concluded outside the reporting period, at the end of February 2021.

The Company achieved its objective which allowed that its shares traded at the Budapest Stock Exchange were reclassified from the Standard category to the Premium category on 2 November 2020.

The Company acquired 26% of the remaining business shares of 4 Stripe Zrt. and of A PLUS Invest Zrt. and the 74% business shares of Aquaphor Zrt., therefore it has a 100% ownership interest in those companies.

In the second semester of 2020, the Company profitably sold the 74% business share of ALQ 69 Zrt. and in the last quarter of 2020, the property located in Ribáry utca in the 2nd district of Budapest was also sold.

In the first semester of 2020, the property located in Kárpát utca in the 13th district of Budapest was purchased, which is rented in 100% under a long-term lease agreement, thereby ensuring its profitability and return for the Company.

Its current subsidiaries and business shares on 31 December 2020 are summarised in the following table:

Name of the Company	Equity stake
VÁR-Logisztika Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-046822)	100 %
MOON Facility Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049534)	100 %
ALQ SAS (registered office: France, Antibes 06600, 18 Avenue Louis Gallet; registration number: 841 053 077 R.C.S. Antibes, tax number: FR93841053077)	100 %
4 Stripe Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10- 049777)	100%
A PLUS Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10- 049740)	100%
Aquaphor Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10- 140122)	100%

The Company prepared both its separate and consolidated IFRS Statements in which it included the following companies as subsidiaries in 2020:

- Vár-Logisztika Zrt.
- Moon Facility Zrt.
- ALQ SAS
- 4 Stripe Zrt.
- A PLUS Invest Zrt.
- Aquaphor Zrt.

The separate and consolidated IFRS Statements may also be consulted on the website of the Budapest Stock Exchange (www.bet.hu), via the disclosure system operated by the National Bank of Hungary (www.kozzetetelek.mnb.hu) and on the website of Akko Invest Plc. (www.akkoinvest.hu).

2. Size and composition of the share capital

Composition of the share capital of the Company on **31 December 2020**:

Share series	Par value (HUF/piece)	Issued pieces	Total par value
Ordinary shares	25	33,355,200	833,880,000
Share capital size	25	33,355,200	833,880,000

The ordinary shares of the Company constitute voting rights the extent of which depends on the par value of the shares. Accordingly, each ordinary share with a par value of HUF 25 gives an entitlement to 1 vote.

The share capital of the Company did not change during the year.

The Company possesses 190,000 treasury shares.

Share capital increase, decrease

The decision on increasing the share capital is made by the General Meeting based on the proposal of the Governing Board. The decision of the General Meeting is not necessary when the increasing of the share capital takes place within the competence of the Governing Board based on the authorisation of the General Meeting laid down in its decision.

The share capital may be reduced based on the decision of the General Meeting. The mandate given by the General Meeting for the share capital increase expired on 28 October 2020.

Pursuant to Resolution no. 5/2021. (of 1 February) taken by the Governing Board held within the competence of the Extraordinary General Meeting convened on 1 February 2021 following the closed business year 2020, the Governing Board received a new mandate for the share capital increase. The highest amount to which the Governing Board may increase the share capital of the Company: the amount corresponding to maximum ten times the share capital

(HUF 833,880,000) recorded in the company register on the day of the Extraordinary General Meeting of the Company, held on 1 February 2021.

Period during which the share capital can be increased: 2 (two) years from the date on which the decision on share capital increase was taken.

3. Changes in the structure of the Group

In the first semester of 2020, Akko Invest Plc. acquired an ownership interest in the following subsidiaries:

Name of the Company	Date of purchase	Equity stake (%) purchased
Aquaphor Zrt.	09/01/2020	74%
4 Stripe Zrt.	10/01/2020	26%
A PLUS Invest Zrt.	13/01/2020	26%

In the second semester of 2020, AKKO Invest Plc. announced that it had profitably sold business shares and properties. On 1 July 2020, the Company profitably sold the 74% business shares of ALQ69 Zrt. and on 19 December 2020, its property located in Ribáry utca in the 2nd district of Budapest.

On 7 September 2020, it provided information on its ongoing acquisition, i.e. the purchase of the business shares of NEO Property Services Zrt. and of its parent company, Elitur Invest Zrt.

4. Income realised in the period of the annual financial statements

4.1. Separate comprehensive income statement

Separate comprehensive income statement for the period of 365 days that ended on 31 December
2020

COMPREHENSIVE INCOME STATEMENT	Explanatory notes	01/01/2020– 31/12/2020	01/01/2019– 31/12/2019
Revenue	(1)	74 300	-
Direct expenditures	(2)	(81 064)	(8 022)
Gross profit or loss		(15 548)	(8 022)
Administrative and sales expenditures	(3)	(36 107)	(54 476)
Other expenditures, net	(4)	(54)	(219)
Financial expenditures, net	(5)	131 407	(19 907)
Impairment of investments in subsidiaries	(9)	-	(382 158)
Gain or loss on disposal of subsidiary	(6)	30 000	-
Profit or loss before tax		118,482	(464,782)
Income tax expenditure	(7)	(3 414)	(298 509)
Net profit and loss		115 068	(763 291)
Other comprehensive income (after income tax)		-	-
Total comprehensive income		115 068	(763 291)

