

**Separate 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

All the figures are stated in HUF thousands unless otherwise indicated.

## **General information**

### **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 3 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)

### **Contact details of the Company**

1118 Budapest, Dayka Gábor u. 5  
Web: [www.akkoinvest.hu](http://www.akkoinvest.hu)  
Email: [info@akkoinvest.hu](mailto:info@akkoinvest.hu)

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

Dr. László Péter Lakatos (007102)  
UNIKONTO Számvitelkutatási Kft.  
Chamber registration number: 001724

Separate Financial Statements of AKKO INVEST PLC.  
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.

## Contents

Abbreviations used in the financial statements .....	5
I. Numerical sections of the financial statements .....	6
II. Key elements of the accounting policy; basis of preparation of financial statements .....	10
Basis of the preparation of financial statements and the entity's ability to continue as a going concern .....	10
Presentation of the Company; accounting policies related to the preparation of separate financial statements.....	10
Essential elements of the accounting policy .....	15
III. Significant estimates used in preparing the financial statements and other sources of uncertainties .....	29
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 .....	30
V. Supplementary notes to the Comprehensive Income Statement .....	32
1. Revenue .....	32
2. Direct operating expenditures .....	32
3. General and administrative expenses .....	32
4. Other revenues and expenditures .....	33
5. Financial revenues and expenditures .....	34
6. Profit or loss on disposal of subsidiary .....	34
7. Income tax expenditure.....	34
VI. Supplementary notes to the balance sheet.....	35
9. Machinery, equipment and fittings .....	35
10. Long-term investments in subsidiaries .....	36
11. Other receivables and prepayments and accrued income .....	37
12. Receivables from subsidiaries .....	37
13. Receivables from other companies .....	37
14. Cash and cash equivalents.....	38
15. Subscribed capital.....	38
16. Share premium .....	39
17. Retained earnings.....	39
18. Treasury shares .....	39
19. Bank loans .....	40
20. Deferred tax liabilities and subsequently payable taxes .....	40
21. Deferred purchase price of the acquisition .....	41
22. Other short-term liabilities .....	41
23. Income tax liabilities .....	41
24. Fair value hierarchy of financial assets and liabilities .....	42
VII. Other disclosures .....	44
25. Transactions with related parties .....	44
26. Dividends paid .....	44
27. Description of risks and sensitivity analysis.....	44

Separate Financial Statements of AKKO INVEST PLC.  
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.

28. Disclosures due to interests in other entities .....	47
29. Equity reconciliation table .....	47
30. Disclosures related to Auditor .....	50
31. Disclosures related to the provider of accounting services .....	50
32. Statements .....	50
33. Material events after the Reporting Period .....	50
34. Authorisation of the publication of the financial statements.....	50

***The Separate Financial Statements comprise 50 pages.***

Separate Financial Statements of AKKO INVEST PLC.  
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

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

Separate Financial Statements of AKKO INVEST PLC.  
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.

**I. Numerical sections of the financial statements**

**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>

*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-VI of the Financial Statements*

Separate Financial Statements of AKKO INVEST PLC.  
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.

**Separate Balance Sheet  
for 31 December 2021**

<b>ASSETS</b>	<b>Explanatory notes</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<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>

*The Notes to Financial Statements form integral part of the Financial Statements.  
References in brackets refer to Sections V-VI of the Financial Statements*

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

Designation	01.01.2021– 31.12.2021	01.01.2020– 31.12.2020
Profit or loss before tax	43 500	118 482
<i>Non-cash items:</i>		
Depreciation	2 741	7 054
Impairment loss recognised on equity interests	-	-
Sale settled by share transfer	(310 000)	70 300
Credit loss charged to profit or loss	-	1 894
	(263 759)	197 730
Profit or loss on tangible assets sold	-	(8 784)
Net changes in items recognised among current assets	-	329
Changes in short term liabilities	(11 765)	1 810
Interest income	(7 444)	(14 897)
	(282 968)	176 188
Income tax paid	(485)	(13 163)
<b>Net cash flow from operating activities</b>	<b>(283 453)</b>	<b>163 025</b>
Acquisition of tangible assets	(157)	(272)
Loans granted – disbursement/+ repayment	244 770	(61 100)
Acquisition of shares	(13 670 000)	-
Revenue from the sale of shares	1 797 941	-
Financially settled interests	7 444	14 897
<b>Net cash flow from investment activities</b>	<b>(11 620 003)</b>	<b>(46 475)</b>
Borrowing	12 870 715	
Loan repayment	(471 030)	-
Amount paid for treasury shares sold	-	-
<b>Net cash flow from financing activities</b>	<b>12 399 685</b>	<b>-</b>
Credit loss recognised in respect of liquid assets	(7 209)	-
Profit/loss impact of exchange loss	(10 622)	(109 893)
<b>Change in liquid assets</b>	<b>478 399</b>	<b>6 657</b>
Cash and cash equivalents at the beginning of the year	9 433	2 776
Cash and cash equivalents at the end of the year	487 832	9 433
Change	478 399	6 657

*The cash flow statement contains the items with regard to sign.  
The Notes to Financial Statements form integral part of the Financial Statements.*



**Separate Statement of Changes in Equity**  
for 365 days ending on 31 December 2021 Hiba! Érvénytelen csatolás.

Designation	Subscribed capital	Share premium	Retained earnings	Treasury shares	Total
<b>31.12.2019</b>	833 880	5 479 954	(491 746)	-	5 822 088
Comprehensive income for the year	-	-	115 068	-	115 068
Repurchase of treasury share 21.12.2020	-	-	-	(70 300)	(70 300)
<b>31.12.2020</b>	833 880	5 479 954	(376 677)	(70 300)	5 866 857
Comprehensive income for the year	-	-	35 754	-	35 754
Repurchase of treasury share	-	-	-	(310 000)	(310 000)
<b>31.12.2021</b>	833 880	5 479 954	(340 923)	(380 300)	5 592 611

*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*

All the figures are stated in HUF thousands unless otherwise indicated.

