APPENINN HOLDING PUBLIC LIMITED COMPANY

QUARTERLY REPORT FOR Q3 OF 2016

Name of the Company	Appeninn Nyrt.
Address of the Company	H–1022 Budapest, Bég u. 3–5.
Sectoral classification	Asset management (real-estate property utilization)
Accounting system of the report	as per the IFRS requirements
Reporting period	Q3 of 2016
Audited data	interim data is not audited
Published on	23.11.2016
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Evaluation of the Chief Operating Officer in relation to Appeninn Group's performance in the third of 2016

Mr. Gabor Székely (COO) has emphasized regarding the half year results of the Company:

Several favorable processes influenced the third quarter results of Appeninn Nyrt., which is listed in the Premium category of the Budapest Stock Exchange: due to the prosperity of the real estate market and the increasing demand in the office leasing market, the company can go into contract and renew its agreements with the new and existing lessees for a higher lease than before. All this contributes to Appeninn's opportunity to further increase its revenues in the following period, although the investments due at the time of concluding the new contracts led to decreased results in the short run. The general effect of the above is that Appeninn increased its revenues to EUR 3.43 million (+2.1%) in the first three quarters, while due to the investments implemented in the third quarter and totaling almost EUR 100,000, the net income of the company remained practically the same as in the previous year, that is, EUR 870,000. The improvement of the financing environment and the increasingly stronger negotiation position of the company is evident from how Appeninn can renew the loan agreements concerning the Group's real estates at increasingly favorable conditions. As a result of this and the reduction of the outstanding bank loans in the previous year, the interest expenses of the company decreased by 24% to EUR 774,000 in the first nine months. Based on the 2016 metrics so far, the cash producing capability of Appeninn continues to improve, which makes it possible for the company to pay a dividend to its shareholders from this year's results.

Appeninn Holding's third quarter in 2016 reflects steady operations

Appeninn Vagyonkezelő Holding Nyilvánosan Működő Részvénytársaság (hereinafter referred to as the Company) has prepared its consolidated report (hereinafter referred to as the Report) in relation to third quarter of 2016 (hereinafter referred to as the Period Under Review). This Report consists of the Company's consolidated management report pertaining to the third quarter of 2016, the consolidated balance sheet and consolidated profit & loss account for the period under review, prepared in line with the IFRS requirements, as well as the associated evaluations. The accounting principles applied in the report correspond to the accounting policy applied in the benchmark period. The reporting currency is EUR.

KEY ITEMS AT APPENINN HOLDING IN THE FIRST THREE QUARTER OF 2016

Major values- consolidated	2016 1-9 mths* EUR	2015 1-9 mths* EUR
Profit & loss account		
Property rental revenue	3 433 864	3 362 321
Direct contribution from rental activities	2 192 539	2 248 153
Interest expense	(773 511)	(1 014 377)
Profit for the year	869 560	868 749
Eszközök, kötelezettségek és tőke:		
Investment properties	61 397 969	57 850 000
Total non-current liabilities	38 590 259	44 817 530
Current assets	2 394 364	6 166 556
Total current liabilities	2 870 184	4 152 212
Shareholder's equity	25 042 638	20 492 929

* The figures relating to the period have not been verified by an independent auditor

- Appeninn Nyrt. closed the first half of 2016 with sales revenues amounting to EUR 3.433 million. In the period under review, the Company's revenues are in line with the planned levels.
- The direct margin (i.e. the balance of sales revenues and direct costs) induced a 64-69% profit-generating level in 2016.
- The Company used the capital revenues collected in 2015 on the portfolio elements to manage capital expenditures. The rate of savings realized on interests came to be 24% in 2016.
- The Company's profit after taxes in the first three quarter of 2016 was EUR 869 thousand.