4.2. Separate Balance Sheet

Separate Balance Sheet for 31 December 2020

	Explanatory notes	31/12/2020 0 (THUF)	31/12/2019 (THUF)
ASSETS			
Non-current assets		2,633,567	3,029,233
Investment properties	(7)	95,173	64,813
Plant, fixtures and equipment	(8)	142	-
Long-term investments in subsidiaries	(9)	2,538,252	2,964,420
Current assets		3,515,015	3,082,519
Other receivables and prepayments and accrued income	(10)	19,688	680,852
Receivables from subsidiaries	(11)	1,821,786	2,398,891
Receivables from other affiliated companies	(12)	1,664,108	-
Cash and cash equivalents	(13)	9,433	2,776
Total assets		6,148,582	6,111,752
EQUITY AND LIABILITIES			
Equity		5,866,857	5,822,088
Subscribed capital (the nominal value of the shares is HUF 25/piece)	(14)	833,880	833,880
Share premium	(15)	5,479,954	5,479,954
Retained earnings	(16)	(376,677)	(491,746)
Repurchased treasury shares	(17)	(70,300)	-
Long-term liabilities		275,311	141,563
Deferred tax liabilities and subsequently payable taxes	(18)	275,311	141,563
Short-term liabilities		6,414	148,101
Other short-term liabilities and accruals	(19)	3,812	2,002
Income tax liabilities	(20)	2,602	146,099
Equity and liabilities		6,148,582	6,111,752

5. Accounting policy and its changes

The Company Group does not apply a different accounting policy or calculation method in its interim separated statements compared to the last annual separated financial statements.

Having regard to the fact that the Company Group possessed investment properties at consolidated level already in the first semester of 2019, the following was decided:

After the initial recognition, the Company Group applies the cost model for the valuation of investment properties typically purchased for the purpose of realising profit on the rental or increase in value of the property, without utilising it or bearing the business risk of it.

In case of opting for the cost model, assets must be valued on the basis of the cost model in accordance with IAS 16.

These properties (typically office buildings, warehouses and factory buildings) are not used for own purposes in the longer run. Some of these properties have been used by way of rental or will be used/sold after the completion of ongoing investments, which will provide sufficient yield for the shareholders.

6. Performance figures of the previous year

In its report, AKKO Invest Plc. presents its processes that took place in 2020. The Company has prepared its separate financial statement for 2020 in accordance with the International Financial Reporting Standards (IFRS).

The most relevant figures for the Company include the evolution of equity and profit before tax, which are the most reliable performance measurement indicators. They were as follows:

Summary figures in Hungarian Forint (IFRS separate statement, HUF)	31/12/2020	31/12/2019	31/12/2018
Equity*	5,866,857,000	5,822,088,000	30,475,000
Profit or loss before tax	118,442,000	-464,782,000	522,978,000

Sales revenues comprises the following items:

Designation	For the financial year ending on 31 December 2020	For the financial year ending on 31 December 2019
Revenue from property lease	4 000	-
Revenue from property sales	70 300	-
Total	74 300	-

In 2020, the net sales revenue was HUF 74,300,000 as compared to HUF 0 recorded on 31 December 2019. This is due to the fact that the rental of the property located in Kárpát utca, directly owned by the Company yielded revenue, and the sale of the property on Ribáry utca.

The line “administrative expenditures” contains expenditures incurred in relation to the governance and administrative activities of the Company.

Designation	For the financial year ending on 31 December 2020 (THUF)	For the financial year ending on 31 December 2019 (THUF)
Material costs	(551)	-
Transportation costs and loading charges	(34)	-
Consultancy	-	(3,077)
Fee for bookkeeping services	(9,850)	(5,305)
Fee for financial services	(6,817)	(8,442)
Lawyer and legal fees	(6,254)	(19,132)
Official fees and levies	(12)	(1,110)
Communication costs	-	(731)
IT services	(1,087)	(253)
Education and continuing training costs	-	(165)
Miscellaneous expenses	(3,937)	(182)
Rental fees	(7,564)	(16,078)
Total	(36,107)	(54,476)

The trends in administrative costs reveal that whereas the Company spent a considerable amount mainly on legal costs in 2019, this cost line decreased almost three-fold by 2020.

Material costs and transport fees comprise the acquisition costs of daily administrative supplies, postal costs and the costs of courier services related to administrative procedures.

The increase in the fees of bookkeeping services is due to the fact that AKKO Invest Plc., as a parent company, directly pays the bookkeeping fees of its subsidiaries, as well as the IFRS accounting and bookkeeping fees related to the annual and half-yearly statements.

The amount indicated in the case of IT services comprises the IT costs of the Company and the fees of the development of the new website of the Company.

The considerable increase indicated in cost line “Other” is due to the acquisition costs of the Company’s own representative materials (promotional materials), on the one hand, and to the fees of business card orders and colour printing, on the other hand.

It can be seen that in 2020 the expenditure on rental fees more than halved because of the pandemic-related 3-month discount offered for rental fees of the office space rented by the Company and because of the change in the size of the office space.

7. Business environment and results of the year (summary)

The Company closed 2020 in accordance with the expectations. In the first semester of 2020, AKKO Invest Plc. further increased its equity stake in the business shares of the purchased subsidiaries, thereby extending its equity stake to 100% in those companies (Aquaphor Zrt., A PLUS Invest Zrt., 4 Stripe Zrt.). Because of the established pandemic, the Company could take meaningful steps in the area of acquisition mainly in the second semester of 2020. No share capital increase took place and the mandate previously given by the General Meeting expired on 28 October 2020. On 7 September 2020, the Company announced that it intended to purchase the 100% business shares held by NEO Property Services Zrt., which it intended to realise from its own contribution, on the one hand, and through bank debt financing, on the other hand. The closure phase of the project was extended to business year 2021 which was closed on 26 February 2021 with the payment of the Company’s own contribution and by drawing down the bank loan.

