Annual Report

AKKO INVEST

Public Limited Company and its subsidiaries

for the financial year ending on 31 December 2023, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union

Members of the Governing Board

Zoltán Prutkay (Chairman of the Board)

Imre Attila Horváth (deputy chairman)

Gábor Varga (until 21 November 2023)

István Matskási

Péter Márk Bosánszky

Gábor Székely

Members of the Audit Committee

Gábor Székely (chairman)

István Matskási

Péter Márk Bosánszky

Contact details of the Company

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Auditor's details:

Dr. László Péter Lakatos (007102)

UNIKONTO Számvitelkutatási Kft.

Chamber registration number: 001724

Contents

The Annual Statements comprise 131 pages.

Abbreviations used in the financial statements

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

Figures in brackets indicate negative values in the financial statements!

I. Presentation of the AKKO Invest Plc.

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

AKKO Invest Plc. is a holding company, i.e. a company with equity stake is several undertakings, the economic objective of which is to realise long-term increase in value through efficient cooperation between the holding and the subsidiaries. AKKO Invest Plc. invests its own assets, without performing external asset management. Its fundamental objective is to achieve asset accumulation and increase in value in the subsidiaries (and thus also in the parent company). The subsidiaries are entities operating primarily in the property market.

AKKO Invest Plc. is a public limited company established under the laws of Hungary. Registered office of the Company: 1118 Budapest, Dayka Gábor u. 5. (since April 23, 2021)

The Company's subscribed capital is HUF 833,880,000, which comprises of 33,355,200 pieces of ordinary shares on 31 December 2023. The nominal value of the shares is HUF 25/piece.

Ownership structure of the parent company

Name	31/12/2023		31/12/2022	
	Nominal value of business share in Million HUF	Equity stake %	Nominal value of business share in Million HUF	Equity stake %
Free Float	347	41,55%	465	55,79%
Chantili Invest Plc	251	14,11%	251	14,11%
MEVINVEST Ltd	118	30,10%	118	30,10%
B + N Referencia Plc	119	14,24%	0	0,00%
Share series	**834**	**100%**	**834**	**100%**

Number of voting rights attached to the shares on 31 December 2023:

Total	Issued pieces	Number of voiting shares	Voiting right per share	Total voiting right	Number of treasury shares
Ordinary shares	**33 355 200**	**33 355 200**	**1**	**33 355 200**	**0**
Total	**33 355 200**	**33 355 200**	**N/A**	**33 355 200**	**0**

Subsidiaries of the Company and consolidation

The Company and its subsidiaries constitute a Group. On 16 March 2023, the structure of the Group changed and was expanded due to the integration of the new subsidiary, Deniro Zrt.

Group Members and main activities on 31 December 2023:

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

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

Relevant figures of the companies:

Company	Registered capital at 31/12/2023	Equity stake (%) at 31/12/2023	Effective date of the change	Registered capital at 31/12/2022	Equity stake (%) at 31/12/2022	Classification
AKKO Invest Nyrt.	834	-	-	834	-	parent
VÁR-Logisztika Zrt.	5	100%	-	5	100%	subsidiary
MOON Facility Zrt.	5	100%	-	5	100%	subsidiary
A PLUS INVEST Zrt.	20	100%	-	20	100%	subsidiary
4 Stripe Zrt.	20	100%	-	20	100%	subsidiary
ALQ SAS	5	100%	-	5	100%	subsidiary
Elitur Invest Zrt.	5	100%	2021.02.26	5	100%	subsidiary
NEO Property Services Zrt.	20	49%	2021.02.26	20	49%	subsidiary
Deniro Zrt.	5	100%	2023.03.16	0	0%	subsidiary

All Companies disclose separate financial statements publicly.

The activities of the subsidiaries are described in detail below:

MOON Facility Zrt.

MOON Facility Zrt. is the owner of an industrial property located in Szolnok, which it utilises by means of 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 by means of rental. The Company is a member of the Group since 15 February 2019. Address of the property: 8800 Nagykanizsa, Vár utca 12. The properties held by the Company were sold on 11 October

2023 pursuant to a property sales contract, thus the transaction was closed on 13 December 2023. The Company's shareholders and investors were notified thereof in official disclosures.

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 As the Company obtained the final building permit in 2023, the improvement and transformation of the hotel will take place as part of the owner's decision and investment, according to the plans.

4 Stripe Zrt.

4 Stripe Zrt. owns an industrial property in Budaörs, which it uses by means of 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. plans to transform the property in district XII of Budapest into luxury property to be sold or leased upon completion. Address of the property: 1121 Budapest, Őzike út 14. - Eötvös út 31. The Company is a member of the Group since 18 December 2019. The property is currently used by means of rental.

Elitur Invest Zrt.

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

The Group owns 100% of ***NEO Property Services Zrt***. Date of acquisition: 26.02.2021. NEO Property Services Zrt. is one of the leading property operators and service providers in Hungary.

Deniro Zrt.

The Group obtained 100% of the business shares of Deniro Zrt. on 16 March 2023. The Company settled the purchase price of the property by means of transferring treasury shares. The property is in the immediate vicinity of the property held by 4 Stripe Zrt., which is used in 100% by means of rental. Address of the property: 2040 Budaörs, Kinizsi utca 4.

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 forints (presentation currency) and unless it is indicated otherwise the figures are stated in million HUF. In 2022, the Group switched to presentation in HUF million. The conversion of comparative figures took place.

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

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

Currency	2023		2022	
	Closing	Average	Closing	Average
Euro (EUR)	382,78	381,95	400,25	391,33

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 2023, 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 2,000 + 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.

Disclosures related to the provider of accounting services

The separate and consolidated financial statements have been compiled by Hajnalka Réti, IFRS chartered accountant (registration number: 202580). The chartered accountant performed her duty on behalf of CVA ClearVision Accounting Kft.

II. 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 Group has not changed the applied accounting policy between 2022 and 2023. 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 amended standards and interpretations issued until the disclosure of the financial statements of the Group, but not yet in force, are as follows:

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 IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to the IFRS 16 standard in order to specify the requirements to be applied by the seller-lessee in the assessment of the lease liability arising in a sale and leaseback transaction to ensure that the seller-lessee does not recognise a profit or loss related to the right of use it retains.

The amendments enter into force for the annual reporting periods starting on 1 January 2024 or afterwards, and must be applied retrospectively for leaseback transactions concluded after the first application date of the IFRS 16. Any prior application is permitted and this fact must be disclosed.

The amendments are not expected to have a significant impact on the financial statements of the Group.

Amendment to IAS 1: Classification of Liabilities as Current or Non-current

The IASB issued amendments to paragraphs 69 to 76 to IAS 1 in January 2020 and October 2022 in order to specify the conditions for classifying liabilities as current or non-current. The amendments clarify:

- The meaning of the right to defer settlement.
- The right to defer must exist at the end of the reporting period.
- This classification shall not be affected by the probability that the entity will exercise its right to defer.
- If a derivative embedded in a convertible liability is itself an equity instrument, except that the terms and conditions attached to the liability do not affect its classification.

In addition, a disclosure requirement was introduced for the case when a liability arising under a loan agreement is classified as non-current and the entity's right to defer settlement is conditional upon the satisfaction of future conditions within twelve months.

The amendments enter into force for the annual reporting periods starting on 1 January 2024 or afterwards, and must be applied retrospectively. The Group is currently exploring the impacts of the amendments on current practice and whether the renegotiation of existing loan agreements becomes necessary.

The Group does not apply these new standards and amendments to existing standards before their effective dates.

III. Business and Management Report of AKKO Invest Plc and AKKO Group

Business environment and results of the year

In business year 2023, the Group recorded a significant profit, as expected, which is primarily due to the profit generated in NEO Property Services Zrt. (hereinafter: NEO). The consolidated sales revenue is outstandingly good, it exceeded by 34.92% the consolidated sales revenue of the period that ended on 31 December 2022. The EBITDA value of the Group exceeded the value for the same period of 2022 by 16.97%.

A change in the Company's life was brought by the acquisition of 100% of the business shares of the new subsidiary, Deniro Zrt., which further increased the company group's equity stake in the industrial properties in each other's immediate vicinity in Budaörs. Deniro Zrt. owns a property on a plot with a surface area of 1,518 m^2 with a superstructure of 1,334 m^2, having a rental rate of 100%.

In the second semester of 2023, the Nagykanizsa property owned by the Company was removed from VÁR-Logisztika Zrt. by means of sale. Thereby, the amount of the loan with MHB Bank Zrt. was fully repaid by using the selling price received from the property sale.

The Group strived to reduce its loan portfolio both with OTP Bank Nyrt. and with WING Zrt.

In the fourth semester of 2023, the Group obtained the 50% ownership interest of the property located at 1117 Budapest, Szerémi út 4. – Kaposvári u. 3-11., designated as "office building on an uncultivated land", with a useful floor area of 21,857 m^2.

The Russo-Ukrainian war that broke out in 2022 did not have any impact on the Group's activity or revenues. The Group's long-term strategy aims at further acquisitions, as well as compliance with the ESG criteria and greening in several priority areas, such as occupational health and safety, ethical business and regulatory compliance, energy efficiency, climate change, waste management and digitalisation.

The Group has not carried out any derivatives and securities transactions and capital market investments for years, this was the case in 2023 as well, and is not planning to carry out such activities in the future. The main line of business of the Group is the realisation of investments in the real economy.

The current property portfolio of the Group consists of the following properties:

- office premises in district XI of Budapest,
- industrial properties in Szolnok and Budaörs,
- a villa building in district XII of Budapest,
- office premises located in a residential property in district XIII of Budapest,
- a hotel project in France (Cyrano Hotel – Juan-Les-Pins, Antibes).

Industrial properties are mostly commercial and logistic facilities.

Property located at Szerémi út 4. – Kaposvár u. 3-11.

The property is located in the Southern Buda region, which has provided the settings and opportunities for the realisation of countless major real estate developments in recent years, and continues to do so today (e.g. Kopaszi dam, new MOL headquarters, residential complexes, office buildings, etc.). In view of the easy access to the property and its privileged location, it offers numerous opportunities for further exploitation. The offices that can be found in the property are currently used by means of rental.

Surface area of the land plot: 3.597 m^2

Superstructures: 21.857 m^2

Property located at Kárpát utca 50.

The property comprises the office space at the ground floor of the housing association in district XII. The aim is to use the office space by means of rental.

Superstructure: 121 m^2

MOON Facility Zrt.

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

As in recent years, the property continues to be rented currently by one tenant and the Parent Company intends to use it by means further rental and development.

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

Surface area of the land plot: 48.627 m^2

Superstructures: 3.330 m^2

ALQ SAS

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

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

In autumn 2023, the Company obtained the permit for the renovation of the hotel and the construction of apartments, thereby the legal obstacle to the renovation and transformation was removed.

4 Stripe Zrt.

The property is located in a section consisting of industrial properties in Budaörs.

Surface area of the land plot: 3.932 m^2

Superstructures: 3.904 m^2

The property is currently rented by seven tenants. The occupancy rate is 70%. The Company seeks to reach an occupancy rate of 100%

A PLUS Invest Zrt.

The property is located in the vicinity of Normafa, in the Eötvös and Őzike streets in district XII. The property can be used primarily as a residential building and in such a function, but it has further potential for being used as an office space.

The property needs to be renovated. It will be used by means of rental in its current state before renovation.

Surface area of the land plot: 2.269 m^2

Superstructures: 438,17 m^2

Deniro Zrt.

The property is located in the immediate vicinity of the property owned by 4 Stripe Zrt. in the industrial section of Budaörs. The property is currently used by means of rental.

Surface area of the land plot: 6.066 m^2

Superstructures: 1.334 m^2

Presentation of the scope of activities

The Parent Company was registered by the Company Court on 07.08.2006, and it was transformed into a public limited company on 10.11.2010. Subsequently, on 15.02.2011, its ordinary shares were admitted to trading on the Budapest Stock Exchange and on 08.04.2011, they were admitted to trading on the Böerse Stuttgart as well.
The long-term strategy of the Parent Company set as an objective to generate a source of income for the shareholders of the Company through acquisitions and real investments.

The subsidiaries of the Parent Company on 31 December 2023 are summarised in the following table:

Name of the Company	Equity stake
VÁR-Logisztika Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-046822)	100 %
MOON Facility Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049534)	100 %
ALQ SAS (registered office: France, Antibes 06600, 18 Avenue Louis Gallet; registration number: 841 053 077 R.C.S. Antibes, tax number: FR93841053077)	100 %
4 Stripe Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049777)	100 %
A PLUS Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049740)	100 %
Elitur Invest Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-049966)	100 %
NEO Property Services Zrt. (registered office: 1095 Budapest, Máriássy utca 7; company registration number: 01-10-045154)	100 %
Deniro Zrt. (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-140820)	100 %

The Parent Company prepared both its separate and consolidated IFRS Statements in which it included the following companies as subsidiaries in 2023:

- VÁR-Logisztika Zrt.
- MOON Facility Zrt.
- ALQ SAS
- 4 Stripe Zrt.
- A PLUS Invest Zrt.
- Elitur Invest Zrt.
- NEO Property Sercives Zrt.
- Deniro Zrt.

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

Size and composition of the share capital

Composition of the share capital of the Company on **31 December 2023**:

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

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

In 2023, the share capital of the Company did not change.

Share capital increase, decrease

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

Changes in the structure of the Group

In 2023, the following changes occurred in the structure of Akko Invest Plc.

Name of the Company	Date of purchase	Equity stake (%) purchased
Deniro Zrt.	16 March 2023	100%

On 16 March 2023, the Group announced that it purchased 100% of the business shares of Deniro Zrt., i.e. the owner of the property, which was settled by means of payment and transfer of treasury shares.

Performance figures of the previous year

In its report, AKKO Invest Plc. presents its processes that took place in 2023. The Group has prepared its consolidated financial statement for 2023 in accordance with the International Financial Reporting Standards (IFRS).

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

Summary figures in Hungarian Forint (IFRS consolidated statement, MHUF)	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Equity	8.442	6.903	5 910	5 600	5 970	30
Profit or loss before tax	1.640	1.326	885	53	-281	523

Evolution of the EBITDA:

In the period between 1 January 2021 and 31 December 2021 it was HUF 1,853 million.

In the period between 1 January 2022 and 31 December 2022 it was HUF 2,608 million.

In the period between 1 January 2023 and 31 December 2023 it was HUF 3,051 million.

Most important events of NEO Property Services Zrt. in 2023

After 2022, NEO PS Zrt- was able to achieve **record revenue** and **earnings** again in 2023:

The stable market position of the company is well illustrated by the fact that despite the unstable economic context prevailing since 2020 (COVID, war, high inflation, major challenges in the job market), its growth has been unbroken, the listed events did not have a negative impact on the operation of the company. The company continues to provide high quality service to its nearly 300 clients. Despite the intense situation on the market of property service providers, NEO was able to expand its portfolio with several **new clients** and **new projects** (construction of bicycle storage facilities at rural stations of the Hungarian State Railways, technical operation of SPAR and branches of ERSTE BANK, technical and infrastructural maintenance of Yettel/CETIN towers, base stations). In addition, the fact that it was awarded the comprehensive operation of the office buildings of MOL Nyrt. (except for the MOL campus) for a period of further (optional) 3+2 years starting from 1 February 2023, can be regarded as an event of strategic importance; in addition, the cooperation with Hungary's leading company was complemented by the countrywide management of the outlying zones owned by the Group.

