



Business and Management Report
related to the consolidated annual (IFRS) statement
of AKKO Invest Plc. for 2021

Date: Budapest, 22 March 2022

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1. Presentation of the scope of activities

The Parent Company was registered by the Company Court on 07.08.2006, and it was transformed into a public limited company on 10.11.2010. Subsequently, on 15.02.2011, its ordinary shares were admitted to trading on the Budapest Stock Exchange and on 08.04.2011, they were admitted to trading on the Börse Stuttgart as well.

The objectives of the long-term strategy of the Parent Company, i.e. acquisitions and real investments took place mostly in the first half of the year.

The Governing Board meeting held within the competence of the Extraordinary General Meeting on 1 February 2021, introduced an agenda item on its proposal related to the share capital increase, which was approved by the Governing Board by its Resolution no. 5/2021 (of 1 February), under which the Parent Company may increase the share capital up to the amount corresponding to maximum ten times the share capital recorded in the company register on the day of the Extraordinary General Meeting. The mandate is valid for 2 years.

The acquisition made by the Parent Company, initiated already in the second semester of 2020, i.e. the purchase of the 100% business shares of NEO Property Services Zrt. and Elitur Invest Zrt. was concluded on 26 February 2021.

In addition, the 100% business shares in Aquaphor Zrt. were profitably sold, in consideration for which it became the owner of AKKO Invest. Plc. ordinary shares.

The subsidiaries of the Parent Company on 31 December 2021 are summarised in the following table:

Name of the Company	Equity stake
VÁR-Logisztika Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-046822)	100 %
MOON Facility Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049534)	100 %
ALQ SAS (registered office: France, Antibes 06600, 18 Avenue Louis Gallet; registration number: 841 053 077 R.C.S. Antibes, tax number: FR93841053077)	100 %
4 Stripe Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049777)	100%
A PLUS Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049740)	100%
Elitur Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049966)	100%

NEO Property Services Zrt. (registered office: 1095 Budapest, Máriássy utca 7; company registration number: 01-10-045154)	100%
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The Parent Company prepared both its separate and consolidated IFRS Statements in which it included the following companies as subsidiaries in 2021:

- VÁR-Logisztika Zrt.
- MOON Facility Zrt.
- ALQ SAS
- 4 Stripe Zrt.
- A PLUS Invest Zrt.
- Aquaphor Zrt. (sold on 19 May 2021)
- Elitur Invest Zrt.
- NEO Property Services Zrt.

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

2. Size and composition of the share capital

Composition of the share capital of the Parent Company on **31 December 2021**:

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

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

The share capital of the AKKO Invest Plc. did not change during the year.

The Company possesses 936,988 treasury shares.

Share capital increase, decrease

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

Pursuant to Resolution no. 5/2021. (of 1 February) taken by the Governing Board held within the competence of the Extraordinary General Meeting convened on 1 February 2021, the Governing Board received mandate for the share capital increase. The highest amount to which the Governing Board may increase the share capital of the AKKO Invest Plc.: the amount corresponding to maximum ten times the share capital (HUF 833,880,000) recorded in the company register on the day of the Extraordinary General Meeting of the AKKO Invest Plc., held on 1 February 2021.

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

3. Changes in the structure of the Group

AKKO Invest Plc. During first half of 2021 it acquired equity interest in the following subsidiaries:

Name of the Company	Date of purchase	Equity stake (%) purchased
Elitur Invest Zrt.	26 February 2021	100%
NEO Property Services Zrt.	26 February 2021	100%

On 7 September 2020, it provided information on its ongoing acquisition, i.e. the purchase of the business shares of NEO Property Services Zrt. and of its parent company, Elitur Invest Zrt., which was implemented and financed with bank loans on 26 February 2021.

On 19 May 2021, the Parent Company announced the profitable sale of the 100% business shares of Aquaphor Zrt., which was settled with AKKO Invest. Plc. ordinary shares.