FINANCIAL FIGURES – ANALYSIS OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

Profit & loss account	2016 1-9 mths* EUR	2015 1-9 mths* EUR
Continuing operations		
Property rental revenue	3 433 864	3 362 321
Property related expense	(1 241 325)	(1 114 168)
Direct contribution from rental activities	**2 192 539**	**2 248 153**
Administration expense	(346 027)	(211 010)
Employee related expense	(12 356)	(23 593)
Other income/(expense)	(1 732)	273 849
Gross operating profit (EBITDA)**	**1 832 424**	**2 287 399**
Impairment of goodwill	-	(340 168)
Depreciation and amortization	(42 172)	(3 512)
Operating profit (EBIT)**	**1 790 252**	**1 943 719**
Gain / Loss (-) recognised on disposal of investment properties	-	(803 464)
Net result from the revaluation of investment properties	405 580	(218 986)
Expenses for maintaining investment properties	(93 295)	-
Interest income	12 703	46 810
Interest expense	(773 511)	(1 014 377)
Other financial income/(expense)	(394 665)	1 188 590
Profit before tax	**947 064**	**1 142 292**
Income tax expense	(77 504)	(273 543)
Profit for the year	**869 560**	**868 749**
Other comprehensive income		
Exchange differences on translating operations	-	-
Other comprehensive income, net of taxes	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**869 560**	**868 749**
Attributable to:		
Owners of the Company	796 086	868 749
Non-controlling interest	74 670	-
Earnings per sahre and Diluted earnings per share (EURcent/pcs)	**2,00**	**2,62**
Net asset value by shares	**0,63**	**0,60**

* The figures relating to the period have not been verified by an independent auditor

Profit on real-estate property rents:

- For the operated portfolio elements, the consistently high utilization rates maintained the level of revenues from the lease-out of real-estate properties. The 2% higher level in the baseline period was caused by the revenues that were realized on the real-estate properties that were subsequently sold by 2016 in the framework of the portfolio screening activities.
- The direct margin indicator for the Company (formerly called net rental and fee revenues) is the balance of the proceeds coming from the lease-out of properties and other assets and the direct expenditures of such leasing operations. Assessed with the use of the direct margin, the overall performance of the portfolio was measured to be 64% profitability.
- Following the report as of 31 December 2015, two property elements were added to the Company's property portfolio in May and August 2016 in a combined value of EUR 2,477, 000.
- During 2016, the Company accounted for EUR 93,000 expenses in relation to upkeeping its investment properties, which were incurred with the expenditures of maintenance and investment activities.
- In the Company's costs of administration, there were two items that led to the given difference: on the one hand, the posterior imposition of the building tax that had not been paid in the previous years in an amount of EUR 96,000, and on the other hand the proportionate annual fee of the collateral costs of credits for month 1–9 in an amount of EUR 115,000.

In the first here quarter of 2016, the operating profit amounted to EUR 1,832,424.

Funding and financial profit

- A consequence of changing the financing structure at the Company in 2015 has been the decrease of interest expenses.
- With the alteration of the capital structure – share issue – in May 2016, now there is an option to redeem securities that carry 5–7.5% annual interest rates. In November the Board of Directors might consider whether it wants to redeem these securities.

Consolidated profit of the Company

- The profit belonging to the Company’s controlled participations was EUR 796,000. The earnings per share amounted to EUR 2.
- From the EUR 24 million value of the Company’s equity, EUR 0.63 could be allocated to each issued share.

FINANCIAL FIGURES – CONSOLIDATED BALANCE SHEET

The Company's balance sheet as of 30th September2016 was closed with EUR 67.3 million, indicating less than 5 % decrease in comparison with 31 December 2015.

Balance sheet - Assets	30. 09. 2016. * EUR	30. 09. 2015. * EUR	31. 12. 2015. EUR
Goodwill	2 149 186	5 284 138	2 149 186
Other intangible assets	3 116	7 913	3 133
Investment properties	61 397 969	57 850 000	58 920 000
Property, plants and equipments	57 580	93 513	70 864
Deferred tax assets	53 346	60 551	52 670
Other financial assets	1 264 152	-	1 247 659
Non-current assets	**64 925 349**	**63 296 115**	**62 443 512**
Inventories	3 784	3 734	3 737
Trade and other receivables	653 817	2 603 882	892 760
Loans given	1 077 805	3 112 336	-
Prepayments and accrued income	178 340	141 962	90 167
Cash and cash equivalents	480 618	304 642	418 769
Current assets	**2 394 364**	**6 166 556**	**1 405 433**
Assets classified as held for sale	-	-	64 272
Total assets	**67 319 713**	**69 462 671**	**63 913 217**