In the first semester of 2020, the Company purchased a property lying at Kárpát utca 50 in the 13th district of Budapest, used as an office building and rented under a long-term lease agreement, thereby ensuring profitability.

In the second semester of 2020, the 74% business share of ALQ69 Zrt. and the property located in Ribáry utca in the 2nd district of Budapest were profitably sold.

Because of the established pandemic situation, with regard to two subsidiaries (Vár-Logisztika Zrt., 4 Stripe Zrt.) it has had and still has a loan repayment moratorium which is an option provided by the extraordinary measures of the Government of Hungary until 30 June 2021 for companies contracting loans.

Having regard to the extraordinary measures taken in response to the coronavirus (Covid-19) pandemic, in particular the provisions of Section 4 of Government Decree 46/2020 (of 16 March), the Company adopted its separate and consolidated IFRS statements for 2019 via decisions and resolutions taken within the powers of the Governing Board.

In 2020, the presence at the stock exchange was important for the Governing Board, thus it strived to create value with the Company's long term presence at the stock exchange and therefore on 2 November 2020, it was reclassified from the Standard category to the Premium category based on the criteria formulated by the BSE.

Derivatives, securities:

In 2020, the Company did not enter into securities transactions and it is not planning to carry out such transactions in the future, either.

Longer term capital market investments:

The Company does not have such investments.

Real economy:

The main strand and strategy for the Company concern the realisation of investments in the real economy. In the first semester of 2020, it continued the already started business share acquisitions by purchasing further ownership interests, thereby ensuring that it could increase its ownership interest to 100% in the previously purchased companies.

In the second semester of the year, the Company announced the purchase of the business shares of NEO Property Services Zrt. and the conditionalities necessary for its completion (contracting bank loans and purchase of business shares, subject to the approval of the General Meeting). Simultaneously, the Company started to comply with the conditions necessary for the acquisition and the bank loan contracting, as well as to prepare the documents necessary for its conclusion, i.e. the drawback of bank loans and other documentation and to submit them to the bank. The acquisition was concluded after the balance sheet date, in February 2021.

The current property portfolio of the Company

- In Szolnok, Nagykanizsa and Budaörs: the Company manages industrial properties,
- in Zamárdi: a holiday centre to be renovated,
- in Budapest: a villa building to be renovated,
- as well as an office space located in a residential property in the 13th district of Budapest.

Industrial properties are mostly commercial and logistic facilities.

The property portfolio includes a hotel project in France (Cyrano Hotel – Juan-Les-Pins, Antibes), managed through the subsidiary of ALQ SAS.

Vár-Logisztika Zrt.

The property comprising a nearly 600 square metres factory hall and a building of several hundreds square metres is currently rented by a freight forwarding company under a lease agreement of 5 + 5 years.

One of the main merits of the property is its good location: the area is close both to the town gate and to the motorway exit, it is situated in a less industrialised section of Nagykanizsa, it can be accessed and traversed by commercial vehicles as well.

Surface area of the land plot: 8,223 m²

Buildings: 2,064 m²



The further development and use of the property allow for a higher yield than the current one, which provides a higher return.

MOON Facility Zrt.

The property is located in the industrial sector of Szolnok, in the South Western part of the town. The property is suitable for being used for multiple purposes because of its location and design.

Currently, the property is rented by several tenants and the Company intends to use it by further rental and development.

The property also comprises industrial railway sidings connected to the countrywide network.



Surface area of the land plot: 48,627 m²

Superstructures: 3,330 m²

ALQ SAS

The hotel is located in France, in the town of Antibes, 50 m from the sandy beach of Juan-Les-Pins. Juan-Les-Pins is one of the most popular towns in the surroundings.

The 3-star hotel needs to be renovated so as to provide an appropriate yield to the Company in its capacity as an Issuer and to its shareholders. The 5-storey property with 36 rooms has a total surface area of 1,200 m², for which two external parking lots were purchased as well.



4 Stripe Zrt.



Surface area of the land plot: 3,932 m²

Superstructures: 3,904 m²

The property is currently rented by seven tenants. The occupancy rate is 90%. The Company seeks to reach an occupancy rate of 100%.

A PLUS Invest Zrt.



Surface area of the land plot: 2,269 m²

Superstructures: 438.17 m²

The property will be used after its improvement.

Aquaphor Zrt.



Surface area of the land plot: 2,152 m²

Superstructures: 876 m²

The resort will be utilized after the renovation, and the possibility of sale has arisen if the Company receives a suitable offer for the sale of the property.

