

**Business and Management Report**  
**related to the separate 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 Issuer was registered by the Company Court on 07.08.2006, then it was transformed into a public limited company on 10.11.2010. Subsequently, on 15.02.2011, the Issuer's 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 Company, i.e. acquisitions and real investments took place mostly in the first half of the year.

The share capital increase, up to the amount corresponding to maximum ten times the share capital recorded in the company register on the day of the Extraordinary General Meeting of the Company, held on 1 February 2021, was included in the agenda of the Governing Board meeting held within the competence of the Extraordinary General Meeting of 1 February 2021, and it was approved with its Resolution no. 5/2021. (of 1 February).

The acquisition of the Company, initiated 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 at the end of February 2021.

Its current subsidiaries and business shares 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%

The 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 separate and consolidated IFRS Statements may also be consulted on the website of the Budapest Stock Exchange, via the disclosure system operated by the National Bank of Hungary and on the website of AKKO Invest Plc.

## 2. Size and composition of the share capital

Composition of the share capital of the 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 Company constitute voting rights the extent of which depends on

the par value of the shares. Accordingly, each ordinary share with a par value of HUF 25 gives an entitlement to 1 vote.

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

The Company possesses 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.

The share capital may be reduced based on the decision of the General Meeting.

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 Company: the amount corresponding to maximum ten times the share capital (HUF 833,880,000) recorded in the company register on the day of the Extraordinary General Meeting of the Company, held on 1 February 2021.

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

### **3. Changes in the structure of the Group**

In the first semester of 2021, Akko Invest Plc. acquired an ownership interest in the following subsidiaries:

<b>Name of the Company</b>	<b>Date of purchase</b>	<b>Equity stake (%) purchased</b>
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 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. Separate comprehensive income statement

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

COMPREHENSIVE INCOME STATEMENT	Explanatory notes	01.01.2021– 31.12.2021	01.01.2020– 31.12.2020
Revenue	(1)	5 500	74 300
Direct expenditures	(2)	(4 280)	(68 733)
<b>Gross profit or loss</b>		<b>1 220</b>	<b>5 567</b>
Administrative and sales expenditures	(3)	(90 373)	(48 334)
Other expenditure, net	(4)	(180)	(158)
Financial expenditures, net	(5)	118 116	131 407
Gain or loss on disposal of subsidiary	(6)	14 717	30 000
<b>Profit or loss before tax</b>		<b>43 500</b>	<b>118 482</b>
Income tax expenditure	(7)	(7 746)	(3 414)
<b>Net profit and loss</b>		<b>35 754</b>	<b>115 068</b>
<b>Other comprehensive income (after income tax)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>35 754</b>	<b>115 068</b>

## 4.2. Separate Balance Sheet

### Separate Balance Sheet for 31 December 2021

ASSETS	Explanatory notes	31.12.2021	31.12.2020
<b>Non-current assets</b>		<b>20 997 151</b>	<b>2 633 567</b>
Investment properties	(8)	92 710	95 173
Plant, fixtures and equipment	(9)	21	142
Long-term investments in subsidiaries	(10)	20 904 420	2 538 252
<b>Current assets</b>		<b>2 114 766</b>	<b>3 515 015</b>
Other receivables and prepayments and accrued income	(11)	32 087	19 688
Receivables from subsidiaries	(12)	1 594 847	1 821 786
Receivables from other companies	(13)	-	1 664 108
Cash and cash equivalents	(14)	487 832	9 433
<b>Total assets</b>		<b>23 111 917</b>	<b>6 148 582</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>5 592 611</b>	<b>5 866 857</b>
Subscribed capital (the nominal value of the shares is HUF 25/piece)			
	(15)	833 880	833 880
Share premium	(16)	5 479 954	5 479 954
Retained earnings	(17)	(340 923)	(376 677)
Treasury shares	(18)	(380 300)	(70 300)
<b>Long-term liabilities</b>		<b>15 952 270</b>	<b>275 311</b>
Long term bank loans	(19)	10 847 444	-
Deferred tax liabilities and subsequently payable taxes	(20)	274 826	275 311
Deferred purchase price of the acquisition	(21)	4 830 000	-
<b>Short-term liabilities</b>		<b>1 567 036</b>	<b>6 414</b>
Short term loans	(19)	681 527	-
Other short-term liabilities and accruals	(22)	13 616	3 812
Short-term liabilities from subsidiaries	(22)	870 715	-
Income tax liabilities	(23)	1 178	2 602
<b>Equity and liabilities</b>		<b>23 111 917</b>	<b>6 148 582</b>

## 5. Accounting policy and its changes

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

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

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

In case of opting for the cost model, assets must be valued on the basis of the 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 Company has prepared its separate financial statement for 2021 in accordance with the International Financial Reporting Standards (IFRS).

