

**Consolidated Financial Statements of**

**AKKO INVEST**

**Public Limited Company**

for the financial year ending on 31 December 2021, prepared  
in accordance with the International Financial Reporting  
Standards (IFRS) adopted by the European Union

Consolidated Financial Statements of AKKO Invest Plc. and its subsidiaries involved in the consolidation,  
prepared in accordance with the IFRS for the financial year ending on 31 December 2021  
All the figures are stated in HUF thousands unless otherwise indicated.

### **Members of the Governing Board**

Zoltán Prutkay (Chairman of the Board)  
Imre Attila Horváth (deputy chairman)  
Dr. László Csizma (until 1 February 2021)  
Zoltán József Kalmár (until 3 March 2021)  
Gábor Varga (from 20 February 2020)  
István Matskási (from 1 February 2021)  
Péter Márk Bosánszky (from 3 March 2021)  
Gábor Székely (from 03 September 2020)

### **Members of the Audit Committee**

Gábor Székely (chairman)  
Dr. László Csizma (until 1 February 2021)  
Zoltán József Kalmár (until 3 March 2021)  
István Matskási (from 1 February 2021)  
Péter Márk Bosánszky (from 3 March 2021)

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### **Auditor's details:**

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UNIKONTO Számvitelkutatási Kft.  
Chamber registration number: 001,724

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*The Consolidated Financial Statements comprise 71 pages.*

Consolidated Financial Statements of AKKO Invest Plc. and its subsidiaries involved in the consolidation,  
prepared in accordance with the IFRS for the financial year ending on 31 December 2021  
All the figures are stated in HUF thousands unless otherwise indicated.

**Abbreviations used in the financial statements**

|           |  |
|-----------|--|
| IAS       | International Accounting Standards   |
| IFRS      | International Financial Reporting Standards  |
| IFRIC/SIC | International Financial Reporting Interpretation Committee/Standing Interpretation Committee |
| FVTOCI    | Measured at fair value through other comprehensive income                                    |
| FVTPL     | Measured at fair value through profit or loss  |
| CODM      | Chief Operating Decision Maker   |
| EPS       | Earnings per share   |
| AC        | Audit Committee  |
| ECL       | Expected credit loss   |
| EBITDA    | Interest, depreciation and profit or loss before tax   |

*Figures in brackets indicate negative values in the financial statements!*

Consolidated Financial Statements of AKKO Invest Plc. and its subsidiaries involved in the consolidation,  
 prepared in accordance with the IFRS for the financial year ending on 31 December 2021  
 All the figures are stated in HUF thousands unless otherwise indicated.

## Consolidated Financial Statements

### Consolidated comprehensive income statement for the period of 365 days that ended on 31 December 2021

| COMPREHENSIVE INCOME STATEMENT  | Comments    | 01.01.2021 –<br>31.12.2021 | 01.01.2020 –<br>31.12.2020 |
|---|-------------|----------------------------|----------------------------|
| Revenue   | (1)         | 22 137 928                 | 182 940                    |
| Direct expenditures   | (2)         | (20 066 173)               | (191 186)                  |
| <b>Gross profit or loss</b>   |             | <b>2 071 755</b>           | <b>(8 246)</b>             |
| Administrative and sales expenditures   | (3)         | (768 610)                  | (62 037)                   |
| Other expenditure, net  | (4)         | (172 158)                  | (16 930)                   |
| Financial expenditures, net   | (5)         | (253 274)                  | 80 433                     |
| Income from the sale of subsidiaries  | (6)         | 7 161                      | 59 972                     |
| <b>Profit or loss before tax</b>  |             | <b>884 874</b>             | <b>53 192</b>              |
| Income tax expenditure  | (7)         | (299 611)                  | (3 915)                    |
| <b>Net profit and loss</b>  |             | <b>585 263</b>             | <b>49 277</b>              |
| Share attributable to the owners of the parent company                              |             | 585 263                    | 50 888                     |
| Share attributable to non-controlling interest                                      |             | -                          | (1 612)                    |
| Exchange difference   |             | (1 127)                    | (6 447)                    |
| <b>Other comprehensive income (after income tax)</b>                                |             | <b>(1 127)</b>             | <b>(6 447)</b>             |
| <b>Total comprehensive income from continuing operations</b>                        | <b>(A)</b>  | <b>584 136</b>             | <b>42 829</b>              |
| Share attributable to the owners of the parent company                              |             | 584 136                    | 44 441                     |
| Share attributable to non-controlling interest                                      |             | -                          | (1 612)                    |
| <b>Profit or loss from discontinued operations</b>                                  | <b>(B)</b>  | <b>(569)</b>               | <b>3 045</b>               |
| Share attributable to the owners of the parent company from discontinued operations |             | (569)                      | 2 253                      |
| Share attributable to non-controlling interests from discontinued operations        |             | -                          | 792                        |
| <b>Earnings per share (HUF)</b>   | <b>(31)</b> | <b>17,90</b>               | <b>1,53</b>                |
| Earnings per share from discontinued operations in HUF                              |             | (0,02)                     | 0,09                       |
| <b>Diluted earnings per share (HUF)</b>   | <b>(31)</b> | <b>17,90</b>               | <b>1,53</b>                |
| Earnings per share from discontinued operations in HUF                              |             | (0,02)                     | 0,09                       |
| <b>EBITDA</b>   |             | <b>1 852 916</b>           | <b>237 515</b>             |

*The Statement of Comprehensive Income contains the items with regard to sign!  
 The Notes to Financial Statements form integral part of the Financial Statements.  
 References in brackets refer to Sections V-VII of the Financial Statements.  
 Certain comparative figures are presented again in these statements.*

Budapest, 16 March 2022

Consolidated Financial Statements of AKKO Invest Plc. and its subsidiaries involved in the consolidation,  
prepared in accordance with the IFRS for the financial year ending on 31 December 2021  
All the figures are stated in HUF thousands unless otherwise indicated.

**Consolidated Balance Sheet  
for 31 December 2021**

| <b>ASSETS</b>  | <b>Comments</b> | <b>31.12.2021</b> | <b>31.12.2020</b> |
|--|-----------------|-------------------|-------------------|
| <b>Non-current assets</b>  |                 | <b>22,709,733</b> | <b>4,803,393</b>  |
| Value of customer relations  | (8)             | 12 303 271        | -                 |
| Goodwill   | (9)             | 5 645 354         | 265 735           |
| Right-of-use assets  | (10)            | 431 975           | -                 |
| Other intangible assets  | (11)            | 29 488            | -                 |
| Investment properties  | (12)            | 4 203 456         | 4 537 260         |
| Properties   | (13)            | 30 840            | -                 |
| Plant, fixtures and equipment  | (14)            | 65 349            | 398               |
| <b>Current assets</b>  |                 | <b>10 265 233</b> | <b>1 793 098</b>  |
| Trade accounts receivable  | (15)            | 7 610 503         | 6 660             |
| Receivables from other companies                                     | (16)            | -                 | 1 664 108         |
| Other receivables and prepayments and accrued income                 | (17)            | 1 330 403         | 51 072            |
| Cash and cash equivalents  | (18)            | 1 324 326         | 71 258            |
| <b>Total assets</b>  |                 | <b>32 974 966</b> | <b>6 596 491</b>  |
| <b>EQUITY AND LIABILITIES</b>  | <b>Comments</b> | <b>2021.12.31</b> | <b>2020.12.31</b> |
| <b>Equity</b>  |                 | <b>5 910 168</b>  | <b>5 599 773</b>  |
| Subscribed capital (the nominal value of the shares is HUF 25/piece) | (19)            | 833 880           | 833 880           |
| Share premium  | (20)            | 5 479 954         | 5 479 954         |
| Retained earnings  |                 | 190 923           | (396 725)         |
| Treasury shares  | (21)            | (380 300)         | (70 300)          |
| Proprietary transactions   | (22)            | (206 640)         | (240 514)         |
| Accumulated exchange difference                                      | (23)            | (7 649)           | (6 522)           |
| <b>Equity attributable to owners of the parent company</b>           |                 | <b>5 910 168</b>  | <b>5 599 773</b>  |
| <b>Long-term liabilities</b>   |                 | <b>18 501 548</b> | <b>911 291</b>    |
| Long term bank loans   | (24)            | 11 300 953        | 462 246           |
| Received long-term loans   | (24)            | 272 207           | -                 |
| Provisions   | (25)            | 291 273           | -                 |
| Deferred tax liabilities   | (26)            | 1 578 587         | 449 045           |
| Long-term lease liabilities  | (14)            | 228 528           | -                 |
| Deferred purchase price of the acquisition                           | (27)            | 4 830 000         | -                 |
| <b>Short-term liabilities</b>  |                 | <b>8 563 249</b>  | <b>85 427</b>     |
| Short term loans and borrowings                                      | (24)            | 746 035           | 54 311            |
| Trade accounts payable   | (28)            | 3 474 740         | 2 403             |
| Other short-term liabilities and accruals                            | (29)            | 4 073 839         | 25 748            |
| Income tax liabilities   | (30)            | 53 906            | 2 965             |
| Short-term lease liabilities   | (14)            | 214 730           | -                 |
| <b>Equity and liabilities</b>  |                 | <b>32 974 966</b> | <b>6 596 491</b>  |

*The Notes to Financial Statements form integral part of the Financial Statements.*

*References in brackets refer to Sections V-VII of the Financial Statements.*

Budapest, 16 March 2022



Consolidated Financial Statements of AKKO Invest Plc. and its subsidiaries involved in the consolidation,  
 prepared in accordance with the IFRS for the financial year ending on 31 December 2021  
 All the figures are stated in HUF thousands unless otherwise indicated.

**Consolidated Cash Flow Statement  
 for 365 days ending on 31 December 2021**

| Designation  | Comments    | 31.12.2021         | 31.12.2020       |
|--|-------------|--------------------|------------------|
| Profit or loss before tax  |             | 884 305            | 58 318           |
| Net interest expenditure   |             | 267 582            | 1 976            |
| <b><i>Non-cash items</i></b>   |             |                    |                  |
| Depreciation   |             | 714 769            | 103 890          |
| Profit/loss impact of exchange loss  |             | (4,321)            | (4 321)          |
| Profit/loss impact of expected credit loss                                       |             | (10 456)           | -                |
| Interest income  |             | (1 370)            | (7 453)          |
| Profit/loss impact of the sale of investment properties                          |             | -                  | -                |
| Profit/loss impact of the sale of subsidiaries                                   |             | (7 161)            | (59 972)         |
| Changes of provisions  |             | 176 326            | -                |
| Gain on sale of fixed asset  |             | (3 056)            | -                |
| <b><i>Non-cash items – Total</i></b>   |             | <b>864 732</b>     | <b>23 882</b>    |
| <b><i>Changes in working capital</i></b>   |             |                    |                  |
| Changes of trade receivables   |             | (3 860 940)        | (46 280)         |
| Changes in other current assets and accruals                                     |             | 200 329            | (541 048)        |
| Changes in receivables from suppliers  |             | 1 922 138          | (1 088)          |
| Changes in other short-term liabilities and accruals                             |             | (563,715)          | (563 715)        |
| <b>Total net changes in working capital</b>                                      |             | <b>(2 302 188)</b> | <b>(285 653)</b> |
| Interest paid  |             | (260 524)          | (1 519)          |
| Income tax paid  |             | (303 368)          | (22 677)         |
| <b>Net cash flow from operating activities</b>                                   |             | <b>(849 461)</b>   | <b>(225 673)</b> |
| Amounts paid for the acquisition of equity interests less liquid assets received | <b>(33)</b> | (10 939 262)       | 3 623            |
| Acquisition of tangible assets   |             | (3 992)            | (151 964)        |
| Gain on sale of fixed asset  |             | 15 825             | -                |
| Received interest  |             | 1 370              | 5 929            |
| Amount received for subsidiary net of cash transferred                           |             | (300)              | (47 060)         |
| Repayment of granted loans   |             | 1 664 108          | -                |

*Continued on next page.*

Consolidated Financial Statements of AKKO Invest Plc. and its subsidiaries involved in the consolidation,  
 prepared in accordance with the IFRS for the financial year ending on 31 December 2021  
 All the figures are stated in HUF thousands unless otherwise indicated.

|   |                    |                  |
|---|--------------------|------------------|
| <b>Net cash flow from investment activities</b>           | <b>(9 262 251)</b> | <b>(189 472)</b> |
| Loan repayment  | (471 030)          | (14 528)         |
| Borrowing   | 12 000 000         | 420 050          |
| Execution of lease liabilities                            | (159 346)          | -                |
| <b>Net cash flow from financing activities</b>            | <b>11 369 624</b>  | <b>405 522</b>   |
| <b>Change in liquid assets</b>                            | <b>1 257 912</b>   | <b>(9 623)</b>   |
| Revaluation of foreign currency assets                    | (4 844)            | (720)            |
| <b>Balance-sheet change in liquid assets</b>              | <b>1 253 068</b>   | <b>(10 343)</b>  |
| Cash and cash equivalents at the beginning of the year    | 71 258             | 80 881           |
| <b>Cash and cash equivalents at the end of the period</b> | <b>1 324 326</b>   | <b>71 258</b>    |

*The cash flow statement contains the items with regard to sign.*

*The Notes to Financial Statements form integral part of the Financial Statements.*

**Consolidated Statement of Changes in Equity  
for 365 days ending on 31 December 2021**

| Designation   | Subscribed capital | Share premium | Retained earnings | Treasury shares | Proprietary transactions | Accumulated exchange difference | Equity attributable to owners of the parent company | Non-controlling interest | Total     |
|---|--------------------|---------------|-------------------|-----------------|--------------------------|---------------------------------|---|--------------------------|-----------|
| <b>31.12.2019</b>                                   | 833 880            | 5 479 954     | (451 045)         | -               | 82 017                   | (76)                            | 5 944 732   | 25 550                   | 5 970 282 |
| Adjustment of the profit for the year (restatement) |                    |               | 2 955             |                 |                          |                                 | 2 955   |                          | 2 955     |
| Comprehensive income for the year                   | -                  | -             | 54 318            | -               | -                        | (6 447)                         | 47 871  | (820)                    | 47 051    |
| Acquisitions of subsidiaries                        | -                  | -             | -                 | -               | -                        | -                               | -   | (40)                     | (40)      |
| Own share transactions                              | -                  | -             | -                 | (70 300)        | -                        | -                               | (70 300)  | -                        | (70 300)  |
| Acquisition of non-controlling interest             | -                  | -             | -                 | -               | (322 531)                | -                               | (322 531)   | (11 301)                 | (333 832) |
| Derecognition of non-controlling interest           | -                  | -             | -                 | -               | -                        | -                               | -   | (13 388)                 | (13 388)  |
| <b>31.12.2020</b>                                   | 833 880            | 5 479 954     | (393 771)         | (70 300)        | (240 514)                | (6 522)                         | 5 602 728   | -                        | 5 602 727 |
| Comprehensive income for the year                   | -                  | -             | 584 694           | -               | -                        | (1 127)                         | 583 567   | -                        | 583 567   |
| Sale of subsidiaries                                | -                  | -             | -                 | -               | 33 874                   | -                               | 33 874  | -                        | 33 874    |
| Own share transactions                              | -                  | -             | -                 | (310 000)       | -                        | -                               | (310 000)   | -                        | (310 000) |
| <b>31.12.2021</b>                                   | 833 880            | 5 479 954     | 190 923           | (380 300)       | (206 640)                | (7 649)                         | 5 910 169   | -                        | 5 910 169 |

*The Statement of Changes in Equity contains the items with regard to sign.  
The Notes to Financial Statements form integral part of the Financial Statements.*

Budapest, 16 March 2022

## **II. Key elements of the accounting policy; basis of preparation of financial statements**

### **1. Basis of the preparation of financial statements and the entity's ability to continue as a going concern**

#### ***Declaration on conformity with the IFRSs***

The management declares that the consolidated financial statements have been made in conformity with the International Financial Reporting Standards that were adopted by the European Union. The management made this declaration in the knowledge of its liability.

#### ***Contents of the financial statements***

These financial statements present the assets, the performance and the financial position of AKKO Invest Plc., as parent company and its subsidiaries involved in the consolidation (together: Group). The Group's financial statements are prepared, approved and announced by the Parent Company's management.

The Group publishes the Consolidated Financial Statements both on the website of the Budapest Stock Exchange ([www.bse.hu](http://www.bse.hu)) and on its own website ([www.akkoinvest.hu](http://www.akkoinvest.hu)).

#### ***Basis of preparing the financial statements; applied set of rules and the underlying presumptions; evaluation philosophy***

The financial statements have been prepared based on the International Financial Reporting Standards (IFRS) created by the International Accounting Standard Board (IASB).

The IFRS include the IFRS, the IAS, the IFRIC and SIC interpretations developed by the IFRS Interpretation Committee. The Group applied the IFRSs in the form as those were adopted by the European Union.

The management of the Parent Company established that the going concern assumption is appropriate, i.e. there is no sign implying that the Plc. will terminate or significantly curtail its operations within the foreseeable future, i.e. beyond one year.

The Group generally evaluates its assets at historical cost, except for the situations where the given element must be evaluated at fair value, on the basis of the IFRSs. In the financial statements, the financial instruments held for trading had to be measured at fair value.

### **2. Presentation of the Group and the Accounting policies related to consolidation**

#### ***The basis of the consolidation***

The consolidated financial statements cover the financial statements (assets) of the Group and the entities (Group's subsidiaries) controlled by the Group. From the business year starting on 1 January 2014, the term of control is defined in the IFRS 10 standard. Accordingly, the investor has control over the investee if it is entitled to the changing, positive returns (earnings) produced by the investee and bears the consequences of negative returns and is able to control operations through its decisions (power) and thus to influence these returns. Thus, the management ability and the control derive from rights.

Consolidated Financial Statements of AKKO Invest Plc. and its subsidiaries involved in the consolidation,  
prepared in accordance with the IFRS for the financial year ending on 31 December 2021  
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Control can be mainly gained through an ownership share, an agreement with other owners or a special market position (e.g. monopoly).

Regarding the enterprises covered by this financial statement, the parent company gained control through ownership share, without any exceptions.

The revenues and the expenditures of subsidiaries purchased and sold through the year are included in the Consolidated Statement of Comprehensive Income, from the actual date of acquisition until the actual date of sale.

The total, comprehensive result of the subsidiaries is due to the owners of the Group and the non-controlling shares. The amount of the comprehensive result must also be assigned to the non-controlling unit if it is negative.

If needed, the subsidiaries' financial statements are modified so that their accounting policies conform with the accounting policies applied by other Group members.