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

### **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 independent financial statements have been prepared 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, performance and financial position of AKKO Invest Plc. The Plc., as parent company, also prepares consolidated financial statements, which present the assets, performance and the financial position of the parent company and its enterprises involved in the consolidation (together: Group). The separate financial statements of the Company and the financial statements of the Group are prepared, approved and published by the Parent Company's management.

#### ***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 Company applied the IFRS in the form as those were adopted by the European Union.

The management of the 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 Company generally measures its assets at historical cost, except for the situations where based on IFRS the given element must be measured at fair value. In the financial statements, the financial instruments held for trading had to be measured at fair value.

Presentation of the Company; accounting policies related to the preparation of separate financial statements

#### ***Brief presentation of the Company's activity (headquarters of operation, legal form, ownership structure, governing law)***

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 through that in the parent company. The subsidiaries are entities operating primarily in the property market.

Separate Financial Statements of AKKO INVEST PLC.  
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.

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 according to the records of the Company:**

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%	515 357	61,68%
MEVINVEST Vagyonkezelő Kft.	250 998	30,10%	-	0,00%
DAYTON-Invest Kft.	-	0,00%	200 000	23,98%
Chantili Invest Zrt.	91 727	11,00%	118 513	14,21%
<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	-
<b>Total</b>	<b>33 355 200</b>	<b>33 355 200</b>	<b>N/A</b>	<b>33 355 200</b>	<b>-</b>

**Subsidiaries of the Company and consolidation**

The Group comprises the parent company and subsidiaries. AKKO Invest Plc. (Plotinus Holding Plc. by its name of that time) had no investments in other companies on balance sheet date 31 December 2018. From 2019 it acquired equity interest in the following subsidiaries.

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

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)

Separate Financial Statements of AKKO INVEST PLC.  
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.

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 Zrt.	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%	subsidiary
NEO Property Services Zrt.	20 000	49%	26.02.2021	-	0%	subsidiary

All companies disclose separate financial statements publicly.

All the figures are stated in HUF thousands unless otherwise indicated.

**Activity of the Group members:**

***MOON Facility Zrt.***

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.

***NEO Property Services Zrt.***

The Group owns 49% of NEO Property Services Zrt. directly, and it owns 51% of that company indirectly, through Elitur Invest 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.***

Separate Financial Statements of AKKO INVEST PLC.  
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.

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.

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

In the reporting period, there was one transaction that was very important for the Group. The 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.

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

### ***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 Company. 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

All the figures are stated in HUF thousands unless otherwise indicated.

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

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

The Company publishes separate financial statements (hereinafter: financial statements). The financial statements comprise the following parts:

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

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

The Company 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 Company publishes the separate financial statements in Hungarian forint. This is the presentation currency. The separate financial statements cover one calendar year. The balance sheet date of the separate 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 Company prepares interim group financial 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 separate financial statements contain comparative figures, except when a period must be restated or the accounting policy had to be changed. In this case we also present 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 line in the financial statements) the Company adjusts the previous year's figures so as to ensure comparability.

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

#### **Sales revenues**

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

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:

All the figures are stated in HUF thousands unless otherwise indicated.

- The parties have accepted the contract and are committed to fulfilling it;
  - 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 Company 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 an entity 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 Company measures and examines its contracts with customers individually, and applies the 5-step model under the Standard to the concluded contracts.

The Company does not state as part of the sales revenues the items collected on behalf of third parties and to be transferred, since the Company obtains no control over such items. The value added tax appears as such item at the Company.

### **Operating expenditures**

As a result of the Company'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 Company'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.



All the figures are stated in HUF thousands unless otherwise indicated.

### **Other revenues and expenditures**

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

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

The Company 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 Standard) in the financial profit or loss.

The Company states financial profit or loss in the income statements 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 Company's returns or expenditures in the broad sense.

### ***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 properties comprise the following elements:

All the figures are stated in HUF thousands unless otherwise indicated.

- 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, considering this type of properties.

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 Company 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.

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 Company 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.

Separate Financial Statements of AKKO INVEST PLC.  
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.

### **Intangible assets**

The Company states intangible assets at cost reduced by accumulated depreciation and impairment losses. During the expected life we recognise depreciation based on 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 lease, the Company applies the process chart under paragraph B31 of Appendix B of the IFRS 16 Standard:

All the figures are stated in HUF thousands unless otherwise indicated.