Besides operation, the **general construction** team was further reinforced; engineers, project managers and preparatory staff were hired to assist the business line director, and a mobile construction group of consisting 4-5 people was also set up. In the second quarter of 2023, this line of business successfully completed the design of the two rental properties (EMAG, GEODIS) in the Liberty office building and completed the structural construction works of the 164-flat condominium owned by **LIVING**, called Le Jardin stage I, started in mid-2022. The general construction jobs of the building complex called Le Jardin, stage I, progressed according to the plans.

Particular emphasis has been put on the construction works in the short, medium and long term plans of the company, with regard to the design of rental properties, green field investments, extension or reconstruction of properties. This is the area where NEO sees the highest growth potential both in terms of future revenue and profit.

NEO was able to expand further in the area of condominium management services; more and more old and newly built condominiums decide to entrust the management of their property to the company's Property Management Team.

Our priority clients (WING, Magyar Telekom, MOL, MÁV, Praktiker, EON/MVM, Coloplast, Opella) continue to pursue close cooperation with us, which means an ever increasing range of optional orders and a correct business relationship which is beneficial for both parties.

The company puts great emphasis on the **digitalisation** process that was started several years earlier, thus the web-based CAFM system (NMBS) developed by the company itself was further developed in 2023 and this work will be continued also in 2024. As from 1 January 2023, the company has successfully put in place a new integrated corporate governance system (DEEP) which is able to support the further expansion of NEO PS.

In line with the expectations from the market and the owners, in 2022, the management of NEO took the decision on which the preparation of the first **ESG** report is based. From among several invited tenderers, PwC Auditing Ltd. was selected in 2022, with which operative work started in January 2023. NEO issued its first ESG report in 2023, in line with the jointly adopted roadmap.

In its first ESG report, NEO explored 11 topics and areas related to its operation, including occupational health and safety, ethical business and regulatory compliance, energy efficiency, climate change, waste management and digitalisation. The ESG report of NEO Property Services concluded that the greening of property services requires a systemic change in which each actor of the value chain must assume a role.

Due to future acquisitions and our stable client base, further revenue growth is expected in 2024 with improving profitability.

Disclosures made by AKKO Invest Plc. in 2023		
January	31	Voting rights and share capital size
February	28	Voting rights and share capital size
March	16	Extraordinary information on the acquisition
	17	Extraordinary information - announcement by owners
	24	Invitation to the General Meeting - 25.04.2023
	24	Amended Corporate Event Calendar 2023
	31	Voting rights and share capital size
April	3	Addendum to the agenda
	4	Proposals submitted to the General Meeting
	25	Resolutions of the General Meeting (Report from the Governing Board, Report from the Audit Committee)
	25	Specific and Consolidated annual IFRS statement, Report and Auditor's report of AKKO Invest Plc. for 2022
	25	Corporate Governance Report for 2022
	25	Statement on remunerations for 2022
	30	Voting rights and share capital size
May	17	Article of Association - 25/04/2023
	31	Voting rights and share capital size
June	12	Extraordinary information - announcement by owners
	12	Extraordinary information - announcement by owners
	30	Voting rights and share capital size
July	31	Voting rights and share capital size
August	31	Voting rights and share capital size
September	8	Half-yearly report
	18	Press release - NEO ESG report
	30	Voting rights and share capital size
October	11	Extraordinary information on the sales of properties
	31	Voting rights and share capital size
November	17	Extraordinary information on a transaction conducted by a person discharging managerial responsibilities
	21	Extraordinary information about the resignation of a board member
	30	Voting rights and share capital size
December	13	Extraordinary information on closing the sale of real estate
	14	Announcement by owners – SINGULIUM
	14	Announcement by owners – B+N Referencia
	20	Extraordinary information on property purchase
	30	Corporate Event Calendar
	31	Voting rights and share capital size

On **16 March 2023**, the Company provided information on the fact that the Governing Board had decided to purchase the ordinary shares representing 100% of the subscribed capital of Deniro Zártkörűen Működő Részvénytársaság (registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-140820; tax number: 27943933-2-43). Deniro Zrt. owns a property on a plot with a surface area of 1,518 m^2 with a superstructure of 1,334 m^2, having a rental rate of 100%.

The entire purchase price of the ordinary shares intended to be purchased, as well as the total purchase price according to the debt assignment contract related to the transaction was settled by the Company by paying with treasury shares. It was established that the number of AKKO ordinary shares received against the purchase price was 936,988 (in addition to fair value).

The number of treasury shares held by AKKO Invest Plc. passed to 0.

On **17 March 2023**, the Company provided information on the fact that the equity stake of B+N Referencia Zrt. exceeded the 5% and 10% thresholds, thereby its equity stake and the number of its voting shares passed to 11,60%.

On **4 April 2023**, the Company published the recommended agenda of its Annual General Meeting, as well as the annexes to the recommendations and the supplemented agenda proposed by MEVINVEST Vagyonkezelő Kft. as a shareholder of the Company.

On **25 April 2023**, after the Annual General Meeting, the Company published the Resolutions of the General Meeting, as well as the separate and Consolidated annual IFRS statements for 2022, the Auditor's Report, its Corporate Governance Report and its Remuneration Report.

On **17 May 2023**, the Company published its new Articles of Association in relation to the adoption of the Resolutions of the Annual General Meeting.

On 12 June 2023, the Company announced in an extraordinary information note that "B+N Referencia Zrt. (registered office: 3644 Tardona, Katus domb 1.) had sold 4,450,000 AKKO Invest Plc. ordinary shares in an OTC transaction, by using the services of Concorde Értékpapír Zrt. The total number of AKKO Invest ordinary shares owned by B+ N Referencia Zrt. passed to 0. Its equity stake fell below the 10% and 5% thresholds, thereby its issued capital stock and the number of its voting shares passed to 0%."

That announcement was followed by a new one, in which the Company provided information on the fact that the SINGULIUM I Private Equity Fund, the SINGULIUM II Private Equity Fund and the SINGULIUM II Private Equity Fund (hereinafter collectively referred to as: Funds) managed by a SINGULIUM Befektetési Alapkezelő Zrt. (Registered office: 1133 Budapest, Árboc utca 6.) purchased 4,450,000 AKKO Invest Plc. ordinary shares in an OTC transaction, by using the services of Concorde Értékpapír Zrt. The total number of AKKO Invest ordinary shares owned by the Funds passed collectively to 4,450,000. Their joint equity stake fell below the 5% and 10% thresholds, thereby their issued capital stock and the number of their voting shares passed collectively to 13,34%."

On **8 September 2023**, the report for the first semester of 2023 of the Company was published.

On **18 September 2023**, the Company announced the disclosure of the first ESG report of NEO Property Services Zrt. in a Press Release.

On **11 October 2023**, the Company notified its Honourable Shareholders in an extraordinary information note of the fact the Governing Board had concluded a sales contract on the sale of the properties held by VÁR-Logisztika Zrt.

On **17 November 2023**, the Company purchased 75,000 AKKO Invest Plc. ordinary shares in an OTC transaction for a price of HUF 220/item on the basis of a notification made by Mr. Gábor Varga, a member of the Governing Board.

On **21 November 2023**, the Company provided information on the resignation of Mr. Gábor Varga as a member of the Governing Board.

On **13 December 2023**, the Company provided information on the fact that the sale of the properties was concluded successfully on that day, according to the communication on a property sales contract published previously on 11 October 2023.

On **14 December 2023**, the SINGULIUM I Private Equity Fund, the SINGULIUM II Private Equity Fund and the SINGULIUM II Private Equity Fund (hereinafter collectively referred to as: Funds) managed by a SINGULIUM Befektetési Alapkezelő Zrt. (Registered office: 1133 Budapest, Árboc utca 6.) sold 4,450,000 AKKO Invest Plc. ordinary shares in an OTC transaction, by using the services of Concorde Értékpapír Zrt. The total number of AKKO Invest ordinary shares owned by the Funds passed to 0.

On the same day, it was revealed in an announcement by owners that B+N Referencia Zrt. (registered office: 3644 Tardona, Katus domb 1.) had purchased 4,450,000 AKKO Invest Plc. ordinary shares in an OTC transaction, by using the services of Concorde Értékpapír Zrt. The total number of AKKO Invest ordinary shares owned by B+ N Referencia Zrt. passed to 4,750,000. Its equity stake fell below the 5% and 10% thresholds, thereby its issued capital stock and the number of its voting shares passed to 14,24%.

On **20 December 2023**, the Company concluded a sales agreement for the purchase of the 50% ownership interest of the property owned in 100% by Gladiátor VI Property Investment Fund, registered under lot number 4032, situated within the municipality boundaries of Budapest, physically located at 1117 Budapest, Szerémi út 4. – Kaposvári u. 3-11., designated as “office building on an uncultivated land”, with a useful floor area of 21,857 m^2.

On **30 December 2023**, the Corporate Event Calendar for 2024 was published.

Objectives and strategy

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

The Group’s purpose is to establish a successful holding. Its most important objective is to generate added value for the Parent Company and in parallel, to generate value for the shareholders.

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

Resources and risks

Financial and economic risk factors:

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

Scale of the expenditure:

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

AKKO Invest shares owned by executive officers

On 31 December 2023, the following executive officers owned AKKO Invest Plc.:

Name	Function	Ordinary shares, “C” series
Zoltán Prutkay	chairman of the Governing Board	29,000 pieces
Imre Attila Horváth	vice-chairman of the Governing Board	43,000 pieces
~~*Gábor Varga*~~	~~*member of the Governing Board*~~	~~*138,884 pieces*~~
Gábor Székely**	member of the Governing Board, chairman of the Audit Committee	1,000 pieces
István Matskási	member of the Governing Board, member of the Audit Committee	0 pieces
Péter Márk Bosánszky	member of the Governing Board, member of the Audit Committee	650 pieces

* Gábor Varga resigned from his Governing Board functions on 21 November 2023.

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

Material events after the Reporting Period

Disclosures made by AKKO Invest Plc. in the period following the balance sheet date		
2024		
January	31	Voting rights and share capital size
February	6	Extraordinary information - announcement by owners
	7	Extraordinary information - announcement by owners
	29	Voting rights and share capital size

On **6 February 2024**, the Company announced in an extraordinary information note that Chantili Invest Zrt. (Registered office: 1124 Budapest, Lejtő út 17/A.; company registration number: 01-10-140387) sold 3,336,000 AKKO Invest Plc. ordinary shares in an OTC transaction, by using the services of Erste Befektetési Zrt. The total number of AKKO Invest Plc. ordinary shares owned by Chantili Invest Zrt. passed to 0. Its equity stake fell below the 10% and 5% thresholds.

On 7 February 2024 the Company announced that Mr. György Ádámosi (residence: 2 impasse des Carrières, Monaco) purchased 3,336,000 AKKO Invest Plc. ordinary shares in an OTC transaction, by using the services of Raiffeisen Bank Zrt. The number of Mr. György Ádámosi's AKKO Invest Plc. ordinary shares passed to 3,336,000; thereby his equity stake exceeded the 5% and 10% thresholds, thus he holds 10,00% of the issued capital stock and the voting shares.

Executive officers

Pursuant to the Company's Articles of Association in force, single governance is ensured by the Governing Board.
The General Meeting is entitled to elect the members of the Governing Board. Members of the Governing Board may be re-elected.

Governing Board membership ceases to exist:
(a) upon the expiry of the duration of the mandate,
(b) upon recall,
(c) upon the occurrence of a ground for exclusion,
(d) upon resignation,
(e) upon death.

Members of the Governing Board until 21 November 2023:

- Zoltán Prutkay – chairman of the Governing Board
- Imre Attila Horváth (vice-chairman of the Governing Board)
- Gábor Varga – member of the Governing Board
- Gábor Székely – member of the Governing Board
- István Matskási – member of the Governing Board
- Péter Márk Bosánszky – member of the Governing Board

Members of the Governing Board from 22 November 2023:

- Zoltán Prutkay – chairman of the Governing Board
- Imre Attila Horváth (vice-chairman of the Governing Board)
- Gábor Székely – member of the Governing Board
- István Matskási – member of the Governing Board
- Péter Márk Bosánszky – member of the Governing Board

Members of the Audit Committee:

Members of the Audit Committee in place on 1 February 2023:

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

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

Employment policy

Since 11 February 2019, the Parent Company has been employing an investment contact person and since 13 March 2019 it has been employing a Chief Executive Officer, its staff number increased by 1 contact person responsible for tenants as of 1 March 2020, and subsequently, on 1 December 2022, 2 further persons were engaged as project managers, thereby the number of employees increased to 5. The daily operation of the Company Group is ensured by 3 persons.

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

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

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

Research and experimental development

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

Environmental protection

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

Presentation of the premises

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

NEO Property Services Zrt. as a subsidiary has the following premises:
- HU 4026 Debrecen, Bethlen utca 1.
- HU 6724 Szeged, Rókusi krt. 2-10.
- HU 6750 Algyő, Technológiai Ipartelep
- HU 5000 Szolnok, Ady Endre út 26.
- HU 8000 Székesfehérvár, Kaposi út 9.
- HU 2443 Százhalombatta, Olajmunkás utca 2.
- HU 9700 Szombathely, Hefele Menyhért utca 2.
- HU 7624 Pécs, Mátyás király utca 23.
- HU 3525 Miskolc, Régiposta utca 9.
- HU 3580 Tiszaújváros, TVK Ipartelep, "Régi Számítóközpont"
- HU 9023 Győr, Verseny utca 11.
- HU 8900 Zalaegerszeg, Zrínyi utca 6.

The other subsidiaries do not have any premises.

Disclaimer

To the separate and consolidated annual IFRS statements of AKKO Invest Plc. for 2023

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

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

The consolidated financial statements of 2023 were prepared in accordance with the accounting standards, to the best of our knowledge, presenting a true and fair view of the assets, liabilities, financial situation, profit and loss of the AKKO Invest Plc. and of the enterprises involved in the consolidation, and the Management Report presents a fair view of the situation, development and performance of the AKKO Invest Plc., setting out the main uncertainty factors and risks.

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

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

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

From 28 March 2024, the 2023 annual IFRS report of AKKO Invest Plc. can be consulted in its entirety at the registered office of the Company (1118 - Budapest, Dayka Gábor utca 5.) and on its website (www.akkoinvest.hu), on the website of the Budapest Stock Exchange (www.bet.hu) and on the mandatory disclosure portal of the National Bank of Hungary (www.kozzetetelek.hu).

Budapest, 28 March 2024

Zoltán Prutkay
chairman of the Governing Board

Consolidated Financial Statements of

AKKO INVEST

Public Limited Company

for the financial year ending on 31 December 2023, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union

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

Consolidated comprehensive income statement for the period of 365 days that ended on 31 December 2023

COMPREHENSIVE INCOME STATEMENT	**Notes**	**01/01/2023 - 31/12/2023**	**01/01/2022 - 31/12/2022**
Revenue	(5.1)	38 228	28 332
Direct expenditures	(5.2)	(34 587)	(25 648)
Gross profit or loss		**3 641**	**2 684**
Administrative and sales expenditures	(5.3)	(1 187)	(869)
Other expenditures, net	(5.4)	(469)	(195)
Financial expenditures, net	(5.5)	(345)	(294)
Profit or loss before tax		**1 640**	**1 326**
Income tax expenditure	(5.6)	(483)	(323)
Profit after tax		**1 157**	**1 003**
Part attributable to the owners of the parent company		**1 157**	**1 003**
Part attributable to non-controlling interests		**-**	**-**
Exchange difference		3	(4)
Other comprehensive income (after income tax)		**3**	**(4)**

COMPREHENSIVE INCOME STATEMENT (continued)	**Notes**	**01/01/2023 - 31/12/2023**	**01/01/2022 - 31/12/2022**
Total comprehensive income		**1 160**	**999**
Part attributable to the owners of the parent company from the total comprehensive income		1 160	999
Part attributable to non-controlling interests from the total comprehensive income		-	-
Earnings per shares in HUF	**(6.24)**	**34,90**	**30,95**
Diluted earnings per share in HUF	**(6.24)**	**34,90**	**30,95**
EBITDA		**3 051**	**2 608**

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 5–6 of the Financial Statements.