At the date of consolidation, the transactions, balances, revenues and expenditures are fully filtered out even if the produced result appears in form of an asset value.

### ***Non-controlling interest***

The parent company recognises the net assets (assets and liabilities) of subsidiaries in the consolidated financial statements in full. However, of the consolidated equity, the Group only recognises the part after the acquisition that is allocable to the group as equity attributable to the parent company.

The value of the subsidiaries' net assets allocated to the non-controlling interest (including also the impacts of the fair value adjustments existing at the acquisition, arising after the acquisition and the acquisition-date fair value adjustments) is stated by the Group separately in single row entitled non-controlling interest. The non-controlling interest is the part of equity that is attributable to non-parent owners. The Group recognises non-controlling interest as a proportion of net assets (at carrying amount) on the individual reporting dates, and does not measure it at fair value at the end of the individual financial years.

When the equity interest acquired earlier in a subsidiary changes, but it still qualifies as a subsidiary even after the transaction, the Group treats the difference between the acquired net assets and the consideration paid as an increase or decrease in equity.

### ***Rules for consolidation***

#### **Accounting treatment of business combinations**

Business combination is the situation where the Group gains control over a new company, and the purpose of the acquisition was to acquire the business activity of the purchased entity and not only to acquire the assets of the purchased business entity. The control shall be regarded as acquired from the day when any situation required for qualification as a subsidiary was fulfilled.

The value of the goodwill/negative goodwill must be determined for the date of the business combination. This is the difference between the fair value transferred for the equity interest (consideration) and the fair value of the acquired net assets (proportionately). When determining the consideration the value of the previous equity interest must be taken into account.

The consideration shall include:

– the cash paid or due;

- the fair value of shares issued by the acquirer in connection with the combination (the fair value is to be derived from the share price prevailing on the issue date);
- the fair value of other assets transferred (less the liabilities transferred, if any);
- the fair value of contingent consideration, i.e. part of the consideration that must be transferred or returned upon the occurrence (or non-occurrence) of specified future events.

If the actually transferred (returned) amount differs from the estimated value of the contingent consideration, the Group recognises the difference to the debit or credit of the profit or loss in the period when the amount of the difference becomes calculable.

### ***Determination of acquired net assets***

The assets and liabilities acquired within the framework of a business combination must be measured at the fair value prevailing on the date of the business combination. When performing the measurement those assets and liabilities must be also included in the balance sheet that are not stated in the separate financial statements of the acquired enterprises, but the standards prescribe their recognition. These include particularly the internally generated intangible assets existing at the acquired enterprise. In addition, the contingent liabilities that burdened the acquired entity on the day of the business combination must be recognised – at fair value – among the liabilities, irrespective of the fact that according to IAS 37 these should not be recognised as liabilities in the separate financial statements.

### ***Goodwill***

The value obtained as the difference between the consideration paid for the subsidiary acquired during the business combination and the net asset value of the subsidiary on the day of the acquisition may be identified and recognised as goodwill among the Group's assets, if the difference is positive.

The negative difference must be recognised to the credit of profit or loss, as a profit realised on a bargain purchase. The profit must be allocated to the acquirer.

Goodwill may only arise when the control is acquired; subsequent transactions are recognised in the equity.

### ***Measurement period***

If the initial accounting of a business combination is not full at the end of the reporting period when the combination took place, the purchaser must indicate temporary amounts in its own financial statements for the items where the accounting is not full.

During the measurement period the purchaser must retroactively modify – with regard to the date of acquisition – the indicated temporary amounts in order to reflect new information on facts and circumstances prevailing at the date of acquisition which – had they been known – would have influenced the measurement of the amounts presented at that date.

During the measurement period the purchaser must also indicate further assets or liabilities if it obtained new information on facts and circumstances prevailing at the date of acquisition which – had they been known – would have resulted the presentation of assets and liabilities at that date.

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The measurement period is over when the purchaser receives the information that it searched about the facts and circumstances prevailing at the date of acquisition, or it learns that no further information can be obtained.

The measurement period shall not exceed one year calculated from the date of acquisition.

**Presentation of the Group (headquarters of operation, legal form, ownership structure, governing law)**

AKKO Invest Plc. is a public limited company registered in Hungary by the Metropolitan Court as Company Court. AKKO Invest Plc. and its legal predecessor is listed by the Budapest Stock Exchange since 15 February 2011. The Company's core activity is asset management.

AKKO Invest Plc. is a holding company, i.e. a company with equity stake in 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 to achieve asset accumulation and increase in value in the subsidiaries (and thus also in the parent company). The subsidiaries are entities operating primarily in the property market.

AKKO Invest Plc. is a public limited company established under the laws of Hungary. Registered office of the Company: 1118 Budapest, Dayka Gábor u. 5. Since 23 April 2021 (before that date: 1124 Budapest, Lejtő utca 17/A)

The Company's subscribed capital is HUF 833,880,000, which comprises of 33,355,200 pieces of ordinary shares on 31 December 2021. The nominal value of the shares is HUF 25/piece.

**Ownership structure of the parent company on 31 December 2021:**

| Name                        | 31.12.2021                                       |                | 31.12.2020                                       |                |
|-----------------------------|--|----------------|--|----------------|
|                             | Nominal value of business share in HUF thousands | Equity stake % | Nominal value of business share in HUF thousands | Equity stake % |
| Free Float                  | 491 155  | 58,90%         | 515 421  | 61,81%         |
| DAYTON-Invest Kft.          | 0  | 0,00%          | 199 965  | 23,98%         |
| Chantili Invest Zrt.        | 91 727   | 11,00%         | 118 494  | 14,21%         |
| MEVINVEST Vagyonkezelő Kft. | 250 998  | 30,10%         | 0  | 0,00%          |
| <b>Total</b>                | <b>833 880</b>                                   | <b>100%</b>    | <b>833 880</b>                                   | <b>100%</b>    |

**Number of voting rights attached to the shares on 31 December 2021:**

| Share series    | Issued pieces | Number of voting shares | Voting right per share | Total voting right | Number of treasury shares |
|-----------------|---------------|-------------------------|------------------------|--------------------|---------------------------|
| Ordinary shares | 33 355 200    | 33 355 200              | 1                      | 33 355 200         | 936 988                   |

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|              |                   |                   |            |                   |                |
|--------------|-------------------|-------------------|------------|-------------------|----------------|
| <b>Total</b> | <b>33 355 200</b> | <b>33 355 200</b> | <b>N/A</b> | <b>33 355 200</b> | <b>936 988</b> |
|--------------|-------------------|-------------------|------------|-------------------|----------------|

#### Members of the Group and their core activity on 31 December 2021:

The Group comprises the Parent Company and subsidiaries.

| Company                    | Address                                       | Core activity                              |
|----------------------------|---|--|
| AKKO Invest Plc.           | 1118 Budapest, Dayka Gábor u. 5.              | Asset management                           |
| VÁR-Logisztika Zrt.        | 1124 Budapest, Lejtő út 17/A.                 | Property development (industrial property) |
| MOON Facility Zrt.         | 1124 Budapest, Lejtő út 17/A.                 | Property development (industrial property) |
| A PLUS INVEST Zrt.         | 1124 Budapest, Lejtő út 17/A.                 | Residential property development           |
| 4 Stripe Zrt.              | 1124 Budapest, Lejtő út 17/A.                 | Property development (industrial property) |
| ALQ SAS                    | 06600 Antibes, 18 Avenue Louis Gallet, France | Property development (hotel)               |
| Elitur Invest Zrt.         | 1124 Budapest, Lejtő utca 17/A                | Asset management (Holding)                 |
| NEO Property Services Zrt. | 1095 Budapest, Máriássy utca 7.               | Operation of superstructures               |

#### Relevant figures of the companies:

| Company                    | Registered capital on 31 December 2021 | Equity stake (%) on 31 December 2021 | Effective date of the change | Registered capital on 31 December 2020 | Equity stake (%) on 31 December 2020 | Classification |
|----------------------------|--|--------------------------------------|------------------------------|--|--------------------------------------|----------------|
| AKKO Invest Plc.           | 833 880                                | -                                    | -                            | 833 880                                | -                                    | parent         |
| VÁR-Logisztika Zrt.        | 5 000                                  | 100%                                 | -                            | 5 000                                  | 100%                                 | subsidiary     |
| MOON Facility Zrt.         | 5 000                                  | 100%                                 | -                            | 5 000                                  | 100%                                 | subsidiary     |
| A PLUS INVEST              | 20 000                                 | 100%                                 | -                            | 20 000                                 | 100%                                 | subsidiary     |
| 4 Stripe Zrt.              | 20 000                                 | 100%                                 | -                            | 20 000                                 | 100%                                 | subsidiary     |
| ALQ SAS                    | 4 796                                  | 100%                                 | -                            | 4 796                                  | 100%                                 | subsidiary     |
| Aquaphor Zrt.              | 5 000                                  | 0%                                   | 19.05.2021                   | 5 000                                  | 100%                                 | subsidiary     |
| Elitur Invest Zrt.         | 5 100                                  | 100%                                 | 26.02.2021                   | 0                                      | 0%                                   | subsidiary     |
| NEO Property Services Zrt. | 20 000                                 | 49%                                  | 26.02.2021                   | 0                                      | 0%                                   | subsidiary     |

#### Comparative figures:

#### Members of the Group and their core activity on 31 December 2020:

| Company          | Address                       | Core activity    |
|------------------|-------------------------------|------------------|
| AKKO Invest Plc. | 1124 Budapest, Lejtő út 17 A. | Asset management |



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|                     |   |  |
|---------------------|---|--|
| VÁR-Logisztika Zrt. | 1124 Budapest, Lejtő út 17/A.                 | Property development (industrial property) |
| MOON Facility Zrt.  | 1124 Budapest, Lejtő út 17/A.                 | Property development (industrial property) |
| A PLUS INVEST Zrt.  | 1124 Budapest, Lejtő út 17/A.                 | Residential property development           |
| 4 Stripe Zrt.       | 1124 Budapest, Lejtő út 17/A.                 | Property development (industrial property) |
| ALQ69 Zrt.          | 1124 Budapest, Lejtő út 17/A.                 | Residential property development           |
| ALQ SAS             | 06600 Antibes, 18 Avenue Louis Gallet, France | Property development (hotel)               |
| Aquaphor Zrt.       | 1124 Budapest, Lejtő utca 17/A                | Property development (hotel)               |

#### Relevant figures of the companies on 31 December 2020:

| Company             | Registered capital on 31 December 2021 | Equity stake (%) on 31 December 2021 | Effective date of the change | Registered capital on 31 December 2020 | Equity stake (%) on 31 December 2020 | Classification |
|---------------------|--|--------------------------------------|------------------------------|--|--------------------------------------|----------------|
| AKKO Invest Plc.    | 833 880                                | -                                    | -                            | 833 880                                | -                                    | parent         |
| VÁR-Logisztika Zrt. | 5 000                                  | 100%                                 | -                            | 5 000                                  | 100%                                 | subsidiary     |
| MOON Facility Zrt.  | 5 000                                  | 100%                                 | -                            | 5 000                                  | 100%                                 | subsidiary     |
| A PLUS INVEST Zrt.  | 20 000                                 | 100%                                 | 13.01.2020                   | 20 000                                 | 74%                                  | subsidiary     |
| 4 Stripe Zrt.       | 20 000                                 | 100%                                 | 10.01.2020                   | 20 000                                 | 74%                                  | subsidiary     |
| ALQ69 Zrt.          | 5 000                                  | 0%                                   | 01.07.2020                   | 5 000                                  | 74%                                  | subsidiary     |
| ALQ SAS             | 4 796                                  | 100%                                 | -                            | 4 796                                  | 100%                                 | subsidiary     |
| Aquaphor Zrt.       | 5 000                                  | 100%                                 | 09.01.2020                   | -                                      | 0%                                   | subsidiary     |

All companies disclose separate financial statements publicly.

#### Changes in the structure of the Group

In the reporting period, there was one transaction that was very important for the Group. The Parent Company acquired all the shares of NEO Property Zrt., partly directly, partly indirectly, through the acquisition of Elitur Invest Zrt. From the perspective of the Group, the acquisition is quite material. It has to be taken into consideration when comparing the two presented periods. As a result of the consolidation, there was a considerable increase in the balance of both the net profit and loss items and in the balance of asset elements. The Group unequivocally concluded that the acquisition is a business combination.

During the year, the Company sold all its shares in Aquaphor Zrt.

#### Activity of the individual Group members:

##### **MOON Facility Zrt.**

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MOON Facility Zrt. is the owner of an industrial property located in Szolnok, which it utilises by rental. The Company is a member of the Group since 22 March 2019. Address of the property: 5000 Szolnok, Kombájn utca – stated in the land register as three properties.

***Vár-Logisztika Zrt.***

Vár-Logisztika Zrt. is the owner of an industrial property located in Nagykanizsa, which it utilises through rental. The Company is a member of the Group since 15 February 2019. Address of the property: 8800 Nagykanizsa, Vár utca 12.

***ALQ SAS***

ALQ SAS is a company registered under the laws of France. It performs the development and improvement of an apartment building owned by the Company on the French Riviera, which will be rented or sold upon completion. Address of the property: 18 Avenue, Louis Gallet, Juan-Les-Pins, Antibes, France

***4 Stripe Zrt.***

4 Stripe Zrt. owns an industrial property in Budaörs, which it utilises by rental. Address of the property: 2040 Budaörs, Kinizsi 4-6. The Company is a member of the Group since 2 October 2019.

***A PLUS Invest Zrt.***

A PLUS Invest Zrt. performs the conversion of a property in district XII of Budapest into luxury property to be sold or leased upon completion. Address of the property: 1121 Budapest, Eötvös út 31. The Company is a member of the Group since 18 December 2019.

***Elitur Invest Zrt.***

The Company has acquired 100% of the business shares of Elitur Invest Zrt., thereby it owns 100% of NEO Property Services Zrt., 51% of which it owns indirectly, through Elitur Invest Zrt. Date of acquisition: 26.02.2021.

The Group owns ***NEO Property Services Zrt.*** Date of acquisition: 26.02.2021. NEO Property Services Zrt. is one of the leading property operators and service providers in Hungary.

***Aquaphor Zrt.***

Aquaphor Zrt. owned a hotel to be renovated in Zamárdi, which was subsequently sold. Address of the properties: 8621 Zamárdi, Rózsa u. 53., 8621 Zamárdi, Liliom u. 3.

The Company was a member of the Group between 09 January 2020 and 19 May 2021.

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### ***Presentation currency and accuracy of the financial statements***

The functional currency of the parent company is Hungarian forint. The financial statements have been prepared in Hungarian forint (presentation currency) and unless it is indicated, otherwise the figures are stated in thousand HUF.

Euro is an important foreign currency for the Group. The exchange rate of the foreign currency in the reporting period was as follows (one currency unit/HUF, MNB exchange rates):

| Currency   | 2021    |         | 2020    |         |
|------------|---------|---------|---------|---------|
|            | Closing | Average | Closing | Average |
| Euro (EUR) | 369,00  | 358,52  | 365,13  | 351,17  |

### **3. Essential elements of the accounting policy**

#### ***Presentation of the financial statements***

The Group publishes consolidated financial statements jointly for the enterprises controlled by it and for the parent company (hereinafter: financial statements). The financial statements of the Group comprise the following parts:

- consolidated balance sheet;
- consolidated statement of comprehensive income ;
- consolidated statement of changes in equity;
- consolidated cash flow statement;
- notes to the consolidated financial statements.

#### ***Essential decisions related to the presentation***

The Group decided to include the comprehensive income statement in a separate statement in such a way that it presents the items connected to other comprehensive income in the same statement after the net profit (loss) for the period.

The Group prepared its consolidated financial statements under the IFRS for the last time for the 2020 financial year, with comparative data from 2019.

The Group publishes consolidated financial statements in Hungarian forint. This is the presentation currency. The consolidated financial statements cover one calendar year. The balance sheet date of the consolidated financial statements is the last day of the calendar year, i.e. 31 December, in each year.

In accordance with the stock exchange requirements, the Group prepares interim statements semi-annually. The interim financial statements shall be governed by the rules of IAS 34, which do not include all disclosures prescribed by IAS 1 and contain the figures in condensed form.

The consolidated financial statements contain comparative figures, except when a period must be restated or the accounting policy had to be changed. In this case, the Group also presents the opening balance sheet values of the comparative period.

When for the purposes of presentation it is necessary to reclassify an item (e.g. due to a new row in the financial statements) the Group adjusts the previous year's figures so as to ensure comparability.

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The Group also needs to publish information related to the operating segments in the notes to financial statements. The operating segments are determined in accordance with the strategic requirements of the Board members.

As compared to 2020, the operating segment changed in 2021.

The Group's activity can be broken down to the following categories (segments):

- utilisation of industrial properties
- utilisation of residential properties
- Facility Management line of business
- ITS line of business
- Fit-Out line of business

The characteristics of the operating segments are presented in section 33 of Chapter VII.

### ***Foreign Currency***

Foreign currency is a currency that differs from the functional currency of the entity.

The Group presents its consolidated financial statements in Hungarian forint. Within the Group, each entity determines its functional currency. Functional currency is the currency that best characterises the operation of the respective company.

An entity may incur exchange rate difference only on foreign currency.

One of the Group's subsidiary is ALQ SAS, a company registered in France with euro being its functional currency.

For the purposes of consolidation, the Group converts the profit or loss and financial position into the functional currency of the parent company.

These financial statements contain both monetary and non-monetary items.

Monetary items are elements whose settlement or receipt entails cash movement and cash itself also qualifies as monetary item. The asset and liability items not entailing cash movement (e.g. advances for services and inventories) do not qualify as monetary items.

Monetary items in foreign currency must be revalued on the reporting date to the spot exchange rate of the reporting date. For the conversion, each entity uses the exchange rate published by the Magyar Nemzeti Bank on the reporting day.

### ***Accounting policies related to the income statement***

#### **Sales revenues**

The Group recognises its sales revenues in accordance with the rules of the IFRS 15 (effective from 2018) – Recognition of revenue from contracts with customers – Standard.

The IFRS 15 Standard created a uniform model to be applied to revenues from contracts. The Standard contains to revenue recognition rules, among others, for revenues falling within the IFRS 9 Financial Instruments Standard and for revenues falling within the IFRS 16 Leases Standard.