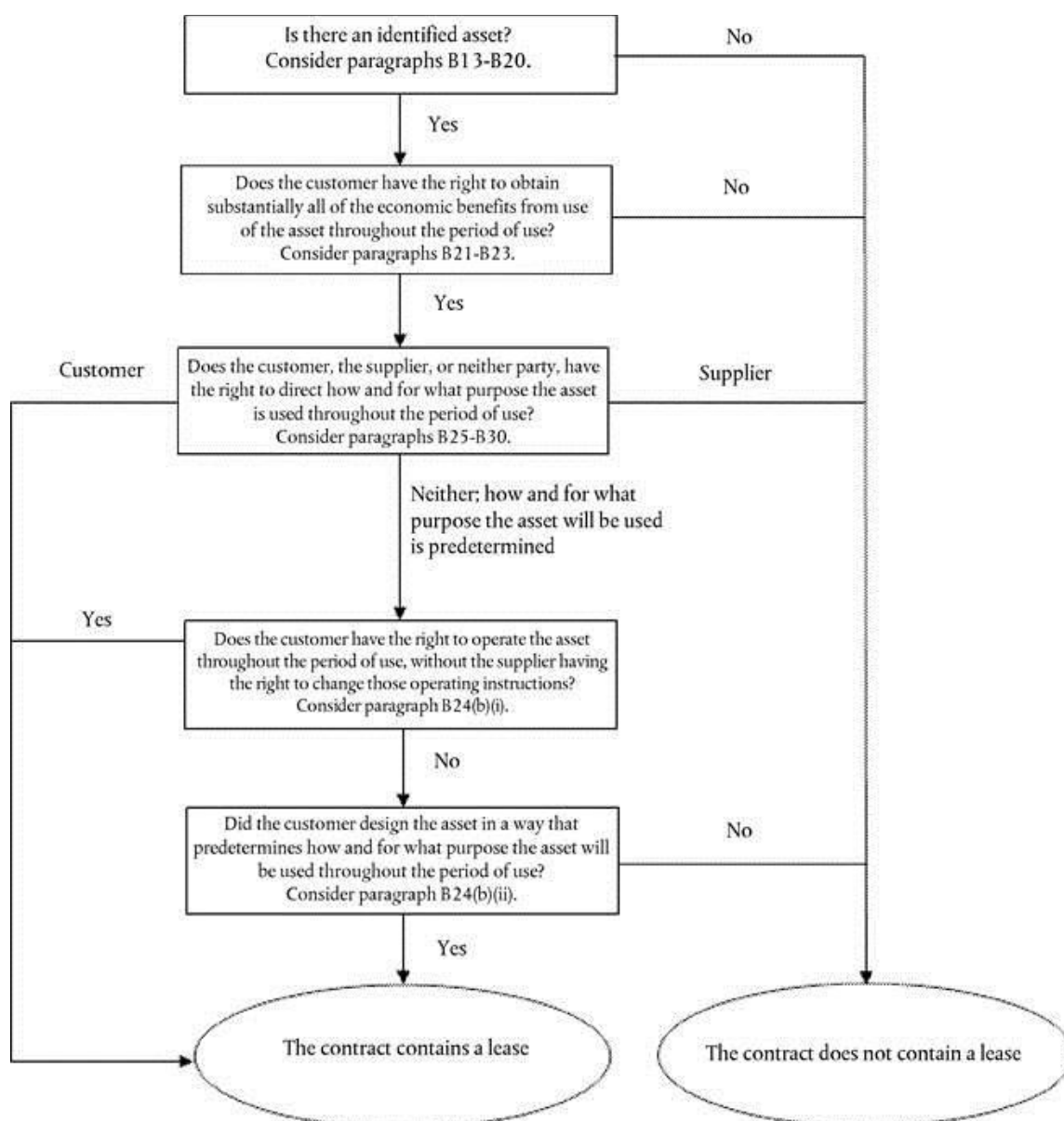


Chart 1. Classification of lease contract IFRS 16.B31

The Company concluded rental contracts for vehicles and property. Having assessed the contracts the Company concluded that they contain no lease.

### Recognition at the lessee

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

### Recognition exceptions

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

All the figures are stated in HUF thousands unless otherwise indicated.

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

The Company 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 Company 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 Company recognises the present value of cash flows from financial lease as a lease investment. Upon calculating the present value, the Company uses the incremental interest rate related to lease. The Company 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 Company 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.

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

All the figures are stated in HUF thousands unless otherwise indicated.

### **Discontinued operations:**

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

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

### **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 Company 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. Costs of inventories are determined on first-in-first-out (“FIFO”) basis. 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.

At present the Company has no inventories allocated to this category.

### **Investments in subsidiaries**

The Company states the subsidiaries to be consolidated in another entity, the associated undertakings and joint ventures to be presented in accordance with the equity method in the balance sheet in a separate row, using the cost model. The Company reduces the value of the investment by the accumulated impairment loss, while the incurred transaction costs increase the value of the investment.

### **Financial assets and liabilities**

In accordance with IFRS 9, the Company 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 Company has no such assets and liabilities.)

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.

All the figures are stated in HUF thousands unless otherwise indicated.

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 Company has no such assets.

The Company 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.

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

#### *Recognition*

Financial assets and liabilities are recognised in the Company'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 Company 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 Company 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.

Separate Financial Statements of AKKO INVEST PLC.  
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.

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 Company'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 Company 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.



All the figures are stated in HUF thousands unless otherwise indicated.

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 Company 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 Company 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 Company presumed 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

Separate Financial Statements of AKKO INVEST PLC.  
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.

- 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 Company usually uses the following ECL ratios:

Past due	ECL %
Less than 90 days	1%
91– 180 days	50%
over 180 days	100% or individual assessment

If the volume of ECL 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 Company uses the simplified approach to determine the ECL.

#### **Receivables from subsidiaries**

According to the main rule, receivables from subsidiaries must be classified as AC. Those receivables are stated here that derive from loans disbursed or were received by the Company through assignment.

#### **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.

#### **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). The balance of cash accounts at brokers must be also treated as cash equivalent.

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.

All the figures are stated in HUF thousands unless otherwise indicated.

### **Subscribed capital**

The subscribed capital contains the sum of the nominal values of the shares issued by the 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 Company states the dividends payable as liabilities, simultaneously reducing retained earnings, in the period when the owners approved the dividends.

### **Treasury shares**

If the Company buys its own equity, 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 Company 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 Company 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 Company 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.

Separate Financial Statements of AKKO INVEST PLC.  
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.