Balance sheet- Equity and liabilities	30. 09. 2016. * EUR	30. 09. 2015. * EUR	2015.12.31 EUR
Issued capital	12 893 072	11 850 483	11 850 483
Other reserves	11 229 685	10 081 366	10 081 366
Treasury shares	(1 172 562)	(1 708 566)	(2 370 330)
Retained earnings	2 092 443	291 671	1 296 357
Shareholder's equity	**25 042 638**	**20 492 929**	**20 857 876**
Non-controlling interests	816 632	-	741 962
Total equity and reserves	**25 859 270**	**20 492 929**	**21 599 838**
Long-term loans	34 131 201	40 764 060	33 689 163
Issued corporate bonds	829 759	1 500 000	1 806 688
Tenants deposites	818 156	792 290	770 976
Deferred tax liabilities	2 811 143	1 761 180	2 787 609
Total non-current liabilities	**38 590 259**	**44 817 530**	**39 054 436**
Trade and other payables	1 603 738	1 608 074	1 495 492
Short-term loan	655 267	1 871 864	1 294 250
Current tax liability	312 516	408 129	201 543
Deferred revenue and accrued expense	298 663	264 145	267 658
Total current liabilities	**2 870 184**	**4 152 212**	**3 258 943**
Total liabilities	**41 460 443**	**48 969 742**	**42 313 379**
Total equity and liabilities	**67 319 713**	**69 462 671**	**63 913 217**

* The figures relating to the period have not been verified by an independent auditor

Fixed and current assets

- In the first half of 2016, the Company's assets portfolio grew by two real-estate properties and one more in the third quarter at a combined value of EUR 1,575,000. The estimated value of the Company's total property portfolio was EUR 61.4 million.
- The Company executed upkeep and investment works for the preservation of the prevailing conditions in a total amount of EUR 93,000.

Structure of capital and liabilities

- As of 30th September 2016, the portfolio of treasury shares was closed with 1,521,142 shares following the alienation of 322,847 shares, setoff of 1,615,985 shares and issuance of 3,300,000 shares during the first three quarter of the year.
- The amount of Company's credits decreased with the principal repayments made during the quarter.
- On 20 May 2016, the Company's Board of Directors made a decision on capital increase. The capital increase move in the period of May–August 2016 was closed with share issue and the transfer of in-kind contributions.

  The increase of the Company's capital has the purpose to moderate burdens on the cash flow and gearing, and at the same time enhance the availability of own funds. The company relies on this capital increase in order to strengthen its funding structure by means of a shift towards own funds, and therefore the Company interest and principal repayment obligations can be reduced in proportion of the external funds converted into own capital.

CASH-FLOW STATEMENT

CASH-FLOW STATEMENT	2016 1-9 mths* EUR	2015 1-9 mths* EUR
Profit before tax	**947 064**	**1 142 292**
Net result from the revaluation of income-generating investment properties	82 380	217 791
Exchange rate difference not realised	114 931	1 281 419
Gain on disposal of investment properties	-	803 464
Depreciation and amortization	42 172	(11 752)
Impairment of goodwill	-	338 310
Interest paid	773 511	1 014 377
Changes in trade and other receivables	(230 786)	(654 443)
Changes in prepayments and accrued income	(88 173)	(17 046)
Changes in inventories	(47)	(19)
Changes in deferred income and liabilities	139 251	(187 010)
Changes in deposit from tenants	47 180	9 067
Income taxes paid	57 523	(96 670)
Net cash generated by operating activities	**1 885 006**	**1 495 340**
Payments for property, plant and equipment	(79 994)	(217 791)
Proceeds from disposal of property, plant and eqipment	(42 172)	-
Proceeds from disposal of assets held for sale	64 272	-
Proceeds from disposal (sale) of investment property	-	160 937
Net cash generated by investing activities	**(57 894)**	**(56 854)**
Repayment of borrowings	(991 752)	(2 087 516)
Purchase of treasury shares	-	(655 202)
Sale of treasury shares	-	1 604 230
Interest paid	(773 511)	(1 014 377)
Net cash used in financing activities	**(1 765 263)**	**(2 152 865)**
Net increase in cash and cash equivalents	**61 849**	**(714 379)**
Cash and cash equivalents at the beginning of the year	418 769	503 989
Cash and cash equivalents at the end of the year	**480 618**	**304 642**