The five-step model helps define when revenues must be recognised and in what amount:

1. Based on the Standard, a contract is created when the following conditions are satisfied:
  - The parties have accepted the contract and are committed to fulfilling it;

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- The rights of the parties can be clearly determined based on it;
  - The contract offers economic benefits;
  - It is probable that the seller will receive the consideration for the goods delivered/services performed, even if it applies legal instruments to collect it.
  - In the case of contract amendment it must be examined how its content has changed, since there may be cases when the amendment is to be interpreted as an independent, separate contract.
2. Identification of performance obligations: When concluding the contract, the Group shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either
- a) distinct goods or services (or a package of goods or services); or
  - b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
3. Determining the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.
4. Allocation of the transaction price to individual obligations: The seller must distribute the transaction price among the individual obligations. When no separate prices can be allocated to the individual obligations, an estimation shall be applied for the distribution, in accordance with the method accepted by the Standard.
5. Revenue recognition: The revenue may be recognised when the control over the purchased goods or services devolves from the seller on the buyer. This may take place during a definite period or at a specified time. The control devolves on the buyer when as a result of that the buyer is able to control the use of the assets and is entitled to collect the benefits deriving from the assets.

The Group measures and assesses its customer contracts individually. It applies the five-step model to contract with customers. In the present contracts the settlement date does not differ from the invoicing period. Sales revenue is recognised when it is effectively invoiced, adjusted to the periods in the case of rents, while in the case of property sale upon the fulfilment of the PO, which – as a main rule – is connected to the transfer of ownership right. In case of property management, the charges may generally be addressed by simple time apportioning, even if they are linked to a particular period. In case of long-term construction projects, the Group determines the revenue by using apportioning, i.e. readiness is determined by the input method, in proportion of the recognised costs and the total planned costs.

### **Operating expenditures**

As a result of the Group's current activity, it breaks down the expenditures as follows:

- direct expenditures: the expenditures directly related to the sales revenue, with the proviso that if an item is to be recognised on a net basis (e.g. profit realised on property sales), it will not be charged to expenditures but rather it will reduce revenues.
- administrative expenditures: these include the items that are meant to support the Group's operation, but may not be directly related to the sales revenue (e.g. accounting fees, insurance, etc.).
- sales expenditures: expenditure connected to publication, advertising and PR activities.

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### **Other revenues and expenditures**

The Group states the consideration for sales not classifiable as sales revenue and all other revenues that cannot be regarded as financial income or items increasing other comprehensive income among other revenues.

Other expenditures are expenditures that are indirectly related to the operation and do not qualify as financial expenditure or do not reduce other comprehensive income. The Group states other revenues and other expenditures on a net basis on the main page of the income statement, but it details the components of it in the notes to financial statements.

### **Financial revenues and expenditures**

The Group presents primarily the interest expenditures (as one of the burdens of its own funding) in the financial profit or loss position.

According to the rules of the impairment model, introduced by the IFRS 9 Financial Instruments Standard, the Group recognises impairments also here.

The Group states the exchange rate difference of foreign currency items (unless it is part of the other comprehensive income based on the IAS 21 Effects of Changes in Foreign Exchange Rates) in the financial profit or loss.

The Group states financial profit or loss in the income statement on a net basis.

### **Income tax expenditure**

The income tax expenditure is the sum of the actual and deferred income tax and the local business tax.

### **Other comprehensive income**

Other comprehensive income comprises the items (including amendments due to reclassification) that are not stated in the income statement as part of the profit or loss of the reference period, but belong to the Group's returns or expenditures in the broad sense.

### **Earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. The Group calculates diluted earnings per share by taking into consideration, in addition to the ordinary shares, the weighted average number of the dilutive share options.

### **Use and concept of EBITDA**

Although the IFRS do not use the concept of EBITDA, the Group has decided to use this commonly used index, having regard to the widespread practice in the industry, and to the fact that the Group is convinced that the statement of this value provides useful information to the users of the financial statements.

For the sake of interpretability, the calculation method is set out below:

|     |  |       |
|-----|--|-------|
| +/- | Profit or loss before tax                          | X/(X) |
| -/+ | Elimination of financial revenues and expenditures | (X)/X |

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|     |  |                     |
|-----|--|---------------------|
| -/+ | Elimination of depreciation and impairment | (X)/X               |
|     | <b>EBITDA</b>                              | <b><u>X/(X)</u></b> |

The Group amends the profit or loss before tax with the following items:

- *Financial profit or loss*: the Group adjusts the profit or loss before tax with all the items in the financial profit or loss (effective interest, foreign exchange difference, etc.), i.e. it totally neutralises the impact of the financial profit or loss when calculating this index.
- *Depreciation and impairment*: when calculating the index, the depreciation and impairment of the assets subject to IAS 16, IAS 38 and IFRS, and of the assets stated as assets at the Group, the assets allocated in operating lease or concession are filtered. (they are “given back”). The unsystematic reduction (typically: the impairment loss) of such assets are also adjusted back by the Group, similarly to the depreciation and impairment. [The impairment of other assets, e.g. financial instruments is not adjusted during the calculation of the index.]

***Accounting policies related to the balance sheet; presentation and measurement of assets and liabilities***

**Investment properties**

Investment properties include those properties that the Company has typically purchased for the purpose of realising profit on the lease or appreciation of the property, without utilising it or bearing the business risk of it. These properties (typically office buildings, warehouses and factory buildings) are not used for own purposes in the longer run and the Company does not plan to sell them in the near future.

The Company treats investment properties according to the cost model, i.e. these properties are recognised at cost after deducting any accumulated depreciation and impairment losses.

The cost of the property comprises the following items:

- purchase cost (the costs of acquiring the property, including also tax payments if they can be linked to the property);
- property reconstruction costs, which includes the items incurred due to the reconstruction for the anticipated sale;
- other costs directly related to the property, if the direct relationship can be proven.

The Company classifies investment properties as industrial property or residential property.

The Company recognises depreciation on the investment properties measured using the cost model, assuming a useful life of 20 years.

The reclassification of investment properties – since the Company uses the cost model – must be executed by reclassification between the balance sheet lines.

## **Plant, fixtures and equipment**

The Group states plant, fixtures and equipment at cost reduced by accumulated depreciation and impairment losses.

Cost includes the purchase prices less discounts, including customs duties and other non-reclaimable taxes, and all costs necessary for the operation of the asset at the specific place in the specific manner.

The estimated costs of dismantling and removal of the asset and of the remediation of the location also form part of the costs, if provisions must be recognised for the liabilities in accordance with the requirements of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

If the asset is of significant value, it must be examined whether it can be decomposed into components. The components must be assessed separately for the purposes of depreciation. At present the Company has no such assets that should be broken down into components.

The costs incurred in connection with assets in use are stated as assets, if they fulfil the condition of capitalisation or additional capitalisation as assets. Maintenance and repair cost are recognised as cost when incurred. The Group also states the costs of major inspections as assets, as a separate component.

The depreciation of assets is recognised in accordance with the straight-line method. The Company depreciates the acquisition value of the assets from the date when it is taken into use, during the useful life of the assets.

Typical useful life of assets:

|                            |             |
|----------------------------|-------------|
| Plant and equipment        | 3-7 years   |
| Office equipment, fittings | 5 years     |
| Properties                 | 20-50 years |

When the assets are scrapped, the cost and the accumulated depreciation are derecognised. When the asset is sold, the cost and the accumulated depreciation are derecognised, while any profit or loss is stated in the net profit or loss (among other items).

In the case of assets in respect of which depreciation is recognised, in all cases when any event or change in circumstances imply that their carrying amount would not recover, we examine if any impairment has occurred.

The impairment loss is the difference between the asset's carrying amount and its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

## **Intangible assets**

The Group states intangible assets at cost reduced by accumulated depreciation and impairment losses. During the expected life depreciation was recognised according to the straight-line method.

## **Leases**

### **Identification of lease**

A contract qualifies as a lease contract or contains lease if this contract transfers the right to use the underlying asset – for a specific period – against fee payment. Then the lessee may collect the profit arising from the asset usage and may make decisions on the usage. It does not qualify as a lease, when



the company concludes a rental agreement for an asset, but the underlying asset is controlled not in the interest of the company (e.g. company car transferred for personal use).

To identify the leasing, the Group applies the process chart under paragraph B31 of annex B of the IFRS 16 Standard:

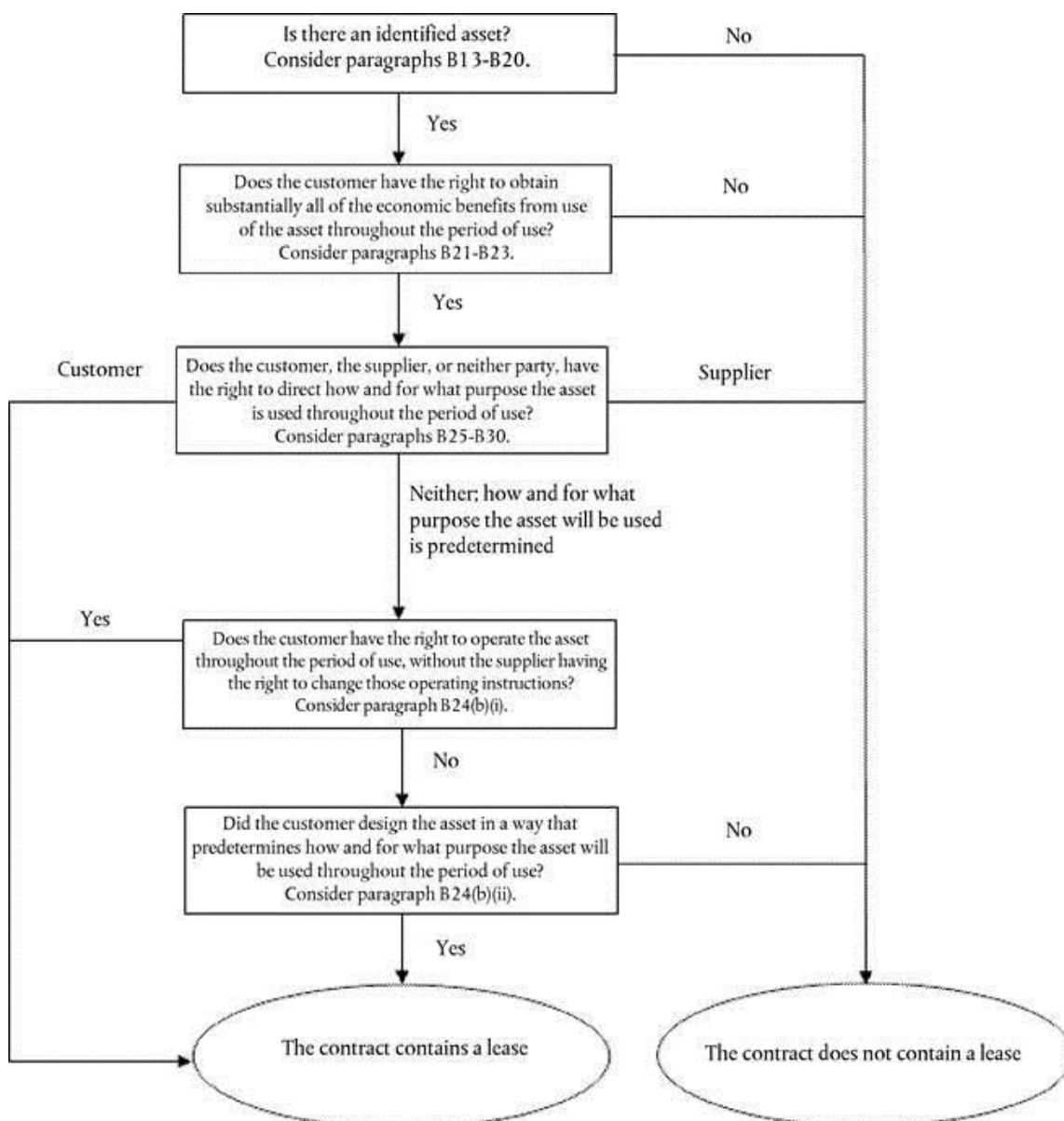


Chart 1. Classification of lease contract IFRS 16.31

### Recognition at the lessee

On the commencement day the lessee must recognise a right-of-use asset and lease liability.

### Recognition exceptions

If the Group qualifies as a lessee under IFRS 16 with regard to a contract, the rules of the Standard will not be applied for lease related to short-term assets (less than 12 months) and to low-value underlying assets, but the lease payments are recognised to the debit of the profit, in a divided manner.

### **Measurement of the right-of-use asset**

The Group recognises its assets used under lease as right-of-use assets in the balance sheet. The right-of-use assets are measured under the cost model, primarily setting out from the contractual term upon accounting for depreciation. The Group tests the right-of-use assets for impairment under the IAS 36 rules. The business organisation recognises the right-of-use assets together with the asset group where the underlying asset belongs to. The right-of-use assets are separated in the notes to financial statements.

The lessor must classify the leases either as operating lease or financial lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

### **Recognition at the lessor**

At the commencement date the lessor must derecognise in the balance sheet the assets held within the framework of financial lease and must present the leasing fee receivables at the present value of the cash flows from the lease (net investment in lease).

The Group recognises the present value of cash flows from financial lease as a lease investment. Upon calculating the present value, the Group uses the incremental interest rate related to lease. The Group determines the ECL for the lease receivables based on the simplified approach.

The lessor must recognise in the income statement the lease payments from operating lease either through the straight-line method or through another systematic method in a manner that the leased asset is further on recognised and depreciated in the balance sheet.

The Group regards any scheme as financial lease (as a lessor) if

- the underlying asset is transferred to the lessee at the end of the lease term;
- the lessee has the right to acquire the ownership of the underlying asset at the end of the term and exercise of this right is probable;
- the lease term (together with the proved extension periods) exceeds three-quarters of the residual economic life of the underlying asset;
- the overall present value of the lease payments reaches 90% of the fair value of the underlying asset;
- the underlying asset pertaining to the leasing is special.

If the lease term is indefinite, the term must be defined based on the estimated enforceable period.

### **Assets held for sale and discontinuing operations**

Non-current assets, the carrying amount of which will be recovered through a forthcoming sales transaction rather than through continuing use, shall be classified as held for sale. Disposal groups, comprising assets and closely related liabilities to be disposed of later on in a single transaction (e.g. a subsidiary to be sold), are also held for sale.

This classification can be used when it is highly probable that the sale takes place within one year from the classification, and the assets or disposal group are ready for sale also in their current form, activities are in progress to foster sales (e.g. marketing activity) and the asset or disposal group is offered at a reasonable price.

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The Group presents its assets held for sale separately in the balance sheet.

#### **Discontinued operations:**

The Group presents its activities and subsidiaries that can be separated from the remaining part of the Group as discontinued operations.

In 2021, the sale of its subsidiary – Aquaphor Zrt. – was stated among discontinued operations.

#### **Borrowing costs**

Borrowing costs – if it can be rendered probable that they will result in future economic benefits – are included in the cost of the acquisition, construction or production of assets, the making of which suitable for use or sale necessarily takes a substantial period of time. These assets are referred to as qualifying assets.

The Group commences the capitalisation of borrowing costs for the respective asset, when

- expenditures have been incurred for the asset
- the implementation of the investment can be rendered probable, the Company has an irrevocable commitment for the implementation

When the asset is ready for use, the capitalisation of borrowing costs must be stopped.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price of the inventories less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **Financial assets and liabilities**

In accordance with IFRS 9, the Group applies the following rules:

##### **Classification**

Financial assets and liabilities held for sale to realise profit and the derivative instruments belong to financial instruments measured at fair value through profit or loss (FVTPL).

The debt instruments that satisfy the SPPI test (i.e. the cash flow deriving from them are solely payments of principal and interest) and held to collect contractual cash flows (business model test) belong to the amortised cost (AC) category. This category includes trade and other receivables, and cash holdings.

The debt instruments that satisfy the SPPI test, but are held for the contractual cash flows and for the sale of the instruments belong to the FVTOCI (fair value through other comprehensive income) category. In this case the instrument is stated in the books at fair value, while the fair value difference is recognised in other comprehensive income, accumulated in the appropriated equity reserve. The interest, expected loss and sales profit or loss belonging to the debt instruments is recognised in net profit or loss. Upon the derecognition of the instrument, the accumulated revaluation must be transferred to net profit or loss.

The Group classifies its equity instruments, unless they are held for sale, as FVTOCI, i.e. it measures the instrument at fair value on each balance sheet date (with the proviso that in certain cases the cost

may be also regarded as fair value), while the difference is recognised in other comprehensive income. When the instrument is derecognised, the accumulated revaluation reserve cannot be transferred to net profit or loss, but the accumulated equity part is transferred to retained earnings.

In previous periods the entity used IAS 39. No amendment has been made with respect to the comparative figures prescribed in the transitional regulation; those were managed in accordance with IAS 39. Accordingly, in the case of the comparative figures (31 December 2017 and the year after) the previous classification and measurement have been applied (see the financial statements for the previous year).

Other liabilities include financial liabilities that have not been classified as instruments measured at fair value through profit or loss.

The items belonging to the category of other liabilities are detailed in point 25 of Section VI of the financial statements.

#### *Recognition*

Financial assets and liabilities are recognised in the Group's books on the settlement date, with the exception of derivative instruments, which are recognised on the trade date. Financial assets or financial liabilities are initially measured at fair value, adding to them (in the case of items that later are not measured at fair value through profit or loss) the transaction costs directly related to the acquisition or issuance of those.

#### *Derecognition*

Financial instrument are derecognised when the rights to the cash flows from the financial instruments expire, or the Group transfers, to a substantial degree, all risks and benefits related to the holding of the financial instrument (without retaining any major right).

#### *Measurement*

Following the initial recognition, all financial assets or financial liabilities measured at fair value through profit or loss and all assets measured at fair value through other comprehensive income will be measured at fair value. If no quoted market price in an active market is available and the fair value cannot be determined reliably, the Group uses valuation techniques to establish the fair value.

Financial instruments classified as AC, and all financial liabilities not belonging to the fair value through profit or loss category will be stated at amortised cost. Fees and discounts, including the initial transaction costs, are included in the carrying amount of the related instrument and amortised at the instrument's effective interest rate.

Debt instruments – with the exception of items measured at fair value through profit or loss – are recognised in the books at a value reduced by expected impairment loss. Expected impairment loss, allocable to the reporting year, shall be recognised through profit or loss.

The profit or loss on financial instruments or financial liabilities recognised at fair value through profit or loss shall be recognised in the comprehensive income statement (as part of current year's profit or loss, on a net basis) as profit or loss realised on securities.

The yield from the effective interest income of FVTOCI instruments shall be stated in current year's profit or loss in a separate line, in a position different from the expected loss of the instrument (which is recognised in another category of net profit or loss). The valuation gains or losses of such financial instruments shall be recognised in other comprehensive income. The profit or loss realised on the alienation of FVTOCI financial debt instruments shall be recognised in current year's profit or loss, and the formerly accumulated other comprehensive income shall be transferred to net profit and loss.