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 Company 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 Company presents interest paid in the operating cash flow, and dividends paid in the financing cash flow.

All the figures are stated in HUF thousands unless otherwise indicated.

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

With respect to the application of the Company'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 estimates that are in line with the IFRS and valid at the time of the changeover to IFRS must be consistent with the estimates prepared for the same figures in accordance with the previous accounting regulations except when there is clear evidence that those estimates had been erroneous.

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.

The management of the Company must review the accounting estimates of the following areas at least annually:

- estimates related to the useful life, residual value and dismantling obligation of tangible assets,
- estimates related to rate of return calculations for inventories;
- estimates related to the measurement of receivables, particularly to ECL

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

All the figures are stated in HUF thousands unless otherwise indicated.

#### **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 13 January 2021 (enters into force on 1 January 2021 and in the reporting periods commencing thereafter),
- **Amendment to IFRS4 “Insurance contracts” deferral of effective date of IFRS9** – adopted by the EU from 15 December 2020, (enters into force on 1 January 2021, 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),
- **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),
- **Amendment to IFRS17 “Insurance contracts”, incorporating the amendments to IFRS17** (enters into force on 2023. January 1 and in the reporting periods commencing thereafter),

Separate Financial Statements of AKKO INVEST PLC.  
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.

- 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.

All the figures are stated in HUF thousands unless otherwise indicated.

## V. Supplementary notes to the Comprehensive Income Statement

### 1. Revenue

Sales revenues comprises the following items:

Designation	For the financial year ending on 31 December 2021	For the financial year ending on 31 December 2020
Revenue from property lease	5 500	4 000
Revenue from property sales	-	70 300
<b>Total</b>	<b>5 500</b>	<b>74 300</b>

In 2020, the Company possessed two properties, of which it sold the property located at 1022 Budapest, Ribáry utca 6, ground floor 4, on 21 December 2020. In 2021, it generated a revenue of THUF 5,500 on the rental of an existing property located at 1133 Budapest, Kárpát u 50.

### 2. Direct operating 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:

Designation	For the financial year ending on 31 December 2021	For the financial year ending on 31 December 2020
Common charges	(228)	(163)
Carrying value of property sold	-	(61 516)
Depreciation	(2 783)	(7 054)
Other material costs	(831)	-
Property insurance	(83)	-
Other direct costs	(355)	-
<b>Total</b>	<b>(4 280)</b>	<b>(68 733)</b>

The composition of direct costs changed compared to 2020: personnel costs were regrouped to the administrative expenditures and building tax was regrouped to the other expenditures.

Depreciation decreased due to the fact that in 2020 the Company had two properties, whereas at present, it possesses only one.

### 3. General and administrative expenses

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



Separate Financial Statements of AKKO INVEST PLC.  
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.

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.

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

#### 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.

Content of the items (with regard to sign):

Designation	For the financial year ending on 31 December 2021	For the financial year ending on 31 December 2020
Fine, penalty and default interest	-	(11)
Building tax	(172)	(104)
Miscellaneous sundry items	(8)	(43)
<b>Total (with regard to sign)</b>	<b>(180)</b>	<b>(158)</b>

From 2021 onwards, building tax is also stated among the other revenues and expenditures.

Separate Financial Statements of AKKO INVEST PLC.  
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.

## 5. Financial revenues and expenditures

Designation	For the financial year ending on 31 December 2021	For the financial year ending on 31 December 2020
Interest received from Bank	1	4
Interest paid to Bank	(253 840)	-
Revaluation of foreign currency assets and liabilities, exchange difference at conversion	7 546	118 406
Interest received from related companies	7 443	14 892
Interest paid to related companies	(11 113)	-
Dividend income	359 611	-
Impairment of ECL financial assets	8 468	(1 895)
<b>Total (with regard to sign)</b>	<b>118 116</b>	<b>131 407</b>

The most significant income item is the dividend received from NEO Property Services Zrt., which is one of the new subsidiaries. From 26.02.2021, the Company used a new long-term bank loan, the interest charges of this loan constitute a significant item within the financial expenditures.

## 6. Profit or loss on disposal of subsidiary

Designation	Carrying amount	Selling price	For the financial year ending on 31 December 2021
Aquaphor Zrt.	133 833	148 550	14 717
<b>Total (with regard to sign)</b>	<b>141 389</b>	<b>148 550</b>	<b>14 717</b>

## 7. Income tax expenditure

This expenditure position comprises the following tax items:

Designation	For the financial year ending on 31 December 2021	For the financial year ending on 31 December 2020
Corporate income tax	(8 137)	(11 160)
Deferred tax expenditure/income	484	7 815
Local business tax	(93)	(69)
<b>Total (with regard to sign)</b>	<b>(7 746)</b>	<b>(3 414)</b>

The Company presents the corporate income tax and local business tax among income tax expenditures. The corporate income tax rate was 9% during the year. The local business tax rate was 2%.

The tax authorities regularly inspect the Company. 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.

Separate Financial Statements of AKKO INVEST PLC.  
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.

## VI. Supplementary notes to the balance sheet

<b>Gross value</b>	
Balance at 31 December 2020	98 800
Purchase	-
Disposals	-
<b>Balance at 31 December 2021</b>	<b>98 800</b>

<b>Depreciation</b>	
Balance at 31 December 2020	(3 627)
Depreciation recognised	(2 463)
Derecognition upon the sales of the asset	-
<b>Balance at 31 December 2021</b>	<b>(6 090)</b>

<b>Net value</b>	
<b>Balance at 31 December 2020</b>	<b>95 173</b>
<b>Balance at 31 December 2021</b>	<b>92 710</b>

Based on IAS 40, the property owned by the Company qualifies as investment property and it is measured based on the cost model. The Company did not intend to use the properties for its own purposes in the longer run. According to the management's estimate the fair value of the property does not differ significantly from the carrying amount, considering that the purchase date was close to the balance sheet date.