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

Summary figures in Hungarian Forint (IFRS separate statement, HUF)	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Equity*	5 592 611 000	5 866 857 000	5 822 088 000	30 475 000
Profit or loss before tax	43 500 000	118 482 000	-464 782 000	522 978 000



The administrative expenditures row contains the company's costs related to its governance and administration activity.

Designation	For the financial year ending on 31 December 2021	For the financial year ending on 31 December 2020
Material costs	-	(551)
Transportation costs and loading charges	(123)	(34)
Fee for bookkeeping services	(10 345)	(9 850)
Fee for financial services	(8 878)	(6 817)
Lawyer and legal fees	(26 461)	(6 254)
Official fees and levies	(110)	(12)
Consultancy and analysis fees	(8 551)	-
IT services	(357)	(1 087)
Translation fees	(1 023)	-
Miscellaneous expenses	(286)	(3 937)
Rental fees	(2 782)	(7 564)
Personal costs	(31 457)	(12 227)
<b>Total</b>	<b>(90 373)</b>	<b>(48 334)</b>

From 2021 onwards, the personal expenditures are part of the administrative expenditures.

Lawyer and legal fees in 2021 significantly exceeded those in 2020. This increase is due to the new investments: the acquisition of the 49% ownership interest in NEO Property Services Zrt. and the acquisition of the 100% business shares of Elitur Invest Zrt. With this operation, NEO Property Zrt. became the property of AKKO Invest Plc. (in 100%), because Elitur Invest Zrt. holds 51% of the shares of NEO Property Services Zrt.

The increase in the consultancy fees also increased the expenditures related to the acquisition of the business shares of NEO Property Services Zrt. and Elitur Invest Zrt.

Translation fees include the translation costs of the Company's annual financial statements and of the related documents.

Rents include the rent for the property serving as headquarters for the Company. The rental agreements do not qualify as lease contracts.

Personal expenditures include the salaries of the employees of the Company and the emoluments of its postholders.

Overall, it can be concluded that the volume of administrative costs increased by 87% compared to 2020 as a result of the acquisition.

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

*The Company closed 2021 in accordance with the expectations. In the first semester of 2021, AKKO Invest Plc. further increased its equity stake: thereby, it acquired the 100% business shares in NEO Property Services Zrt. and Elitur Invest Zrt., by way of its own contribution, on the one hand, and through a bank debt financing of HUF 12 billion, on the other hand. The Company intends to settle the remaining purchase price arrears from the dividends to be paid from the profit of NEO Property Services Zrt.*

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

*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.*

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

### *Derivatives, securities:*

In 2021, the Company did not enter into securities transactions and it is not planning to carry out such transactions in the future, either. At the beginning of 2022, the bank and securities accounts of the Company held at financial and investment service providers other than OTP Bank Nyrt. were terminated.

### *Longer term capital market investments:*

The Company does not have such investments.

### *Real economy:*

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

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

The current property portfolio of the Company

- 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 m<sup>2</sup>

**Buildings:** 2,064 m<sup>2</sup>



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

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

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



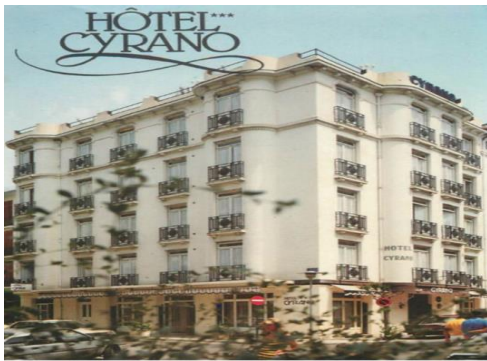
**Surface area of the land plot: 48,627 m<sup>2</sup>**

**Superstructures: 3.330 m<sup>2</sup>**

### **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 m<sup>2</sup>, which also has two outdoor parking lots.



### **4 Stripe Zrt.**



**Surface area of the land plot: 3,932 m<sup>2</sup>**

**Superstructures: 3,904 m<sup>2</sup>**

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 m<sup>2</sup>**

**Superstructures: 438,17 m<sup>2</sup>**

The property will be used after its improvement.