The profit or loss in respect of financial instruments or other financial liabilities stated as debt instruments shall be recognised using amortisation (profit/loss after tax) in the comprehensive income statement when the financial instrument or liability is derecognised or an impairment loss is recognised in respect of them.

#### *Measurement at fair value*

The fair value of financial instruments is the market price quoted at the end of the reporting period, net of transaction costs. If no quoted market price is available, the fair value of the instrument is determined by valuation models or discounted cash flow techniques.

When applying discounted cash flow techniques, the estimated future cash flow is based on the Group's economic estimates, while the discount rate is a market rate that applies to a similar instrument on the balance sheet date under similar terms and conditions. When applying valuation models, the figures are based on market valuations performed at the end of the reporting period.

Level 1: The figures used for the valuation are based on publicly available quoted prices (no further information is necessary for the valuation).

Level 2: The figures used for the valuation of assets with no quoted price can be observed indirectly or directly.

Level 3: The estimation of the fair value of derivatives not traded on the stock exchange is based on the amount that the Group would receive based on the usual business terms and conditions upon the expiry of the contract at the end of the reporting period, considering the prevailing market conditions and the parties' current creditworthiness.

#### *Measurement of amortised cost*

The amortised cost of a financial asset or financial liability is the value of the financial asset or financial liability at the initial recognition less principal repayments, increased or decreased by the accumulated amortisation of the difference between the initial value and the value at maturity calculated by the effective interest rate method, and reduced by the write-off due to the impairment or irrecoverability of the financial instrument.

The effective interest rate is the rate that precisely discounts the estimated future cash payments or income during the expected life of the financial instrument or – as the case may be – for a shorter period to the net carrying amount of the financial instrument or financial liability. When calculating the effective interest rate, the Group estimates the cash flow considering all contractual conditions of the financial instrument, but ignoring future credit losses.

#### *Impairment of financial assets (expected impairment)*

Provisions must be recognised for the expected impairment of the debt instruments belonging to the AC and FVTOCI category. The expected impairment can be described as the cash flow not realisable

during the life of the instrument. The expected impairment loss can be derived from the following factors:

- exposure at default (EAD);
- loss given default (LGD);
- probability of default (PD) for the relevant period.

When presenting financial instruments, the expected loss must be calculated for 12 months using 12-month PD, which means the probability of the counterparty's becoming insolvent within 12 months (Stage 1). The ECL so determined must be recognised without directly reducing the assets as a counter-asset item (provision). The gross value of the asset (calculated net of ECL) does not change.

If the credit quality of the asset deteriorates it must be reclassified to Stage 2, for which provisions must be recognised for lifetime impairment through net profit or loss without directly reducing the value of the asset.

If the asset becomes impaired, it must be reclassified to Stage 3, where the lifetime loss reduces directly the value of the asset.

If the credit quality of the asset improves, the asset must be reclassified from Stage 3 to Stage 2, or from Stage 2 to Stage 1.

The Group regards an asset as non-performing if the contractual cash flows have been past due for at least 90 days. However, using market information, based on special considerations, an asset may be declared as non-performing earlier as well.

The Group presumes deterioration in credit quality if the contractual cash flow is past due over 30 days.

The following signs may imply deterioration in credit quality or impairment:

- market figures
- change in the economic environment
- external rating figures
- comparative figures
- risk managers' findings
- providing the debtor with respite
- willingness to pay

In the case of certain smaller receivable balances the ECL is determined on a collective basis. For trade accounts receivable the simplified ECL model must be used, which means that lifetime impairment must be recognised immediately and it is not necessary to monitor credit quality continuously.

In the case of the simplified approach, the Group usually uses the following ECL ratios:

| Past due          | ECL % |
|-------------------|-------|
| Less than 90 days | 1%    |
| 91– 365 days      | 50%   |

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|               |                                 |
|---------------|---------------------------------|
| over 365 days | 100% or on a case-by-case basis |
|---------------|---------------------------------|

NEO Property Zrt. has many customers from whom the Company requests collaterals in certain circumstances. When determining the ECL, the Company takes this collateral system into consideration in its specific assessment.

If the volume of expected credit loss decreases, the decrease must be recognised through profit or loss, by reducing the corresponding expenditure.

### **Trade accounts receivable**

Trade accounts receivable include the unpaid consideration payable by customers for the goods sold or services rendered in the usual course of business plus value added tax. These amounts are expected to be received within one year (or within the usual operating cycle, if it is longer), and thus they are classified as current assets. Trade accounts receivable are stated at invoiced value, which initially essentially correspond to their fair value. The Group uses the simplified approach to determine expected credit loss.

### **Other receivables and prepayments and accrued income**

These receivables include payment claims not belonging to other receivables. They are measured in the same way as trade accounts receivable. Prepayments and accrued income are also stated in this balance sheet position. Receivables from brokers may be a material item within the balance sheet position.

### **Impairment of receivables**

Impairment for receivables is recognised when it becomes probable that the Group will not be able to collect all of its outstanding receivables (the customer has financial difficulties, bankruptcy or liquidation proceeding has started against it). The necessary impairment loss is recognised on a case-by-case basis for major financial assets and in aggregate for immaterial financial assets.

When there is objective evidence that impairment loss has been incurred on loans and receivables recognised at amortised cost, the loss amount shall be determined as the difference between the carrying amount of the asset and the present value of estimated future cash flows (not taking into consideration future credit loss not yet incurred) discounted by the original effective interest rate (i.e. effective interest rate calculated upon initial recognition). When there is no objective evidence of the impairment of a financial asset, the need for impairment loss is assessed aggregately for a group with similar credit risk attributes.

In the case of group impairment assessment the calculation is performed based on the ageing. When the asset is uncollectible, the Group derecognises the receivables against the income statement and the directly related impairment loss against the expenditures. The Group does not discount its receivables due within one year (here the time value of money is assumed to be immaterial).

### **Cash and cash equivalents**

Cash includes cash on hand, bank deposits and other liquid deposits and securities the original maturity of which is not longer than three months and risk of changes in value is negligible (not including overdrafts, but in the cash flow statement the overdraft must be stated under cash equivalents).

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Should any impairment occur at a cash item, it must be recognised through net profit and loss. ECL must be recognised for these assets as well.

### **Subscribed capital**

The subscribed capital contains the sum of the nominal values of the shares issued by the Parent Company.

### **Share premium**

Share premium includes the funds exceeding the nominal value of the issued shares. The transaction costs related to equity issuance reduce the share premium. The Company states the profit realised on the sales of treasury shares as share premium.

### **Retained earnings**

Retained earnings contain the dividends accumulated but unpaid.

### **Dividends**

In the financial statements, the Group states the dividends payable as liabilities, simultaneously reducing retained earnings, in the period when the owners approved the dividends.

### **Treasury shares**

If the Group buys the Parent Company's shares, the consideration paid and the incremental costs are stated as treasury shares as items reducing equity, in a separate line with negative sign, until such time as the shares are withdrawn or resold. When the Group sells these shares later on, it increases the equity, since the profit or loss realised on the sales directly impacts equity (increases the share premium when it is a profit, or reduces the retained earnings when it is a loss). Transactions related to treasury shares must be posted on the transaction date.

### **Trade accounts payable, other liabilities, accruals and deferred income**

Trade accounts payable and other liabilities, accruals and deferred income are recognised at fair value, which is usually the same as the nominal value. In subsequent periods they are stated at amortised cost determined using the effective interest rate method.

### **Income tax liability and asset, deferred tax liabilities and assets**

The Group performs the assessment of whether the given tax type qualifies as income tax for all types of statutory taxes based on the requirements of IAS 12 (Income taxes).

The income tax presented in the comprehensive income statement represents the current and deferred tax for the respective period. Deferred tax is stated in the current year's profit or loss, except when it is connected to items stated in other comprehensive income. Then the deferred tax is also stated there.

The Group recognises deferred tax for the temporary differences between the statutory value of the assets and liabilities under the laws governing the tax qualifying as income tax and their carrying amount, based on the balance sheet method. The stated value of the deferred tax is based on the expected method of realising or settling the carrying amount of the assets and liabilities, subject to applying the tax rate effective or essentially effective at the end of the reporting period.



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The tax for the period in question is the tax payable on the taxable income of the given year, subject to applying the tax rates effective at the end of the reporting period and applying previous year's adjustment.

Deferred tax receivables may be stated only up to the amount of the taxable profit likely to be available in the future.

Other taxes, not qualifying as income tax, are stated separately from the income taxes in the comprehensive income statement.

***General accounting policies related to cash flow***

The Group builds its cash flow statement on the indirect method up to the operating cash flow. The investment and financing cash flows are prepared using the direct method. The Group presents interest paid in the operating cash flow, and dividends paid in the financing cash flow.

### **III. Significant estimates used in preparing the financial statements and other sources of uncertainties**

With respect to the application of the Group's accounting policies, the management has to make decisions, estimates and assumptions as to the carrying amount of the assets and liabilities that cannot be clearly determined from other sources.

The estimates and related assumptions are based on past experiences and other factors that are considered relevant. The actual results may be different than these estimates. The estimates and the assumptions on which they are based must be reviewed continuously.

The modifications of accounting estimates must be recognised in the period when the modification was made if the modification only affects this period, or in the period when the modification was made and the periods after that if the modification affects the period under review as well as the future.

1. The recoverable amount of the customer relations list established through the acquisition of NEO Property Zrt., as well as the recoverable amount of the goodwill generated through the acquisition are considered to be significant estimates for the Group. Considering the volume of the relevant balances, these estimates are significant. Addressing the impact of the change in the estimate may affect the net profit or loss.
2. The balances of the accruals of the Group are significant. Those balances include the estimates, the calculations, which are not complex, but considering their volume, may have a significant impact on the net profit or loss of the Group.
3. The fair value of investment properties is a significant estimate for the Group. Although the Group does not record the fair value in its books, that particular item is included in the disclosures.

The management of the Group has to review the accounting estimates of the following areas at least annually:

- the return on intangible assets, with particular attention to the goodwill and the customer relations list;
- balances of the accruals;
- estimates related to the useful life and residual value of the tangible assets;
- fair value estimates;
- estimates related to the valuation of receivables.

The revision of the accounting estimates may be necessitated by:

- legislative changes,
- changes in the economic environment,
- changes in the operation and processes of the Company

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#### **IV. Changes in the accounting policy, expected impact of the IFRS and IFRIC interpretations not yet in force on the date of the financial statements, previous applications**

The Company has not changed the applied accounting policy between 2020 and 2021. An exception is the application of accounting policies related to the introduction of the new standards and to activities that did not exist earlier.

#### **New and modified standards and interpretations entering into force from this reporting period, announced by IASB and adopted by the EU:**

- **Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16** – interest rate benchmark reform – Phase 2 – adopted by the EU from 2021. January 13 (enters into force on 2021. January 1 and in the reporting periods commencing thereafter),
- **Amendment to IFRS4 “Insurance contracts” deferral of effective date of IFRS9** – adopted by the EU from 2020. December 15, (enters into force on a 2021. January 1 and in the reporting periods commencing thereafter),
- **IFRS 16 Leases – Covid-19-Related Rent Concessions after 30 June 2021** (enters into force on 1 April 2021, the amendment extends the practical simplification for the period between 30 June 2021 and 30 June 2022. The application of that standard is mandatory for those lessees that have chosen to apply the initial practical simplification.)

#### **New and amended standards and interpretations issued by the IASB and adopted by the EU, but not yet in force**

At the time of approval of these financial statements, the following standards, as well as amendments to existing standards and interpretations issued by the IASB and adopted by the EU, were published without entry into force:

- **Amendments to IFRS3 “Business Combinations”, IAS16 “Property, Plant and Equipment” and IAS37 “Provisions, Contingent Liabilities and Contingent Assets”** – Package of narrow-scope amendments (enters into force on 1 January 2022 and in the reporting periods commencing thereafter),
- **Amendment to IFRS17 “Insurance contracts”, incorporating the amendments to IFRS17** (enters into force on 2023. January 1 and in the reporting periods commencing thereafter),
- **Amendments to the IAS 1 “Presentation of financial statements” - Classification of Liabilities as Current or Non-Current** (will enter into force on 1 January 2023 and in the reporting periods commencing thereafter),
- **IFRS Practice Statement 2: Disclosure of Accounting Policies.** (will enter into force on 1 January 2023 and in reporting periods commencing thereafter),

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- IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”: Definition of Accounting Estimates. (will enter into force on 1 January 2023 and in reporting periods commencing thereafter),
- IAS 12 “Income taxes“: Deferred tax related to assets and liabilities resulting from one single transaction (will enter into force on 1 January 2023 and in the reporting periods commencing thereafter)

The Company does not apply these new standards and the amendments to existing standards before their effective dates. The Company believes that the approval of these standards and the amendment of existing standards will have no significant impact on the Company's financial statements in the period of initial application.

#### **Standards and interpretations issued by the IASB and not approved by the European Union**

The IFRS adopted by the EU currently do not significantly differ from those approved by the International Accounting Standards Board (IASB), with the exception of the following new standards, amendments to existing standards and new interpretations that have not yet been approved in the EU until the publication date of our financial statements:

- Amendments to the IFRS 10 “Consolidated financial statements” and IAS 28 “Investments in associates and joint ventures” – Selling or transferring assets between the investor and its associate or joint venture (the date of entry into force has been postponed for an uncertain period of time, until the research project arrives at a conclusion with regard to the equity method).

The implementation of these modifications, new standards and interpretations would not influence significantly the Company's financial statements.

## V. Supplementary notes to the Comprehensive Income Statement

### A. Profit or loss from continuing operations

#### 1. Revenue

NEO Property Services Zrt. and Elitur Invest Zrt. became members of the Group on 26 February 2021. The corresponding earnings items are included among the consolidated figures from the date of acquisition.

In 2021, the core activity of the Group was property operation.

| Designation                 | Financial year 2021 | Financial year 2020 |
|-----------------------------|---------------------|---------------------|
| Property operation          | 22 009 785          | -                   |
| Revenue from property lease | 122 778             | 111 579             |
| Revenue from property sales | -                   | 70 300              |
| Other revenue               | 5 365               | 1 061               |
| <b>Total</b>                | <b>22 137 928</b>   | <b>182 940</b>      |

In previous years, the revenue from property lease constituted the largest item of revenue. The revenue and the range of services provided were significantly extended as a result of the inclusion of the new subsidiaries in the Group.

Thanks to the complex property operation service provided by NEO Property Services Zrt., the revenue of the Group increased by THUF 22,009,785.

The other items include the revenue from further invoicing and the sales revenue.

#### 2. Direct operating expenditures

Direct expenditures are expenditures that can be allocated beyond doubt to the revenue generating item when they are incurred.

The amount of direct expenditures increased as a result of the inclusion of new subsidiaries into the Group, especially as a result of the entry of NEO Property Services Zrt.

The content of direct expenditures is as follows:

| Designation                             | Financial year 2021 | Financial year 2020 |
|---|---------------------|---------------------|
| Material costs                          | (136 737)           | (4 370)             |
| Business costs                          | (7 583 976)         | -                   |
| Fuels                                   | (93 848)            | -                   |
| Electricity, water, waste water charges | (1 148 416)         | (6 557)             |
| Heating and air conditioning equipment  | (172 413)           | -                   |
| Waste disposal                          | (36 506)            | (1 151)             |

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|   |                     |                  |
|---|---------------------|------------------|
| Personal costs                                  | (3 092 460)         | -                |
| Maintenance fees                                | (2 123 156)         | (1 264)          |
| Operation costs                                 | (1 272 105)         | (18 315)         |
| Cleaning services                               | (1 789 463)         | -                |
| Removal services                                | (12 253)            | -                |
| Building services engineering                   | (37 995)            | -                |
| Transport                                       | (139 592)           | -                |
| Rental fees                                     | (87 779)            | -                |
| Parking   | (8 752)             | -                |
| Asset management                                | (2 173)             | -                |
| Healthcare services                             | (10 097)            | -                |
| Official fees                                   | (3 475)             | -                |
| Fire protection, occupational health and safety | (113 772)           | -                |
| Travel and accommodation services               | (6 279)             | -                |
| IT services                                     | (40 765)            | -                |
| Property protection                             | (1 322 264)         | (1 057)          |
| Advertising costs                               | (355)               | -                |
| Miscellaneous expenses                          | (3 795)             | -                |
| Other services                                  | (200 676)           | -                |
| Depreciation                                    | (627 070)           | (96 956)         |
| Carrying value of property sold                 | -                   | (61 516)         |
| <b>Total</b>                                    | <b>(20 066 173)</b> | <b>(191 186)</b> |

In the previous period, the activity of the Group differed significantly from the characteristics of the reporting period. Therefore, the Group amended the presentation methodology used in the previous period, leaving the principal amount unchanged.

Comparison of the previously used presentation and this year's presentation:

|   |                  |
|---|------------------|
| <b>Direct costs incurred in 2020 according to the published financial statement:</b>  | <b>(208 605)</b> |
| Reclassification of the revenue from recharged costs to the sales revenue:  | 6 886            |
| Reclassification of the costs incurred by Aquaphor Zrt. to the discontinued operations category, for the sake of comparability: | 1 261            |
| Reclassification of the wage costs of AKKO Plc. to the administrative expenditures:   | 12 227           |
| Adjustment of the depreciation of Vár-Logisztika Zrt.:  | 2 390            |
| Adjustment of the depreciation of 4 Stripe Zrt.:  | (5 345)          |
| <b>Adjusted direct costs incurred in 2020:</b>  | <b>(191 186)</b> |

### 3. Administrative and sales expenditures

The administrative expenditures row contains the company's costs related to its governance and administration activity. The cost increase was due to the inclusion of NEO Property Services Zrt. into the Group, which took place on 26 February 2021.