** The figures relating to the period have not been verified by an independent auditor*

Appeninn Holding

CONSOLIDATED CHANGES IN THE SHAREHOLDERS' EQUITY

Shareholders' Equity (in EUR)	Share capital	Other reserve	Treasury shares	Retained earnings	Attributable to the Owners of the Parent	Non-controlling interests	Total equity and reserves
Balance at January 1, 2015	**11 850 483**	**10 081 366**	**(2 643 620)**	**(599 103)**	**18 689 126**	**-**	**18 689 126**
Total comprehensive income for the year	-	-	-	868 749	**868 749**	-	**868 749**
Profit for the year	-	-	-		-	-	-
Transactions by the equity holders of the Company:	-	-	**935 054**	-	**935 054**	-	**935 054**
Purchase of treasury shares	-	-	(655 202)	-	**(655 202)**	-	**(655 202)**
Sale of treasury shares	-	-	1 590 256	-	**1 590 256**	-	**1 590 256**
Balance at September 30, 2015	**11 850 483**	**10 081 366**	**(1 708 566)**	**269 646**	**20 492 929**	**-**	**20 492 929**

Shareholders' Equity (in EUR)	Share capital	Other reserve	Treasury shares	Retained earnings	Attributable to the Owners of the Parent	Non-controlling interests	Total equity and reserves
Balance at January 1, 2016	**11 850 483**	**10 081 366**	**(2 370 330)**	**1 296 357**	**20 857 876**	**741 962**	**21 599 838**
Total comprehensive income for the year	-	-		796 086	**796 086**	74 670	**870 756**
Transactions by the equity holders of the Company:							
Purchase of treasury shares	-	-	(218 416)	-	**(218 416)**	-	**(218 416)**
Sale of treasury shares	-	-	1 416 184	-	**1 416 184**	-	**1 416 184**
Issue of treasury shares	1 042 589	-	-	-	**1 042 589**	-	**1 042 589**
Increase by owners for the advance of other seserves	-	1 148 319	-	-	**1 148 319**	-	**1 148 319**
Balance at September 30, 2015	**12 893 072**	**11 229 685**	**(1 172 562)**	**2 092 443**	**25 042 638**	**816 632**	**25 859 270**

EVENTS AFTER THE PERIOD UNDER REVIEW

Budapest, November 14, 2016. – Appeninn Nyrt. finances its over 5000 square meters property in Biatorbágy, Hungary, in which the Hungarian subsidiary of Remmers moved in during this summer, under significantly more favorable conditions than before. The company intends to spend the released resources on further property investments and the distribution of dividends.

Budapest, October 21, 2016 – Appeninn Nyrt. has purchased the shares of Milton Hitelezési Zrt., so the company can now carry out real estate financing activities via its new subsidiary. This transaction fits well into Appeninn's strategy, as the real estate management corporation is now able to purchase even receivables containing such investments, and can optimize the financing of its continuously increasing real estate assets even more efficiently.

The changes did not affect the balance sheet items of the period under review. We are not aware of events affecting the closing balance items and profit of the period under review.

History of the Company

Appeninn Vagyonkezelő Holding Nyrt. was founded in December 2009, and started its income-generating business operations in 2010; today, the Company is one of the most dynamically growing property investment operators in Hungary.

Appeninn Holding has the goal to become a real-estate property holding company that represents traditional, conservative business policy and readily definable asset-based values through the continuous expansion of the Company's real-estate property portfolio.

During its operations, the Company focuses on such market segments where favourably priced assets with high earning-generating potentials can be acquired and held as medium and long-term investments. This target area includes – among others – category B office buildings, industrial and logistics properties, but the Company would also be willing to take part in investments of a similar portfolio approach in other business areas.

Energy management results

On 6 March 2015, Appeninn Asset Management Holding was recognized with the "Energy-Efficient Company" award of the Virtual Power Plant Program (VEP).

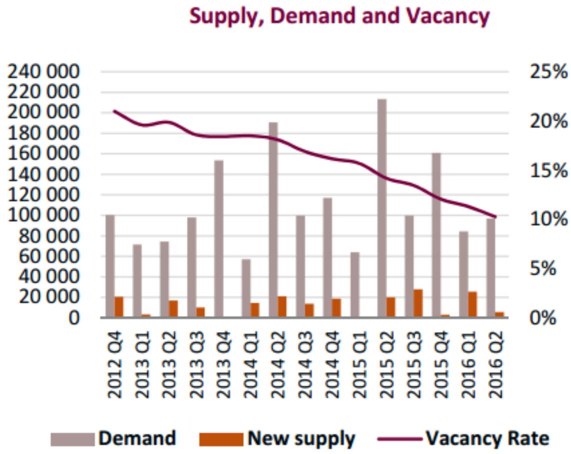
The award presented on the International Energy Saving Day was granted to the Company listed on the stock exchange in the framework of the competition having been announced by VEP. As a result of our energy-saving efforts, the carbon dioxide emission of the office buildings could also be proportionately reduced.