The Company owns the following properties:

1133 Budapest, Kárpát utca 50.

## 9. Machinery, equipment and fittings

<b>Gross value</b>	
<b>Balance at 31 December 2020</b>	<b>379</b>
Purchase	157
Disposals	-
<b>Balance at 31 December 2021</b>	<b>536</b>

<b>Depreciation</b>	
<b>Balance at 31 December 2020</b>	<b>(237)</b>
Depreciation recognised	(278)
Derecognition upon the sales of the asset	-
<b>Balance at 31 December 2021</b>	<b>(515)</b>

Separate Financial Statements of AKKO INVEST PLC.  
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.

Net value	
<b>Balance at 31 December 2020</b>	<b>142</b>
<b>Balance at 31 December 2021</b>	<b>21</b>

Office equipment has been procured in the reporting year.

#### 10. Long-term investments in subsidiaries

The Company recognises the value of the existing interests in subsidiaries on this balance sheet position.

Designation	For the financial year ending on 31 December 2021	For the financial year ending on 31 December 2020
VÁR-Logisztika Zrt.	215 089	215 089
MOON Facility Zrt.	280 000	280 000
A PLUS INVEST Zrt.	329 000	329 000
4 Stripe Zrt.	850 000	850 000
ALQ SAS	730 331	730 331
Aquaphor Zrt.	-	133 833
Elitur Invest Zrt.	14 000 000	-
NEO Property Services Zrt.	4 500 000	-
<b>Total</b>	<b>20 904 420</b>	<b>2 538 252</b>

The following table provides information on the cost:

Designation	Initial cost	Impairment	Carrying amounts
VÁR-Logisztika Zrt.	597 247	382 158	215 089
MOON Facility Zrt.	280 000	-	280 000
A PLUS INVEST Zrt.	329 000	-	329 000
4 Stripe Zrt.	850 000	-	850 000
ALQ SAS	730 331	-	730 331
Elitur Invest Zrt.	14 000 000	-	14 000 000
NEO Property Services Zrt.	4 500 000	-	4 500 000
<b>Total</b>	<b>21 286 578</b>	<b>382 158</b>	<b>20 904 420</b>

The Company uses the cost model for the measurement of investments in subsidiaries.

All investments in subsidiaries were acquired by the Company for cash, with the exception of Vár-Logisztika Zrt. which was acquired through equity swap. In order to establish the cost, the Company has set out from the fair value of the share swapped for the subsidiary.

Impairment had to be recognised for the investment in Vár-Logisztika Zrt, as the fair value of the underlying net assets fell short of the purchase price calculated from the share price at the end of the

Separate Financial Statements of AKKO INVEST PLC.  
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.

year. The Company deduced the net asset value from Vár-Logisztika Zrt's earning power. The impairment occurred due to the fact that the fair value of the shares transferred as purchase price rose – relatively abruptly – in the market, and thus the purchase price substantially exceeded the anticipated price. (The Company was unable to influence this process. Under the anticipated share price it would have not been necessary to recognise impairment.) The Company recognised impairment through profit or loss.

None of the subsidiaries' General Meeting approved any dividend payment.

### 11. Other receivables and prepayments and accrued income

Designation	31 December 2021	31 December 2020
Other non-income tax receivables	31 843	19 536
Receivable from overpayment to suppliers	-	152
Miscellaneous items	244	-
<b>Total</b>	<b>32 087</b>	<b>19 688</b>

In 2021 the Company classified VAT receivables and wage contribution receivables as other non-income tax receivables. The fair value of these items is almost the same as their carrying amounts.

### 12. Receivables from subsidiaries

The Company concluded individual loan agreements with its subsidiaries, and – within the framework of assignment contracts – it “took over” the subsidiaries' receivables in lieu of cash, as a result of which the member companies then in need of cash received funds from the Parent Company possessing cash.

On the balance sheet date the Company has in its books the following loan receivables increased by interest:

Designation	31 December 2021	31 December 2020
VÁR-Logisztika Zrt.	5 217	25 057
MOON Facility Zrt.	214 530	232 787
A PLUS INVEST Zrt.	180 512	178 988
4 Stripe Zrt.	225 048	281 333
ALQ SAS	976 750	947 905
Aquaphor Zrt.	-	163 950
Expected Credit Loss (ECL)	(7 209)	(8 235)
<b>Total</b>	<b>1 594 847</b>	<b>1 821 786</b>

The items received through assignment are non-interest bearing. The interest on the items provided as loans is usually the central bank base rate plus 1.5 percentage points. The fair value of these items is almost the same as their carrying amounts.

### 13. Receivables from other companies

Designation	31 December 2021	31 December 2020
AGY69 AG	-	1 671 630

Separate Financial Statements of AKKO INVEST PLC.  
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.

Expected Credit Loss (ECL)	-	(7 522)
<b>Total</b>	-	<b>1 664 108</b>

The Company's receivables from other companies were repaid in 2021.

#### 14. Cash and cash equivalents

Cash and cash equivalents comprise the following items:

Designation	31 December 2021	31 December 2020
Bank Accounts	487 774	9 259
Cash on hand	1	1
Cash accounts at brokers	129	165
Expected Credit Loss (ECL)	(72)	8
<b>Total</b>	<b>487 832</b>	<b>9 433</b>

On the bank accounts of the Company, the total amount of bank money is THUF 487,774. In accordance with the accounting policy, THUF 72 were entered in the accounts as impairment for the recognition of fair value.