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

Consolidated Balance Sheet
for 31 December 2023

ASSETS	Notes	31/12/2023	31/12/2022
Non-current assets		**24 891**	**22 004**
Value of customers' relationships	(6.1)	11 139	11 721
Goodwill	(6.2)	5 645	5 645
Right-of-use-assets	(6.3)	282	325
Intangible assets	(6.4)	26	28
Investment properties	(6.5)	7 704	4 188
Real estates	(6.6)	39	28
Plant, fixtures and equipment	(6.7)	56	69
Current assets		**16 658**	**12 606**
Trade accounts receivable	(6.8)	12 642	8 659
Other receivables and prepayments and accrued income	(6.9)	1 984	2 128
Restricted cash	(6.10)	665	485
Cash and cash equivalents	(6.11)	1 367	1 334
Total assets		**41 549**	**34 611**

EQUITY AND LIABILITIES	Notes	31/12/2023	31/12/2022
Equity		**8 442**	**6 902**
Subscribed capital (the nominal value of the shares is HUF 25/piece)	(6.12)	834	834
Share premium	(6.13)	5 480	5 480
Retained earnings		2 344	1 187
Treasury shares	(6.14)	-	(380)
Proprietary transactions	(6.15)	(207)	(207)
Accumulated exchange difference	(6.16)	(9)	(12)
Equity attributable to owners of the parent company		**8 442**	**6 902**
Long-term liabilities		**16 794**	**17 391**
Long-term bank loans	(6.17)	9 967	10 585
Long-term borrowings	(6.17)	337	298
Provisions	(6.18)	789	331
Deferred tax liabilities and subsequently payable tax	(6.19)	1 508	1 543
Long-term lease liabilities	(6.3)	179	105
Deferred payment of acquisition	(6.20)	4 014	4 529
Short-term liabilities		**16 313**	**10 318**
Short term loans	(6.17)	768	766
Trade accounts payable	(6.21)	7 830	3 020
Other short-term liabilities and accruals	(6.22)	7 455	6 252
Income tax liabilities	(6.23)	141	49
Short term lease liabilities	(6.3)	119	231
Equity and liabilities		**41 549**	**34 611**

The Notes to Financial Statements form integral part of the Financial Statements.
References in brackets refer to Sections 5–6 of the Financial Statements.

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

Consolidated Cash Flow Statement

for 365 days ending on 31 December 2023

Designation	Notes	31/12/2023	31/12/2022
Profit/loss before tax + Profit/loss from discontinued operations		1 640	1 326
Net interest expenditure	(5.5)	375	347
Non-cash items			
Depreciation	(6.3-6.7)	1 066	988
Profit/loss impact of exchange loss	(5.5)	20	(44)
Expected credit loss impact	(5.5)	(23)	-
Interest income	(5.5)	(41)	(11)
Change of provisions	(6.18)	458	40
Result from sale of tangible assets		74	-
Total non-cash items		***1 554***	***973***
Changes in working capital			
Change in trade accounts receivable	(6.8)	(3 960)	(1 048)
Change in current assets and accruals	(6.9)	146	(786)
Change in trade accounts payable	(6.21)	4 810	(455)
Change in current liabilities and accruals	(6.22)	1 184	2 177
Change in restricted cash	(6.10)	(180)	-
Total changes in working capital		**2 000**	**(112)**
Interest paid		(334)	(329)
Income tax paid		(402)	(364)
Net cash flow from operating activities		**4 833**	**1 840**
Amounts paid for the acquisition of equity interests less liquid assets received		(22)	-
Acquisition of tangible assets	(6.3-6.7)	(3 416)	(65)
Sales revenue of tangible assets		221	-
Interest received		41	11
Deferred payment of acquisition	(6.20)	(515)	(301)
Net cash flow from investment activities		**(3 691)**	**(355)**

Continued on next page.

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

Continued from previous page

Loan refund	(6.17)	(797)	(741)
Lease payments	(6.3)	(312)	(247)
Net cash flow from financing activities		**(1 109)**	**(988)**
Change in liquid assets		**33**	**497**
Currency translation on cash and cash equivalents	(5.5)	**-**	**(2)**
Change in cash and cash equivalents		**33**	**495**
Cash and cash equivalents at the beginning of the year	(6.11)	1 334	839
Cash and cash equivalents at the end of the year	(6.11)	1 367	1 334

The cash flow statement 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 million unless otherwise indicated.

Consolidated Statement of Changes in Equity

for 365 days ending on 31 December 2023

Designation	Subscribed capital	Share premium	Retained earnings	Treasury shares	Proprietary transactions	Accumulated exchange difference	Equity attributable to owners of the parent company	Non-controlling interest	Total
Notes	*(6.12)*	*(6.13)*		*(6.14)*	*(6.15)*	*(6.16)*			
31/12/2021	**834**	**5 480**	**184**	**(380)**	**(207)**	**(8)**	**5 903**	**-**	**5 903**
Comprehensive income for the year	-	-	1 003	-	-	(4)	999		**999**
31/12/2022	**834**	**5 480**	**1 187**	**(380)**	**(207)**	**(12)**	**6 902**	**-**	**6 902**
Comprehensive income for the year	**-**	**-**	**1 157**	**-**	**-**	**3**	**1 160**	**-**	**1 160**
Treasury share transactions (purchase of business share in exchange for own shares) - 2023.03.16	**-**	**-**	**-**	**380**	**-**	**-**	**380**	**-**	**380**
31/12/2023	**834**	**5 480**	**2 344**	**-**	**(207)**	**(9)**	**8 442**	**-**	**8 442**

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.

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

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

Declaration on conformity with the IFRSs

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

Contents of the financial statements

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

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

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

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

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

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

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

2. Accounting policies related to consolidation

The basis of the consolidation

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

Control can be mainly gained through an ownership share, an agreement with other owners or a special market position (e.g. monopoly).

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

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

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

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

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

Non-controlling interest

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

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

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

Rules for consolidation

Accounting treatment of business combinations

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

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

The consideration shall include:

– the cash paid or due;

– the fair value of shares issued by the acquirer in connection with the combination (the fair value is to be derived from the share price prevailing on the issue date);

– the fair value of other assets transferred (less the liabilities transferred, if any);

– the fair value of contingent consideration, i.e. part of the consideration that must be transferred or returned upon the occurrence (or non-occurrence) of specified future events.

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

Determination of acquired net assets

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

Goodwill

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

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

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

Measurement period

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

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

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

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

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

3. Essential elements of the accounting policy

Presentation of the financial statements

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

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

Essential decisions related to the presentation

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

The Group prepared its consolidated financial statements under IFRS for the last time for the 2022 financial year, with comparative data from 2021.

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

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

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

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

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

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

- utilisation of industrial properties
- utilisation of residential properties

- Facility Management line of business
- ITS line of business
- Fit-Out line of business

The characteristics of the operating segments are presented in section 7 of Chapter VII. of the consolidated financial statements.

Foreign Currency

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

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

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

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

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

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

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

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

Accounting policies related to the income statement

Sales revenues

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

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

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

1. Based on the Standard, a contract is created when the following conditions are satisfied:

    - The parties have accepted the contract and are committed to fulfilling it;
    - The rights of the parties can be clearly determined based on it;
    - The contract offers economic benefits;
    - It is probable that the seller will receive the consideration for the goods delivered/services performed, even if it applies legal instruments to collect it.

- In the case of contract amendment it must be examined how its content has changed, since there may be cases when the amendment is to be interpreted as an independent, separate contract.

2. Identification of performance obligations: When concluding the contract, the Group shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either

   a) distinct goods or services (or a package of goods or services); or

   b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3. Determining the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.
4. Allocation of the transaction price to individual obligations: The seller must distribute the transaction price among the individual obligations. When no separate prices can be allocated to the individual obligations, an estimation shall be applied for the distribution, in accordance with the method accepted by the Standard.
5. Revenue recognition: The revenue may be recognised when the control over the purchased goods or services devolves from the seller on the buyer. This may take place during a definite period or at a specified time. The control devolves on the buyer when as a result of that the buyer is able to control the use of the assets and is entitled to collect the benefits deriving from the assets.

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

Operating expenditures

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

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

Other revenues and expenditures

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

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

Financial revenues and expenditures

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

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

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

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

Income tax expenditure

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

Other comprehensive income

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

Earnings per share

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

Use and concept of EBITDA

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

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

+/-	Profit or loss before tax	X/(X)
-/+	Elimination of financial revenues and expenditures	(X)/X
-/+	Elimination of depreciation and impairment	(X)/X
	EBITDA	**X/(X)**

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

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

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

Investment properties

Investment properties include those properties that the Group 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 Group treats investment properties according to the cost model, i.e. these properties are recognised at cost after deducting any accumulated depreciation and impairment losses.

The cost of the property comprises the following items:

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

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

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

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

Plant, fixtures and equipment

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

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

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

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

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

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

Typical useful life of assets:

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

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

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

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

Intangible assets

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

Leases

Identification of lease

A contract qualifies as a lease contract or contains lease if this contract transfers the right to use the underlying asset – for a specific period – against fee payment. Then the lessee may collect the profit arising from the asset usage and may make decisions on the usage. It does not qualify as a lease, when the company concludes a rental agreement for an asset, but the underlying asset is controlled not in the interest of the company (e.g. company car transferred for personal use).

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

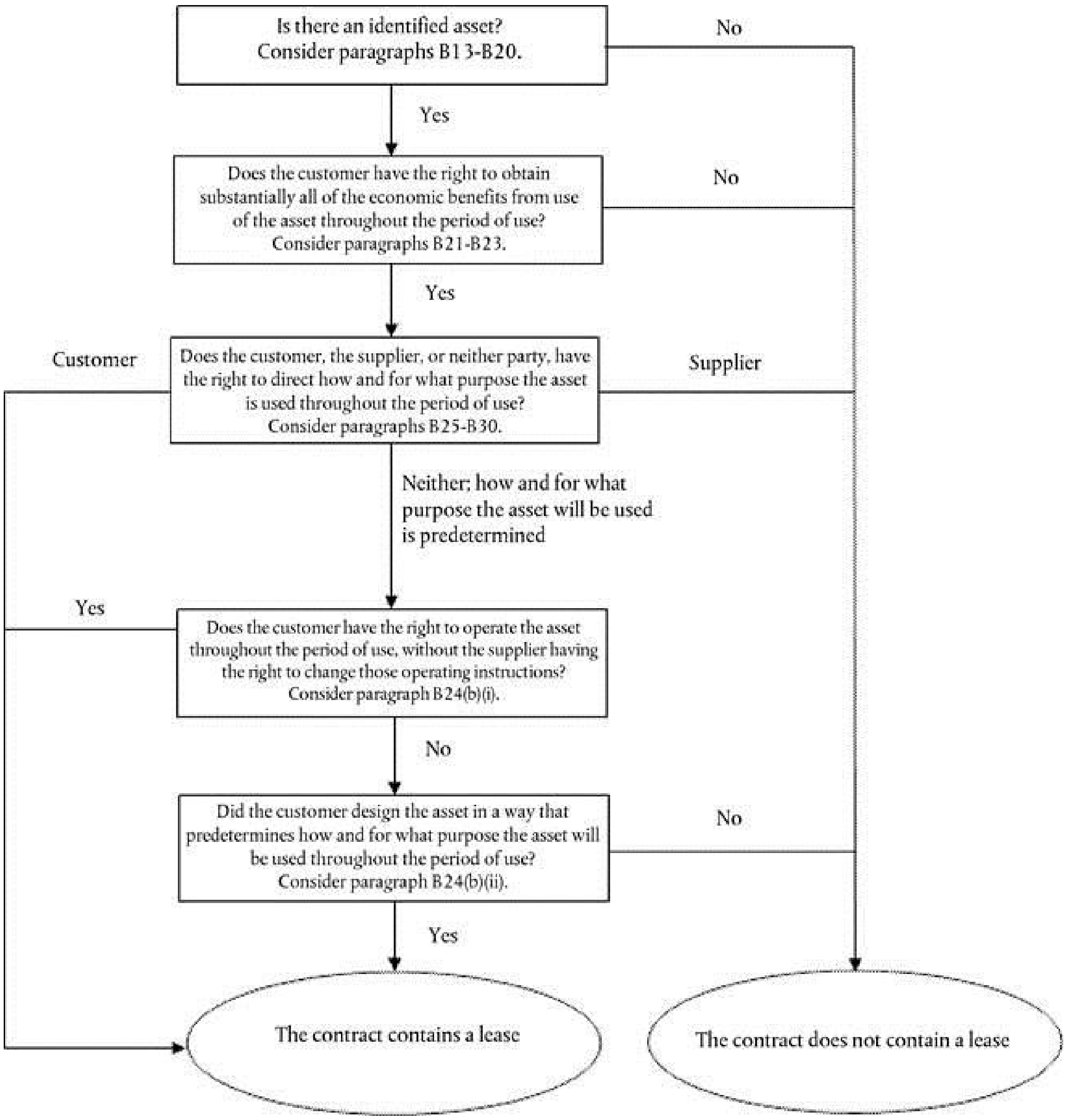


Chart 1. Classification of lease contract IFRS 16.B31

Recognition at the lessee

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

Recognition exceptions

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

Measurement of the right-of-use asset

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

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

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

Recognition at the lessor

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

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

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

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

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

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

Assets held for sale and discontinuing operations

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

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

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

Discontinued operations:

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

In 2023, the Group had no discontinued operations.

Borrowing costs

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

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

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

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

Inventories

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

Financial assets and liabilities

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

Classification

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

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

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

The Group classifies its equity instruments, unless they are held for sale, as FVTOCI, i.e. it measures the instrument at fair value on each balance sheet date (with the proviso that in certain cases the cost may be also regarded as fair value), while the difference is recognised in other comprehensive income. When the instrument is derecognised, the accumulated revaluation reserve cannot be transferred to net profit or loss, but the accumulated equity part is transferred to retained earnings.

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

The items belonging to the category of other liabilities are detailed in point 22 of Section 6 of the financial statements

Recognition

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

Derecognition

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

Measurement

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

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

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

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

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

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

Measurement at fair value

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

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

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

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

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

Measurement of amortised cost

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

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

Impairment of financial assets (expected impairment)

Provisions must be recognised for the expected impairment of the debt instruments belonging to the AC and FVTOCI category. The expected impairment can be described as the cash flow not realisable during the life of the instrument. The expected impairment loss can be derived from the following factors:

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

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

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

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

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

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

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

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

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

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

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

Past due	ECL %
Less than 90 days	1%
91– 365 days	50%
over 365 days	100% or on a case-by-case basis

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

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

Trade accounts receivable

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

Other receivables and prepayments and accrued income

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

Impairment of receivables

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

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

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

Blocked cash and cash equivalents

The Group recognises separately the blocked cash and cash equivalents, which constitute loan collaterals, and does not list them among cash and cash equivalents but assesses them in the same manner as cash.

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).

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

Subscribed capital

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

Share premium

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

Retained earnings

Retained earnings contain the dividends accumulated but unpaid.