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

4.1. Consolidated comprehensive income statement

COMPREHENSIVE INCOME STATEMENT	Comments	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Revenue	(1)	22 137 928	182 940
Direct expenditures	(2)	(20 066 173)	(191 186)
Gross profit or loss		2 071 755	(8 246)
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
Profit or loss before tax		884 874	53 192
Income tax expenditure	(7)	(299 611)	(3 915)
Net profit and loss		585 263	49 277
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)
Other comprehensive income (after income tax)		(1 127)	(6 447)
Total comprehensive income from continuing operations	(A)	584 136	42 829
Share attributable to the owners of the parent company		584 136	44 441
Share attributable to non-controlling interest		-	(1 612)
Profit or loss from discontinued operations	(B)	(569)	3 045
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
Earnings per share (HUF)	(31)	17,90	1,53
Earnings per share from discontinued operations in HUF		(0,02)	0,09
Diluted earnings per share (HUF)	(31)	17,90	1,53
Earnings per share from discontinued operations in HUF		(0,02)	0,09
EBITDA		1 852 916	237 515

4.2. Consolidated Balance Sheet

ASSETS	Comments	31.12.2021	31.12.2020
Non-current assets		22 709 733	4 803 393
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
Current assets		10 265 233	1 793 098
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
Total assets		32 974 966	6 596 491
EQUITY AND LIABILITIES	Comments	2021.12.31	2020.12.31
Equity		5 910 168	5 599 773
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)
Equity attributable to owners of the parent company		5 910 168	5 599 773
Long-term liabilities		18 501 548	911 291
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	-
Short-term liabilities		8 563 249	85 427
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	-

5. Accounting policy and its changes

From 2020 onwards, the Company has applied the optional asset concentration rule laid down in IFRS 3.B7A-C in case it is not evident whether an acquisition is considered as a business combination or an asset deal. The Company addressed the changed approach in a retrospective manner. The change in the approach impacted only one acquisition, namely the acquisition of 4 Stripe Zrt.

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

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

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

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

6. Performance figures of the previous year

In its report, AKKO Invest Plc. presents its processes that took place in 2021. The Group has prepared its consolidated financial statement for 2021 in accordance with the International Financial Reporting Standards (IFRS).

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

Summary figures in Hungarian Forint (IFRS consolidated statement, HUF)	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Equity	5 910 168 000	5 599 773 000	5 970 282 000	30 475 000
Profit or loss before tax	884 874 000	53 192 000	-281 403 000	522 978 000

In 2021, the net sales revenue was HUF 22,137,928,000 as compared to HUF 182,940,000 recorded on 31 December 2020. This was mainly due to the NEO Property Services Zrt. and the fact that the revenue from the lease and other revenues related to the properties owned by the subsidiaries of the Parent Company showed a positive tendency and that their lease was continuous.

Direct operational expenditures:

Direct expenditures are expenditures that can be allocated beyond doubt to the revenue generating item when they are incurred. The content of direct expenditures is as follows:

The amount of direct expenditures increased as a result of the inclusion of 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)
Personnel 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)
Total	(20 066 173)	(191 186)

The vast majority of the reporting year's costs were incurred in connection with operation of the properties.

Administrative fees:

Designation	Financial year	Financial year
	2021	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)
Personnel 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)	-
Total	(733 415)	(51 240)

The cost increase related to bookkeeping services comprise the bookkeeping fees incurred by the subsidiaries included in the Company Group, as well as the fees related to the preparation and audit of IFRS statements.

Sales expenditures include the expenditures directly related to sales.

The increase in the charges paid by the Group to the Budapest Stock Exchange is also indicative of the increase in the sales of the shares of the Company in 2021:

7. Business environment and results of the year

The Company closed 2021 in accordance with the expectations. AKKO Invest Plc. further increased its equity stake in the first semester of 2021. On 7 September 2020, the Group announced that it intended to purchase the 100% business shares held by NEO Property Services Zrt., which it carried out by using its own contribution, on the one hand, and through bank debt financing, with a loan of HUF 12 billion contracted from OTP Bank Nyrt. within the Growth Loan Program's (NHP) "Go!" scheme, on the other hand.

The 100% business shares in Aquaphor Zrt. were profitably sold, the corresponding purchase price was settled with AKKO Invest. Plc. ordinary shares.

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

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

Derivatives, securities:

In 2021, the Group did not enter into securities transactions and it is not planning to carry out such transactions in the future, either.

Longer term capital market investments:

The Group does not have such investments.

Real economy:

The main strand and strategy for the Group concern the realisation of investments in the real economy.

In the second semester of 2020, the Group announced the purchase of the business shares of NEO Property Services Zrt. and the conditionalities necessary for its completion (contracting bank loans). The Parent Company started to comply with the conditions necessary for the acquisition and the bank loan contracting, as well as to prepare the documents necessary for its conclusion, i.e. the drawback of bank loans and other documentation and to submit them to the bank. The acquisition was concluded in February 2021.

The current property portfolio of the Company Group

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

Industrial properties are mostly commercial and logistic facilities.

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

VÁR-Logisztika Zrt.