#### 15. Subscribed capital

The subscribed capital of the Company 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 Company's outstanding shares:

Designation	31 December 2021	31 December 2020
Nominal value of shares outstanding on 1 January	833 880	833 880
<b>Total</b>	<b>833 880</b>	<b>833 880</b>

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

Designation	31 December 2021	31 December 2020
Nominal value of shares outstanding on 1 January	833 880	833 880
<b>Total</b>	<b>833 880</b>	<b>833 880</b>

Separate Financial Statements of AKKO INVEST PLC.  
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.

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

Designation	31 December 2021	31 December 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>

#### 16. Share premium

The share premium comprises the amount received over the nominal value when issuing the shares and the gain or loss realised upon the sales of treasury shares. The share premium did not change during the reporting period.

#### 17. Retained earnings

On 31 December 2021 retained earnings amounted to HUF - 340,923,000 (accumulated loss). The Company appropriates HUF 3,060,908,000 as development reserve from the retained earnings. The source of the development reserve is the adjusted pre-tax profit or loss (Section 18/B of the Corporate Income Tax Act), which also includes the gain or loss realised on the sales of treasury shares, stated by the Company in the share premium.

#### 18. Treasury shares

The quantity and value of treasury shares are as follows.

Designation	31 December 2021 (pcs)	31 December 2020 (pcs)
Opening balance	-	-
Number of treasury shares sold through the stock exchange	-	-
Number of treasury shares accepted as consideration for property sold	936 988	190 000
Withdrawal of treasury shares	-	-
<b>Changes in shares (pcs)</b>	<b>936 988</b>	<b>190 000</b>

Designation	31 December 2021	31 December 2020
Opening balance	-	-

Separate Financial Statements of AKKO INVEST PLC.  
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.

Treasury share transactions (sale)	-	-
Treasury share transactions (buy-back)	23 425	4 750
<b>Treasury shares (at nominal value) HUF 25/piece (with regard to sign)</b>	<b>23 425</b>	<b>4 750</b>

The table above shows the sign based on the impacts on equity. The Company treated the gain or loss realised on the sale of treasury shares as adjustment to equity. The gain was stated in the share premium.

During the 2021 sale of Aquaphor Zrt., the purchase price was settled in AKKO Invest Plc. shares, therefore the number of treasury shares increased to 936,988.

### 19. Bank loans

The Company contracted a long-term loan of HUF 12 billion from OTP Bank Nyrt., the loan was disbursed and paid to the sellers on 26 February 2021 in consideration for the business shares of NEO Property Services Zrt. and Elitur Invest Zrt.

The loan and its interest is payable on a quarterly basis. The amount of capital due on 31.12.2021, as well as the short- and long-term items are presented in the following table:

Creditor	Expiry date	Interest rate	31.12.2021	Due within 1 year	Due within 5 year	Due over 5 years
<b>OTP Bank</b>	31.03.2036	2,5%	11 528 971	681 527	2 900 387	7 947 057

### 20. Deferred tax liabilities and subsequently payable taxes

During the reporting period the following deferred tax balances occurred:

Designation	31 December 2021	31 December 2020
Deferred tax liabilities	274 826	275 311
<b>Total</b>	<b>274 826</b>	<b>275 311</b>

Reconciliation and source of deferred tax:

Designation	Carrying amounts	Tax value	Difference
Investment property	92 710	92 710	-
Plant, fixtures and equipment	21	21	-
Long-term investments in subsidiaries	20 904 420	20 904 420	-
Other receivables and prepayments and accrued income	32 087	32 087	-
Cash and cash equivalents	487 832	487 904	(72)
Receivables from subsidiaries and other related parties	1 594 847	1 602 056	(7 209)
Other short-term liabilities and accruals	4 843 616	4 843 616	-



Separate Financial Statements of AKKO INVEST PLC.  
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.

Development reserve recognised	-	(3 060 908)	3 060 908
<b>Total</b>	<b>27 955 533</b>	<b>24 901 907</b>	<b>3 053 626</b>

<b>Total deductible difference</b>	<b>(7 282)</b>
<b>Total taxable difference</b>	<b>3 060 908</b>

<b>Total deferred tax assets</b>	
<b>Total deferred tax liabilities</b>	<b>274 826</b>

### 21. Deferred purchase price of the acquisition

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 which it intends to pay and settle from the dividends of NEO Property Services Zrt. The amount of the liabilities is THUF 4,830,000. The purchase price was stated at non-discounted value.

The other short-term loans from subsidiaries are payable to ELITUR Zrt. The amount of the liabilities increased by interest is THUF 870,715 (last year: 0).

### 22. Other short-term liabilities

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.

Designation	31 December 2021	31 December 2020
Wage-related items	13 662	-
Penalty, default interest, self-revision penalty	11	12
Duty on property purchased	-	3 800
Miscellaneous items	(57)	-
<b>Total</b>	<b>13 616</b>	<b>3 812</b>

### 23. Income tax liabilities

This position contains only income tax debt.

Designation	31 December 2021	31 December 2020
Current year's income tax liabilities	1 178	2 602
<b>Total</b>	<b>1 178</b>	<b>2 602</b>

All the figures are stated in HUF thousands unless otherwise indicated.

#### 24. 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 Company 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 Company 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 Company possesses the following financial assets and liabilities:

Financial assets and balances		
Designation	31.12.2021	31.12.2020
Other receivables and prepayments and accrued income	32 087	19 688
Cash and cash equivalents	487 832	9 433
Receivables from subsidiaries	1 594 847	1 821 786
Receivables from other affiliated companies	-	1 664 108
<b>Total</b>	<b>2 114 766</b>	<b>3 515 015</b>

Financial liabilities and balances		
Designation	31.12.2021	31.12.2020
Bank loans	11 528 971	-
Deferred purchase price of the acquisition	4 830 000	-
Short-term liabilities from subsidiaries	870 715	-
Other short-term liabilities and accruals	13 616	3 812
<b>Total</b>	<b>4 843 616</b>	<b>3 812</b>

Separate Financial Statements of AKKO INVEST PLC.  
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.