Disclosures made by AKKO Invest Plc. in 2020

Disclosures made by AKKO Invest Plc. in 2020		
January	9	Extraordinary information on the exchange of business shares
	10	Extraordinary information on the exchange of business shares
	13	Extraordinary information on the exchange of business shares
	21	Invitation to the General Meeting - 20/02/2020
	31	Voting rights and share capital size
	31	Proposals submitted to the General Meeting
February	18	Extraordinary information on equity stake changes
	18	Information on passing below the 20% and 15% thresholds - AGY69 AG
	19	Extraordinary information on equity stake changes
		Information on reaching the 5% and 10% thresholds - Dayton-Invest Kft.
	20	Extraordinary information
	20	Resolutions of the General Meeting
Press release on the Extraordinary General Meeting		

	24	Extraordinary information on equity stake changes
	24	Information on passing below the 5% threshold
	28	Voting rights and share capital size
March	9	Extraordinary information - Transaction conducted by a person discharging managerial responsibilities
	12	Extraordinary information on amending registration
	12	Articles of Association
	13	Extraordinary information on equity stake changes
	25	Extraordinary information on the General Meeting
	31	Voting rights and share capital size
	31	IFRS statements for 2019 and related documents
April	7	Extraordinary information on property purchase
	8	Extraordinary information on renewed website
	14	Invitation to the General Meeting - 06/05/2020
	27	Governing Board Resolutions taken within the competence of the General Meeting
	28	Other information
	29	Extraordinary information on equity stake changes - E-MILORG Kft.
	29	Information on passing below the 10% threshold - E-MILORG Kft.
	29	Extraordinary information on equity stake changes - Chantili Invest Zrt.
	29	Information on passing below the 5% threshold - Chantili Invest Zrt.
	30	Voting rights and share capital size
	30	IFRS statements for 2019
	30	Corporate Governance Report
May	6	Governing Board Resolutions taken within the competence of the General Meeting and related documents
	11	Extraordinary information on equity stake changes - AGY69 AG
	11	Information on passing below the 10% threshold - AGY69 AG
	11	Extraordinary information on equity stake changes - E-Milorg Kft.
	11	Information on passing below the 5% threshold - E-Milorg Kft.
	12	Extraordinary information on equity stake changes - AGY69 AG
	12	Information on passing the 10% threshold - AGY69 AG
	13	Extraordinary information on equity stake changes - Dayton-Invest Kft.
	13	Information on passing the 15% threshold - Dayton-Invest Kft.
	26	Extraordinary information on the exchange of business shares
	29	Voting rights and share capital size
	29	Extraordinary information on equity stake changes - i-Cell Mobilsoft Zrt.
	29	Information on passing below the 5% threshold - i-Cell Mobilsoft Zrt.
	29	Extraordinary information on equity stake changes - Chantili Invest Zrt.
	29	Information on passing the 10% threshold - Chantili Invest Zrt.

June	3	Extraordinary information on equity stake changes - AGY69 AG
	3	Information on passing below the 10% threshold - AGY69 AG
	4	Article of Association - 06/05/2020
	5	Extraordinary information on equity stake changes - Dayton-Invest Kft.
	5	Information on passing the 20% threshold - Dayton-Invest Kft.
	30	Voting rights and share capital size
July	1	Extraordinary information on the exchange of business shares
	15	Extraordinary information
	31	Voting rights and share capital size
August	3	Invitation to the General Meeting - 03/09/2020
	13	Proposals submitted to the General Meeting
	31	Voting rights and share capital size
September	3	Resolutions of the General Meeting
	3	Press release on the Extraordinary General Meeting
	7	Extraordinary information
	7	Press release on the purchase of a company dealing with property operation and service provision
	7	Extraordinary information
	11	Half-yearly report
	15	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	17	Articles of Association
	18	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	24	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	25	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	30	Voting rights and share capital size
	30	Information on the submission of a request for the reclassification of the shares to the Premium category of the Budapest Stock Exchange
October	12	Extraordinary information on equity stake changes
	12	Information on a 5% reduction of the threshold
	30	Reclassification of AKKO shares to the Premium category
	30	Voting rights and share capital size
November	2	Press release
	30	Voting rights and share capital size
December	11	Extraordinary information - Transaction conducted by a person discharging managerial responsibilities
	14	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities

	21	Extraordinary information on property purchase and on changes in the holding of treasury shares
	23	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	28	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	30	Voting rights and share capital size
	30	Corporate Event Calendar 2020

On **9 January 2020**, the Company notified its shareholders by way of an extraordinary information on the purchase of the 74% business shares of Aquaphor Zrt. This Company possesses a property in Zamárdi, which may represent a higher value after making improvements / investments, as compared to its current condition. It is still uncertain whether the Company intends to make use of that property in the future by way of rental or sale.

On **10 January 2020**, the Company purchased the remaining 26% business share of 4 Stripe Zrt. whose 74% was purchased previously in October 2019. Consequently, 4 Stripe Zrt. is owned in 100% by the Company.

On **13 January 2020**, extraordinary information was published on the fact that the Company purchased an additional 26% of the business shares of A PLUS Invest Zrt. Thereby, the Company owns 100% of the business shares of this subsidiary.

On **21 January 2020**, the invitation to the Extraordinary General Meeting was published and the relevant proposals were made public by the Company on 31 January.

On **18 February 2020**, the Company notified the shareholders based on the information provided by AGY69 AG, one of the owners of AKKO Invest Plc. that it had sold AKKO Invest shares, thereby its equity stake decreased to 12,63%.

One day later, on **19 February 2020**, an extraordinary announcement was published according to which the block of shares sold by AGY69 AG was purchased by Dayton-Invest Kft., thereby its equity stake reached an ownership share of 10%.

On **20 February 2020**, the Extraordinary General Meeting took place, its main agenda item concerned the election of new post holders instead of the resigned ones. This was also the day of publication of the resolutions of the General Meeting and the announcement that 4 Stripe Zrt. contracted a fixed-interest loan of EUR 1,250,000 for 10 years.