Administrative expenditures:

| Designation                                     | Financial year<br>2021 | Financial year<br>2020 |
|---|------------------------|------------------------|
| Rental fees                                     | (24 644)               | (7 706)                |
| Insurance fees                                  | (29 679)               | (912)                  |
| Healthcare services                             | (1 253)                | -                      |
| Other materials                                 | (1 216)                | -                      |
| Other services used                             | (16 546)               | -                      |
| Miscellaneous expenses                          | (165)                  | (840)                  |
| Electricity, water, waste water charges         | (676)                  | -                      |
| Official fees and levies                        | (10 370)               | (7 185)                |
| IT services                                     | (33 471)               | (1 087)                |
| Lawyer and legal fees                           | (30 485)               | (7 905)                |
| Environmental protection                        | (2 324)                | -                      |
| Occupational health and safety, fire protection | (349)                  | -                      |
| Printed material and office supplies            | (1 231)                | -                      |
| Education costs                                 | (9 034)                | -                      |
| Parking   | (4 135)                | -                      |
| Fee for financial services                      | (29 450)               | (1 402)                |
| Postal charges                                  | (3 622)                | -                      |
| Professional journals, professional books       | (471)                  | -                      |
| Transportation costs                            | (17 521)               | (34)                   |
| Personal costs                                  | (461 653)              | (12 227)               |
| Accounting services, audit                      | (40 380)               | (11 942)               |
| Travel and mission expenses                     | (757)                  | -                      |
| Fuels   | (8 039)                | -                      |
| Property protection                             | (4 993)                | -                      |
| Maintenance                                     | (951)                  | -                      |
| <b>Total</b>                                    | <b>(733 415)</b>       | <b>(51 240)</b>        |

In 2021, HUF 461,653,000 were recognised as wage costs at Group level. The average staff number of the Group: 499, of which the number of persons employed by NEO Property Services Zrt. is 496.

The significant increase in the administrative expenditures has been induced by the inclusion of NEO Property Zrt. in the Group.

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**Costs of sales include the expenditures directly related to sales.**

| <b>Designation</b>   | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|--|----------------------------|----------------------------|
| Listing and maintenance fees, fees paid directly to securities brokers | (8 126)                    | (6 726)                    |
| Communication and marketing costs                                      | (27 069)                   | (4 071)                    |
| <b>Total</b>   | <b>(35 195)</b>            | <b>(10 797)</b>            |

| <b>Designation</b>          | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|-----------------------------|----------------------------|----------------------------|
| Administrative expenditures | (733 415)                  | (51 240)                   |
| Sales expenditures          | (35 195)                   | (10 797)                   |
| <b>Total</b>                | <b>(768 610)</b>           | <b>(62 037)</b>            |

From the administrative and sales expenditures incurred in 2020, the balances related to the derecognised subsidiary were reclassified to the profit or loss from discontinued operations.

**4. Other revenues and expenditures**

Other revenues and expenditures are items that cannot be linked to the core activity, but they have an impact on profit or loss.

| <b>Designation</b>                                  | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|---|----------------------------|----------------------------|
| Payments to foundations, donations                  | (7 332)                    | -                          |
| Net value of fines, penalties and default interests | 547                        | (88)                       |
| Building and land tax                               | (13 599)                   | (13 590)                   |
| Sale and scrapping of fixed assets                  | (27)                       | -                          |
| Local tax in France                                 | (238)                      | (2 449)                    |
| Corporate tax adjustments in previous year          | (4 183)                    | (356)                      |
| Other taxes   | (26 393)                   | -                          |
| Employee reimbursements                             | 5 480                      | -                          |
| Provisions made/used                                | (176 326)                  | -                          |
| Cancelled receivables, liabilities                  | (18 469)                   | -                          |
| Expenditures related to damages                     | (1 966)                    | -                          |
| Impairment loss and reversal of receivables         | 67 784                     | -                          |
| Miscellaneous sundry items                          | 2 564                      | (447)                      |
| <b>Total (with regard to sign)</b>                  | <b>(172 158)</b>           | <b>(16 930)</b>            |

The other revenues and expenditures of 2020 are adjusted to the figures of the sold subsidiary for the sake of comparability.



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#### 5. Financial revenues and expenditures

| Designation  | Financial year 2021 | Financial year 2020 |
|--|---------------------|---------------------|
| Interest received                                      | 197                 | 7 453               |
| Interest payable                                       | (267 582)           | (5 587)             |
| Revaluation of foreign currency assets and liabilities | 5 669               | 83 080              |
| Expected Credit Loss (ECL) and reversal                | 7 321               | (4 512)             |
| Discount   | 3 078               | -                   |
| Other financial expenditures                           | (1 957)             | -                   |
| <b>Total (with regard to sign)</b>                     | <b>(253 274)</b>    | <b>80 433</b>       |

The significant increase in the financial expenditures was due to the interest of the bank loan contracted by the Parent Company (THUF 267,582).

From the financial revenues and expenditures incurred in 2020, the balances related to the derecognised subsidiary were reclassified to the profit or loss from discontinued operations.

#### 6. Gain or loss on disposal of subsidiary

The 100% business share in Aquaphor Zrt. was profitably sold by the Group, the profit amounted to THUF 7,161. As a consideration for the business share, 746,988 treasury shares of the Parent Company were transferred back to the Group. In the reference period (in 2020), ALQ69 Zrt. was profitably sold, the profit was THUF 59,972.

| Designation                               | Financial year 2021 | Financial year 2020 |
|---|---------------------|---------------------|
| Selling price                             | 148 550             | 890 000             |
| Derecognised net asset                    | (107 515)           | (41 107)            |
| Derecognised goodwill                     | -                   | (802 309)           |
| Proprietary transactions                  | (33 874)            | -                   |
| Derecognition of non-controlling interest | -                   | 13 388              |
| <b>Total (with regard to sign)</b>        | <b>7 161</b>        | <b>59 972</b>       |

#### 7. Income tax expenditure

This expenditure position comprises the following tax items:

| Designation                        | Financial year 2021 | Financial year 2020 |
|------------------------------------|---------------------|---------------------|
| Corporate income tax               | (187 921)           | (11 893)            |
| Deferred tax expenditure/income    | 21 915              | 11 689              |
| Local business tax                 | (133 605)           | (3 712)             |
| <b>Total (with regard to sign)</b> | <b>(299 611)</b>    | <b>(3 915)</b>      |

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The Group presents the corporate income tax and local business tax among income tax expenditures.

The corporate income tax rate was 9% during the year. The corporate income tax burden amounts to THUF 187,921, a significant share of it (THUF 179,060) is stated in the books of NEO Property Services Zrt.

The local business tax rate is 2%; however, Government Decree 639/2020 (of 22 December), mitigating the economic difficulties caused by the COVID-19 pandemic, makes it possible for SMEs to pay 1% local business tax in 2021. As far as the members of the Group are concerned, Moon Facility Zrt., 4 Stripe Zrt. and VÁR-Logisztika Zrt. are entitled to pay a reduced tax rate.

The tax authorities regularly inspect the members of the Group. Since there may be disputes with regard to the interpretation of the taxation rule applicable to the individual transactions, later on the tax authority may change, during its proceeding, the tax balances shown in the financial statements.

## B. Profit or loss from discontinued operations

Based on IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, the Parent Company classified its subsidiaries in the discontinued operations category.

Discontinued operations are part of an undertaking that has been disposed of or has been classified as held for sale, and

- that constitute a separate line of business of the activity or a separate geographical area or are part of a plan for disposal, or
- a subsidiary acquired for the purpose of further sale.

The Group's total comprehensive income from discontinued operations is as follows:

| <b>COMPREHENSIVE INCOME STATEMENT</b>                                   | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|---|----------------------------|----------------------------|
| Revenue   | -                          | 30 999                     |
| Direct expenditures   | (532)                      | (11 817)                   |
| <b>Gross profit or loss</b>   | <b>(532)</b>               | <b>19 182</b>              |
| Administrative and sales expenditures                                   | (37)                       | (1 195)                    |
| Other expenditure, net  | -                          | (868)                      |
| Financial expenditures, net   | -                          | (13 170)                   |
| <b>Profit or loss before tax</b>  | <b>(569)</b>               | <b>3 949</b>               |
| Income tax expenditure  | -                          | (904)                      |
| <b>After-tax profit or loss from discontinued operations</b>            | <b>(569)</b>               | <b>3 045</b>               |
| <b>Other comprehensive income (after income tax)</b>                    | <b>-</b>                   | <b>-</b>                   |
| <b>Total comprehensive income from discontinued operations</b>          | <b>(569)</b>               | <b>3 045</b>               |
| <b>Earnings per share from discontinued operations (in HUF)</b>         | <b>(0,02)</b>              | <b>0,09</b>                |
| <b>Diluted earnings per share from discontinued operations (in HUF)</b> | <b>(0,02)</b>              | <b>0,09</b>                |

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The profit or loss related to these activities are detailed below.

***Sales revenue from discontinued operations***

| <b>Designation</b>          | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|-----------------------------|----------------------------|----------------------------|
| Revenue from property lease | -                          | 30 999                     |
| <b>Total</b>                | <b>-</b>                   | <b>30 999</b>              |

***Direct operating expenditures from discontinued operations***

| <b>Designation</b>   | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|----------------------|----------------------------|----------------------------|
| Overhead expenses    | (215)                      | (905)                      |
| Maintenance fees     | -                          | (16)                       |
| Depreciation         | -                          | (9 889)                    |
| Property insurance   | (317)                      | (114)                      |
| Shipment of waste    | -                          | (94)                       |
| Parking space rental | -                          | (800)                      |
| <b>Total</b>         | <b>(532)</b>               | <b>(11 818)</b>            |

***Administrative expenditures from discontinued operations***

| <b>Designation</b>         | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|----------------------------|----------------------------|----------------------------|
| Bookkeeping services       | -                          | (490)                      |
| Fee for financial services | (32)                       | (652)                      |
| Official fees and levies   | (5)                        | (5)                        |
| Miscellaneous expenses     | -                          | (19)                       |
| <b>Total</b>               | <b>(37)</b>                | <b>(1 167)</b>             |

***Costs of sales from discontinued operations***

| <b>Designation</b>                | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|-----------------------------------|----------------------------|----------------------------|
| Communication and marketing costs | -                          | (28)                       |
| <b>Total</b>                      | <b>-</b>                   | <b>(28)</b>                |

***Other revenues and expenditures from discontinued operations***

| <b>Designation</b>                 | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|------------------------------------|----------------------------|----------------------------|
| Fine, penalty and default interest | -                          | (1)                        |
| Building and land tax              | -                          | (867)                      |

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|                                    |   |              |
|------------------------------------|---|--------------|
| <b>Total (with regard to sign)</b> | - | <b>(868)</b> |
|------------------------------------|---|--------------|

***Financial revenues and expenditures from discontinued operations***

| <b>Designation</b>                                     | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|--|----------------------------|----------------------------|
| Other interest payable                                 | -                          | (1 363)                    |
| Revaluation of foreign currency assets and liabilities | -                          | (11 806)                   |
| <b>Total (with regard to sign)</b>                     | -                          | <b>(13 170)</b>            |

***Income tax expenses from discontinued operations***

| <b>Designation</b>                 | <b>Financial year 2021</b> | <b>Financial year 2020</b> |
|------------------------------------|----------------------------|----------------------------|
| Corporate income tax               | -                          | (301)                      |
| Local business tax                 | -                          | (603)                      |
| <b>Total (with regard to sign)</b> | -                          | <b>(904)</b>               |

## VI. Supplementary notes to the balance sheet

### 8. Value of customer relations

Upon the inclusion of NEO Property Zrt., the Group identified the previously unstated intangible assets and separated them from the initial difference, in accordance with the rules of IFRS 3. In this regard, the Group identified the customer relations and determined their value with the involvement of an external expert, by deducting it from its cash-generating capacity.

| <b>Value of customer relations</b> |                   |
|------------------------------------|-------------------|
| <b>Gross value</b>                 |                   |
| <b>Balance at 31 December 2020</b> | -                 |
| Categorisation on acquisition      | <b>12 794 000</b> |
| Purchase                           | -                 |
| <b>Balance at 31 December 2021</b> | <b>12 794 000</b> |
| <b>Depreciation</b>                |                   |
| <b>Balance at 31 December 2020</b> | -                 |
| Categorisation on acquisition      | -                 |
| Depreciation recognised            | <b>(490 729)</b>  |
| <b>Balance at 31 December 2021</b> | <b>(490 729)</b>  |
| <b>Net value</b>                   |                   |
| <b>Balance at 31 December 2020</b> | -                 |
| <b>Balance at 31 December 2021</b> | <b>12 303 271</b> |

### 9. Goodwill, negative goodwill

The value of goodwill increased as a result of the acquisitions of 26.02.2021.

| <b>Designation</b>  | <b>31.12.2021</b> | <b>31.12.2020</b> |
|---|-------------------|-------------------|
| Opening   | 265 735           | 1 068 044         |
| Goodwill on NEO Property operation                          | 5 379 619         |                   |
| Derecognition of goodwill due to the sale of the subsidiary | -                 | (802 309)         |
| <b>Total</b>  | <b>5 645 354</b>  | <b>265 735</b>    |

The Parent Company owns 51% of NEO Property Services Zrt. through Elitur Invest Zrt.

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The purchase price is paid in cash which is given in consideration for the AKKO Invest Plc. shares. In the course of the acquisitions of business shares, it was not the entire purchase price which was settled, therefore the Group generated liabilities amounting to THUF 4,830,000.

Goodwill amount – related to the individual subsidiaries – on the balance sheet date:

| Designation   | Neo Property Zrt. and ELITUR Zrt. | A PLUS INVEST Zrt. |
|---|-----------------------------------|--------------------|
| Purchase price  | 24 711 218                        | 279 000            |
| Value of net assets taken over at the date of acquisition | 7 689 058                         | 13 265             |
| Value of net assets identified at the date of acquisition | 12 794 000                        | 265 735            |
| Deferred tax impact                                       | (1 151 460)                       | -                  |
| Total net assets  | 19 331 598                        | 13 265             |
| <b>Goodwill on 31.12.2021</b>                             | <b>5 379 619</b>                  | <b>265 735</b>     |

The Group treated the acquisition of NEO Property Zrt. and ELITUR Invest Zrt. as a coherent transaction, because the reason for the acquisition of the two companies was to acquire the activity of NEO Property Zrt.

The net asset value of the new investments include the pool of contracts with customers (value of customer relations) which has been identified and registered by the Group as intangible assets. Its value at the date of the acquisition is: THUF 12 794 000.

#### 10. Right-of-use assets

Among the right-of-use assets, the Group presents the right-of-use (ROU) assets related to the leased car fleet and the rental rights of office premises, as well as the related depreciation charge.

Liabilities related to the right-of-use are recorded as lease liabilities in accordance with the rules of IFRS 16. The Group took ownership of those assets with the purchase of NEO Property Zrt.

Net value of the right-of-use assets on 30.06.2021:

| Gross value                        | ROU passenger cars | ROU property rental | Total          |
|------------------------------------|--------------------|---------------------|----------------|
| <b>Balance at 31 December 2020</b> | -                  | -                   | -              |
| Categorisation on acquisition      | 243 019            | 323 719             | 566 738        |
| Conclusion of new contracts        | 176 806            | 11 814              | 188 620        |
| <b>Balance at 31 December 2021</b> | <b>419 825</b>     | <b>335 533</b>      | <b>755 358</b> |
| Depreciation                       | ROU passenger cars | ROU property rental | Total          |
| <b>Balance at 31 December 2020</b> | -                  | -                   | -              |
| Categorisation on acquisition      | (123 696)          | (112 332)           | (236 028)      |

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|                                      |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|
| Depreciation recognised              | (39 712)         | (47 643)         | (87 355)         |
| <b>Balance at 31 December 2021</b>   | <b>(163 408)</b> | <b>(159 975)</b> | <b>(323 383)</b> |
| <b>Net value at 31 December 2021</b> | <b>256 417</b>   | <b>175 558</b>   | <b>431 975</b>   |

## Lease liabilities

| Designation   | Passenger cars | Property rental | Total          |
|---|----------------|-----------------|----------------|
| Lease debt due within one year                                  | 136 034        | 78 696          | 214 730        |
| Lease debt due over a year, but within five years               | 126 305        | 102 223         | 228 528        |
| Lease debt due over five years                                  | -              | -               | -              |
| <b>Total</b>  | <b>262 339</b> | <b>180 919</b>  | <b>443 258</b> |
|   |                |                 |                |
| Designation   | Passenger cars | Property rental | Total          |
| Total opening lease liabilities                                 | -              | -               | -              |
| Lease liabilities upon acquisition                              | 123 411        | 221 842         | 345 253        |
| Interim contracting   | 245 536        | 11 815          | 257 351        |
| Payment of lease fees   | (106 608)      | (52 738)        | (159 346)      |
| <b>Outstanding lease liabilities at the end of the semester</b> | <b>262 339</b> | <b>180 919</b>  | <b>443 258</b> |

## 11. Other intangible assets

The Group took ownership of intangible assets not highlighted elsewhere by purchasing NEO Property Services Zrt. This item includes licenses, as well as purchased software and software developed by the Group itself.

|                                    |                  |
|------------------------------------|------------------|
| <b>Gross value</b>                 |                  |
| <b>Balance at 31 December 2020</b> | -                |
| Categorisation on acquisition      | <b>297 447</b>   |
| Purchase                           | <b>13 662</b>    |
| <b>Balance at 31 December 2021</b> | <b>311 109</b>   |
| <b>Depreciation</b>                |                  |
| <b>Balance at 31 December 2020</b> | -                |
| Categorisation on acquisition      | <b>(268 344)</b> |
| Depreciation recognised            | <b>(13 278)</b>  |
| <b>Balance at 31 December 2021</b> | <b>(281 621)</b> |
| <b>Net value</b>                   |                  |
| <b>Balance at 31 December 2020</b> | -                |
| <b>Balance at 31 December 2021</b> | <b>29 488</b>    |

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## 12. Investment properties

The figures related to the properties of the Group on 31 December 2021 are as follows:

| <b>Gross value</b>                 | <b>Industrial property</b> | <b>Residential property</b> | <b>Total</b>     |
|------------------------------------|----------------------------|-----------------------------|------------------|
| <b>Balance at 31 December 2020</b> | <b>2 393 948</b>           | <b>2 334 132</b>            | <b>4 728 079</b> |
| Extension                          | -                          | -                           | -                |
| Disposals                          | -                          | -                           | -                |
| Impact of exchange rate changes    | -                          | 50 697                      | <b>50 697</b>    |
| Decrease due to sale of subsidiary | -                          | (260 459)                   | <b>(260 459)</b> |
| Investment value adjustment        | -                          | (41 198)                    | <b>(41 198)</b>  |
| <b>Balance at 31 December 2021</b> | <b>2 393 948</b>           | <b>2 083 172</b>            | <b>4 477 119</b> |
| <b>Depreciation</b>                | <b>Industrial property</b> | <b>Residential property</b> | <b>Total</b>     |
| <b>Balance at 31 December 2020</b> | <b>(181 417)</b>           | <b>(9 403)</b>              | <b>(190 819)</b> |
| Derecognition due to sales         | -                          | -                           | -                |
| Categorisation on acquisition      | -                          | -                           | -                |
| Depreciation recognised            | (76 605)                   | (6 238)                     | (82 844)         |
| Decrease due to sale of subsidiary | -                          | -                           | -                |
| <b>Balance at 31 December 2021</b> | <b>(258 023)</b>           | <b>(15 642)</b>             | <b>(273 663)</b> |
| <b>Net value</b>                   | <b>Industrial property</b> | <b>Residential property</b> | <b>Total</b>     |
| <b>Balance at 31 December 2020</b> | <b>2 212 531</b>           | <b>2 324 729</b>            | <b>4 537 260</b> |
| <b>Balance at 31 December 2021</b> | <b>2 135 925</b>           | <b>2 067 530</b>            | <b>4 203 456</b> |

The group measures investment properties based on the cost model. The depreciation of the properties takes place as described in the summary of the Accounting Policy.