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

Designation	31 December 2021			31 December 2020		
	Measurement level 1	Measurement level 2	Measurement level 3	Measurement level 1	Measurement level 2	Measurement level 3
<b>Financial assets</b>	-	-	-	-	-	-
Receivables from related companies	-	-	1 594 847	-	-	3 485 894
Other receivables and prepayments and accrued income.	-	-	32 087	-	-	19 688
Cash and cash equivalents	487 832	-	-	9 433	-	-
<b>Total (assets)</b>	<b>487 832</b>	<b>-</b>	<b>1 626 934</b>	<b>9 433</b>	<b>-</b>	<b>3 505 582</b>
<b>Financial liabilities</b>	-	-	-	-	-	-
Bank loans	-	-	11 528 971	-	-	-
Deferred purchase price of the acquisition	-	-	4 830 000	-	-	-
Short-term liabilities from subsidiaries	-	-	870 715	-	-	-
Other liabilities	-	-	13 616	-	-	3 812
<b>Total (liabilities)</b>	<b>-</b>	<b>-</b>	<b>17 243 302</b>	<b>-</b>	<b>-</b>	<b>3 812</b>

All the figures are stated in HUF thousands unless otherwise indicated.

## VII. Other disclosures

### 25. Transactions with related parties

The details of the transactions between the Company and other related parties are described below. The key managers of the Company also qualify as related parties.

The Company's subsidiaries qualify as affiliated companies. Information on the balances outstanding vis-à-vis these parties are provided in Note 12 to the financial statements. 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.

### 26. Dividends paid

In 2021, the Company did not pay any dividends, and the Governing Board does not propose to the General Meeting the calculation and the payment of dividends for 2022 either.

### 27. Description of risks and sensitivity analysis

Through its activities the Company is exposed to risks relating to the changes in 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 Company pursues activity also in foreign currency, which carried the risks arising from the change in foreign exchange rates. The foreign currency transactions appear primarily through the transactions carried out with the Company'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 Company dynamically analyses its interest rate exposure and calculates the impact of defined interest rate fluctuations on profit or loss by simulating different scenarios.

The Company identified interest rate risk as its current risk. At present relevant change is caused by the change in interest revenues.

Separate Financial Statements of AKKO INVEST PLC.  
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.

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

	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
Net profit and loss	35 754	51 702	131 445	290 930
Interest income	7 444	23 392	103 135	262 620
Current year value of interest-bearing assets	1 594 847	1 594 847	1 594 847	1 594 847
Receivables from subsidiaries	1 594 847	1 594 847	1 594 847	1 594 847
Average interest rate	0,467%	1,467%	6,467%	16,467%
Interest rate change		214,2%	1285,5%	3427,9%
Change in profit or loss		44,61%	267,64%	713,70%
Elasticity		20,82%	20,82%	20,82%

Based on the analysis the following conclusions may be drawn:

- A 1% change in the average interest rate would result in a change of 44.61 % in net profit or loss.
- A 5% change in the average interest rate would result in a change of 267.64 % in net profit or loss.
- A 10% change in the average interest rate would result in a change of 713.70 % 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 Company.

The credit risk analysis shows the following positions:

Designation	31 December 2021	31 December 2020
Non-past due receivables	32 087	19 688
< 30 days	-	-
30–60 days	-	-
60–90 days	-	-
91–180 days	-	-
191–365 days	-	-
> 365 days	-	-
<b>Total</b>	<b>32 087</b>	<b>19 688</b>

**Liquidity risk**

Separate Financial Statements of AKKO INVEST PLC.  
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.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. The management of liquidity risk falls within the competence of the Governing Board. The Company 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:

31 December 2021	Expired	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	-	487 832	-	-	487 832	-
Loan granted to subsidiaries and other affiliated companies	-	1 594 847	-	-	1 594 847	-
Investment properties	-	-	-	92 710	92 710	-
Plant, fixtures and equipment	-	-	21	-	21	-
Investment in subsidiaries	-	-	-	20 904 420	20 904 420	-
Other receivables and prepayments and accrued income	-	32 087	-	-	32 087	-
<b>Financial receivables</b>	-	<b>2 114 766</b>	<b>21</b>	<b>20 997 130</b>	<b>23 111 917</b>	-

31 December 2021	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	-	13 616	-	-	13 616	-
Income tax liability	-	1 178	-	-	1 178	-
Bank loan	-	681 527	2 900 387	7 947 056	11 528 971	-
Short-term liabilities from subsidiaries	-	870 715	-	-	870 715	-
Deferred tax	-	-	274 826	-	274 826	-
Deferred purchase price of the acquisition	-	-	4 830 000	-	4 830 000	-
Equity	-	-	-	5 592 611	5 592 611	-
<b>Financial liabilities</b>	-	<b>1 567 036</b>	<b>8 005 213</b>	<b>13 539 667</b>	<b>23 111 917</b>	-
<b>Difference between financial assets and liabilities</b>	-	<b>(4 282 270)</b>	<b>(3 175 192)</b>	<b>7 457 463</b>	-	-

Previous year's comparative figures:

31 December 2020	Expired	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	-	9 433	-	-	9 433	-
Loan granted to subsidiaries and other affiliated companies	-	3 485 894	-	-	3 485 894	-
Investment properties	-	-	-	95 173	95 173	-
Plant, fixtures and equipment	-	-	142	-	142	-
Investment in subsidiaries	-	-	-	2 538 252	2 538 252	-

Separate Financial Statements of AKKO INVEST PLC.  
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.