On **24 February 2020**, an extraordinary information note was published about the sale of AKKO Invest shares held by XP-Banktechnika Zrt.

On **9 March 2020**, both shareholders and capital market investors were informed of the fact that Mr. Gábor Varga, elected to a new executive officer's post elected on 20 February, purchased 5,000 shares of AKKO Invest Plc.

On **13 March 2020**, Mr. György Ádámosi purchased 700,000 AKKO Invest ordinary shares through the intermediary of Chantili Invest Zrt., thereby his equity stake passed to 15,47%.

Due to the extraordinary measures announced by the Government of Hungary on 13 March 2020, the Company informed its shareholders on **25 April 2020** that having regard to the epidemic situation, the future convocation of a General Meeting was uncertain, but it did not affect the publication of the financial statements for 2019 and of the Corporate Governance Report.

On **31 March 2020**, the separate and consolidated IFRS statements for 2019 were published instead of being submitted to the General Meeting in the form of proposals.

On **7 April 2020**, the Company announced that it had purchased a property located in Kárpát utca in the 13th district in Budapest, rented in 100%. Thereby the property portfolio of AKKO Invest was further extended.

On **8 April 2020**, the Company informed the Public of the upgrading of its website, thus it welcomed its shareholders and anyone interested with a nicer layout and a more transparent structure.

The Company announced and convened its Annual General Meeting pursuant to the new Government Decrees taken in the epidemic situation, based on the invitation to the General Meeting published on **14 April 2020**.

Having regard to the fact that pursuant to the cited Government Decree, the adoption or the refusal of the agenda items of the General Meeting, including the adoption of annual financial statements, was referred to the decision-making power of the Governing Board within the competence of the General Meeting, the notice on decisions (resolutions) taken within the competence of the General Meeting was communicated on **27 April 2020**.

On **29 April 2020**, the Company announced in an extraordinary information note that the equity stake of AKKO Invest shares held by E-Milorg Kft. changed, whereby its equity stake passed below the 10% threshold.

On the same day, it was communicated that Chantili Invest Zrt. had purchased AKKO Invest ordinary shares. Thus, its equity stake passed above the 5% threshold.

On **30 April 2020**, the Company's separate and consolidated IFRS statements for 2019, as well as its Corporate Governance Report were re-published, as recommended by the BSE.

On **6 May 2020**, the Governing Board Resolutions taken within the competence of the General Meeting were finalised and were published on that date.

On **11 May 2020**, the Company informed the interested parties of the fact that AGY69 AG sold AKKO Invest ordinary shares, therefore its equity stake decreased to 6,68%. On the same day, the Company provided information on equity stake changes in E-Milorg Kft., i.e. its equity stake passed below the 5% threshold and therefore its percentage of ownership decreased to 1,60%.

On **12 May 2020**, AGY69 AG purchased AKKO Invest ordinary shares. Its equity stake passed to 13,67%.

On **13 May 2020**, Dayton-Invest Kft. purchased AKKO Invest ordinary shares. Its equity stake increased to 17,99%.

On **26 May 2020**, the Company purchased the 26% business shares of Aquaphor Zrt., whereby AKKO Invest Plc. represents a 100% ownership in Aquaphor Zrt.

On **29 May 2020**, Chantili Invest Zrt. purchased additional AKKO Invest ordinary shares in an OTC transaction, thereby its equity stake passed above the 10% threshold.

On **3 June 2020**, AGY69 AG sold additional AKKO Invest ordinary shares, thereby its equity stake passed below the 10% threshold.

On **4 June 2020**, the new Articles of Association adopted on the basis of Governing Board decisions taken within the competence of the General Meeting and registered by the Company Court were published.

On **5 June 2020**, the Company announced in an extraordinary information note that the equity stake of AKKO Invest shares held by Dayton-Invest Kft. changed, passing above the 20% threshold.

On **1 July 2020**, an extraordinary information note was published on the sale of the 74% business shares of ALQ69 Zrt.

On **15 July 2020**, the Company provided information on the resignation of Mr. Péter Lajos Hember, member of the Governing Board and chairman of the Audit Committee.

On **3 August 2020**, the Company published an invitation to its General Meeting announced for 3 September.

On **13 August 2020**, it announced to its shareholders in the form of proposals to the General Meeting its draft resolutions published in the agenda items of the General Meeting.

On **3 September 2020**, the General Meeting Resolutions and the related press release were published.

On **7 September 2020**, the Company announced in an extraordinary information note that sales contracts were concluded on purchasing the business shares held by NEO Property Services Zrt. Further information was provided to the investors about the customer base, the growth and the market segment of NEO Property Services Zrt. intended to be acquired.

The Company published its half-yearly IFRS report on **11 September 2020**.

On **15 September 2020**, Mr. Imre Horváth, member of the Company's Governing Board provided information in a notice on a transaction conducted by a person discharging managerial responsibilities, i.e. that he had purchased shares held by AKKO Invest Plc.

On **18 September 2020**, Mr. Gábor Varga, member of the Company's Governing Board also provided information in a notice on a transaction conducted by a person discharging managerial responsibilities, i.e. that he had purchased shares held by AKKO Invest Plc.

On **24 and 25 September 2020**, Mr. Zoltán Prutkay, chairman of the Company's Governing Board provided information in a notice on a transaction conducted by a person discharging managerial responsibilities, i.e. that he had purchased shares held by AKKO Invest Plc.