Dividends

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

Treasury shares

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

Trade accounts payable, other liabilities, accruals and deferred income

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

Income tax liability and asset, deferred tax liabilities and assets

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

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

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

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

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

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

General accounting policies related to cash flow

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

4. Significant estimates used in preparing the financial statements and other sources of uncertainties

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

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

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

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

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

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

The revision of the accounting estimates may be necessitated by:

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

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

5. Supplementary notes to the Comprehensive Income Statement

5.1. Revenue

Designation	31/12/2023	31/12/2022
Real estate operation	37 880	28 232
Revenue from property lease	123	99
Revenue from property sales	220	-
Other revenues	5	1
Total	**38 228**	**28 332**

In 2023, the core activity of the Group was property operation. The rental activity of the new subsidiary Deniro Zrt. also contributed to the increase in revenue from property lease.

Revenue recognition from 2023 onwards includes significant amounts from project work conducted by NEO Properties, which had to be recognized as revenue over the period in which the work was performed. These projects are undertaken based on orders and specifications from other clients. The Group determined the completion percentage based on technical readiness.

The revenue recognized in this manner amounted to HUF 6,237 million in 2023, compared to HUF 1,399 million in 2022.

The other items include the revenue from further invoicing.

5.2. 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	31/12/2023	31/12/2022
Material costs	(762)	(180)
Rental fees	(70)	(125)
Health services	(8)	(9)
Other material costs	-	-
Carrying amount of property sold	(295)	-
Other services	(14)	(5)
Electricity, water, drainage	(1 683)	(1 574)
Depreciation	(1 002)	(731)
Asset management	-	(7)
Heating, air conditioning	(151)	(273)
Packages	(15)	-
Official fees	(7)	(5)
Waste removal	(59)	(3)
IT services	(73)	(57)

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

Maintenance fees	(6 588)	(2 798)
Communication expenses	(2)	(1)
Moving service	(92)	(7)
Lifts, Building engineering	(36)	(40)
Labor hiring	(8)	(4)
Plant care	(1 231)	(191)
Education expenses	(13)	(14)
Parking charges, highway use	(20)	(17)
Advertisement	(4)	(4)
Professional fees	(3)	-
Delivery charges	(39)	(179)
Personel expenses	(4 465)	(3 844)
Membership fees	(1)	-
Cleaning services	(1 605)	(2 205)
Safety and fire protection	(125)	(138)
Business trip	(8)	(4)
Lawyer and legal services	(11)	(5)
Fuel	(143)	(127)
Operating cost	(89)	(1 861)
Property insurance	(1 736)	(1 852)
Project management	(14 225)	(9 389)
Total	**(34 587)**	**(25 648)**

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

The project management fee for the GKI business, formerly known as the Fit out business, has increased significantly compared to the 2022 value. This is due to the increase in revenue from this business.

As compared to 2022, electricity costs fell by 3% on average in 2023. However, expenditure related to gas increased by 52%. In view of the fact that electricity costs account for 74% of total electricity, water and sewerage costs, the increase in gas tariffs had a moderate impact on total utility costs. The overall cost increase is only 7%.

Personnel expenses increased by almost 16%, partly due to the increase in the number of employees and partly due to wage increases.

At Group level, the aim is to optimise energy use, for example by purchasing and operating and regularly maintaining energy-efficient equipment, as well as by awareness-raising on energy savings.

5.3. Administrative and sales expenditures

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

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

Administrative expenditures:

Designation	**31/12/2023**	**31/12/2022**
Rental charges	(20)	(4)
Insurance	(41)	(33)
Miscellaneous material expenses	(2)	(1)
Other services	(2)	(3)
Electricity, water, drainage	(4)	(2)
Depreciation	(65)	(11)
Official fees and levies	(1)	-
IT services	(63)	(45)
Maintenance	(1)	-
Stationery	(1)	(1)
Education expenses	(3)	(1)
Parking charges, highway use	(6)	(6)
Financial services	(73)	(53)
Postal fee	(5)	(5)
Professional fees	(8)	-
Special literature	(2)	(1)
Delivery charges	(7)	(27)
Accounting services, financial audit	(85)	(63)
Personel expenses	(682)	(552)
Consulting and analytical fees	(16)	(7)
Business trip	(1)	(2)
Lawyer and legal services	(5)	(4)
Fuel	(11)	(8)
Safeguarding	(3)	(2)
Total	**(1 107)**	**(832)**

In 2023, the direct and administrative cost categories included MHUF 5 147 recognised as total wage costs at Group level.

Depreciation increased sixfold compared to 2022. This significant increase was induced by the investment properties acquired at a the high purchase value, newly integrated into the portfolio, which had a substantial impact on depreciation amounts.

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

The evolution of the average statistical staff number in 2023 was as follows:

Company	Average statistical staff number (person)
AKKO Invest Nyrt.	3
NEO Property Services Zrt.	531
Total	**534**

The average staff number of Group members not included in the table is 0.

Costs of sales include the expenditures directly related to sales.

Designation	31/12/2023	31/12/2022
Listing and maintenance fees, fees paid directly to securities, brokers	(6)	(6)
Communication and marketing expenses	(74)	(31)
Total	**(80)**	**(37)**

5.4. 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.

Designation	31/12/2023	31/12/2022
Donation, scholarship payments	(18)	(8)
Fine, penalty and default interest	(21)	(112)
Building and land tax	(14)	(16)
Net of gain on fixed asset sales and write off	1	-
Other taxes	(3)	(28)
Employee cost contributions	1	6
Increase/decrease in provision	(458)	(40)
Cancelled debt, and payables	22	5
Expenses due to damages	-	(2)
Received penalty payment, compensation, received cost reimbursement	18	-
Miscellaneous sundry items	3	-
Total (with regard to sign)	**(469)**	**(195)**

Fines, penalties and default interests are liabilities required on the basis of the establishment of penalties. Provisions were made and used for penalties, claims and guarantees, which correspond primarily to the property operation line of business of the Company.

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

The increase in the value of other income is mostly due to the interim use and creation of provisions. In the course of the year, provisions amounting to HUF 67 million were reversed and provisions amounting to HUF 525 million were created.

5.5. Financial revenues and expenditures

Designation	**31/12/2023**	**31/12/2022**
Interest income from the banks	41	11
Interest expenses	(374)	(347)
Revaluation of foreign currency assets and liabilities	(21)	44
Expected Credit Loss (ECL)	(23)	(6)
Sconto	30	4
Gain from acquisition of business interests through treasury shares	2	-
Total (with regard to sign)	**(345)**	**(294)**

5.6. Income tax expenditure

This expenditure position comprises the following tax items:

Designation	**31/12/2023**	**31/12/2022**
Corporate income tax	(314)	(206)
Deferred tax income/expenditures	57	36
Local business tax	(197)	(153)
Innovation levy	(29)	-
Total (with regard to sign)	**(483)**	**(323)**

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

The corporate income tax rate was 9% during the year. The corporate income tax burden amounts to MHUF 206, a significant share of it (MHUF 278) is stated in the books of NEO Property Services Zrt.

The local business tax rate was 2% during the year.

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

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

Tax expenditures may be deduced from the accounting profit or loss as follows:

Designation	**31/12/2023**	**31/12/2022**
Profit or loss before tax	1 640	1 326
Theoretical tax (by 9%)	148	119
Impact of tax adjustments on income tax*	166	87
Corporate income tax	314	206
Local business tax	197	153
Deferred tax	(57)	(36)
Innovation levy	29	-
Tax indicated in the income statement	**483**	**323**

*Essential elements between the tax base adjustments:

- adjustment for the recognition of impairment loss
- impact of provisioning and reversal of provisions
- difference between impairment losses recognised according to the Accounting Act and the Tax Code
- adjustment related to costs other than costs incurred in the interest of the business.
- adjustment related to cancelled and written-off receivables.
- donations, 20% of support
- other item generated by a specialised education at a dual training place.

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

6. Supplementary notes to the balance sheet

6.1. Value of customer relations

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

Gross value	**Customer list**
Balance at 31 December 2022	**12 794**
Categorisation on acquisition	0
Purchase	0
Balance at 31 December 2023	**12 794**
Depreciation	**Customer list**
Balance at 31 December 2022	**(1 073)**
Categorisation on acquisition	-
Depreciation recognised	(582)
Balance at 31 December 2023	**(1 655)**
Net value	**Customer list**
Balance at December 2022	**11 721**
Balance at December 2023	**11 139**

The recoverable value of intangible assets was last tested by the Group by 31 December 2023. In that period, it did not identify any circumstance which would suggest depreciation.

6.2. Goodwill

The value of goodwill did not change in 2023.

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

The purchase price is paid in cash which is given in consideration for the AKKO Invest Plc. shares. In the course of the acquisitions of business shares, the entire purchase price was not settled, therefore the Group generated liabilities amounting to MHUF 4,830, which is repaid on a continuous basis.

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

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

Designation	**A PLUS INVEST Zrt.**	**Acquisition 26/02/2021 Elitur+NEO Property Services**
Purchase price	279	24 711
Net assets value at acquisition date	13	7 689
Net assets value identified during acquisition	266	12 794
Deferred tax effect		(1 151)
Total net assets	13	19 332
Goodwill 31/12/2023	**266**	**5 379**

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

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

The recoverable amount of the goodwill was tested by the Group on 31 December 2023 and did not identify any circumstance which would indicate any impairment loss.

6.3 Right-of-use assets

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

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

Net value of the right-of-use assets on 31.12.2023:

Gross value	**ROU car**	**ROU property**	**Total**
Balance at 31 December 2022	538	357	895
Impact of exchange rate changes	-	(2)	(2)
Changes to the lease payments	94	9	103
Disposal	0	(355)	(355)
New contracting	195	-	195
Balance at 30 December 2023	**827**	**9**	**836**
Depreciation	**ROU car**	**ROU property**	**Total**
Balance at 31 December 2022	(322)	(248)	(570)
Depreciation recognised	(224)	(91)	(315)
Disposal	-	333	333
Balance at 31 December 2023	**(547)**	**(7)**	**(554)**
Net value at 31 December 2023	**280**	**2**	**282**

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

Lease liabilities

The evolution of the lease liabilities are shown in the table below:

Designation	Car	Property	Total
Lease debt due within one year	115	4	119
Over a year, lease debt due within five year	179	-	179
Lease debt due within five year	-	-	-
Total	**294**	**4**	**298**

The evolution of the lease liabilities are shown in the table below:

Designation	Car	Property	Total
Opening lease liabilities total	223	113	336
Impact of exchange rate changes	-	(3)	(3)
Interim contracting	195	-	195
Changes to the lease payments	94	9	103
Disposal	-	(21)	(21)
Salary of lease payments	(218)	(94)	(312)
Outstanding lease liability at the end of the year	**294**	**4**	**298**

6.4 Other intangible assets

Intangible assets not highlighted elsewhere are made up of licenses and of software purchased and developed by the Group itself.

Gross value	Intangible assets
Balance at 31 December 2022	**323**
Categorisation on acquisition	**0**
Purchase	**14**
Balance at 31 December 2023	**337**
Depreciation	**Intangible assets**
Balance at 31 December 2022	**(295)**
Categorisation on acquisition	**-**
Depreciation recognized	**(16)**
Balance at 31 December 2023	**(311)**
Net value	**Intangible assets**
Balance at 31 December 2022	**28**
Balance at 31 December 2023	**26**

6.5 Investment properties

The figures related to the properties of the Group on 31 December 2023 are as follows:

Gross value	Industrial property	Residential property	Total
Balance at 31 December 2022	**2 394**	**2 159**	**4 553**
Purchase	3 357	-	**3 357**
Disposals	(419)	-	**(419)**
Impact of exchange rate changes	-	(41)	**(41)**
Categorization on acquisition	624	-	**624**
Balance at 31 December 2023	**5 956**	**2 118**	**8 074**
Depreciation	**Industrial property**	**Residential property**	**Total**
Balance at 31 December 2022	**(338)**	**(27)**	**(365)**
Derecognition due to sales	128	-	**128**
Categorization on acquisition	(28)	-	**(28)**
Depreciation recognised	(81)	(24)	**(105)**
Balance at 31 December 2023	**(319)**	**(51)**	**(370)**
Net value	**Industrial property**	**Residential property**	**Total**
Balance at 31 December 2022	**2 056**	**2 132**	**4 188**
Balance at 31 December 2023	**5 637**	**2 067**	**7 704**

On 20 December 2023, the Parent Company purchased the 50% ownership interest of the property located at 1117 Budapest, Szerémi út 4. – Kaposvári u. 311., designated as "office building on an uncultivated land", with a useful floor area of 21,857 m^2.

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

Owner of the property	Address of property	Classification	Plot size (m2)	Superstructure size (m2)	Status of utilization
Akko Invest Plc	1133 Budapest, Kárpát st. 50. st. level, Hungary	residential property	-	121	Let out
MOON Facility Zrt.	5000 Szolnok, Kombájn st., Hungary	industrial property	48 627	3 330	Let out
Vár-Logisztika Zrt.	8800 Nagykanizsa, Vár st. 12., Hungary	industrial property	8 223	2 064	Let out
ALQ SAS	18 Avenue, Louis Gallet, Juan-Les-Pins, Antibes, France	residential property	-	1 185	Reconstruction
4Stripe Zrt.	2040 Budaörs, Kinizsi st. 4-6, Hungary	industrial property	3 932	3 904	Let out
A PLUS Invest Zrt.	1121 Budapest, Eötvös st. 31, Hungary	residential property	2 269	438	Reconstruction
Deniro Zrt	2040 Budaörs, Kinizsi st. 4.	industrial property	6 066	1 334	Let out
AKKO Invest Nyrt.	1117 Budapest. Szerémi st. 4.- Kaposvár st.. 3-11	industrial property	3 597	21 857	Let out

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

The net value of the properties on 31 December 2023 is shown in the table below:

Property	Initial cost	Adjustment on the initial cost	Accumulated depreciation	Net Value
Office in Kárpát street	99	-	(18)	81
Industrial property in Szolnok	587	-	(102)	485
Industrial property in Nagykanizsa	-	-	-	-
Cyrano Hotel, France	1 872	(41)	-	1 831
Industrial property in Budaörs	1 388	-	(171)	1 217
Residential property in Eötvös street in Budapest	188	-	(17)	171
Industrial property in Budapest, Kinizsi Street	624	-	(57)	567
Property in Budapest, Szerémi Street	3 357	-	(5)	3 352
Total	**8 115**	**(41)**	**(370)**	**7 704**

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

Property	Initial cost	Adjustment on the initial cost	Accumulated depreciation	Net Value
Office in Kárpát street	99	-	(14)	85
Industrial property in Szolnok	587	-	(81)	506
Industrial property in Nagykanizsa	419	-	(124)	295
Cyrano Hotel, France	1 872	-	-	1 872
Industrial property in Budaörs	1 388	-	(133)	1 255
Residential property in Eötvös street in Budapest	188	-	(13)	175
Total	**4 553**	**-**	**(365)**	**4 188**

The accumulated depreciation, the sale of the property located in Nagykanizsa, as well as the conversion to HUF of the value of Hotel Cyrano recognised in EUR brought changes in value.

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

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

Property	Fair value at 31/12/2023
Office in Kárpát street	90
Industrial property in Szolnok	562
Industrial property in Nagykanizsa	0
Cyrano Hotel, France	1 837
Industrial property in Budaörs	1 302
Residential property in Eötvös street in Budapest	644
Industrial property in Budapest, Kinizsi Street	626
Property in Budapest, Szerémi Street	6 600
Total	**11 661**

The positive differences in fair value are not reflected in the financial statements because the Group carries its investment properties at cost model.