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

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

Surface area of the land plot: 8,223 m²

Buildings: 2,064 m²



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

MOON Facility Zrt.

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

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

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



Surface area of the land plot: 48,627 m²

Superstructures: 3.330 m²

ALQ SAS

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

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



4 Stripe Zrt.



Surface area of the land plot: 3,932 m²

Superstructures: 3,904 m²

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

A PLUS Invest Zrt.



Surface area of the land plot: 2.269 m²

Superstructures: 438,17 m²

The property will be used after its improvement.

Disclosures made by AKKO Invest Plc. In 2021		
January	8	Announcement by owners
	11	Invitation to the General Meeting - 01.02.2021
	21	Proposals submitted to the General Meeting
	29	Voting rights and share capital size
February	1	Governing Board Resolutions taken within the competence of the General Meeting, Press release
	10	Invitation to the General Meeting - 03.03.2021
	10	Extraordinary information
	18	Extraordinary information
	19	Extraordinary information on equity stake changes
	22	Articles of Association
	22	Proposals submitted to the General Meeting
	26	Voting rights and share capital size
	26	Extraordinary information
	March	3
18		Articles of Association
25		Amended Corporate Event Calendar 2021
31		Voting rights and share capital size
April	1	Invitation to the General Meeting - 23.04.2021
	15	Proposals submitted to the General Meeting - Press release
	15	Statement on remunerations
	19	Extraordinary information
	23	Governing Board Resolutions taken within the competence of the General Meeting
	23	Annual Report
	23	Corporate Governance Report
	30	Voting rights and share capital size
May	14	Articles of Association
	19	Extraordinary information on the sale of business shares and on changes in the holding of treasury shares
	26	Extraordinary information - announcement by owners
	26	Extraordinary information - announcement by owners
	31	Voting rights and share capital size
June	3	Other information provision - Analysis provided by DR. KALLIWODA RESEARCH GmbH on AKKO Invest Plc.
	3	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	4	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	30	Voting rights and share capital size
July	30	Voting rights and share capital size

August	31	Voting rights and share capital size
September	10	Half-yearly report + Press Release
	13	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	30	Voting rights and share capital size
October	29	Voting rights and share capital size
November	15	Corporate Event Calendar 2022
	30	Voting rights and share capital size
December	31	Voting rights and share capital size

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

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

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

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

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

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

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

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

On **22 February 2021**, the Parent Company announced the proposals submitted to the Extraordinary General Meeting convened to 3 March 2021.

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

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

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

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

On **1 April 2021**, the Parent Company published its invitation of the Annual General Meeting.

On **15 April 2021**, the AKKO Invest Plc. published the proposals submitted to the General Meeting and the corresponding Press Release.

On **15 April 2021**, the Report on Remunerations was published, including the salaries paid to the executive officers.

On **19 April 2021**, by way of an extraordinary information note, the Parent Company notified its Honourable Shareholders of the main decisions of the General Meeting of NEO Property Services Zrt. (regarding the main figures of the statements, the election of a new auditor and the extent of the dividends to be paid to the owners) held on 16 April 2021. The related Press Release was also published on that date.

The decisions taken by the Governing Board, the Annual Separate and Consolidated IFRS Statement for 2020 of the Parent Company, as well as the related documents (Corporate Governance Report, Report from the Governing Board, Report from the Audit Committee, Business and Management Reports) were published on **23 April 2021**.

After the registration at the Company Court, the Statute of the AKKO Invest Plc., valid from 23 April 2021, was published on **14 May 2021**.

On **19 May 2021**, the Parent Company notified its Honourable Investors in an extraordinary information note of the fact that the Governing Board of the Company had decided to profitably sell the 100% business shares of Aquaphor Zrt., the purchase price of which was settled by the transfer of ordinary shares held by AKKO Invest Plc.

On **26 May 2021**, the AKKO Invest Plc. announced in an extraordinary information note that DAYTON-Invest Kft. would sell its AKKO Invest ordinary shares in an OTC transaction, thereby the number of units changed to 0, its equity stake passed below the 15%, 10% and 5% thresholds.

Also on **26 May 2021**, the Parent Company announced the concluded sale of AKKO Invest ordinary shares by MEVINVEST Vagyonkezelő Kft. in an OTC transaction, on the basis of which its equity stake exceeded the 5%, 10%, 15%, 20%, 25% and 30% thresholds. The issued capital stock passed to 30,10%, whereas the amount of voting shares passed to 30,97%.