On **30 September 2020**, the Company informed its shareholders and investors of the fact that it had proposed to the BSE to reclassify the Company to the Premium category, having regard to the fact that it considered that it had complied with the criteria contained in the BSE's General Business Rules.

On **12 October 2020**, it announced that the equity stake of AGY69 AG passed below the 5% threshold.

On **30 October 2020**, the Company disclosed that it would be reclassified to the Premium category with effect from 2 November 2020.

On **2 November 2020**, a press release was published on the reclassification of the Company to the Premium category.

On **11 December 2020**, Mr. Gábor Varga, member of the Company's Governing Board provided information in a notice on a transaction conducted by a person discharging managerial responsibilities, i.e. that he had purchased shares held by AKKO Invest Plc.

On 14 December 2020, Mr. Zoltán Prutkay, chairman of the Company's Governing Board provided information in a notice on a transaction conducted by a person discharging managerial responsibilities, i.e. that he had purchased shares held by AKKO Invest Plc.

On **21 December 2020**, the Company notified the shareholders in an extraordinary information note of the sale of the property located in Ribáry utca in the 2nd district of Budapest, whose purchase price would be settled by 190,000 ordinary shares held by AKKO Invest Plc.

On **23 December 2020**, Mr. Gábor Székely, member of the Company's Governing Board and chairman of the Audit Committee, provided information in a notice on a transaction conducted by a person discharging managerial responsibilities, i.e. that he had purchased shares held by AKKO Invest Plc.

On **28 December 2020**, Mr. Imre Horváth, member of the Company's Governing Board provided information in a notice on a transaction conducted by a person discharging managerial responsibilities, i.e. that he had purchased shares held by AKKO Invest Plc.

On **30 December 2020**, the Corporate Event Calendar 2021 was published.

8. Expectations:

In 2020, the Governing Board further increased the ownership of its business shares and its property portfolio, which it intends to continue in 2021 as well.

In 2021, the Company intends to extend its asset management activity by carrying out further acquisitions.

In 2021, the expected amount of the revenue is above HUF 26 billion, whereas the expected EBITDA is approximately HUF 18 billion.

Loans

The Company ensures continuous liquidity to its subsidiaries by providing member's loans. On 31 December 2020, the balance sheet date, the Company did not have any bank loan.

9. Objectives and strategy

AKKO Invest Plc. is a holding company, i.e. a company with equity stake is several undertakings, the economic objective of which is to realise long-term increase in value through efficient cooperation between the holding and the subsidiaries. Akko Invest Plc. invests its own assets, without performing external asset management. Its fundamental objective is not necessarily the sale of the subsidiaries owned by it, but to achieve asset accumulation and increase in value in the subsidiaries (and obviously in the parent company), and through that in the parent company.

So, the Company's objective is to build a successful holding company which, despite the risky operation and due to its diversified nature, will hopefully be able to generate added value for its owners in most market and economic environments. Its most important objective is to generate added value for the Company and in parallel, to generate value for the shareholders.

Resources and risks

Financial and economic risk factors:

AKKO Invest realised revenue from the rental of the property in Kárpát utca, as well as from the net profit on financial investments, the sale of business shares of its subsidiary, ALQ69 Zrt. and the sale of the property in Ribáry utca.

The Company realised profit (revenue) through its subsidiaries which provide an appropriate source of income for the parent company under lease agreements.

The tenants of 4 Stripe Zrt. benefited from a reduction to the rental fee for a period of 2 months, which did not change significantly the forecast income from rental fees for 2020.

At the end of February 2021, the Company completed its project for the acquisition of the 100% business shares in NEO Property Services Zrt. In addition to its own contribution, AKKO Invest Plc. secured the business shares intended be purchased by contracting a loan of HUF 12 billion for the purchase of the business shares of the special purpose entities.

Because of the extraordinary situation established as a result of the pandemic, in the case of subsidiaries with loans (Vár-Logisztika Zrt., 4 Stripe Zrt.) the loan instalments that were due were not repaid as an option provided by the loan moratorium; the repayment of "A" loans will continue after 30 June 2020.

Scale of the expenditure:

As compared to 2019, the expenditure level shows a decrease in 2020, which is due to the decrease of the amount of legal fees.

The Company is highly human resource-oriented, its success depends on the right decisions of the Governing Board. Risks are due to the same fact. Where necessary, the Company is willing to rely on external resources (loan, lease, bond issuance) to some extent, therefore a small shift in the exchange rate of the acquired assets may also significantly modify the value of the Company and thus the price of the shares. ***Evolution of the assets of the Company (and consequently the price of the shares) may show quite significant variations and there is a chance for capital loss at any time.***

AKKO Invest shares owned by executive officers

On 31 December 2020, the following executive officers owned AKKO Invest Plc. shares.

Name	Function	Ordinary shares, "C" series
Zoltán Prutkay	chairman of the Governing Board	9,000 pieces
Zoltán József Kalmár	vice-chairman of the Governing Board, member of the Audit Committee	0 pieces
Dr. László Csizma	member of the Governing Board, member of the Audit Committee	0 pieces
Imre Attila Horváth	member of the Governing Board	43,000 pieces
Gábor Varga	member of the Governing Board	26,384 pieces
Gábor Székely*	member of the Governing Board	1,000 pieces

*Mr. Gábor Székely owns additionally 14,500 AKKO INVESt. Plc. shares through G&T Vagyonkezelő Zrt.