The assets are utilised partially by means of operating lease.

As regards their term, lease contracts include both contracts of unlimited duration and fixed-term contracts.

In relation to the properties, the following mortgage rights have been registered:

Property Name	Mortgage	Entitled
Kárpát Street Office	15 600 000 000 FT, i.e., fifteen billion six hundred million HUF	OTP BANK PLC.
Szolnok Industrial Property	15 600 000 000 FT,i.e., fifteen billion six hundred million HUF	OTP BANK PLC.
Budapest, Kinizsi Street 4-6 Industrial Property	EUR 1,250,000, i.e., one million two hundred fifty thousand EUR and its charges	OBERBANK AG HUNGARIAN BRANCH
Budaörs Industrial Property	HUF 15,600,000,000, i.e., fifteen billion six hundred million HUF	OTP BANK PLC
Budapest, Eötvös Street Residential Property	HUF 15,600,000,000, i.e., fifteen billion six hundred million HUF	OTP BANK PLC.
Budapest, Kinizsi Street 4 Industrial Property	HUF 210,000,000, i.e., two hundred ten million HUF and its charges	OBERBANK AG HUNGARIAN BRANCH
Budapest, Szerémi Street Industrial Property	EUR 7,225,000, i.e., seven million two hundred twenty-five thousand EUR and its charges.	GLADIATOR VI. REAL ESTATE INVESTMENT FUND

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

6.6 Properties

The Group took ownership of those assets with the purchase of NEO Property Services Zrt in 2021. Among the properties, the Group keeps record of transformations, refurbishments performed and activated on rented properties, and of office containers used by the Group itself.

Gross value	Properties
Balance at 31 December 2022	**77**
Purchase/capitalisation	15
Balance at 31 December 2023	**92**
Depreciation	**Properties**
Balance at 31 December 2022	**(49)**
Depreciation recognized	(4)
Balance at 31 December 2023	**(53)**
Net value	**Properties**
Balance at 31 December 2022	**28**
Balance at 31 December 2023	**39**

6.7 Plant, fixtures and equipment

The figures related to plant, fixtures and equipment for 31 December 2023 are as follows:

Gross value	Plant, fixtures and equipment
Balance at 31 December 2022	**624**
Purchase	32
Disposals	(4)
Balance at 31 December 2023	**652**
Depreciation	**Plant, fixtures and equipment**
Balance at 31 December 2022	(555)
Derecognition due to sales	4
Depreciation recognised	(44)
Balance at 31 December 2023	**(595)**
Net value	**Plant, fixtures and equipment**
Balance at 31 December 2022	**69**
Balance at 31 December 2023	**57**

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

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

6.8 Trade accounts receivable

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

Designation	31/12/2023	31/12/2022
Trade accounts receivable	12 674	8 670
Expected credit loss	(32)	(11)
Total	**12 642**	**8 659**

6.9 Other receivables and prepayments and accrued income

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

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

Designation	31/12/2023	31/12/2022
Other non-income tax receivables	100	74
Advances granted	593	869
Accrual of sales revenue, other interest income, other revenue	1 173	1 067
Prepaid costs, other interest paid, other expenditures	30	59
Overpaid suppliers	2	-
Fees	7	8
Collateral	2	1
Performance and warranty guarantees	77	50
Total	**1 984**	**2 128**

In 2023 the Group classified VAT receivables as other non-income tax receivables. Advances granted are composed of advances granted to suppliers and personnel for subsequent recognition. The amount of advances granted to suppliers is Million HUF 590 in the records of the Group.

Revenue accruals include the amount of revenue due for 2023, but not yet invoiced, mainly coming from the property operation line of business. The Group states the costs and expenditures charged to profit or loss, incurred in 2023 but partially belonging to the year after the balance sheet date in the prepaid costs, other interest paid, other expenditures row. Bails, security deposits and collaterals are related to complex property operation services.

6.10 Restricted cash

The cash account of the parent company include cash and cash equivalents in the amount of MHUF 665 as bail (in the previous year: MHUF 485). These cash and cash equivalents cannot be used, MHUF 485 constitute the collateral of the loan taken out on an exclusive basis from OTP in order to finance the acquisition of NEO Property Zrt.

The ECL recognised for restricted cash is lower that MHUF 1.

6.11 Cash and cash equivalents

Cash and cash equivalents comprise the following items:

Designation	31/12/2023	31/12/2022
Bank accounts	1 361	1 330
Cash on hand	6	4
Total	**1 367**	**1 334**

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

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

6.12 Subscribed capital

The subscribed capital contains the face value of outstanding shares.

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

On 31 December 2023, the subscribed capital was HUF 833,880,000.

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

Designation	**31/12/2023**	**31/12/2022**
Nominal value of shares outstanding on 1 January	834	834
Change during the year	-	-
Total	**834**	**834**

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

Designation	**31/12/2023 (pcs) Nominal value: HUF 25/peace**	**31/12/2022 (pcs) Nominal value: HUF 25/peace**
Ordinary shares issued	33 355 200	33 355 200
Total	**33 355 200**	**33 355 200**

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

Treasury shares are included in this position:

Designation	**31/12/2023**	**31/12/2022**
Total nominal value of shares	834	834
Of which treasury shares (at nominal value)	0	23
Nominal value of outstanding ordinary shares	**834**	**811**

6.13 Share premium

Share premium comprises the surplus value paid for the parent company's share and the trading gain on the sale of treasury shares. The balance of share premium remained unchanged since 2022.

Designation	**31/12/2023**	**31/12/2022**
Opening balance	5 480	5 480
Trading gain realized on the sale of treasury shares	-	-
Total	**5 480**	**5 480**

6.14 Treasury shares

The Group settled the full purchase price of the 100% ordinary shares of Deniro Zrt. and the receivables related to the transaction under the assignment agreement with Parent Company treasury shares held

The quantity and value of treasury shares are as follows.

Designation	31/12/2023 (thousand)	31/12/2022 (thousand)
Opening balance	937	937
Acquisition of business interests through treasury shares	(345)	-
Treasury shares provided in exchange for the assignment of receivables	(592)	-
Changes is shares (pcs)	**-**	**937**

Designation	31/12/2023	31/12/2022
Opening balance	(380)	(380)
Acquisition of business interests through treasury shares	140	-
Treasury shares provided in exchange for the assignment of receivables	240	-
Changes in treasury shares at carrying amount (With regard to sign)	**-**	**(380)**

The signs shown in the table are from equity perspective.

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

6.15 Proprietary transactions

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

Designation	31/12/2023	31/12/2022
Opening balance	(207)	(207)
Change during the year	-	-
Total	**(207)**	**(207)**

6.16 Accumulated exchange difference

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

Designation	31/12/2023	31/12/2022
Assets at closing exchange rate	991	1 010
Liabilities at closing exchange rate	1 084	1 081
Equity at historic exchange rate	(84)	(59)
Difference	**(9)**	**(12)**

In view of the significant volatility of the EUR exchange rate, from financial year 2022 onwards, the Group does not apply the simplification according to which the profit or loss items can be exchanged at an average exchange rate instead of using the actual daily exchange rate.

6.17 Liabilities from loans and borrowings (long- and short-term)

The Group has the following liabilities from loans:

Debtor	Expiry date	Interest rate	31/12/2023	Due within 1 year	Due within 5 year	Due over 5 years
AKKO Invest Nyrt.	2036.03.31	2,5%	10 149	714	2 871	6 564
Deniro Zrt.	2034.12.31	1 month Bubor +1.8%	190	10	180	-
4 Stripe Zrt.	2032.02.29	1,9%	396	44	233	119
Total			**10 735**	**768**	**3 284**	**6 683**

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

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

On 26.02.2021, a loan of HUF 12 billion was disbursed by OTP Bank Nyrt. to the Parent Company, which was intended to finance the acquisition of NEO Property Zrt. The blocked cash and cash equivalents (secured by bail) are associated with that loan, and the equity stake in Elitur Invest Zrt. also constitutes a collateral for the bank loan (it is exclusively intended for bail, the collateral does not affect the voting rights and the dividend rights attached to the shares).

A HUF loan was disbursed to Deniro Zrt. at the end of 2021.

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

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

Designation	Long term loans	Short term loans
Opening balance	10 585	766
Borrowing during the year	-	-
Principal instalment	(23)	(774)
Interest payment in 2023	-	(300)
Reclassification due to maturity	(768)	768
Categorisation on acquisition	189	10
Year-end revaluation	(16)	(2)
Closing	**9 967**	**768**

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

Compared to 31.12.2022, the loan amount increased by the interest accumulated during the financial year.

6.18 Provisions

Provisions are stated in the books of NEO Property Services Zrt., a subsidiary that has been recently included in the Group. The following table presents the relevant items and their changes as at 31.12.2023.

Designation	31/12/2023	31/12/2022
Penalties and claims from contracting	587	204
Guarantee liabilities	181	113
Severance pay	21	14
Total	**789**	**331**

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

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

The evolution of the provisions was the following during the year:

Designation	**31/12/2022**	**Training**	**Use**	**31/12/2023**
Penalties and claims from contracting	204	398	(15)	587
Guarantee liabilities	113	106	(38)	181
Severance pay	14	21	(14)	21
Total	**331**	**525**	(67)	**789**

6.19 Deferred tax assets and liabilities and subsequently payable taxes

During the reporting period the following deferred tax balances occurred:

Designation	**31/12/2023**	**31/12/2022**
Deferred tax assets	-	-
Deferred tax liabilities	1 508	1 543
Deferred tax liability (consolidated net position)	**1 508**	**1 543**

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

Reconciliation of deferred tax:

31/12/2023	**Carrying amounts**	**Tax value**	**Difference**
Intangible assets	26	26	-
Value of customer relations	11 139	-	11 139
Investment properties	7 704	2 508	5 196
Properties	39	39	
Plant, fixtures and equipment	57	57	-
Goodwill	5 645	5 645	-
Trade accounts receivable	12 642	12 674	(32)
Other receivables and prepayments and accrued income	1 984	1 984	-
Cash and cash equivalents	1 367	1 367	-
Long term bank loans	9 967	9 967	-
Short term loans	768	768	-
Provisions made	458	-	458
Trade accounts payable	7 830	7 830	-
Other short-term liabilities and accruals	7 454	7 454	-
Income tax liabilities	141	141	-
Development reserve	-	-	-
	67 221	**50 460**	**16 761**
Total deductible difference			**-**
Total taxable difference			**16 761**
Total deferred tax assets			**-**
Total deferred tax liabilities			**1 508**

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

The deferred tax balances were netted when they were incurred at the same taxed unit.

Comparative figures for the reconciliation of deferred tax:

31/12/2022	Carrying amounts	Tax value	Difference
Intangible assets	28	28	-
Value of customer relations	11 721	-	11 721
Investment properties	4 188	2 149	2 039
Properties	28	28	
Plant, fixtures and equipment	69	69	-
Goodwill	5 645	5 645	-
Trade accounts receivable	8 659	8 670	(11)
Other receivables and prepayments and accrued income	2 128	2 128	-
Cash and cash equivalents	1 334	1 334	-
Long term bank loans	10 585	10 585	-
Short term loans	766	766	-
Provisions made	331	-	331
Trade accounts payable	3 020	3 020	-
Other short-term liabilities and accruals	6 251	6 251	-
Income tax liabilities	49	49	-
Development reserve	-	(3 061)	3 061
	54 803	**37 662**	**17 141**
Total deductible difference			**-**
Total taxable difference			**17 152**
Total deferred tax assets			**-**
Total deferred tax liabilities			**1 543**

6.20 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 had liabilities vis-à-vis the Seller, amounting to MHUF 4,830. On 31 December 2023, its long-term liabilities amounted to MHUF 4,014 due to redemptions. The purchase price was stated at non-discounted value.

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

In the course of the financial year MHUF 515 were redeemed of the liabilities.

Designation	31/12/2023	31/12/2022
Balance at beginning of the year	4 529	4 830
Redemption	(515)	(301)
Total	**4 014**	**4 529**

6.21 Trade accounts payable

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

Designation	31/12/2023	31/12/2022
Trade accounts payable	7 830	3 020
Total	**7 830**	**3 020**

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

Partner's name	Balance at 31/12/2023
ALTEO Energiakereskedő Zrt.	171
Art Expo Kft.	169
BAU-GÉP 2000 KFT.	392
FEHÉRVILL-ÁM Kft.	222
IL-GENERÁL '86 Építőipari Kft.	198
Master Zrt.	183
Norisz-Ép Kft.	273
STYLO ÉpGép Építőipari Szolgáltató és Kereskedelmi Kft.	380
Gladiátor VI. Ingatlan Befektetési Alap	2 782
Total	**4 770**

On 20 December 2023, the Group purchased the 1/2 ownership interest of the office building located at 1117 Budapest, Szerémi út 4. – Kaposvári u. 3-11. from the Gladiátor VI Property Investment Fund. 15% of the purchase price was paid in 2023, the remaining 85% of the purchase price must be settled until 30 September 2024.

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

6.22 Other short-term liabilities and accruals

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

Designation	31/12/2023	31/12/2022
Tax balances	1 297	1 219
Wage-related items	507	464
Penalty, self-revision and default penalty	0	31
Accrued expenses and expenditures charged to the period before the balance sheet date	4 548	4 192
Rebenue accruals and deferrals	43	37
Advance received from buyer	460	293
Security deposit received	24	12
Collateral received	2	2
NTCA duty	85	-
Loan liabilites from MEVINVEST Ltd.	489	-
Miscellaneous items	0	2
Total	**7 455**	**6 252**

The received bail is related to NEO Property Services Zrt.

The distribution of the received security deposits is as follows:

Designation	31/12/2023
4Stripe Zrt.	12
VÁR-Logisztika	2
Deniro Zrt.	10
Total	**24**

6.23 Income tax liability

In the income tax liability row the Group states its corporate income tax liability, innovation contribution and local business tax liability.

Designation	31/12/2023	31/12/2022
Corporate income tax liability	106	49
Local business tax liability	31	-
Innovation levy	4	-
Total	**141**	**49**

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

6.24 Earnings per share (EPS), EBITDA

Ownership ratios on 31 December 2023 by share types:

Designation	Number of shares 31/12/2023	Parent company's profit or loss attributable to shareholders 31/12/2023 (HUF)
Ordinary share	33 355 200	1 157 349 256
Total	**33 355 200**	**1 157 349 256**

Designation	31/12/2023	31/12/2022
Annual profit or loss attributable to the Group's shareholders	1 157	1 003
Parent company's profit or loss attributable to shareholders after deduction of fixed dividends	1 157	1 003
Annual profit or loss attributable to ordinary shares	1 157	1 003
Weighted arithmetic mean of outstanding ordinary shares	33 162 668	32 418 212
Earnings per share (in HUF)	**34,90**	**30,95**
Parent company's profit or loss attributable to holders of ordinary shares upon dilution	1 157	1 003
Weighted arithmetic mean of diluted ordinary shares	33 162 668	32 418 212
Diluted earnings per share (in HUF)	**34,90**	**30,95**

EBITDA

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

	31/12/2023	31/12/2022
Profit or loss before tax	1 640	1 326
Depreciation	1 066	988
Elimination of financial revenues and expenditures	345	294
EBITDA	**3 051**	**2 608**

6.25 General disclosures related to financial assets and liabilities and fair value hierarchy

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

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

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

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

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

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

The Group possesses the following financial assets and liabilities:

Financial assets and balances		
Designation	**31/12/2023**	**31/12/2022**
Trade accounts receivable	12 642	8 659
Other receivables and prepayments and accrued income	681	2 128
Restricted cash	665	485
Cash and cash equivalents	1 367	1 334
Total	**15 355**	**12 606**
Financial liabilities and balances		
Designation	**31/12/2023**	**31/12/2022**
Bank loans	10 735	11 351
Trade accounts payable	7 830	3 020
Other short-term liabilities	975	6 252
Lease liabilities	298	336
Deferred payment of acquisition	4 014	4 529
Total	**23 852**	**25 488**

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

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

Designation	31/12/2023			31/12/2022		
	Measurement level1	Measurement level2	Measurement level3	Measurement level1	Measurement level2	Measurement level3
Financial assets						
Trade accounts receivable	-	-	12 642	-	-	8 659
Receivables from other companies						-
Receivables, prepayments, and accrued income	-	-	681	-	-	2 128
Restricted cash	665	-		485	-	-
Cash and cash equivalents	1 367			1 334		
Total (assets)	**2 032**	**-**	**13 323**	**1 819**	**-**	**10 787**
Financial liabilities						
Bank loans, and lease liabilities	-	-	10 735	-	-	11 351
Trade accounts payable	-	-	7 830	-	-	3 020
Other short-term liabilities	-	-	975	-	-	6 252
Lease liabilities			298			336
Deferred purchase price of the acquisition			4 014			4 529
Total (liabilities)	**-**	**-**	**23 852**	**-**	**-**	**25 488**

As no financial instruments recognised at amortised cost were derecognised (only repayment took place), the net profit and loss do not include any value in this regard.