Other receivables and prepayments and accrued income	-	19 688	-	-	19 688	-
Financial receivables	-	3 515 015	142	2 633 425	6 148 582	-

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	-	3 812	-	-	3 812	-
Income tax liability	-	2 602	-	-	2 602	-
Deferred tax	-	-	275 311	-	275 311	-
Equity	-	-	-	5 866 857	5 866 857	-
Financial liabilities	-	6 414	275 311	5 866 857	6 148 582	-
Difference between financial assets and liabilities	-	3 508 601	(275 169)	(3 233 432)	-	-

### 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 property rental. In this period, there was no significant impact for the Company any more. The Company 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.

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

The Company faced no uncertainty and did not have to decide on any difficult question when considering how to manage its investments.

The Company only has subsidiaries.

The Company 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 Company 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.

### 29. Equity reconciliation table

Section 114/B of the Accounting Act prescribes that companies reporting on the basis of IFRS should publish their equity reconciliation table for each period.

The reconciled value of the equity is as follows on 31 December 2021:

Separate Financial Statements of AKKO INVEST PLC.  
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>Equity according to IFRS</b>	
	5 592
Equity according to IFRS (difference between assets and liabilities under IFRS)	611
+ supplementary contribution received stated under IFRS as liability	-
- supplementary contribution paid stated under IFRS as asset	-
+ cash received to be transferred to capital, when it is deferred income (IFRS)	-
+ value of assets received, when it is deferred income (IFRS)	-
- capital increase generating capital instrument, when it had to be recognised as receivables from shareholders (IFRS)	-
	<b>5 592</b>
<b>Equity (reconciled)</b>	<b>611</b>

Based on the reconciliation, the individual components of the equity are as follows:

<b>Subscribed capital under IFRS</b>	
Subscribed capital stated in the Articles of Association corresponds to the capital registered by the Company Court	833 880
<b>Subscribed, unpaid capital</b>	
Subscribed, unpaid capital	-
<b>Appropriated reserves</b>	
Supplementary contribution received	
Limit due to treasury share	2 785
Unutilised development reserve, adjusted for deferred tax	426
	<b>2 785</b>
<b>Appropriated reserves</b>	<b>426</b>
<b>Retained earnings</b>	
	(601)
Non-distributed profit or loss after tax from previous years under IFRS	605)
+/- amounts credited or debited to accumulated profit or loss under IFRS	-
- Supplementary contribution paid, stated as asset	-
	(2 785
- Unutilised development reserve, adjusted for deferred tax	426)
+ Closing balance of retained earnings in the year before the transition, adjusted for transition corrections	224 928
	<b>(3 162</b>
<b>Retained earnings</b>	<b>103)</b>



Separate Financial Statements of AKKO INVEST PLC.  
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><i>Profit or loss after tax</i></b>	
<b>After tax profit or loss, Section 114/A point 9 of the Accounting Act</b>	<b>35 754</b>
<b><i>Revaluation reserve</i></b>	
<b>Accumulated amount of items recognised in other comprehensive income</b>	<b>-</b>
<b><i>Capital reserve</i></b>	
	5 592
Reconciled equity	611
	(833)
- Subscribed capital under IFRS	880)
- Subscribed, unpaid capital	-
	3 162
- Retained earnings	103
- Profit or loss after tax	(35 754)
	(2 785)
- Appropriated reserves	426)
- Revaluation reserve	-
	<b>5 099</b>
<b>Capital reserves (reconciled)</b>	<b>654</b>
Equity resulting from the reconciliation:	
<b><i>Reconciled equity (in accordance with Section 114/B of the Accounting Act)</i></b>	
Subscribed capital	833 880
Subscribed, unpaid capital	-
	5 099
Capital reserve	654
	(3 162)
Retained earnings	103)
	2 785
Appropriated reserves	426
Revaluation reserve	-
Profit or loss after tax	35 754
	<b>5 592</b>
<b>Total equity (reconciled)</b>	<b>611</b>
<b><i>Retained earnings available for dividend payment (according to Section 114/B (5)b) of the Accounting Act)</i></b>	
	(3 162
Retained earnings (reconciled)	103)
After tax profit or loss for the year	35 754
	<b>(3 126</b>
<b>Retained earnings available for dividend payment</b>	<b>349)</b>

Separate Financial Statements of AKKO INVEST PLC.  
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.

### **30. Disclosures related to Auditor**

Pursuant to Act C of 2000 on Accounting, the financial statements of the Company are subject to mandatory audit by an independent auditor. In 2021, audit activities were carried out by UNIKONTO Számvitelkutatási Kft. (1092 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 does not perform any activity at the Group other than the statutory audit.

### **31. 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). The chartered accountant performed her duty on behalf of Rean Hungary Kft.

### **32. Statements**

The Separate 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 liabilities, financial position and profit or loss, development and performance of AKKO Invest Plc, describing the key risks and uncertainties.

### **33. Material events after the Reporting Period**

The Company identified the following significant events after the balance sheet date. However, as those are not amending events, they have no impact on the numerical sections of the statements.

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

The General Meeting of AKKO Invest Plc and its Governing Board and Audit Committee approved the Company's separate financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) for 2021 and authorised the publication of those at its meeting held on 22 March 2022

Budapest, 22 March 2022

On behalf of AKKO Invest Plc.

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

.....  
Imre Attila Horváth  
vice-chairman of the Governing Board