At the Extraordinary General Meeting of 20 February 2020, 3 members left the Governing Board. 3 new members were elected to replace them.

Governing Board members who resigned in 2020:

- Attila Gábor Kovács (23/01/2019 – 20 February 2020)
- Julianna Lakatos (23/01/2019 – 20 February 2020)
- Dr. Letícia Ecsedi (30/08/2019 – 20 February 2020)
- Péter Lajos Himber (20/02/2020 – 03 September 2020)

Governing Board members elected on 20 February 2020:

- Gábor Varga
- Imre Attila Horváth
- Péter Lajos Himber

Governing Board member and Audit Committee member elected on 3 September 2020:

- Gábor Székely

Material events after the Reporting Period

The Company Group identified the following events that occurred after the record date of the main financial statements, which do not have any impact on the numerical aspects of the statements (since they are not amending events)

Disclosures made by AKKO Invest Plc. in the period following the balance sheet date		
2021		
January	8	Announcement by owners
	11	Invitation to the General Meeting - 01/02/2021
	21	Proposals submitted to the General Meeting
	29	Voting rights and share capital size
February	1	Governing Board Resolutions taken within the competence of the General Meeting, Press release
	10	Invitation to the General Meeting - 03/03/2021
	10	Extraordinary information
	18	Extraordinary information
	19	Extraordinary information on equity stake changes
	22	Articles of Association
	22	Proposals submitted to the General Meeting
	26	Voting rights and share capital size
March	26	Extraordinary information
	3	Governing Board Resolutions taken within the competence of the General Meeting
	18	Articles of Association
	25	Amended Corporate Event Calendar 2021
April	31	Voting rights and share capital size
	1	Invitation to the General Meeting - 23/04/2021

Based on a notification sent to the Company, it informed the Honourable Shareholders on **8 January 2021** on the fact that the equity stake held by Chantili Invest Zrt. decreased to 11% (it did not pass any threshold).

On **11 January 2021**, the invitation to the Extraordinary General Meeting convened to 1 February 2021 was published.

On **21 January 2021**, proposals submitted to the General Meeting were published.

On **1 February 2021**, Governing Board Resolutions taken within the competence of the General Meeting were published.

On **10 February 2021**, the Company provided information on the convocation of a new Extraordinary General Meeting, planned to be held on 3 March 2021. On the same day, it issued an extraordinary information note on the resignation of Mr. Zoltán József Kalmár, Governing Board member and Audit Committee member.

On **18 February 2021**, the Company announced in an extraordinary information note that the Governing Board adopted the binding loan offer of OTP Bank Nyrt. for the purchase of the 100% business shares held by NEO Property Services Zrt., based on Governing Board Resolution no. 1/2021 (of 18 February).

On **19 February 2021**, the Company, based on information that it had received, informed the investors of the fact that Dayton-Invest Kft. had sold AKKO shares in an OTC transaction, whereby the threshold changed, therefore its equity stake and the percentage of voting shares passed below the 20% threshold.

On **22 February 2021**, the Articles of Association were published, having regard to the fact that the Company Court registered the sections of Governing Board Resolutions taken within the competence of the Extraordinary General Meeting of 1 February 2021, pertaining to the Articles of Association.

On **22 February 2021**, the Company announced the proposed agenda items of the Extraordinary General Meeting convened to 3 March 2021.

On **26 February 2021**, the Company notified the shareholders in an extraordinary information note of the fact that it had concluded the purchase of the 100% business shares of NEO Property Services Zrt. by the drawback of the bank loan and the payment of the own contribution. Thereby, AKKO Invest Plc. became the 100% owner of NEO Property Services Zrt.

On **3 March 2021**, the Company published the Governing Board Resolutions taken within the competence of the General Meeting held on the same day.

On **18 March 2021**, the updated Articles of Association were published, based on the registration of changes by the Company Court.

On **25 March 2021**, the Company published its updated event calendar for 2021 in compliance with the extraordinary legal order and the Government Decrees.

On **1 April 2021**, the invitation to the Annual General Meeting convened to 23 April 2021 was published.

10. Executive officers

Pursuant to the Company's Articles of Association in force, single governance is ensured by the Governing Board.

The General Meeting is entitled to elect the members of the Governing Board. Members of the Governing Board may be re-elected.

Governing Board membership ceases to exist:

- (a) upon the expiry of the duration of the mandate,
- (b) upon recall,
- (c) upon the occurrence of a ground for exclusion,
- (d) upon resignation,
- (e) upon death.

Members of the Governing Board:

New Governing Board members elected on 23 January 2019:

- Zoltán Prutkay – chairman of the Governing Board
- Zoltán József Kalmár – vice-chairman of the Governing Board
- Dr. László Csizma – member of the Governing Board
- Attila Gábor Kovács – member of the Governing Board
- Julianna Lakatos – member of the Governing Board

New Governing Board members elected on 20 February 2020:

- Gábor Varga – member of the Governing Board
- Péter Lajos Himber – member of the Governing Board
- Imre Attila Horváth – member of the Governing Board

New Governing Board member elected on 1 February 2021, as an event after the balance sheet day:

- István Matskási – member of the Governing Board

New Governing Board member elected on 3 March 2021:

- Péter Márk Bosánszky – member of the Governing Board

On 3 March 2021, a new vice-chairman / deputy chairman of the Governing Board was elected: Mr. Imre Attila Horváth who had already been a Governing Board member.