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

7. Other disclosures related to the consolidated financial statements

7.1 Operating segments

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

The segments were identified on the basis of the breakdown of activity monitoring by the management and it also took into account the fact that the different segments include almost homogeneous items.

The Group identified the following operating segments on 31 December 2023:

1. Industrial property segment
2. Residential property segment
3. Facility Management line of business
4. ITS line of business
5. Fit-Out line of business

Segments 3 to 5 are related to the property operation service. The pool of contracts related to service provision is stable and long-term.

Facility Management includes activities related to property operation.

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

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

Consolidated income statement by segments on 31 December 2023:

Designation	**Industrial property segment**	**Residential property segment**	**Facility Management line of business**	**Subsegment-total**
Revenue from property lease	116	7	-	123
Revenue from property sales	220	0	-	220
Revenue from recharged costs	5	1	-	6
Real estate operation	(1)	-	19 209	19 208
Sales revenue of the segment	**340**	**8**	**19 209**	**19 557**
Direct expenditures	(429)	(10)	(16 776)	(17 215)
Administrative and sales expenditures	(5)	(88)	(553)	(646)
Other expenditures, net	(8)	(6)	(242)	(256)
Financial expenditures, net	(13)	(295)	30	(278)
Bargain purchase gain	-	-	-	-
Segment's profit or loss before tax	**(115)**	**(391)**	**1 668**	**1 162**

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

Designation	ITS line of business	Fit out line of business	Not allocated to any segment	Total
Revenue from property lease	-	-	-	**123**
Revenue from property sales	-	-	-	**220**
Real estate operation	12 260	6 238	173	**37 879**
Sales revenue of the segment	**12 260**	**6 238**	**173**	**38 229**
Direct expenditures	(10 664)	(6 038)	(670)	**(34 587)**
Administrative and sales expenditures	(354)	(179)	(8)	**(1 187)**
Other expenditures, net	(154)	(79)	(3)	**(492)**
Financial expenditures, net	19	9	(72)	**(322)**
Bargain purchase gain	-	-	-	**-**
Segment's profit or loss before tax	**1 107**	**(49)**	**(580)**	**1 640**

Consolidated sales revenue and profit or loss by segments on 31 December 2023:

Designation	Industrial property segment	Residential property segment	Facility Management line of business	Subsegment - total
Sales revenue from external parties	341	8	19 209	19 557
Intragroup sales revenue	-	-	-	-
Sales revenue of the segment (including inter-segment revenues)	**341**	**8**	**19 209**	**19 557**
				-
Profit or loss of the segment (before tax)	**(115)**	**(391)**	**1 668**	**1 162**

Designation	ITS line of business	Fit-Out line of business	Not allocated to any segment	Total
Sales revenue from external parties	12 260	6 238	173	38 229
Intragroup sales revenue	-	-	-	-
Sales revenue of the segment (including inter-segment revenues)	**12 260**	**6 238**	**173**	**38 229**
				-
Profit or loss of the segment (before tax)	**1 107**	**(49)**	**(579)**	**1 640**

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

Reconciliation of sales revenues	**31/12/2023**
Total sales revenues allocated to segment	38 056
Elimination of intragroup sales revenues	-
Revenues not allocated to segment	173
Reconciliation of profit or loss	
Profit or loss allocated to segment	2 219
Profit or loss not allocated to segment	(579)
	1 640

Customers under the control of government	**31/12/2023**	**31/12/2022**
Revenue	7	6
Direct material cost	(5)	(5)
Profit or loss	**2**	**1**

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

Comparative figures of the Group for 31 December 2022

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

Consolidated income statement by segments on 31 December 2022:

Designation	Industrial property segment	Residential property segment	Facility Management line of business	Subsegment - total
Revenue from property lease	98	1	-	99
Revenue from recharged costs	-	1	-	1
Property operation	25	-	16 996	17 021
Sales revenue of the segment	**123**	**2**	**16 996**	**17 121**
Direct expenditures	(126)	(4)	(14 962)	(15 092)
Administrative and sales expenditures	(4)	(68)	(497)	(569)
Other expenditure, net	(10)	(7)	(118)	(135)
Financial expenditures, net	(56)	(203)	-	(259)
Income from the sale of subsidiaries	-	-	-	-
Profit or loss before tax within the segment	**(73)**	**(280)**	**1 419**	**1 066**

Designation	ITS line of business	Fit out line of business	Not allocated to any segment	Total
Revenue from property lease	-	-	-	**99**
Revenue from recharged costs	-	-	-	**1**
Property operation	9 625	1 400	186	**28 232**
Sales revenue of the segment	**9 625**	**1 400**	**186**	**28 332**
Direct expenditures	(8 457)	(1 414)	(685)	**(25 648)**
Administrative and sales expenditures	(282)	(41)	23	**(869)**
Other expenditure, net	(65)	-	-	**(200)**
Financial expenditures, net	-	-	(30)	**(289)**
Income from the sale of subsidiaries	-	-	-	**-**
Profit or loss before tax within the segment	**821**	**(55)**	**(506)**	**1 326**

Consolidated sales revenue and profit or loss by segments on 31 December 2022:

Designation	Industrial property segment	Residential property segment	Facility Management line of business	Subsegment - total
Sales revenue from external parties	123	2	16 996	17 121
Intragroup sales revenue	-	-	-	-
Sales revenue of the segment (including inter-segment revenues)	**123**	**2**	**16 996**	**17 121**
				-
Profit or loss of the segment (before tax)	**(73)**	**(280)**	**1 419**	**1 067**

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

Designation	ITS line of business	Fit-Out line of business	Not allocated to any segment	Total
Sales revenue from external parties	9 625	1 400	186	28 332
Intragroup sales revenue	-	-	-	-
Sales revenue of the segment (including inter-segment revenues)	**9 625**	**1 400**	**186**	**28 332**
				-
Profit or loss of the segment (before tax)	**821**	**(55)**	**(506)**	**1 326**

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

7.2Transactions with related parties

The transactions and balances between the Parent Company and its subsidiaries – being the related parties of the Group – are eliminated for the purposes of consolidation, and thus they are not presented in this section. The Company had no business relation with other related party outside the scope of consolidation.

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

Designation	Governing Board	Audit Committee	Total
Wages	6	-	6
Benefits	2	-	2
Total	**8**	**-**	**8**

Emoluments and wages were recognised as part of the allowances.

7.3 Dividend paid by the subsidiaries

In 2023, NEO Property Services Zrt. paid MHUF 1,776 to its owners in the form of dividend, of which it paid MHUF 515 to AKKO Invest Plc. and MHUF 1,261 to Elitur Invest Zrt. These dividends were filtered in the consolidated financial statements.

7.4 Description of risks and sensitivity analysis

In the course of the management of the assets entrusted to it, the Group acted in a manner that ensured value maximisation for the owners. In doing so, it follows the following criteria:

- it seeks to ensure the continued operation of the Group in all circumstances;
- it seeks to establish an optimal capital-to-loan ratio in order to keep the capital cost at an appropriate level.

The capital structure corresponds to the industry average, no quantified capital-to-loan ratio was set as a target by the Group. The statutory minimum subscribed capital requirement for the Group is THUF20,000. No specific rules apply to the management of its capital.

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

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

Market risk

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

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

The Group identified interest rate risk as its current risk.

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

Designation	**Reporting year's data**	**Interest rate change of 1 percentage point**	**Interest rate change of 5 percentage point**	**Interest rate change of 10 percentage point**
Profit of loss before tax	1 640	1 533	1 103	566
Interest expenditure	374	481	911	1 448
Amount of interest-bearing liabilities	10 735	10 735	10 735	10 735
Bank loans	10 735	10 735	10 735	10 735
Average interest rate	3,48%	4,48%	8,48%	13,48%
Interest rate change		28,70%	143,52%	287,03%
Change in interest expenditure on profit or loss		**-6,55%**	**-32,73%**	**-65,46%**

Based on the foregoing:

- A 1% change in the average interest rate would result in a change of 6.55 % in net profit or loss,
- A 5% change in the average interest rate would result in a change of 32.73 % in net profit or loss,
- A 10% change in the average interest rate would result in a change of 65.46 % in net profit or loss.

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

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

Designation	Reporting year's data	Interest rate change of 1 percentage point	Interest rate change of 5 percentage point	Interest rate change of 10 percentage point
Profit of loss before tax	1 640	1 736	1 804	1 941
Interest income	41	55	123	260
Current year value of interest-bearing assets	1 367	1 367	1 367	1 367
Cash and cash equivalents	1 367	1 367	1 367	1 367
Average interest rate	2,999%	3,999%	8,999%	18,999%
Interest rate change		33,34%	200,05%	533,46%
Change in profit or loss		5,83%	10,00%	18,34%

- A 1% change in the average interest rate would result in a change of 5.83 % in net profit or loss,
- A 5% change in the average interest rate would result in a change of 10.00 % in net profit or loss,
- A 10% change in the average interest rate would result in a change of 18.34 % in net profit or loss.

Credit risk

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

The credit risk analysis shows the following positions:

	31/12/2023	31/12/2022
Trade account receivables within due date	11 656	8 345
< 30 days	617	283
31-60 days	212	17
61-90 days	39	3
91 <	118	10
TOTAL	**12 642**	**8 659**

Trade receivables increased compared to 2022.

There is no specific practice for the management of credit risk, the company manages risk-related cases on an individual basis in the course of continuous monitoring.

Liquidity risk

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

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

The liquidity analysis shows the following maturity dates:

31/12/2023	Immediately liquid	Due within 1 year	Due within 1-5 years	Liquid over 5 years or in certain situations	Total
Cash and cash equivalents	1 367	-	-	-	1 367
Restrichted cash	-	-	-	665	665
Receivables from other companies	-	-	-	-	-
Other receivables, prepayments, and accrued income	-	1 984	-	-	1 984
Trade accounts receivables	-	12 642	-	-	12 642
Income tax receivable	-	-	-	-	-
Intangible assets	-	-	-	11 165	11 165
Goodwill	-	-	-	5 645	5 645
Investment properties	-	-	-	7 704	7 704
Properties	-	-	-	39	39
Plant, fixtures and equipment	-	-	-	57	57
Right-of-use assets	-	-	-	282	282
Financial assets	**1 367**	**14 626**	**-**	**25 556**	**41 549**

31/12/2023	Immediately liquid	Due within 1 year	Due within 1-5 years	Liquid over 5 years or in certain situations	Total
Tax and other short-term liabilities	-	7 596	-	-	7 596
Trade accounts payable	-	7 830	-	-	7 830
Deferred tax	-	-	1 508	-	1 508
Provisions	-	789			789
Bank loans	-	768	3 284	6 683	10 735
Long term loan	-	-	337	-	337
Lease creditors	-	119	179	-	298
Deferred purchase price of the acquisition	-	-	-	4 014	4 014
Equity	-	-	-	8 442	8 442
Financial liabilities	**-**	**17 101**	**5 309**	**19 138**	**41 549**
Cumulative position	**1 367**	**(1 108)**	**(6 417)**	**-**	**-**

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

The comparative figures are shown in the table below:

31/12/2022	Immediately liquid	Due within 1 year	Due within 1-5 years	Liquid over 5 years or in certain situations	Total
Cash and cash equivalents	1 334	-	-	-	1 334
Blocked cash and cash equivalents	-	-	-	485	485
Receivables from other companies	-	-	-	-	-
Other receivables and prepayments and accrued income	-	2 128	-	-	2 128
Trade accounts receivable	-	8 659	-	-	8 659
Income tax receivable	-	-	-	-	-
Intangible assets	-	-	-	11 749	11 749
Goodwill	-	-	-	5 645	5 645
Investment properties	-	-	-	4 188	4 188
Properties	-	-	-	28	28
Plant, fixtures and equipment	-	-	-	69	69
Right-of-use assets	-	-	-	325	325
Financial receivables	**1 334**	**10 787**	**-**	**22 490**	**34 611**

31/12/2022	Immediately liquid	Due within 1 year	Due within 1-5 years	Liquid over 5 years or in certain situations	Total
Tax and other short-term liabilities	-	6 301	-	-	6 300
Trade accounts payable	-	3 020	-	-	3 020
Deferred tax	-	-	1 543	-	1 543
Provisions	-	331			331
Bank loans	-	766	3 137	7 448	11 351
Long term loan	-	-	298	-	298
Lease liabilities	-	231	105	-	336
Deferred purchase price of the acquisition	-	-	4 529	-	4 529
Equity	-	-	-	6 902	6 902
Financial receivables	**-**	**10 649**	**9 612**	**14 350**	**34 611**

Cumulative position	**1 334**	**1 472**	**(8 140)**	**-**	**-**

Disclosures related to the war between Russia and the Ukraine

The management thoroughly analysed the potential impacts on the Group's business activity of the Russo-Ukrainian conflict that started at the end of February 2022. The analysis concluded that the war did not have an impact that would significantly affect the financial stability or the operations of the Group.

Although the war cannot directly affect the investment property market in Hungary, it may have an indirect impact on it. Inflation, the negative impact of the war on commodity prices and the increase in geopolitical tensions may prompt potential investors, tenants and recipients of services related to property maintenance to be cautious and plan for the longer term.

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

7.5 Disclosures due to interests in other entities

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

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

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

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

7.6 Material events after the reporting period; dividend proposed

The Group 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:

- On March 27, 2024, NEO Property Services Zrt. decided on a dividend payment for the members of the Group.
    - The dividend amounts due to Elitur Invest Zrt.: HUF 1,428,222,000
    - The dividend amounts due to AKKO Invest Plc.: HUF 677,483,000

7.7 Statements

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

7.8 Authorisation of the publication of the financial statements

Akko Invest Plc. has authorised the publication of the Group's consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) for 2023 by the Governing Board and the Audit Committee on 28 March 2024.

Budapest, 28 March 2024

on behalf of AKKO Invest Plc.