On **3 June 2021**, an analysis made by Dr. KALLIWODA Research GmbH was published. The Parent Company announced on the same day, that Gábor Varga, a member of the Governing Board, purchased AKKO Invest ordinary shares in an OTC transaction.

On **4 June 2021**, the publication of a transaction conducted by a person discharging managerial responsibilities took place, announcing that Péter Márk Bosánszky, a member of the Governing Board, purchased AKKO Invest ordinary shares in an OTC transaction.

On **10 September 2021**, the statement of the Parent Company for the first semester of 2021 and the corresponding Press Release were published.

On **13 September 2021**, the Company provided information on a transaction conducted by a person discharging managerial responsibilities, i.e. that Gábor Varga, a member of the Governing Board, purchased AKKO Invest ordinary shares in an OTC transaction.

On **15 November 2021**, the Parent Company announced its Corporate Event Calendar for 2022.

Expectations:

In 2022, the Company Group intends to extend its asset management activity by carrying out further acquisitions.

Loans

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
AKKO Invest Plc.	31.03.2036	2,5%	11 528 970	681 527	2 900 387	7 947 056
VÁR-Logisztika Zrt.	16.12.2024	2,5%	56 159	20 283	35 876	-
4 Stripe Zrt.	29.02.2032	1,9%	461 859	44 225	170 591	247 043
Total			12 046 988	746 035	3 106 854	8 194 099

The Parent Company ensures continuous liquidity to its subsidiaries by providing member's loans.

Under the investment loan of HUF 12,000,000,000 contracted from OTP Bank Nyrt. On 26 February 2021 within the Hungarian National Bank's Growth Loan Program's (NHP) "Go!" scheme, its outstanding items amounted to THUF 11,528,970 on 31 December 2021.

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., under which the redemption also takes place by executing payments to the successor financial institution. On 31 December 2021, the outstanding items amounted to THUF 56,159.

The other subsidiary of AKKO Invest Plc., 4 Stripe Zrt. concluded a loan agreement of EUR 1,250,000 with the Hungarian branch of Oberbank AG on 20 February 2020, the loan was paid on 5 March 2020. As a result of the measures taken in response to the extraordinary epidemic situation, no loan redemption took place.

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).

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

Designation	Long term loans	Short term loans
Opening balance	462 246	54 311
Borrowing during the year	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	-
Closing	11 300 953	746 035

8. Objectives and strategy

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

Therefore the Group's purpose is to establish a successful holding. Its most important objective is to increase the value of the Parent Company and in parallel, to generate value for the shareholders.

As the Parent Company intends to carry out investments in the real economy with a high yield-generating capability, it intends to carry out further acquisitions in the future.

Resources and risks

Financial and economic risk factors:

The Parent Company generated profit (revenue) through its subsidiaries, which provide an appropriate source of income for itself under lease agreements.

Scale of the expenditure:

The expenditures made in 2021 reveal that the newly included NEO Property Services Zrt. contributed to an approximately ten-fold cost increase compared to 2020.

The AKKO Invest Plc. is highly human resource-oriented, its success depends on the right decisions of the Governing Board. Risks are due to the same fact. In the course of its investments in 2021, it relied on significant external resources due to the loan contracted from OTP Bank Nyrt. within the Growth Loan Program's (NHP) "Go!" scheme, necessary for the acquisitions. ***The evolution of the assets of the Parent Company (and consequently the price of the shares) may show quite significant variations and there is a chance for capital loss at any time.***

AKKO Invest shares owned by executive officers

On 31 December 2021, the following executive officers owned AKKO Invest Plc. shares.

Name	Function	Ordinary shares, "C" series
Zoltán Prutkay	chairman of the Governing Board	9 000 pieces
Imre Attila Horváth	vice-chairman of the Governing Board	43 000 pieces
Gábor Varga	member of the Governing Board	76 384 pieces
Gábor Székely*	member of the Governing Board, chairman of the Audit Committee	1 000 pieces
István Matskási	member of the Governing Board, member of the Audit Committee	0 pieces
Péter Márk Bosánszky	member of the Governing Board, member of the Audit Committee	162 650 pieces

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

Material events after the Reporting Period

The Company Group did not identify any event after the record date of the main interim financial statements, which do not have any impact on the numerical aspects of the statements (since they are not amending events).