<b>Disclosures made by AKKO Invest Plc. in 2021</b>		
<b>January</b>	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
<b>February</b>	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
<b>March</b>	3	Governing Board Resolutions taken within the competence of the General Meeting
	18	Articles of Association
	25	Amended Corporate Event Calendar 2021
	31	Voting rights and share capital size
<b>April</b>	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
<b>May</b>	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
<b>June</b>	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

<b>July</b>	30	Voting rights and share capital size
<b>August</b>	31	Voting rights and share capital size
<b>September</b>	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
<b>October</b>	29	Voting rights and share capital size
<b>November</b>	15	Corporate Event Calendar 2022
	30	Voting rights and share capital size
<b>December</b>	31	Voting rights and share capital size

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

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

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

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

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

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

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

On **22 February 2021**, the Articles of Association were published, Having regard to the fact that the Company Court registered the sections of Governing Board Resolutions taken within



the competence of the Extraordinary General Meeting of 1 February 2021, pertaining to the Articles of Association.

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

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

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

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

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

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

On **15 April 2021**, the Company 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 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 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 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 Company 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 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 Company announced on the same day, i.e. on **3 June 2021**, 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 for the first semester of 2021 and the corresponding Press Release were published.

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

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

### **Significant events after the balance sheet day**

In Q1 of 2022, no significant event took place.

## 8. Expectations:

In 2021, the Governing Board further increased the ownership of its business shares, which it intends to continue in 2022 as well.

In 2022, the Company intends to extend its asset management activity by carrying out further acquisitions, so it intends to implement its short- and long-term plans in accordance with its projections made in 2021.

### Loans

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

On the record date, i.e. on 31 December 2021, AKKO Invest has bank loans OTP Bank Nyrt., having regard to the fact that a certain percentage of the purchase price of the 100% business shares of NEO Property Services Zrt. and the 100% business shares of its owner, Elitur Invest Zrt. was settled with bank loans. The remaining liabilities towards WING Zrt., resulting from the sale of business shares, would be settled from the annual dividends.

## 9. Objectives and strategy

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

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

As the Company intends to carry out investments in the real economy with a high yield-generating capability, it has started to build up its property portfolio through acquisitions.

## **Resources and risks**

Financial and economic risk factors:

AKKO Invest generated revenue from the rental of the property in Kárpát utca and through its subsidiaries which provide an appropriate source of income also for the parent company under lease agreements.

At the end of February 2021, the Company completed its project for the acquisition of the 100% business shares in NEO Property Services Zrt. In addition to its own contribution, AKKO Invest Plc. secured the business shares intended be purchased by contracting a loan of HUF 12 billion for the purchase of the business shares of the special purpose entities. The redemption of the loan started on 30 June 2021.

Because of the extraordinary situation established as a result of the pandemic, in the case of subsidiaries with loans (VÁR-Logisztika Zrt., 4 Stripe Zrt.) the loan instalments that were due were not repaid as an option provided by the loan moratorium; therefore the repayment these loans began in the fourth quarter of 2021.

Scale of the expenditure:

The expenditures made in 2021 reveal that the amount of administrative and sales expenditures increased by 87% compared to 2020 and that the amount of income tax expenditure also doubled compared to 2020.

The Company is highly human resource-oriented, its success depends on the right decisions of the Governing Board. Risks are due to the same fact. In the course of its investments in 2021, the Company 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. ***Evolution of the assets of the Company (and consequently the price of the shares) may show quite significant variations and there is a chance for capital loss at any time.***

### ***AKKO Invest shares owned by executive officers***

On 31 December 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 major 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).

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

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

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

### ***Members of Audit Committee:***

On 26 November 2020, Mr. Dr. László Cszima 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.

## **11. Employment policy**

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



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

In Q1 of 2020, the Company developed its Remuneration Policy for its nominated postholders and employees, on which it prepares a Remuneration Report to the General Meeting, by addressing the remunerations to be paid.

## **12. Research and experimental development**

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

## **13. Environmental protection**

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

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

## **14. Presentation of the premises**

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

## Disclaimer

To the separate annual IFRS statement of AKKO Invest Plc. for 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 separate financial statements were made in conformity with the International Financial Reporting Standards that were adopted by the European Union.

The separate financial statements of 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 Company, and the Management Report presents a fair view of the situation, development and performance of the Company, setting out the main uncertainty factors and risks.

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

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

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

From 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](http://www.akkoinvest.hu)), on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)) and on the mandatory disclosure portal of the National Bank of Hungary ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

Budapest, 22 March 2022

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Zoltán Prutkay  
chairman of the Governing Board