……………………………………	……………………………………
Zoltán Prutkay	Imre Attila Horváth
chairman of the Governing Board	vice-chairman of the Governing Board

Separate Financial Statements of

AKKO INVEST

Public Limited Company

for the financial year ending on 31 December 2023, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union

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

Separate comprehensive income statement for the period of 365 days that ended on 31 December 2023

COMPREHENSIVE INCOME STATEMENT	Notes	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Revenue	(3.1)	3	-
Direct expenditures	(3.2)	(5)	-
Gross profit or loss		**(2)**	**-**
Administrative and sales expenditures	(3.3)	(64)	(50)
Financial expenditures, net	(3.4)	(126)	64
Income from sale of subsidiaries		-	-
Profit or loss before tax		**(192)**	**14**
Income tax expenditure	(3.5)	(8)	(1)
Profit after tax		**(200)**	**13**
		-	
Other comprehensive income (after income tax)		**-**	**-**
		-	
Total comprehensive income		**(200)**	**13**
EBITDA		**368**	**427**

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 Section 3 of the Separate Financial Statements.

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

Separate Balance Sheet
for 31 December 2023

ASSETS	Notes	31/12/2023	31/12/2022
Non-current assets		**24 432**	**20 989**
Investment properties	(4.1)	3 434	85
Investment in subsidiaries	(4.2)	20 998	20 904
Current assets		**2 756**	**2 255**
Other receivables, prepayments, and accrued income	(4.3)	45	34
Intercompany receivables	(4.4)	2 037	1 732
Restricted cash		665	485
Cash and cash equivalents	(4.6)	9	4
Total assets		**27 188**	**23 244**
		-	
EQUITY AND LIABILITIES		**31/12/2023**	**31/12/2022**
Equity		**5 786**	**5 606**
Subscribed capital (the nominal value of the shares in HUF 25/piece)	(4.7)	834	834
Share premium	(4.8)	5 480	5 480
Retained earnings	(4.9)	(528)	(328)
Treasury shares	(4.10)	-	(380)
Long-term liabilities		**13 731**	**275 311**
Long term bank loans	(4.11)	9 435	10 149
Deferred tax liabilities and subsequently payable tax	(4.12)	282	276
Deferred payment of acquisition	(4.13)	4 014	4 529
Short-term liabilities		**7 671**	**2 684**
Short term loans	(4.11)	714	699
Trade accounts payable	(4.16)	2 785	-
Other short-term liabilities and accruals	(4.14)	577	1
Intercompany short-term liabilities	(4.13)	3 593	1 983
Income tax liabilities	(4.15)	2	1
Equity and liabilities		**27 188**	**23 244**

The Notes to Financial Statements form integral part of the Financial Statements.
References in brackets refer to Section 4 of the Separate Financial Statements.

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

Separate Cash Flow Statement
for 365 days ending on 31 December 2023

	Notes	2023.01.01 - 2023.12.31	2022.01.01 - 2022.12.31
Profit/loss before tax		(192)	14
Net interest expenditure	(3.4)	614	422
Non-cash items:			
Depreciation	(3.2-3.3)	9	8
Impairment of shares	(3.4)	47	-
Profit/loss impact of exchange loss	(3.4)	44	-
Interest income	(3.4)	(63)	(18)
Profit/loss impact on expected credit loss	(3.4)	1	1
Non-cash items – total		***38***	***(9)***
Change in current assets		(11)	(2)
Change in short-term liabilities		2 872	(12)
Change in restricted cash	(4.5)	(180)	-
Total net changes in working capital		***2 681***	***(14)***
Interest paid		(269)	(422)
Income tax paid		-	-
Net cash flow from operating activities		**2 872**	**(9)**
Borrowing	(4.13	(109)	(138)
Acquisition of tangible assets	(4.1)	(3 358)	-
Acquisition of shares		(2)	-
Deferred payment of acquisition	(4.13)	(515)	(301)
Amount received for subsidiary net of cash transferred		-	-
Interest received		63	18
Net cash flow from investment activities		**(3 921)**	**(421)**
Received loan	(4.12;4.14)	1 753	-
Borrowing	(4.11)	-	1 256
Loan repayment	(4.11)	(699)	(825)
Net cash flow from financing activities		**1 054**	**431**
Credit loss on cash and cash equivalents		-	-
Profit/loss impact of exchange loss		-	-
Change in liquid assets		**5**	**1**
Cash and cash equivalents at the beginning of the year	(4.6)	4	3
Cash and cash equivalents at the end of the year	(4.6)	9	4

The cash flow statement 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 million unless otherwise indicated.

Separate Statement of Changes in Equity
for 365 days ending on 31 December 2023

Designation	Subscribed capital	Share premium	Retained earnings	Treasury shares	Total
Notes	*(4.7)*	*(4.8)*	*(4.9)*	*(4.10)*	
31/12/2021	834	5 480	(341)	(380)	5 593
Comprehensive income for the year	-	-	13	-	13
Treasury share transactions (purchase)	-	-	-	-	-
31/12/2022	834	5 480	(328)	(380)	5 606
Comprehensive income for the year	-	-	(200)	-	(200)
Treasury share transactions (purchase)	-	-	-	380	380
31/12/2023	834	5 480	(528)	-	5 786

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

1. Key elements of the accounting policy; basis of preparation of financial statements

1.1 Basis of the preparation of financial statements and the entity's ability to continue as a going concern

Declaration on conformity with the IFRSs

The management declares that the 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 Company's management 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.

Accounting policies related to the preparation of separate financial statements

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:

- 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.
-

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:

- 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 dismounting 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.

Intangible assets

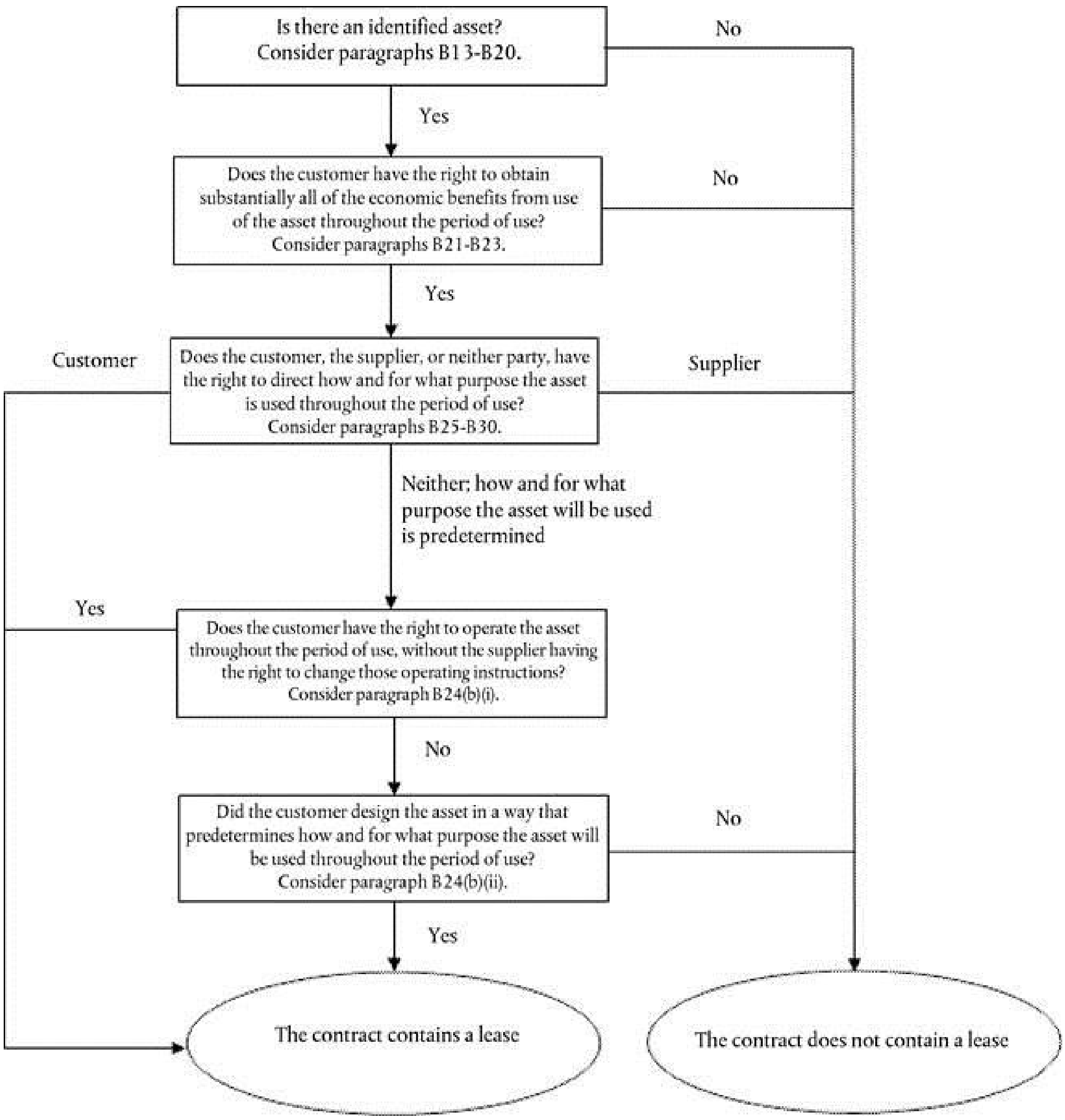
The Company states intangible assets at cost reduced by accumulated depreciation and impairment losses. During the expected life we recognise depreciation based on the straight-line method.

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:



1. *Chart 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.

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.

Discontinued operations:

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

Borrowing costs

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

The 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.

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.

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.

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
- 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.

Blocked cash and cash equivalents

The Company recognises separately the blocked cash and cash equivalents, which constitute loan collaterals, and does not list them among cash and cash equivalents, but assesses them in the same manner as cash.

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.

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.

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.

2. 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 dismounting 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 million unless otherwise indicated.

3.Supplementary notes to the Comprehensive Income Statement

3.1 Revenue

Sales revenues comprises the following items:

Designation	For the financial year ending on 31 December 2023	For the financial year ending on 31 December 2022
Revenue from property lease	3	-
Total	**3**	**0**

In 2023, the Company generated revenue on the rental of the office building located in Budapest, Szerémi utca. Rental was suspended in the course of 2022.

3.2 Direct operating expenditures

Designation	For the financial year ending on 31 December 2023	For the financial year ending on 31 December 2022
Depreciation	(5)	-
Total	**(5)**	**-**

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

3.3 Administrative and sales expenditures

Designation	For the financial year ending on 31 December 2023	For the financial year ending on 31 December 2022
Rental fees	(3)	(4)
Other costs	(1)	-
Depreciation	(4)	(8)
Translations fee	(1)	(1)
IT services	(3)	(1)
Fee for bookkeeping services	(13)	(9)
Fee for financial services	(8)	(7)
Staff costs	(25)	(12)
Consultation and analysis fee	(3)	(7)
Lawyer and legal fees	(3)	(1)
Total	**(64)**	**(50)**

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

The staff number of the Company was unchanged in 2023, the increase in personnel costs was due to the salary increases carried out in 2023.

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

The Company did not have other expenditures neither in 2023, nor in 2022.

3.4 Financial revenues and expenditures

Designation	For the financial year ending on 31 December 2023	For the financial year ending on 31 December 2022
Interest received	16	1
Interest paid to the bank	(268)	(286)
Impairment of subsidiaries shares	(47)	
Revaluation of foreign currency assets and liabilities (unrealized profit/loss)	(44)	83
Interest received from related companies	47	17
Interest paid to related companies	(346)	(136)
Dividend income	515	385
Gain from acquisition of business interests through treasury shares	2	-
Impairment of ECL financial assets	(1)	-
Total (with regard to sign)	**(126)**	**64**

3.5 Income tax expenditure

This expenditure position comprises the following tax items:

Designation	For the financial year ending on 31 December 2023	For the financial year ending on 31 December 2022
Corporate income tax	(1)	-
Deferred tax expenditure/income	(7)	(1)
Local business tax	-	-
Total (with regard to sign)	**(8)**	**(1)**

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.

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

Tax expenditures may be deduced from the accounting profit or loss as follows:

Designation	31/12/2023	31/12/2022
Profit or loss before tax	(192)	14
Impact of tax adjustments on income tax*	(200)	1
Theoretical tax (by 9%)	(35)	1
Minimum income tax	***12***	**-**
Actual income tax	1	-
Local business tax	-	-
Deferred tax	7	1
Tax indicated in the income statement	**8**	**1**

*Essential elements between the tax base adjustments:

- difference between impairment losses recognised according to the Accounting Act and the Tax Code
- tax base reducing item due to the dividend received

4. Supplementary notes to the balance sheet

4.1 Investment properties

Gross value	Investment properties
Balance at 31 December 2022	99
Purchase	3 358
Disposals	-
Balance at 31 December 2023	3 457

Depreciation	Investment properties
Balance at 31 December 2022	(14)
Depreciation recognised	(9)
Derecognition upon the sales of the asset	-
Balance at 31 December 2023	(23)

Net value	Investment properties
Balance at 31 December 2022	**85**
Balance at 31 December 2023	**3 434**

Based on IAS 40, the properties owned by the Company qualify as investment properties and it are measured on the basis of the cost model. The Company did not intend to use the properties for its own purposes in the longer run.

On 20 December 2023, the Company purchased the 50% ownership interest of the property located at 1117 Budapest, Szerémi út 4. – Kaposvári u. 3- 11., designated as "office building on an uncultivated land", with a useful floor area of 21,857 m^2.

The properties owned by the Company and their fair value are as follows according to the a construction and real estate forensic expert :

1. 1133 Budapest, Kárpát utca 50. Fair value: MHUF 90
2. 1117 Budapest, Szerémi út 4. – Kaposvári u. 3-11. Fair value: MHUF 600 (50% ownership)

According to the properties owned by the Company and their fair value are as follows according to the a construction and real estate forensic expert estimate:, the fair value of the property was MHUF 6,690 at the end of the year.

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

4.2 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 2023	For the financial year ending on 31 December 2022
VÁR-Logisztika Zrt.	215	215
MOON Facility Zrt.	280	280
A PLUS INVEST Zrt.	329	329
4 Stripe Zrt.	850	850
ALQ SAS	730	730
Elitur Zrt.	14 000	14 000
NEO Property Services Zrt.	4 500	4 500
Deniro Zrt.	94	-
Total	**20 998**	**20 904**

The following table provides information on the cost:

Designation	Initial cost	Impairment	Carrying amounts
VÁR-Logisztika Zrt.	597	(382)	215
MOON Facility Zrt.	280	-	280
A PLUS INVEST Zrt.	329	-	329
4 Stripe Zrt.	850	-	850
ALQ SAS	730	-	730
Elitur Zrt.	14 000	-	14 000
NEO Property Services Zrt.	4 500	-	4 500
Deniro Zrt.	141	(47)	94
Total	**21 427**	**(429)**	**20 998**

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. and Deniro Zrt., which were 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 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.

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

The Company established a bail for the entire equity stake, thereby providing a collateral for the loan taken out from OTP intended to finance the acquisition of Neo Property Services Zrt. Bailing does not restrict voting rights and dividend rights.

On 14 April 2023, Neo Property Services Zrt. decided to pay dividends. In its resolution No. 3/2023 (of 04 April 2023), it decided to pay HUF 514,744,000 as dividends to AKKO Invest Plc. The payment of dividends took place in the reporting year, which was presented by the Company as the result from financial operations.

4.3 Other receivables and prepayments and accrued income

Designation	31 December 2023	31 December 2022
Other non-income tax receivables	42	34
Accrual of sales revenue, other interest income, other revenue	3	-
Total	**45**	**34**

In 2023, the Company classified VAT receivables, building tax receivables and default penalty receivables, as well as wage contribution receivables as other non-income tax receivables. The fair value of these items is almost the same as their carrying amounts.