9. Executive officers

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

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

Governing Board membership ceases to exist:

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

Members of the Governing Board:

- Zoltán Prutkay – chairman of the Governing Board
- Imre Attila Horváth (vice-chairman of the Governing Board)
- Gábor Varga – member of the Governing Board
- Gábor Székely – member of the Governing Board

New Governing Board members elected on 1 February 2021:

- István Matskási – member of the Governing Board

New Governing Board member elected on 3 March 2021:

- Péter Márk Bosánszky – member of the Governing Board

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

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

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

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

Governing Board members receive an annual remuneration for their work. The chairman of the Governing Board receives a remuneration of HUF 550,000, whereas the other members of the Governing Board receive a remuneration of HUF 500,000 per year. The Company covers this issue in a separate Remuneration Report.

Members of Audit Committee:

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

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

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

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

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

Members of the Audit Committee in place on 3 March 2021:

- Gábor Székely – chairman of the Audit Committee
- István Matskási – member of the Audit Committee
- Péter Márk Bosánszky – member of the Audit Committee

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

Event after the balance sheet day

Disclosures made by AKKO Invest Plc. in the period following the balance sheet date		
2022		
January	31	Voting rights and share capital size
February	28	Voting rights and share capital size

10. Employment policy

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

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

The Parent Company presents the compensation and remuneration to be paid to its nominated postholders in the form of a Remuneration Report to the General Meeting.

The Parent Company does not have employees in its subsidiaries, with the exception of NEO Property Services Zrt., and the executive officers do not receive any financial or in-kind benefit, either.

The staff number of NEO Property Services Zrt. exceeds 490.

11. Research and experimental development

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

12. Environmental protection

The environmental responsibility incumbent on AKKO Invest Plc. is not significant, there is no likelihood of environmental degradation.

NEO Property Services Zrt. assumes its environmental liability in the following fields.

It has become involved in the “Green Office” movement, under which it has prepared an eco-map of its Headquarters, thereby it has reduced its water consumption and waste water emissions, as well as the paper use of the offices.

Among property operating companies, it is the first company in Hungary that has obtained the BREEAM IN USE “very good” certification for the operation of an office building.

Environmental impacts related to the activity of the company have been identified within the framework of ISO 14001 EMS, and it has been seeking to continuously improve the environmental performance of the operated establishments, as follows:

Air protection:

Maintenance is regularly carried out on air pollution point sources (boilers, emergency electricity generators) operated by NEO Property Services Zrt., thereby optimising fuel use and waste gas emissions.

Air conditioning and cooling systems containing ozone-depleting substances undergo systematic leakage tests, maintenance and the necessary repair works. The necessary refillings are carried out with maximum attention and in compliance with the relevant requirements, the separated substances are transferred only to the contractor that has an appropriate authorisation for treatment and disposal.

Development plans are drawn up annually for the clients of the company; those plans aim at operational safety, as well as at reaching a more economical energy use and a lower level of emissions.

Soil protection, protection of surface waters and ground waters, water savings:

Ground recessed oil tanks are equipped with double walls and leakage sensors.

Any accidental pollution is reported to the competent environmental inspectorate without delay, and during its termination and monitoring, full cooperation is ensured with the representatives of the authorities, the client and the civil population.

Grease traps, oil traps and other obligated equipment operated in the establishments of the company are subject to authorisation, their functioning is controlled, logged, their emissions are continuously maintained under the authorised level.

In order to protect water bases, the users of the buildings are made aware of the dangers of pouring edible oil or cooking oil into the sink or the toilet, delivery to collecting organisations

is promoted. Grease emitted to the sewerage system not only greases the sewerage network of the buildings and of the municipalities, but also encumbers the waste water treatment plants and hampers the disposal of waste water.

In community spaces, water saving taps, rinsing valves are installed in order to reduce water use.

Electricity savings:

The development plans propose to the clients to install motion sensing switches in community spaces and in certain hallway sections, and, where this is not reasonable, to put stickers warning to switch off the lights.

In the buildings of the company, efforts are made to synchronise the operation of air conditioning equipment with opening the windows, installing shading devices in order to increase the efficiency of heating and cooling systems.

Proposals supported by profitability calculations are prepared to their clients in relation to the configuration of local lighting and the procurement of energy saving equipment (lighting, hand driers, kitchen utensils, etc.).

The avoidance of any unnecessary energy use or the reduction of energy use is also promoted by awareness-raising among their colleagues. Attention is drawn to avoid the “stand by” mode of the devices, to switch off any unused mobile phone chargers, to switch off the computers after the work is completed, to switch off any unnecessary lights, etc.

Savings in transport:

Vehicles used by the company undergo regular servicing, their maintenance is ensured for the sake of their appropriate technical state, operational safety and lower level of fuel consumption.