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The Group has the following properties:

| Owner of the property | Address of property                          | Classification of property | Plot size (m <sup>2</sup> ) | Superstructure size (m <sup>2</sup> ) | Status of utilisation |
|-----------------------|--|----------------------------|-----------------------------|---------------------------------------|-----------------------|
| AKKO Invest Plc.      | 1133 Budapest, Kárpát utca 50 ground floor   | residential property       | -                           | 121                                   | Let out               |
| MOON Facility Zrt.    | 5000 Szolnok, Kombájn utca 8800              | industrial property        | 48 627                      | 3 330                                 | Let out               |
| Vár-Logisztika Zrt.   | Nagykanizsa, Vár utca 12. 18 Avenue,         | industrial property        | 8 223                       | 2 064                                 | Let out               |
| ALQ SAS               | Louis Gallet, Juan-Les-Pins, Antibes, France | residential property       | -                           | 1 185                                 | under reconstruction  |
| 4Stripe Zrt.          | 2040 Budaörs, Kinizsi 4-6                    | industrial property        | 3 932                       | 3 904                                 | Let out               |
| A PLUS INVEST Zrt.    | 1121 Budapest, Eötvös út 31                  | residential property       | 2 269                       | 438                                   | under reconstruction  |

The net value of the properties on 31 December 2021 is shown in the table below:

| Designation of the property                     | Initial cost     | Amendment of initial cost due to currency exchange | Accumulated depreciation | Net value THUF   |
|---|------------------|--|--------------------------|------------------|
| Office in Kárpát utca                           | 98 800           | -  | (6 090)                  | 92 710           |
| Industrial property in Szolnok                  | 587 400          | -  | (59 625)                 | 527 775          |
| Industrial property in Nagykanizsa              | 418 872          | -  | (104 142)                | 314 730          |
| Cyrano Hotel, France                            | 1 796 133        | -  | -                        | 1 796 133        |
| Industrial property in Budaörs                  | 1 387 674        | -  | (94 255)                 | 1 293 419        |
| Residential property in Eötvös utca in Budapest | 188 240          | -  | (9 551)                  | 178 688          |
| <b>Total</b>                                    | <b>4 477 119</b> | <b>-</b>   | <b>273 663</b>           | <b>4 203 456</b> |

Last year the net values of the properties were as follows:

| Designation of the property        | Initial cost | Amendment of initial cost due to currency exchange | Accumulated depreciation | Net value, THUF |
|------------------------------------|--------------|--|--------------------------|-----------------|
| Office in Kárpát utca              | 98 800       | -  | (3 628)                  | 95 172          |
| Industrial property in Szolnok     | 418 872      | -  | (81 858)                 | 337 014         |
| Industrial property in Nagykanizsa | 587 400      | -  | (38 296)                 | 549 104         |
| Cyrano Hotel, France               | 1 786 634    | -  | -                        | 1 786 634       |
| Industrial property in Budaörs     | 1 389 934    | -  | (63 521)                 | 1 326 413       |

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|   |                  |          |                |                  |
|---|------------------|----------|----------------|------------------|
| Residential property in Eötvös utca in Budapest | 188 240          | -        | (5 776)        | 182 464          |
| Zamárdi, holiday home                           | 260 459          | -        | -              | 260 459          |
| <b>Total</b>                                    | <b>4 730 339</b> | <b>-</b> | <b>193 079</b> | <b>4 537 260</b> |

With the sale of Aquaphor Zrt., the property located in Zamárdi was taken out of the ownership of the Group. The accumulated depreciation, as well as the conversion to HUF of the value of Hotel Cyrano recognised in EUR brought further changes in value.

Estimates concerning the fair value of the properties on the record date:

| Designation                                     | Fair value estimates<br>31.12.2021, THUF |
|---|--|
| Flat in Kárpát utca                             | 101 800                                  |
| Industrial property in Szolnok                  | 593 000                                  |
| Industrial property in Nagykanizsa              | 394 000                                  |
| Cyrano Hotel, France                            | 1 645 740                                |
| Industrial property in Budaörs                  | 1 553 000                                |
| Residential property in Eötvös utca in Budapest | 654 800                                  |
| <b>Total</b>                                    | <b>4 942 340</b>                         |

The fair value of the assets was determined by property experts in 2021, the property experts had a relevant qualification. The assets are utilised partially by means of operating lease.

The lease contracts are of unlimited duration, with short notice.

### 13. Properties

The Group took ownership of those assets with the purchase of NEO Property Services Zrt. Among the properties, the Group keeps record of transformations, refurbishments performed and activated on rented properties, and of office containers used by the Group itself.

| Gross value                        | THUF            |
|------------------------------------|-----------------|
| <b>Balance at 31 December 2020</b> | -               |
| Categorisation on acquisition      | <b>70 359</b>   |
| Purchase                           | <b>20 765</b>   |
| Decrease                           | (15 000)        |
| <b>Balance at 31 December 2021</b> | <b>76 124</b>   |
| <b>Depreciation</b>                |                 |
| <b>Balance at 31 December 2020</b> | -               |
| Categorisation on acquisition      | <b>(39 805)</b> |
| Depreciation recognised            | <b>(5 479)</b>  |
| <b>Balance at 31 December 2021</b> | <b>(45 284)</b> |
| <b>Net value</b>                   |                 |

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|                                    |               |
|------------------------------------|---------------|
| <b>Balance at 31 December 2020</b> | -             |
| <b>Balance at 31 December 2021</b> | <b>30 840</b> |

#### 14. Plant, fixtures and equipment

The figures related to plant, fixtures and equipment for 31 December 2021 are as follows:

| Gross value                               | THUF             |
|---|------------------|
| <b>Balance at 31 December 2020</b>        | <b>1 317</b>     |
| Categorisation on acquisition             | <b>529 885</b>   |
| Purchase                                  | 38 255           |
| Decrease                                  | (826)            |
| <b>Balance at 31 December 2021</b>        | <b>568 631</b>   |
| <b>Depreciation</b>                       |                  |
| <b>Balance at 31 December 2020</b>        | (919)            |
| Categorisation on acquisition             | (470 618)        |
| Derecognition upon the sales of the asset | 165              |
| Depreciation recognised                   | (31 910)         |
| <b>Balance at 31 December 2021</b>        | <b>(503 282)</b> |
| <b>Net value</b>                          |                  |
| <b>Balance at 31 December 2020</b>        | <b>398</b>       |
| <b>Balance at 31 December 2021</b>        | <b>65 349</b>    |

The depreciation of the individual assets takes place as described in the summary of the Accounting Policy.

#### 15. Trade accounts receivable

Among trade accounts receivable the Group records the unpaid consideration payable by customers for the goods sold or services rendered in the usual course of business plus value added tax.

| Designation               | 31.12.2021       | 31.12.2020   |
|---------------------------|------------------|--------------|
| Trade accounts receivable | 7 620 959        | 6 660        |
| Expected credit loss      | (10 456)         | -            |
| <b>Total</b>              | <b>7 610 503</b> | <b>6 660</b> |

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## 16. Receivables from other companies

In 2021, the Group did not have other companies. The receivables were paid to AGY96 AG.

| Designation                | 31 December 2021 | 31 December 2020 |
|----------------------------|------------------|------------------|
| AGY69 AG                   | -                | 1 671 630        |
| Expected Credit Loss (ECL) | -                | (7 522)          |
| <b>Total</b>               |                  | <b>1 664 108</b> |

## 17. Other receivables and prepayments and accrued income

On the balance sheet date the Group had the following other receivables and prepayments and accrued income:

| Designation  | 31.12.2021       | 31.12.2020    |
|--|------------------|---------------|
| Other non-income tax receivables                               | 61 301           | 47 253        |
| Advances granted   | 353 752          | 727           |
| Accrual of sales revenue, other interest income, other revenue | 848 031          | 514           |
| Prepaid costs, other interest paid, other expenditures         | 22 897           | 257           |
| Overpaid suppliers   | -                | 2 321         |
| Bail granted   | 7 932            | -             |
| Security deposit granted                                       | 1 840            | -             |
| Performance collaterals and guarantees                         | 34 650           | -             |
| <b>Total</b>   | <b>1 330 403</b> | <b>51 072</b> |

In 2021 the Group classified VAT receivables as other non-income tax receivables. Advances granted are composed of advances granted to suppliers and personnel for subsequent recognition. The amount of advances granted to suppliers is HUF 347,459,000 in the records of the Group. Revenue accruals include the amount of revenue due for 2021, but not yet invoiced, mainly coming from the property operation line of business. The Group states the costs and expenditures charged to profit or loss, incurred in 2021 but partially belonging to the year after the balance sheet date in the prepaid costs, other interest paid, other expenditures row. Bails, security deposits and collaterals are related to complex property operation services.

## 18. Cash and cash equivalents

Cash and cash equivalents comprise the following items:

| Designation                | 31.12.2021       | 31.12.2020    |
|----------------------------|------------------|---------------|
| Bank Accounts              | 1 320 909        | 70 379        |
| Cash on hand               | 3 484            | 711           |
| Cash accounts at brokers   | 130              | 165           |
| Expected Credit Loss (ECL) | (197)            | 3             |
| <b>Total</b>               | <b>1 324 326</b> | <b>71 258</b> |

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The Group has no cash equivalents. The interest received on bank accounts is 0-1%. The fair value of these items is almost the same as their carrying amounts.

## 19. Subscribed capital

The subscribed capital contains the face value of outstanding shares.

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.

On 31 December 2021 the subscribed capital was HUF 833,880,000.

The table below shows the nominal value of the Parent Company's outstanding shares:

| Designation                                      | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Nominal value of shares outstanding on 1 January | 833 880          | 833 880          |
| Change during the year                           | -                | -                |
| <b>Total</b>                                     | <b>833 880</b>   | <b>833 880</b>   |

The table below shows the quantity of the parent company's outstanding shares:

| Designation            | 31 December 2021<br>(pcs) Nominal value: HUF<br>25/piece | 31 December 2020<br>(pcs) Nominal value: HUF<br>25/piece |
|------------------------|--|--|
| Ordinary shares issued | 33 355 200   | 33 355 200   |
| <b>Total</b>           | <b>33 355 200</b>  | <b>33 355 200</b>  |

The Group does not deduct the nominal value of its treasury shares in the balance sheet from the subscribed capital.

Treasury shares are included in this position:

| Designation   | 31.12.2021     | 31.12.2020     |
|---|----------------|----------------|
| Total nominal value of shares                       | 833 880        | 833 880        |
| Of which treasury shares (at nominal value)         | 23 425         | 4 750          |
| <b>Nominal value of outstanding ordinary shares</b> | <b>810 455</b> | <b>829 130</b> |

## 20. Share premium

Share premium comprises the surplus value paid for the parent company's share and the trading gain on the sale of treasury shares.

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## 21. Treasury shares

The quantity and value of treasury shares are as follows.

| Designation   | 31.12.2021<br>(pcs) | 31.12.2020<br>(pcs) |
|---|---------------------|---------------------|
| Opening balance   | 190 000             | -                   |
| Number of treasury shares sold through the stock exchange     | -                   | -                   |
| Treasury shares accepted as consideration for tangible assets | 746 988             | 190 000             |
| <b>Changes in shares (pcs)</b>                                | <b>936 988</b>      | <b>190 000</b>      |

| Designation  | 31.12.2021       | 31.12.2020      |
|--|------------------|-----------------|
| Opening balance  | (70 300)         | -               |
| Treasury shares sold through the stock exchange                            | (310 000)        | -               |
| Treasury shares accepted as consideration for tangible assets              | -                | (70 300)        |
| <b>Changes in treasury shares at carrying amount (with regard to sign)</b> | <b>(380 300)</b> | <b>(70 300)</b> |

The signs shown in the table are from equity perspective.

## 22. Proprietary transactions

In the proprietary transactions balance sheet row the Group states the value created in equity when acquiring minority interests. The difference is the market value of the consideration for the acquired equity interest and the carrying amount of the non-controlling interest.

The amount of proprietary transactions decreased by THUF 33,874 derecognised because of the sale of Aquaphor Zrt.

| Designation  | 31.12.2021       | 31.12.2020       |
|--|------------------|------------------|
| Opening balance  | (240 514)        | 82 017           |
| Difference realised on the acquisition of minority interest in 4 strip Zrt. - 10.01.2020                       | -                | (242 789)        |
| Difference realised on the acquisition of minority interest in Plus Invest Zrt - 13.01.2020                    | -                | (45 868)         |
| Difference realised on the acquisition of minority interest in Aquaphor Zrt. - 26.05.2020                      | -                | (33 874)         |
| Derecognition of the difference realised on the acquisition of minority interest in Aquaphor Zrt. - 19.05.2021 | 33 874           | -                |
| <b>Total</b>   | <b>(206 640)</b> | <b>(240 514)</b> |

### 23. Accumulated exchange difference

The functional currency of the French subsidiary is euro. Accordingly, the financial statements of the subsidiary must be converted into Hungarian forint. During the conversion assets and liabilities must be converted at the closing euro exchange rate, the profit and loss items at the average exchange rate, while equity components at historic exchange rate with the proviso that the capital balance of the acquisition date must be held at the exchange rate prevailing on the acquisition date.

| Designation                          | 31.12.2021     | 31.12.2020     |
|--------------------------------------|----------------|----------------|
| Assets at closing exchange rate      | 931 689        | 917 309        |
| Liabilities at closing exchange rate | 979 930        | 950 583        |
| Equity at historic exchange rate     | (40 593)       | (26 752)       |
| <b>Difference</b>                    | <b>(7 648)</b> | <b>(6 522)</b> |

### 24. Liabilities from loans (long- and short-term)

The Group has the following liabilities from loans:

| Debtor                     | Expiry date | Interest rate | 31.12.2021        | Due within 1 year | Due within 5 year | Due over 5 years |
|----------------------------|-------------|---------------|-------------------|-------------------|-------------------|------------------|
| <b>AKKO Invest Plc.</b>    | 31.03.2036  | 2,5%          | 11 528 970        | 681 527           | 2 900 387         | 7 947 056        |
| <b>VÁR-Logisztika Zrt.</b> | 16.12.2024  | 2,5%          | 56 159            | 20 283            | 35 876            | -                |
| <b>4 Stripe Zrt.</b>       | 29.02.2032  | 1,9%          | 461 859           | 44 225            | 170 591           | 247 043          |
| <b>Total</b>               |             |               | <b>12 046 988</b> | <b>746 035</b>    | <b>3 106 854</b>  | <b>8 194 099</b> |

Vár-Logisztika Zrt. concluded an investment loan contract on 3 July 2018 with Orgovány és Vidéke Takarékszövetkezet "in liq.". The loan agreement was taken over by Takarékbank Zrt., thus the redemption also takes place by executing payments to the successor financial institution.

Oberbank AG disbursed a loan of EUR 1,250,000 to 4 Stripe Zrt. on 05.03.2020.

In its Decree No. 47/2020 (18.03.2020) on Immediate measures to mitigate the effects of the coronavirus pandemic on the national economy, the Government of Hungary announced a moratorium on principal, interest and fee payments arising from credit and loan contracts. Pursuant to that Decree, the redemption of both loans was suspended until 31 October 2021, when the payment of instalments and interests had to be resumed pursuant to Government Decree No. 536/2021 (of 15 September).

A loan of HUF 12 billion was disbursed by OTP Bank Nyrt. to the Parent Company on 26.02.2021.

The carrying amount of bank loans essentially corresponds to their fair value.

The changes in outstanding loans are shown in the table below:

| Designation | Long term loans | Short term loans |
|-------------|-----------------|------------------|
|-------------|-----------------|------------------|

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|                                  |                   |                |
|----------------------------------|-------------------|----------------|
| Opening balance                  | 462 246           | 54 311         |
| Borrowing during the year        | 12 000 000        | 12 000 000     |
| Principal instalment             | (471 030)         | -              |
| Interest payment in 2021         | (253 840)         | -              |
| Reclassification due to maturity | (691 724)         | 691 724        |
| Amendment of liabilities         | -                 | -              |
| Year-end revaluation             | 1 461             | -              |
| <b>Closing</b>                   | <b>11 300 953</b> | <b>746 035</b> |

In addition to bank loans, the Company also has received loans from other undertakings. In the course of 2019, Elitur Invest Zrt. received a long-term loan from WING Zrt., its former parent company. The maturity date of the loan is 31.12.2024, the interest rate is 2% higher than the actual basic interest rate of the central bank.

| <b>Designation</b> | <b>31 December 2021</b> |
|--------------------|-------------------------|
| Long term loan     | 272 207                 |
| <b>Total</b>       | <b>272 207</b>          |

## 25. Provisions

Provisions are stated in the books of NEO Property Services Zrt., a subsidiary that has been recently included in the Group. The following table presents the relevant items and their changes as at 31.12.2021.

| <b>Designation</b>                    | <b>31.12.2021</b> | <b>31.12.2020</b> |
|---------------------------------------|-------------------|-------------------|
| Penalties and claims from contracting | 212 876           | -                 |
| Guarantee liabilities                 | 74 855            | -                 |
| Severance pay                         | 2 042             | -                 |
| Litigation                            | 1 500             | -                 |
| <b>Total</b>                          | <b>291 273</b>    | <b>-</b>          |

Provisions for penalties, claims and guarantees are due to the activity of the property operation line of business and their volume correspond to normal business.

Having regard to lawsuits in progress, the subsidiary records THUF 1,500 as provisions. The applicant, a private individual claims compensation for damages and maintenance substitution allowance for reckless endangerment within the scope of employment. The insurance company has already paid the damages awarded and the litigation costs, but it is expected that THUF 1,500 will be incurred as document costs and costs advanced by the State.