4.4 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 2023	31 December 2022
VÁR-Logisztika Zrt.	-	13
MOON Facility Zrt.	247	222
A PLUS INVEST Zrt.	199	187
4 Stripe Zrt.	279	246
ALQ SAS	1 081	1 072
Deniro Zrt.	240	-
Expected Credit Loss (ECL)	(9)	(8)
Total	**2 037**	**1 732**

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.

In the course of 2023, MHUF 25 were disbursed as principal repayment and MHUF 1 were recognised as expected credit loss.

All loan receivables are considered to be in stage 1 for expected credit losses, therefore 12-month expected credit loss was recognized.

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

4.5 Restricted cash

The cash account of the Company include MHUF 665 as cash and cash equivalents in the form of bail (in the previous year: MHUF 485). These cash and cash equivalents amounting to MHUF 485 cannot be used, they constitute the collateral of the loan taken out on an exclusive basis from OTP in order to finance the acquisition of NEO Property Zrt.

In the previous year, the Company presented this amount among the cash and cash equivalents, but this amount had to be re-presented, in view of its nature.

4.6 Cash and cash equivalents

Designation	31 December 2023	31 December 2022
Bank Accounts	9	4
Total	**9**	**4**

The Company has no cash equivalents. The interest received on bank accounts is 0-1%. The fair value of these items is almost the same as their carrying amounts. The ECL recognised for cash and cash equivalents is lower that MHUF 1.

4.7 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 2023 the subscribed capital was HUF 833,880,000.

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

Designation	31 December 2023	31 December 2022
Nominal value of shares outstanding on 1 January	834	834
Total	**834**	**834**

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

Designation	31 December 2023 (pcs) Nominal value: HUF 25/piece	31 December 2022 (pcs) Nominal value: HUF 25/piece
Ordinary shares issued	33 355 200	33 355 200
Total	**33 355 200**	**33 355 200**

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

The table below includes the nominal value of outstanding ordinary shares and the nominal value of treasury shares held:

Designation	31 December 2023	31 December 2022
Total nominal value of shares	834	834
Of which treasury shares (at nominal value)	-	23
Nominal value of outstanding ordinary shares	**834**	**811**

4.8 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.

4.9 Retained earnings

On 31 December 2023 retained earnings amounted to MHUF - -528 (accumulated loss). The Company allocated MHUF 3,061 from the retained earnings as development reserve, which were used for the purchase of properties in 2023. 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.

4.10 Treasury shares

The quantity and nominal value of treasury shares are as follows.

Designation	31 December 2023 (pcs)	31 December 2022 (pcs)
Opening balance	936 988	936 988
Acquisition of business interests through treasury shares	(344 746)	-
Treasury shares provided in exchange for the assignment of receivables	(592 242)	-
Changes in shares (pcs)	**-**	**936 988**

Designation	31 December 2023	31 December 2022
Opening balance	23	23
Acquisition of business interests through treasury shares	(8)	-
Treasury shares provided in exchange for the assignment of receivables	(15)	-
Changes in treasury shares at carrying amount (with regard to sign)	**-**	**23**

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

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.

4.11 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 blocked cash and cash equivalents (secured by bail) are associated with that loan, and the equity stake in Elitur Invest Zrt. also constitutes a collateral for the bank loan (it is exclusively intended for bail, the collateral does not affect the voting rights and the dividend rights attached to the shares).

The loan and its interest is payable on a quarterly basis. The amount of capital due on 31.12.2023, as well as the short- and long-term items are presented in the following table:

Debtor	Expiry date	Interest rate	31/12/2022	Due within 1 year	Due within 5 years	Due over 5 years
OTP Bank	2036.03.31	2,5%	10 149	714	2 871	6 564

The collateral of the loan is provided by the bailed funds, on the one hand, and by the equity stake in Elitur Invest Zrt., on the other hand.

In 2023, MHUF 699 were disbursed as principal repayment.

4.12 Deferred tax liabilities and subsequently payable taxes

During the reporting period the following deferred tax balances occurred:

Designation	31 December 2023	31 December 2022
Deferred tax liabilities	282	276
Total	**282**	**276**

Reconciliation and source of deferred tax:

Designation	Carrying amounts	Tax value	Difference
Investment property	3 434	292	3 142
Long-term investments in subsidiaries	20 998	20 998	-
Other receivables and prepayments and accrued income	45	45	-
Cash and cash equivalents	9	9	0
Receivables from subsidiaries and other related parties	2 037	2 046	(9)
Other short-term liabilities and accruals	4 591	4 591	-
Development reserve recognised	0	-	-
Total	**31 294**	**28 161**	**3 133**

Total deductible difference	**(9)**

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

Total taxable difference	**3 142**

Total deferred tax assets	
Total deferred tax liabilities	**282**

Previous year's comparative figures:

Designation	Carrying amounts	Tax value	Difference
Investment property	85	85	-
Long-term investments in subsidiaries	20 904	20 904	-
Other receivables and prepayments and accrued income	34	34	-
Cash and cash equivalents, blocked cash	489	489	-
Receivables from subsidiaries and other related parties	1 732	1 731	1
Other short-term liabilities and accruals	4 530	4 530	-
Development reserve recognised	-	(3 061)	3 061
Total	**27 774**	**24 712**	**3 061**

Total deductible difference	**-**
Total taxable difference	**3 061**

Total deferred tax assets	**-**
Total deferred tax liabilities	**276**

4.13 Deferred purchase price of the acquisition and other short-term loans from subsidiaries

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 MHUF 4,830 which it intends to pay and settle from the dividends of NEO Property Services Zrt. In 2023, the liabilities decreased by MHUF 515, on the balance sheet date they amounted to MHUF 4,014. The purchase price was stated at non-discounted value.

The other short-term loans from subsidiaries are payable to the following subsidiaries:

Designation	31 December 2023	31 December 2022
Received from Elitur Zrt	(3 427)	1 983
Received from VÁR-Logisztika Zrt	(166)	-
Total	**(3 593)**	**1 983**

4.14 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.

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

Designation	31 December 2023	31 December 2022
Wage-related items	3	1
Loan liabilites from MEVINVEST Ltd.	489	-
Duty liability	85	-
Total	**577**	**1**

4.15 Income tax liabilities

This position contains only income tax debt.

Designation	31 December 2023	31 December 2022
Current year's income tax liabilities	2	1
Total	**2**	**1**

Income tax liabilities include liabilities arising from income tax and local business tax.

4.16 Trade accounts payable

Designation	31 December 2023	31 December 2022
Trade accounts payable	2 785	0
Total	**2 785**	**0**

Trade accounts payable are due within 30 days.

4.17 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:

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

Designation	31 December 2023	31 December 2022
Other receivables and prepayments and accrued income	-	34
Cash and cash equivalents	9	4
Restricted cash	665	485
Receivables from subsidiaries	2 037	1 732
Total	**2 711**	**2 255**

Financial liabilities and balances:

Designation	31 December 2023	31 December 2022
Bank loans	10 149	10 848
Deferred payment of acquisition	4 014	4 529
Intercompany short-term liabilities	3 593	1 983
Other short-term liabilities	489	1
Total	**18 245**	**17 361**

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

Designation	31 December 2023			31 December 2022		
	Measurement level 1	Measurement level 2	Measurement level 3	Measurement level 1	Measurement level 2	Measurement level 3
Financial assets	-	-	-	-	-	-
Receivables from related companies	-	-	2 037	-	-	1 732
Other receivables and prepayments and accrued income	-	-	-	-	-	34
Restricted cash	665		-	485		
Cash and cash equivalents	9	-	-	4	-	-
Total (assets)	**674**	**-**	**2 037**	**489**	**-**	**1 766**
Financial liabilities	-	-	-	-	-	-
Bank loans	-	-	10 149			10 848
Deferred payment of acquisition	-	-	4 014			4 529
Intercompany short-term liabilities	-	-	3 593			1 983
Other liabilities	-	-	489	-	-	1
Total (liabilities)	**-**	**-**	**18 245**	**-**	**-**	**17 361**

As no financial instruments recognised at amortised cost were derecognised (only repayment took place), the net profit and loss do not include any value in this regard.

5 Other disclosures

5.1 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 4.4 and 4.13 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	6	-	6
Benefits	2	-	2
Total	**8**	**-**	**8**

Emoluments and wages were recognised as part of the allowances.

5.2 **Dividends paid**

In 2023, 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 2023 either.

5.3 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.

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

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

	Reporting year's data	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	(200)	(180)	(78)	126
Interest income	63	83	185	389
Current year value of interest-bearing assets	2 046	2 037	2 037	2 037
Receivables from subsidiaries	2 037	2 037	2 037	2 037
Cash and cash equivalents	9	2 037	2 037	2 037
Average interest rate	3,079%	4,079%	9,079%	19,079%
Interest rate change		32,48%	194,86%	519,62%
Change in profit or loss		**-10,05%**	**-60,97%**	**-162,82%**

Based on the analysis the following conclusions may be drawn:

- A 1% change in the average interest rate would result in a change of -10.05 % in net profit or loss.
- A 5% change in the average interest rate would result in a change of -60.97 % in net profit or loss.
- A 10% change in the average interest rate would result in a change of -162.82 % in net profit or loss.

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

	Figures of the reporting year	Interest rate change of 1 percentage point	Interest rate change of 5 percentage point	Interest rate change of 10 percentage point
Profit or loss before tax	(200)	(342)	(912)	(1 623)
Interest expenditure	614	756	1 326	2 037
Amount of interest-bearing liabilities	14 231	14 231	14 231	14 231
Bank loans	10 149	10 149	10 149	10 149
Short-term liabilities from subsidiaries	3 593	3 593	3 593	3 593
Short-term liabilities from other company	489	489	489	489
Average interest rate	4%	5%	9%	14%
Interest rate change		23%	116%	232%
Impact of the change in interest expenditure on profit or loss		71,15%	355,77%	711,55%

Based on the foregoing:

- A 1% change in the average interest rate would result in a change of 23 % in net profit or loss,
- A 5% change in the average interest rate would result in a change of 116 % in net profit or loss,
- A 10% change in the average interest rate would result in a change of 232 % in net profit or loss.

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

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 assessment focused on the analysis of trade receivables whose balance was HUF zero on 31 December 2023.

There is no specific practice for the management of credit risk, the company manages risk-related cases on an individual basis in the course of continuous monitoring.

Liquidity risk

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:

31/12/2023	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	-	-	9	-
Restricted cash				665	665	
Loan granted to subsidiaries and other affiliated companies	-	2 037	-		2 037	60
Investment properties	-	-	-	3 434	3 434	-
Investment in subsidiaries	-	-	-	20 998	20 998	-
Other receivables and prepayments and accrued income	-	45	-	-	45	-
Financial receivables	**-**	**2 091**	**-**	**25 097**	**27 188**	**60**

31/12/2023	Expired	Due within 1 year	Due within 1-5 years	Liquid over 5 years or in certain situations	Total	Of which: interest
Tax and other short-term liabilities	-	577	-	-	577	-
Income tax liability	-	2	-	-	2	-
Trade accounts payable	-	2 785	-	-	2 785	-
Bank loans	-	714	2 871	6 564	10 149	-
Intercompany short-term liabilities	-	3 593	-	-	3 593	-
Deferred tax	-	-	282	-	282	-
Deferred payment of acquisition	-	-	4 014	-	4 014	-
Equity	-	-	-	5 786	5 786	-
Financial liabilities	**-**	**7 671**	**7 167**	**12 350**	**27 188**	**-**
Difference between financial assets and liabilities	**-**	**(5 580)**	**(12 747)**	**(0)**	**(0)**	**60**

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

Previous year's comparative figures:

31/12/2022	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	-	4	-	-	4	-
Restricted cash				485	485	
Loan granted to subsidiaries and other affiliated companies	-	1 732	-	-	1 732	-
Investment properties	-	-	-	85	85	-
Investment in subsidiaries	-	-	-	20 904	20 904	-
Other receivables and prepayments and accrued income	-	34	-	-	34	-
Financial receivables	**-**	**1 770**	**-**	**21 474**	**23 244**	**-**

31/12/2022	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	-	1	-	-	1	-
Income tax liability	-	1	-	-	1	-
Bank loans	-	699	2 974	7 175	10 848	-
Intercompany short-term liabilities	-	1 983	-	-	1 983	-
Deferred tax	-	-	276	-	276	-
Deferred payment of acquisition	-	-	4 529	-	4 529	-
Equity	-	-	-	5 606	5 606	-
Financial liabilities	**-**	**2 684**	**7 779**	**12 781**	**23 244**	**-**
Difference between financial assets and liabilities	**-**	**(914)**	**(7 779)**	**-**	**-**	**-**

Risks related to the war between Russia and the Ukraine

The management examined whether the war between Russia and the Ukraine, that started at the end of February 2022, had an impact on the course of business of the Company and did not identify any fact which would significantly increase the financial situation of the Company.

5.4 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.

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

5.5 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 2023:

Equity according to IFRS	
Equity according to IFRS (difference between assets and liabilities under IFRS)	5 786
+ 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)	-
Equity (reconciled)	5 786

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

Subscribed capital under IFRS	
Subscribed capital stated in the Articles of Association corresponds to the capital registered by the Company Court	834
Subscribed, unpaid capital	
Subscribed, unpaid capital	-
Appropriated reserves	
Supplementary contribution received	
Limit due to treasury share	
Unutilised development reserve, adjusted for deferred tax	0
Appropriated reserves	**0**
Retained earnings	
Non-distributed profit or loss after tax from previous years under IFRS	(553)
+/- amounts credited or debited to accumulated profit or loss under IFRS	-
- Supplementary contribution paid, stated as asset	-
- Unutilised development reserve, adjusted for deferred tax	-
+ Closing balance of retained earnings in the year before the transition, adjusted for transition corrections	225
Retained earnings	**(328)**

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

Profit or loss after tax	
After tax profit or loss, Section 114/A point 9 of the Accounting Act	**(200)**

Revaluation reserve	
Accumulated amount of items recognised in other comprehensive income	**-**

Capital reserve	
Reconciled equity	5 786
- Subscribed capital under IFRS	(834)
- Subscribed, unpaid capital	-
- Retained earnings	328
– Profit or loss after tax	200
– Appropriated reserves	-
– Revaluation reserve	-
Capital reserves (reconciled)	**5 480**

Equity resulting from the reconciliation:

Reconciled equity (in accordance with Section 114/B of the Accounting Act)	
Subscribed capital	834
Subscribed, unpaid capital	-
Capital reserve	5 480
Retained earnings	(328)
Appropriated reserves	-
Revaluation reserve	-
Profit or loss after tax	(200)
Total equity (reconciled)	**5 786**

Retained earnings available for dividend payment (according to Section 114/B (5)b) of the Accounting Act)	
Retained earnings (reconciled)	(328)
After tax profit or loss for the year	(200)
Dividend amount voted by NEO Property Services Zrt. on March 27, 2024 (according to Section 39 (3a) of the Accounting Act)	677
Retained earnings available for dividend payment	**149**

5.6 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.

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

5.7 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:

- NEO Property Services Zrt. decided on a dividend payment to AKKO Invest Plc. on March 27, 2024, amounting to HUF 677,483,000.

5.8 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 2023 and authorised the publication of those at its meeting held on 28 March 2024.

Budapest, 28 March 2024

On behalf of AKKO Invest Plc.

……………………………………	……………………………………
Zoltán Prutkay	Imre Attila Horváth
chairman of the Governing Board	vice-chairman of the Governing Board