The Governing Board elects its chairman from among its own members.

Having regard to the fact that the investment activity of the Company frequently requires very rapid decision-making, taking investment decisions and other decisions regarding the Company between the Governing Board meetings is the responsibility of the chairman and of the deputy chairman / vice-chairman of the Governing Board, which may be exercised independently. This applies in particular to the Company's capital and financial market transactions and to the operational tasks. In these respects, the chairman and the deputy chairman / vice-chairman are entitled and obliged to represent the Company and to take decisions between the Governing Board meetings

The Audit Committee is in place primarily to facilitate that (1) the Company complies with the accounting standards set out in the legislation and in the Company's internal regulations, (2) the Company's auditor complies with the professional expectations necessary for exercising its mandate, and (3) supervise the performance of the Company's internal control system.

Governing Board members receive an annual remuneration for their work. The chairman of the Governing Board receives a remuneration of HUF 550,000, whereas the other members

of the Governing Board receive a remuneration of HUF 500.000 per year. The Company covers this issue in a separate Remuneration Report.

Members of Audit Committee:

Members of the Audit Committee elected on 20 February 2020:

- Péter Lajos Himber – chairman of the Audit Committee
- Dr. László Csizma – member of the Audit Committee
- Zoltán József Kalmár – member of the Audit Committee

On 3 September 2020, Mr. Péter Lajos Himber left from among the Governing Board members and the Audit Committee members by way of resignation. Mr. Gábor Székely was elected as a new Governing Board member and Audit Committee member to replace him.

Members of the Audit Committee in place on 3 September 2020:

- Gábor Székely – chairman of the Audit Committee
- Dr. László Csizma – member of the Audit Committee
- Zoltán József Kalmár – member of the Audit Committee

Event after the balance sheet day

On 26 November 2020, Mr. Dr. László Csizma resigned from his executive functions, therefore at the Governing Board meeting held on 1 February 2021 within the competence of the General Meeting, Mr. István Matskási was elected as a new Governing Board member and Audit Committee member.

Members of the Audit Committee in place on 1 February 2021:

- Gábor Székely – chairman of the Audit Committee
- Zoltán József Kalmár – member of the Audit Committee
- István Matskási – member of the Audit Committee

On 10 February 2021, Mr. Zoltán József Kalmár resigned from his executive functions, therefore at the Governing Board meeting held on 3 March 2021 within the competence of

the General Meeting, Mr. Péter Márk Bosánszky was elected as a new Governing Board member and Audit Committee member.

Members of the Audit Committee do not receive any specific financial compensation for their work.

11. Employment policy

Since 11 February 2019, the Company has been employing an investment contact person and since 13 March 2019 it has been employing a Chief Executive Officer, and on 1 March 2020, the number of employees increased by 1 contact person responsible for tenants, therefore their number increased to three. Day-to-day financial and administrative tasks are performed by the current three employees.

In its capacity as an Issuer, the Company has not issued shares to employees, it has no employee share-ownership scheme in place and it has not concluded any agreement by which employees could acquire ownership over the capital of the Company.

In the first quarter of 2020, the Company developed its Remuneration Policy for its nominated postholders and employees, on which it prepares a Remuneration Report to the General Meeting, by addressing the remunerations to be paid.

12. Research and experimental development

In the current period, research and experimental development costs were not recognised in the financial statements.

13. Environmental protection

The activity of the Company is not dangerous for the environment. Due to the nature of its activity, the environmental responsibility incumbent on AKKO Invest Plc. is not significant, there is no likelihood of environmental degradation.

The protection of the environment does not represent any substantive expense, it does not affect the financial situation. The Company has not implemented and is not planning any development in the area of environmental protection.

14. Presentation of the premises

At the date of the drafting of this report, AKKO Invest Plc. does not have any premises.

Disclaimer

To the separate annual IFRS statement of AKKO Invest Plc. for 2020

I, the undersigned, as a person authorised to sign for the Company, in my capacity as the chairman of the Governing Board of AKKO Invest Plc., hereby declare that:

the separate financial statements were made in conformity with the International Financial Reporting Standards that were adopted by the European Union.

The separate financial statements of 2020 were prepared in accordance with the accounting standards, to the best of our knowledge, presenting a true and fair view of the assets, liabilities, financial situation, profit and loss of the Company, and the Management Report presents a fair view of the situation, development and performance of the Company, setting out the main uncertainty factors and risks.

The Report does not conceal any fact which is significant in terms of the perception of the situation of the Company.

The Company is aware of the fact that it is liable to reimburse any damage caused by failing to provide regular and extraordinary information or by providing misleading information (disclosure of regulated information) in accordance with Section 57(1) of the Capital Market Act.

The Company's report has not been audited by an independent auditor who has formulated an independent opinion, the separate financial statement attached to the report was drawn up in accordance with the International Financial Reporting Standards (IFRS).

From 15 April 2021, the 2020 annual IFRS report of AKKO Invest Plc. can be consulted in its entirety at the registered office of the Company (1124 - Budapest, Lejtő utca 17/A.) and on its website (www.akkoinvest.hu), on the website of the Budapest Stock Exchange (www.bet.hu) and on the mandatory disclosure portal of the National Bank of Hungary (www.kozzetetelek.hu).

Budapest, 15 April 2021

Zoltán Prutkay

Chairman of the Governing Board