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### Changes in provisions

| Designation                           | 26.02.2021<br>(acquisition) | Training       | Discharge       | 31.12.2021     |
|---------------------------------------|-----------------------------|----------------|-----------------|----------------|
| Penalties and claims from contracting | 80 071                      | 169 196        | (36 391)        | 212 876        |
| Guarantee liabilities                 | 0                           | 74 855         | -               | 74 855         |
| Severance pay                         | 14 575                      | 2 042          | (14 575)        | 2 042          |
| Litigation                            | 20 300                      | 0              | (18 800)        | 1 500          |
| <b>Total</b>                          | <b>114 946</b>              | <b>246 093</b> | <b>(69 766)</b> | <b>291 273</b> |

### 26. Deferred tax assets and liabilities and subsequently payable taxes

During the reporting period the following deferred tax balances occurred:

| Designation   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Deferred tax assets                                       | -                | -                |
| Deferred tax liabilities                                  | 1 578 587        | 449 045          |
| <b>Deferred tax liability (consolidated net position)</b> | <b>1 578 587</b> | <b>449 045</b>   |

Both current year's and previous year's deferred tax positions were recognised applying a tax rate of 9%.

Reconciliation of deferred tax:

| 31 December 2021                                     | Carrying amounts  | Tax value         | Difference        |
|--|-------------------|-------------------|-------------------|
| Intangible assets                                    | 12 332 759        | 29 488            | 12 303 271        |
| Investment properties                                | 4 203 456         | 2 136 294         | 2 067 162         |
| Properties   | 30 840            | 30 840            | -                 |
| Plant, fixtures and equipment                        | 65 349            | 65 349            | -                 |
| Goodwill   | 5 645 354         | 5 645 354         | -                 |
| Other receivables and prepayments and accrued income | 1 330 404         | 1 330 404         | -                 |
| Cash and cash equivalents                            | 1 324 326         | 1 324 326         | -                 |
| Long term bank loans                                 | 11 300 953        | 11 300 953        | -                 |
| Short term loans                                     | 746 035           | 746 035           | -                 |
| Provisions made                                      | -                 | -                 | 176 326           |
| Impairment loss recognised on receivables            | -                 | -                 | (67 784)          |
| Trade accounts payable                               | 3 474 740         | 3 474 740         | -                 |
| Other short-term liabilities and accruals            | 8 903 837         | 8 903 837         | -                 |
| Income tax liabilities                               | 53 906            | 53 906            | -                 |
| Development reserve                                  | -                 | (3 060 908)       | 3 060 908         |
|  | <b>49 411 959</b> | <b>31 980 618</b> | <b>17 539 883</b> |
| <b>Total deductible difference</b>                   |                   |                   | <b>-</b>          |
| <b>Total taxable difference</b>                      |                   |                   | <b>17 539 883</b> |
| <b>Total deferred tax assets</b>                     |                   |                   | <b>-</b>          |
| <b>Total deferred tax liabilities</b>                |                   |                   | <b>1 578 587</b>  |

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A significant part of total deferred tax calculated for 2021 is due to the recognition of the long-term customer list identified under the intangible assets. The deferred tax balances were netted when they were incurred at the same taxed unit.

## 27. Deferred purchase price of the acquisition

| Designation  | 31.12.2021       | 31.12.2020 |
|--|------------------|------------|
| Other liabilities related to the purchase of business shares | 4 830 000        | -          |
| <b>Total</b>   | <b>4 830 000</b> | <b>-</b>   |

In the course of the acquisitions of business shares in 2021, it was not the entire purchase price which was settled, therefore the Group generated liabilities vis-à-vis the Seller, amounting to THUF 4,830,000. The purchase price was stated at non-discounted value.

## 28. Trade accounts payable

Trade accounts payable only include items due in the short run, presented at non-discounted value. The fair value of the balance is almost the same as the carrying amount.

| Designation            | 31 December 2021 | 31 December 2020 |
|------------------------|------------------|------------------|
| Trade accounts payable | 3 474 740        | 2 403            |
| <b>Total</b>           | <b>3 474 740</b> | <b>2 403</b>     |

The largest balances of trade accounts of the Group at the end of the financial year:

| Partner's name                     | Balance at 31 December 2021 |
|------------------------------------|-----------------------------|
| IL-GENERÁL '86 Építőipari Kft.     | 362 570                     |
| Wini Security Kft.                 | 321 019                     |
| OMS 24 Zrt.                        | 186 371                     |
| STYLO ÉpGép Kft.                   | 175 171                     |
| ALTEO Energiakereskedő Zrt.        | 119 285                     |
| REÁL-BÉR Építőipari Kft.           | 110 769                     |
| NOEL-BAU Ép.ip.Ker. és Szolg. Kft. | 105 014                     |
| Terno Buda Kft.                    | 88 830                      |

## 29. Other short-term liabilities and accruals

This position includes liabilities not connected to suppliers or loans. These mostly include tax balances – other than income tax – wage-related liabilities, accruals and deferred income. The items are stated at non-discounted value, and their fair value corresponds to their carrying amount.

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| <b>Designation</b>                         | <b>31.12.2021</b> | <b>31.12.2020</b> |
|--|-------------------|-------------------|
| Tax balances                               | 632 281           | 2 223             |
| Wage-related items                         | 433 361           | -                 |
| Penalty, self-revision and default penalty | 12                | 12                |
| Accrued expenses                           | 2 306 065         | 2 495             |
| Accrued income                             | 38 276            | -                 |
| Advance payments received from customers   | 623 247           | -                 |
| Security deposit received                  | 17 262            | 17 218            |
| NTCA duty                                  | 0                 | 3 800             |
| Miscellaneous items                        | 23 335            | -                 |
| <b>Total</b>                               | <b>4 073 839</b>  | <b>25 748</b>     |

The accruals and wage balances are due to the entry of NEO Property Services Zrt.

### 30. Income tax liability

In the income tax liability row the Group states its income tax and local business tax liability.

| <b>Designation</b>                  | <b>31.12.2021</b> | <b>31.12.2020</b> |
|-------------------------------------|-------------------|-------------------|
| Liability from corporate income tax | 46 091            | 3 477             |
| Receivables from local business tax | 7 815             | (512)             |
| <b>Total</b>                        | <b>53 906</b>     | <b>2 965</b>      |

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### 31. Earnings per share (EPS), EBITDA

Ownership ratios on 31 December 2021 by share types:

| Designation    | Number of shares<br>31.12.2021. | Parent company's<br>profit or loss<br>attributable to<br>shareholders<br>31.12.2021. |
|----------------|---------------------------------|--|
| Ordinary share | 33 355 200                      | 585 263 382  |
| <b>Total</b>   | <b>33 355 200</b>               | <b>585 263 382</b>   |

Due to the sale of Aquaphor Zrt., the Group divided the 2021 figures into continued and discontinued operations.

| Designation  | 31.12.20<br>21 | 31.12.20<br>20 |
|--|----------------|----------------|
| <b>Profit or loss attributable to the shareholders of the Group from continuing operations</b>     | 585 263        | 49 277         |
| Parent company's profit or loss attributable to the shareholders after deduction of a fix dividend | 585 263        | 50 888         |
| Annual profit or loss attributable to ordinary shares  | 585 263        | 50 888         |
| Weighted arithmetic mean of outstanding ordinary shares  | 32 702<br>681  | 33 349<br>955  |
| <b>Earnings per share from the continuing operations (in HUF)</b>                                  | <b>17,90</b>   | <b>1,53</b>    |
| Parent company's profit or loss attributable to holders of ordinary shares upon dilution           | 585 263        | 50 888         |
| Weighted arithmetic mean of diluted ordinary shares  | 32 702<br>681  | 33 349<br>955  |
| <b>Diluted earnings per share from continuing operations (in HUF)</b>                              | <b>17,90</b>   | <b>1,53</b>    |

| Designation  | 31.12.20<br>21 | 31.12.20<br>20 |
|--|----------------|----------------|
| <b>Annual profit or loss from discontinued operations attributable to the Group's shareholders (HUF thousands)</b> | (569)          | 3 045          |
| Annual profit or loss attributable to holders of ordinary shares   | (569)          | 3 045          |
| Weighted average number of outstanding ordinary shares   | 32 702<br>681  | 33 349<br>955  |

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|  |               |             |
|--|---------------|-------------|
| <b>Earnings per share from discontinued operations (in HUF)</b>                          | <b>(0,02)</b> | <b>0,09</b> |
| Parent company's profit or loss attributable to holders of ordinary shares upon dilution | (569)         | 3 045       |
| Weighted arithmetic mean of diluted ordinary shares                                      | 32 702        | 33 349      |
|  | 681           | 955         |
| <b>Diluted earnings per share from discontinued operations (in HUF)</b>                  | <b>(0,02)</b> | <b>0,09</b> |

## EBITDA

The Group has decided to also publish the EBITDA index according to the practice in the industry, which is an index not defined in the IFRS: The calculation of the index can be found in the Accounting Policies. The EBITDA is deducted as follows:

|  | Year 2021        | Year 2022      |
|--|------------------|----------------|
| Profit or loss before tax                          | 884 874          | 53 192         |
| Depreciation                                       | 714 769          | 103 890        |
| Elimination of financial revenues and expenditures | 253 274          | 80 433         |
| <b>EBITDA</b>                                      | <b>1 852 916</b> | <b>237 515</b> |

## 32. Fair value hierarchy of financial assets and liabilities

Based on IFRS 13, with regard to its assets and liabilities measured at fair value – with a view to increasing consistency and comparability – the Group presents the fair value hierarchy based on a three-level measurement category as follows.

The inputs used for determining the fair value of the asset or liability may be allocated to different levels within the fair value hierarchy. If the inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to the entire measurement. It requires careful consideration to assess how significant a specific input is to the entire measurement, in the course of which factors applicable to assets or liabilities must be taken into account.

**Measurement level 1:** quoted, usually stock exchange prices in active markets for homogeneous assets or liabilities that the Group can access at the measurement date.

**Measurement level 2:** measurement containing inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

**Measurement level 3:** measurement that also uses inputs not directly observable for the asset or liability.

The Group possesses the following financial assets and liabilities:

| <b>Financial assets and balances</b>                 |                   |                   |
|--|-------------------|-------------------|
| <b>Designation</b>                                   | <b>31.12.2021</b> | <b>31.12.2020</b> |
| Trade accounts receivable                            | 7 610 503         | 6 660             |
| Receivables from other companies                     | -                 | 1 664 108         |
| Other receivables and prepayments and accrued income | 1 330 404         | 51 072            |
| Cash and cash equivalents                            | 1 324 326         | 71 258            |

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|  |                   |                   |
|--|-------------------|-------------------|
| <b>Total</b>                               | <b>10 265 233</b> | <b>1 793 098</b>  |
| <b>Financial liabilities and balances</b>  |                   |                   |
| <b>Designation</b>                         | <b>31.12.2021</b> | <b>31.12.2020</b> |
| Bank loans                                 | 12 046 988        | 516 557           |
| Trade accounts payable                     | 3 474 740         | 2 403             |
| Other short-term liabilities               | 4 073 838         | 25 748            |
| Lease liabilities                          | 443 258           | -                 |
| Deferred purchase price of the acquisition | 4 830 000         | -                 |
| <b>Total</b>                               | <b>24 868 823</b> | <b>544 708</b>    |

The individual instruments are positioned in the fair value hierarchy as follows:

| Designation                                    | 31.12.2021                 |                            |                            | 31.12.2020                 |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | Measure<br>ment<br>level 1 | Measure<br>ment<br>level 2 | Measure<br>ment<br>level 3 | Measure<br>ment<br>level 1 | Measure<br>ment<br>level 2 | Measure<br>ment<br>level 3 |
| <b>Financial assets</b>                        |                            |                            |                            |                            |                            |                            |
| Trade accounts receivable                      | -                          | -                          | 7 610 503                  | -                          | -                          | 6 660                      |
|  |                            |                            |                            |                            |                            | 1 664                      |
| Receivables from other companies               |                            |                            |                            |                            |                            | 108                        |
| Receivables, prepayments and<br>accrued income | -                          | -                          | 1 330 404                  | -                          | -                          | 51 072                     |
| Cash and cash equivalents                      | 1 324 326                  | -                          | -                          | 71 258                     | -                          | -                          |
| <b>Total (assets)</b>                          | <b>1 324 326</b>           | <b>-</b>                   | <b>8 940 907</b>           | <b>71 258</b>              | <b>-</b>                   | <b>1 721 840</b>           |
| <b>Financial liabilities</b>                   |                            |                            |                            |                            |                            |                            |
| Bank loans, leases                             | -                          | -                          | 12 046<br>988              | -                          | -                          | 516 557                    |
| Trade accounts payable                         | -                          | -                          | 3 474 740                  | -                          | -                          | 2 403                      |
| Other short-term liabilities and<br>accruals   | -                          | -                          | 8 903 837                  | -                          | -                          | 25 748                     |
| Lease liabilities                              |                            |                            | 443 258                    |                            |                            |                            |
| Deferred purchase price of the<br>acquisition  |                            |                            | 4 830<br>000               |                            |                            |                            |
| <b>Total (liabilities)</b>                     | <b>-</b>                   | <b>-</b>                   | <b>24 868<br/>823</b>      | <b>-</b>                   | <b>-</b>                   | <b>544 708</b>             |

## VII. Other disclosures

### 33. Impact of the purchase of equity interests on the cash-flow of the Group in the reporting year

Amounts paid for the acquisition of equity interests less liquid assets received

| Designation   | 31.12.2021          |
|---|---------------------|
| <b>Book value of the business shares of NEO Property Services Zrt. and Elitur Invest Zrt.</b> | <b>(18 500 000)</b> |
| of which:   |                     |
| Value of customer relations at the date of the acquisition:                                   | (12 794 000)        |
| Goodwill  | (5 706 000)         |
| <b>Total cash-flow reduction:</b>   | <b>(18 500 000)</b> |
| Outstanding payment liability from the purchase price   | 4 830 000           |
| Cash balance of the subsidiaries at the date of the acquisition:                              | 2 730 738           |
| <b>Total cash-flow increase:</b>  | <b>7 560 738</b>    |
| <b>Cash flow balance:</b>   | <b>(10 939 262)</b> |

### 34. Operating segments

The Parent Company is listed on the stock exchange, and as such segment information must be disclosed on a mandatory basis at least in the consolidated financial statements.

The Group identified the following operating segments on 31 December 2021:

- Industrial property segment
- Residential property segment
- Facility Management
- ITS line of business
- Fit-Out line of business

In 2021, this structure was extended by 4 new segments those designate complex property operation duties:

Facility Management includes activities related to property operation.

The ITS line of business covers the area of technical facility management and the area of infrastructure management.

Within the Fit-Out line of business, it performs the design and complete construction related to office buildings and various facilities.

All the new lines of business became part of the Group as a result of the purchase of NEO Property Services Zrt.

The pool of contracts with customers is stable and long-term.

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Consolidated income statement by segments on 31 December 2021:

| Designation   | Industrial property segment | Residential property segment | Facility Management line of business | Subsegment - total |
|---|-----------------------------|------------------------------|--------------------------------------|--------------------|
| Revenue from property lease                         | 116 378                     | 5 500                        | -                                    | 121 878            |
| Revenue from parking space lease                    | 1 061                       | -                            | -                                    | 1 061              |
| Revenue from recharged costs                        | (536)                       | 826                          | -                                    | 290                |
| Property operation                                  | -                           | -                            | 12 496 447                           | 12 496 447         |
| Revenue from property sale                          | -                           | -                            | -                                    | -                  |
| <b>Sales revenue of the segment</b>                 | <b>116 903</b>              | <b>6 326</b>                 | <b>12 496 447</b>                    | <b>12 619 676</b>  |
| Direct expenditures                                 | (112 791)                   | (9 931)                      | (11 046 580)                         | (11 169 302)       |
| Administrative and sales expenditures               | (4 323)                     | (103 014)                    | (380 074)                            | (487 411)          |
| Other expenditure, net                              | (8 647)                     | (2 997)                      | (46 652)                             | (58 296)           |
| Financial expenditures, net                         | (5 804)                     | (238 852)                    | (110)                                | (244 766)          |
| Income from the sale of subsidiaries                | -                           | -                            | -                                    | -                  |
| <b>Profit or loss before tax within the segment</b> | <b>(14 662)</b>             | <b>(348 469)</b>             | <b>1 023 032</b>                     | <b>659 901</b>     |

| Designation   | ITS line of business | Fit-Out line of business | Not allocated to any segment | Total             |
|---|----------------------|--------------------------|------------------------------|-------------------|
| Revenue from property lease                         | -                    | -                        | -                            | 121 878           |
| Revenue from parking space lease                    | -                    | -                        | -                            | 1 061             |
| Revenue from recharged costs                        | 5 076                | -                        | -                            | 5 366             |
| Property operation                                  | 6 004 292            | 2 076 457                | 1 432 427                    | 22 009 623        |
| Revenue from property sale                          | -                    | -                        | -                            | -                 |
| <b>Sales revenue of the segment</b>                 | <b>6 009 368</b>     | <b>2 076 457</b>         | <b>1 432 427</b>             | <b>22 137 928</b> |
| Direct expenditures                                 | (5 117 209)          | (2 011 404)              | (1 768 258)                  | (20 066 173)      |
| Administrative and sales expenditures               | (182 773)            | (63 154)                 | (35 272)                     | (768 610)         |
| Other expenditure, net                              | (28 120)             | 0                        | (85 742)                     | (172 158)         |
| Financial expenditures, net                         | 0                    | 0                        | (8 508)                      | (253 274)         |
| Income from the sale of subsidiaries                | 0                    | 0                        | 7 161                        | 7 161             |
| <b>Profit or loss before tax within the segment</b> | <b>681 266</b>       | <b>1 899</b>             | <b>(458 192)</b>             | <b>884 874</b>    |

Consolidated sales revenue and profit or loss by segments on 31 December 2021:



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| Designation  | Industrial property segment | Residential property segment | Facility Management line of business | Subsegment - total |
|--|-----------------------------|------------------------------|--------------------------------------|--------------------|
| Sales revenue from external parties                                    | 116 903                     | 6 326                        | 12 496 447                           | 12 619 676         |
| Intragroup sales revenue   | -                           | -                            | -                                    | -                  |
| <b>Sales revenue of the segment (including inter-segment revenues)</b> | <b>116 903</b>              | <b>6 326</b>                 | <b>12 496 447</b>                    | <b>12 619 676</b>  |
|  | -                           | -                            | -                                    | -                  |
| <b>Profit or loss of the segment (before tax)</b>                      | <b>(14 662)</b>             | <b>(348 469)</b>             | <b>1 023 032</b>                     | <b>659 901</b>     |

| Designation  | ITS line of business | Fit-Out line of business | Not allocated to any segment | Total          |
|--|----------------------|--------------------------|------------------------------|----------------|
| Sales revenue from external parties                                    | 6 009                | 2 076                    | 1 432                        | 22 137         |
| Intragroup sales revenue   | 368                  | 457                      | 427                          | 928            |
|  | -                    | -                        | -                            | -              |
| <b>Sales revenue of the segment (including inter-segment revenues)</b> | <b>6 009</b>         | <b>2 076</b>             | <b>1 432</b>                 | <b>22 137</b>  |
|  | <b>368</b>           | <b>457</b>               | <b>427</b>                   | <b>928</b>     |
|  | -                    | -                        | (458)                        | -              |
| <b>Profit or loss of the segment (before tax)</b>                      | <b>681 266</b>       | <b>1 899</b>             | <b>192)</b>                  | <b>884 874</b> |

| Reconciliation of sales revenues              | 31.12.2021     |
|---|----------------|
| Total sales revenues allocated to the segment | 20 705 501     |
| Elimination of intragroup sales revenues      | -              |
| Revenues not allocated to any segment         | 1 432 427      |
| Reconciliation of profit or loss              |                |
| Profit or loss allocated to the segment       | 1 343 066      |
| Profit or loss not allocated to the segment   | (458 192)      |
|   | <b>884 874</b> |

| Figures related to State-financed customers | 31.12.2021   | 31.12.2020   |
|---|--------------|--------------|
| Revenue                                     | 4 117        | 3 890        |
| Direct material costs                       | (2 820)      | (2 729)      |
| <b>Profit or loss</b>                       | <b>1 297</b> | <b>1 161</b> |

The revenue of the Group is generated evenly during the financial year, it has not a seasonal character arising from its activities.