The use of kilometres is optimised by work organisation, and where it is feasible, car sharing is used by travelling in the same vehicles with their partners, priority is given to telephone and video-conferences, as well as to communication opportunities provided by the Cloud environment.

At larger premises, bicycles are provided to the colleagues and commuting to work by bicycle is also supported.

Savings in paper use:

At larger premises, centralised, controlled printing and double-sided printing have been introduced. Printing and photocopying by the organisational units is subject to regular reporting.

Efforts are made to use recycled paper and paper with FSC (Forest Stewardship Council) mark, originating from responsible forest management.

In order to ensure operation with reduced paper use, priority is given to e-mailing, electronic file registration, invoice processing and event management software have been introduced. In the toilets and in the kitchens, awareness-raising stickers have been placed in order to reduce the use of paper towels. Attention is paid to the economical dosing of paper towels.

Greening with green elements:

The air in the office spaces is positively impacted by plants, and due to this, any “green wall” or plant island installed into the office spaces or to the resting areas improves well-being, comfort and air quality without any continuous energy investment. This is the reason why the planting of green plants is promoted in the office spaces.

Reduction of the amount of disposed waste:

It is considered that the most efficient waste reduction method is the prevention of waste generation, therefore efforts are made to repair or reuse the devices that can still be used, instead of scrapping or discarding them.

At the workplaces, recyclable waste types are collected selectively. In their office spaces, selective collection of unnecessary paper has a decade-old tradition; furthermore, the selective collection of PET bottles and plastic packaging waste are also ensured in the kitchenettes.

In the buildings managed by the company, the introduction or the promotion of selective waste collection is also encouraged in cooperation with the company’s clients.

The company makes proposals to its customers for rationalising energy use and other proposals meant to improve their environmental performance, by making a risk report for identifying environmental risks, thereby also supporting the safer and “greener” operation of their clients.

A pocketbook entitled “Green advice” has been prepared, which is decorated by the drawings of the children of the colleagues, and contains ideas and tips for a more eco-friendly operation of the users of the buildings of the company.

Cleaning, de-icing, insect and rodent extermination are carried out with modern, eco-friendly substances and methods in the establishments. This reduces their own ecological footprint and that of their clients.

13. Presentation of the premises

At the date of the drafting of this report, Parent Company does not have any premises.

NEO Property Services Zrt. as a subsidiary has the following premises:

- HU 4026 Debrecen, Bethlen utca 1.

- HU 6724 Szeged, Rókusi krt. 2-10.
- HU 6750 Algyő, Technológiai Ipartelep
- HU 5000 Szolnok, Ady Endre út 26.
- HU 8000 Székesfehérvár, Kaposi út 9.
- HU 2443 Százhalombatta, Olajmunkás utca 2.
- HU 9700 Szombathely, Hefele Menyhért utca 2.
- HU 7624 Pécs, Mátyás király utca 23.
- HU 3525 Miskolc, Régiposta utca 9.
- HU 3580 Tiszaújváros, TVK Ipartelep, "Régi Számítóközpont"
- HU 9023 Győr, Verseny utca 11.
- HU 8900 Zalaegerszeg, Zrínyi utca 6.

The other subsidiaries do not have any premises.

Disclaimer

To the consolidated annual IFRS statement of AKKO Invest Plc. for 2021

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

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

The consolidated financial statements of 2021 were prepared in accordance with the accounting standards, to the best of our knowledge, presenting a true and fair view of the assets, liabilities, financial situation, profit and loss of the AKKO Invest Plc. and of the enterprises involved in the consolidation, and the Management Report presents a fair view of the situation, development and performance of the AKKO Invest Plc., setting out the main uncertainty factors and risks.

The Report does not conceal any fact, which is significant in terms of the perception of the situation of the AKKO Invest Plc.

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

The report of AKKO Invest Plc. has not been audited by an independent auditor who has formulated an independent opinion, the consolidated financial statement attached to the report was drawn up in accordance with the International Financial Reporting Standards (IFRS).

From 31 March 2022, the 2021 annual IFRS report of AKKO Invest Plc. can be consulted in its entirety at the registered office of the Company (1118 - Budapest, Dayka Gábor utca 5.) and on its website (www.akkoinvest.hu), on the website of the Budapest Stock Exchange (www.bet.hu) and on the mandatory disclosure portal of the National Bank of Hungary (www.kozzetetelek.hu).

Budapest, 22 March 2022

Zoltán Prutkay
chairman of the Governing Board