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Comparative figures of the Group for 31 December 2020:

Consolidated income statement by segments on 31 December 2020:

| DESIGNATION   | Industrial property segment | Residential property segment | Not allocated to any segment | Total          |
|---|-----------------------------|------------------------------|------------------------------|----------------|
| Revenue from property lease                         | 107 579                     | 4 000                        | -                            | 111 579        |
| Revenue from recharged costs                        | (0)                         | 1 061                        | -                            | 1 061          |
| Revenue from property sales                         | -                           | 70 300                       | -                            | 70 300         |
| <b>Sales revenue of the segment</b>                 | <b>107 579</b>              | <b>75 361</b>                | -                            | <b>182 940</b> |
| Direct expenditures                                 | (112 909)                   | (79 538)                     | 1 261                        | (191 186)      |
| Administrative and sales expenditures               | (5 183)                     | (24 470)                     | (32 383)                     | (62 037)       |
| Other expenditure, net                              | (9 048)                     | (8 046)                      | 164                          | (16 930)       |
| Financial expenditures, net                         | (47 925)                    | (576)                        | 128 934                      | 80 433         |
| Income from the sale of subsidiaries                | -                           | -                            | 59 972                       | 59 972         |
| <b>Profit or loss before tax within the segment</b> | <b>(67 487)</b>             | <b>(37 269)</b>              | <b>157 948</b>               | <b>53 192</b>  |

Consolidated sales revenue and profit or loss by segments on 31 December 2021:

| Designation  | Industrial property segment | Residential property segment | Not allocated to any segment |
|--|-----------------------------|------------------------------|------------------------------|
| Sales revenue from external parties                                    | 107 579                     | 75 361                       | -                            |
| Intragroup sales revenue   | -                           | -                            | -                            |
| <b>Sales revenue of the segment (including inter-segment revenues)</b> | <b>107 579</b>              | <b>75 361</b>                | -                            |
| <b>Profit or loss of the segment (before tax)</b>                      | <b>(67 487)</b>             | <b>(37 269)</b>              | <b>157 948</b>               |

| Reconciliation of sales revenues              | 31 December 2020 |
|---|------------------|
| Total sales revenues allocated to the segment | 182 940          |
| Elimination of intragroup sales revenues      | -                |
| Revenues not allocated to any segment         | -                |
| <b>Reconciliation of profit or loss</b>       |                  |
| Profit or loss allocated to the segment       | (104 756)        |
| Profit or loss not allocated to the segment   | 157 948          |
|   | <b>53 192</b>    |

The Group omits the presentation of the segments' assets, since CODMs do not monitor that on a continuous basis.

### 35. Transactions with related parties

The transactions and balances between the Parent Company and its subsidiaries – being the related parties of the Group – are eliminated for the purposes of consolidation, and thus they are not

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presented in this section. The Company had no business relation with other related party outside the scope of consolidation.

The members of the Governing Board and of the Audit Committee are related parties. The members of the Governing Board received the following remuneration during the financial year.

| Designation  | Governing Board | Audit Committee | Total        |
|--------------|-----------------|-----------------|--------------|
| Wages        | 3 285           |                 | 3 285        |
| Benefits     | 2 035           |                 | 2 035        |
| <b>Total</b> | <b>5 320</b>    | <b>-</b>        | <b>5 320</b> |

Emoluments and wages were recognised as part of the allowances.

### 36. Dividend paid by the subsidiaries

In 2021, NEO Property Zrt. paid THUF 1,460,233 to its owners in the form of dividend, of which it paid THUF 359,612 to AKKO Invest Plc. and THUF 1,100,621 to Elitur Invest Zrt. These dividends were filtered in the consolidated financial statements.

### 37. Description of risks and sensitivity analysis

Through its activities the Group is exposed to risks relating to the changes of market and financial conditions. These changes may have an impact on the profit as well as on the value of the assets and liabilities. The purpose of financial risk management is to continuously mitigate risks through operative and financing measures.

#### Market risk

The Group pursues activity also in foreign currency, which carries the risks arising from the change in foreign exchange rates. The foreign currency transactions appear primarily through the transactions carried out with the Group's French subsidiary, i.e. ALQ SAS. The functional currency of the ALQ SAS is euro.

Interest rate risk is the risk that future cash flows from certain financial assets and liabilities may fluctuate due to the changes in market interest rates.

The Group identified interest rate risk as its current risk.

#### Impact of the change in interest expenditure on profit or loss.

| Designation                            | Figures of the reporting year | Interest rate change of 1 percentage point | Interest rate change of 5 percentage points | Interest rate change of 10 percentage points |
|--|-------------------------------|--|---|--|
| Profit or loss before tax              | 884 874                       | 764 404                                    | 282 525                                     | (319 825)                                    |
| Interest expenditure                   | 267 582                       | 388 052                                    | 869 932                                     | 1 472 281                                    |
| Amount of interest-bearing liabilities | 12 046 988                    | 12 046 988                                 | 12 046 988                                  | 12 046 988                                   |
| Bank loans                             | 12 046 988                    | 12 046 988                                 | 12 046 988                                  | 12 046 988                                   |
| Average interest rate                  | 2,22%                         | 3,22%                                      | 7,22%                                       | 12,22%                                       |
| Interest rate change                   |                               | 45,02%                                     | 225,11%                                     | 450,22%                                      |

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|  |                |                |                 |
|--|----------------|----------------|-----------------|
| <b>Impact of the change in interest expenditure on profit or loss.</b> | <b>-13,61%</b> | <b>-68,07%</b> | <b>-136,14%</b> |
|--|----------------|----------------|-----------------|

Based on the analysis the following conclusions may be drawn:

- A 1% change in the average interest rate would result in a change of 13.61 % in net profit or loss,
- A 5% change in the average interest rate would result in a change of 68.07 % in net profit or loss,
- A 10% change in the average interest rate would result in a change of 136.14 % in net profit or loss.

#### Impact of the change in interest income on profit or loss.

| Designation                                   | Figures of the reporting year | Interest rate change of 1 percentage point | Interest rate change of 5 percentage points | Interest rate change of 10 percentage points |
|---|-------------------------------|--|---|--|
| Profit or loss before tax                     | 884 874                       | 898 510                                    | 964 727                                     | 1 097 159                                    |
| Interest income                               | 197                           | 13 440                                     | 79 656                                      | 212 089                                      |
| Current year value of interest-bearing assets | 1 324 326                     | 1 324 326                                  | 1 324 326                                   | 1 324 326                                    |
| Cash and cash equivalents                     | 1 324 326                     | 1 324 326                                  | 1 324 326                                   | 1 324 326                                    |
| Average interest rate                         | 0,015%                        | 1,015%                                     | 6,015%                                      | 16,015%                                      |
| Interest rate change                          |                               | 6739,26%                                   | 40435,57%                                   | 107828,20%                                   |
| <b>Change in profit or loss</b>               |                               | <b>1,54%</b>                               | <b>9,02%</b>                                | <b>23,99%</b>                                |
| <b>Elasticity</b>                             |                               | <b>0,02%</b>                               | <b>0,02%</b>                                | <b>0,02%</b>                                 |

- A 1% change in the average interest rate would result in a change of 1.54 % in net profit or loss,
- A 5% change in the average interest rate would result in a change of 9.02 % in net profit or loss,
- A 10% change in the average interest rate would result in a change of 23.99 % in net profit or loss.

#### Credit risk

Credit risk is the risk that a debtor defaults on its contractual obligations, which may cause a financial loss to the Group.

The credit risk analysis shows the following positions:

| 31 December, 2021                 | 31.12.2021       | 31.12.2020   |
|-----------------------------------|------------------|--------------|
| Overdue trade accounts receivable | 6 913 961        | 0            |
| < 30 days                         | 616 287          | 3 256        |
| 31–60 days                        | 70 802           | 1 492        |
| 61–90 days                        | 249              | 1 562        |
| 91 <                              | 9 204            | 350          |
| <b>Total</b>                      | <b>7 610 503</b> | <b>6 660</b> |

## Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations. The management of liquidity risk falls within the competence of the Governing Board. The Group manages its liquidity risk by keeping a proper level of reserves and stand-by borrowing facilities, by continuously monitoring its planned and actual cash flow figures as well as by reconciling the maturity dates of financial assets and liabilities.

The liquidity analysis shows the following maturity dates:

| <b>31 December, 2021</b>                             | <b>Immediately liquid</b> | <b>Due within 1 year</b> | <b>Due within 1-5 years</b> | <b>Liquid over 5 years or in certain situations</b> | <b>Total</b>      |
|--|---------------------------|--------------------------|-----------------------------|---|-------------------|
| Cash and cash equivalents                            | 1 324 326                 | -                        | -                           | -   | 1 324 326         |
| Receivables from other companies                     | -                         | -                        | -                           | -   | -                 |
| Other receivables and prepayments and accrued income | -                         | 1 330 404                | -                           | -   | 1 330 404         |
| Trade accounts receivable                            | -                         | 7 610 503                | -                           | -   | 7 610 503         |
| Income tax receivable                                | -                         | -                        | -                           | -   | -                 |
| Intangible assets                                    | -                         | -                        | -                           | 12 332 759  | 12 332 759        |
| Goodwill   | -                         | -                        | -                           | 5 645 354   | 5 645 354         |
| Investment properties                                | -                         | -                        | -                           | 4 203 456   | 4 203 456         |
| Properties   | -                         | -                        | -                           | 30 840  | 30 840            |
| Plant, fixtures and equipment                        | -                         | -                        | -                           | 65 349  | 65 349            |
| Right-of-use assets                                  | -                         | -                        | -                           | 431 975   | 431 975           |
| <b>Financial receivables</b>                         | <b>1 324 326</b>          | <b>8 940 907</b>         | <b>-</b>                    | <b>22 709 734</b>                                   | <b>32 974 966</b> |
|  |                           |                          |                             |   |                   |
| <b>31 December, 2021</b>                             | <b>Immediately liquid</b> | <b>Due within 1 year</b> | <b>Due within 1-5 years</b> | <b>Liquid over 5 years or in certain situations</b> | <b>Total</b>      |
| Tax and other short-term liabilities                 | -                         | 4 127 744                | -                           | -   | 4 127 744         |
| Trade accounts payable                               | -                         | 3 474 740                | -                           | -   | 3 474 740         |
| Deferred tax   | -                         | 1 578 587                | -                           | -   | 1 578 587         |
| Provisions   | -                         | 291 273                  | -                           | -   | 291 273           |
| Bank loans   | -                         | 746 035                  | 3 106 854                   | 8 194 099   | 12 046 988        |
| Long term loan                                       | -                         | -                        | 272 207                     | -   | 272 207           |
| Lease liabilities                                    | -                         | 214 730                  | 228 528                     | -   | 443 258           |
| Deferred purchase price of the acquisition           | -                         | -                        | 4 830 000                   | -   | 4 830 000         |
| Equity   | -                         | -                        | -                           | 5 910 169   | 5 910 169         |
| <b>Financial liabilities</b>                         | <b>-</b>                  | <b>10 433 109</b>        | <b>8 437 589</b>            | <b>14 104 268</b>                                   | <b>32 974 966</b> |
| <b>Cumulative position</b>                           | <b>1 324 326</b>          | <b>(1 492 202)</b>       | <b>(8 437 589)</b>          | <b>8 605 466</b>                                    | <b>-</b>          |

The comparative figures are shown in the table below:

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| 31 December 2020                                     | Immediately liquid | Due within 1 year | Due within 1-5 years | Liquid over 5 years or in certain situations | Total            | Of which: interest |
|--|--------------------|-------------------|----------------------|--|------------------|--------------------|
| Cash and cash equivalents                            | 71 258             |                   | -                    | -  | 71 258           | -                  |
| Receivables from other entities                      |                    | 1 664 108         |                      |  | 1 664 108        |                    |
| Other receivables and prepayments and accrued income | -                  | 51 072            |                      | -  | 51 072           | -                  |
| Trade accounts receivable                            | -                  | 6 660             |                      | -  | 6 600            | -                  |
| Income tax receivable                                | -                  | -                 | -                    | -  | -                | -                  |
| Goodwill   | -                  | -                 | -                    | 265 735                                      | 265 735          | -                  |
| Investment properties                                | -                  | -                 | -                    | 4 537 260                                    | 3 807 572        | -                  |
| Plant, fixtures and equipment                        |                    |                   |                      | 398  | 398              |                    |
| <b>Financial receivables</b>                         | <b>71 258</b>      | <b>1 721 840</b>  | <b>-</b>             | <b>4 803 393</b>                             | <b>6 596 491</b> | <b>-</b>           |

| 31 December 2020                     | Expired  | Due within 1 year | Due within 1-5 years | Due over 5 years or in certain situations | Total            | Of which: interest |
|--------------------------------------|----------|-------------------|----------------------|---|------------------|--------------------|
| Tax and other short-term liabilities | -        | 28 713            | -                    | -   | 28 713           | -                  |
| Trade accounts payable               | -        | 2 403             | -                    | -   | 2 403            | -                  |
| Deferred tax                         | -        | 449 045           |                      |   | 449 045          |                    |
| Bank loans                           | -        | 516 557           | -                    | -   | 516 557          | -                  |
| Equity                               | -        | -                 | -                    | 5 599 773                                 | 5 599 773        |                    |
| <b>Financial liabilities</b>         | <b>-</b> | <b>996 718</b>    | <b>-</b>             | <b>5 599 773</b>                          | <b>6 596 491</b> | <b>-</b>           |

|                            |               |                |          |                  |          |          |
|----------------------------|---------------|----------------|----------|------------------|----------|----------|
| <b>Cumulative position</b> | <b>71 258</b> | <b>725 122</b> | <b>-</b> | <b>(796 379)</b> | <b>-</b> | <b>-</b> |
|----------------------------|---------------|----------------|----------|------------------|----------|----------|

### Risks related to the spread of the COVID-19 virus

In order to prevent the spread of the coronavirus pandemic numerous restrictive measures have been implemented in Hungary as well during the financial year, which also impacted the legal relations of the property rental. In this period, there was no significant impact for the Group any more. The Group continues to examine the impacts of the pandemic. In doing so, it gives priority to the examination of the impact of labour supply, of the supply chain and of market solvency. At present, the Group does not expect to have any significant impact either; however, the potential diseases may have an impact on the work processes of the Group.

### 38. Disclosures due to interests in other entities

The Group has only subsidiaries. It has no associated undertakings or joint ventures.

The Group does not have to face any restriction with regard to any of its enterprises that would affect access to the net assets, to the result or to the cash flow.

The Group has no consolidated or non-consolidated interests where control cannot be established on the basis of the voting rights or where the voting rights do not serve the management of relevant activities leading to control (structured entities).

No members of the Group qualify as investment companies, and they have no share in such. All enterprises publish their separate financial statements according to their relevant laws.

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### **39. Material events after the reporting period; dividend proposed**

The Group did not identify any event after the balance sheet date which would have an amending impact on the numerical sections of the statements according to IAS 10. The Governing Board of the Parent Company does not recommend the payment of dividends simultaneously to the adoption of the statements for business year 2021.

### **40. Disclosures related to Auditor**

Pursuant to Act C of 2000 on Accounting, the consolidated financial statements of the Group are subject to mandatory audit by an independent auditor. In 2021, audit activities were carried out by UNIKONTO Számvitelkutatási Kft. (1093 Budapest, Fővám tér 8. III/317.3.; tax number: 10491252-2-43; Chamber registration number: 001724).

On behalf of UNIKONTO Számvitelkutatási Kft., it is Mr. Dr. László Péter Lakatos (auditor's card number: 007102) who is responsible for performing the auditor's tasks.

Pursuant to the Accounting Act, the annual auditing fee is THUF 1,300 + VAT for the audit of consolidated financial statements drawn up according to the International Financial Reporting Standards (IFRS). The auditor has not performed and does not perform any activity at the Group other than the statutory audit.

### **41. Disclosures related to the provider of accounting services**

These financial statements have been compiled by Hajnalka Réti, a registered IFRS chartered accountant (registration number: 202580). Ms. Hajnalka Réti has performed her duty on behalf of Rean Hungary Kft.

### **42. Statements**

The Consolidated Financial Statements, which have been prepared in accordance with the applicable accounting standards and to the best of our ability, give a true and fair view of the assets, liabilities, financial position and profit or loss, status, development and performance of AKKO Invest Plc. and of its undertakings included in the consolidation, describing the key risks and uncertainties.

### **43. Authorisation of the publication of the financial statements**

AKKO Invest Plc. has authorised the publication of the Group's consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) for 2021 by the Governing Board and the Audit Committee on 22 March 2022.

Budapest, 22 March 2022

on behalf of AKKO Invest Plc.

.....  
Zoltán Prutkay  
chairman of the Governing Board

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Imre Attila Horváth  
vice-chairman of the Governing Board