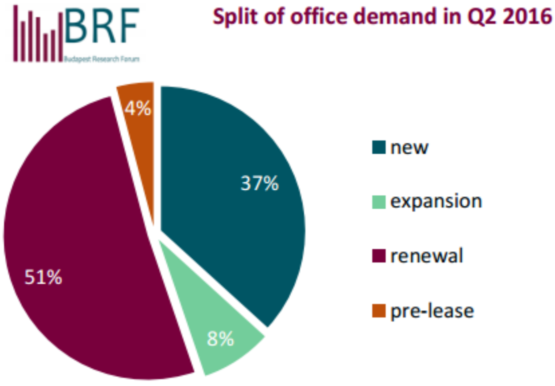
Description of the sectoral environment

The Budapest Research Forum (BRF) reported the Q3 2016 office market analysis

Office market in Budapest

One new speculative office building was delivered to the market in the second quarter of 2016 extending to 5,700 sq m in the CBD, whereas one office building (3,490 sq m) was excluded from the stock, as it was sold and is expected to change its function in the near future. The total modern office**stock** is currently 3,297,360 sq m. The total modern office stock comprises 2,632,780 sq m of Category 'A' and 'B' speculative, and 664,580 sq m of owner occupied buildings.





(source: BRF)

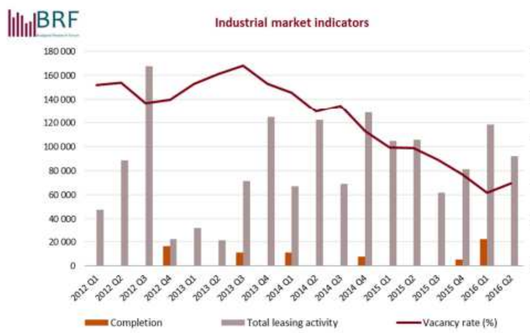
The office vacancy rate continued to decline further by 3.9 pps year-on-year and 1.0 pps quarter-on-quarter bottoming at 10.3%, the lowest level since the financial crises. The lowest vacancy rate (5.8%) was measured in South Buda submarket, whereas the Periphery region suffered from a 31.2% vacancy rate. The vacancy rate of the Non-Central Pest submarket improved the most by 8.1 pps y-o-y standing at 7.9% at the end of Q2 2016.

Demand in the second quarter of 2016 reached 129,172 sq m of transacted office space, which was 53% higher than in the previous quarter According to the BRF, 202 lease agreements were signed in Q2 2016, with an average deal size of 639 sq m. Renewals were the major driver of the market with a share of 51%. This was followed by new deals with a proportion of 37%. Expansions accounted for 8%, whereas pre-leases for 4%. No owner-occupied or BTS transaction was registered in this quarter. In terms of submarkets, Váci Corridor had the highest leasing activity, as 30.1% of all transactions were signed there. This was followed by Central Pest and Central Buda, with a share of 25.2% and 13.2% within the total leasing activity.

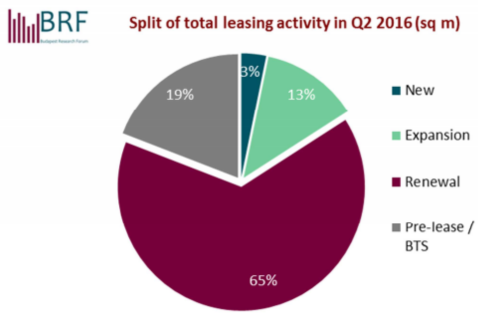
BRF registered altogether 26 transactions above 1,000 sq m, 13 renewals, 11 new deals and 2 pre-leases. 9 of these contracts were signed in Váci Corridor submarket, followed by Central Pest and Central Buda. The largest pre-lease transaction (2,100 sq m) was registered in Nordic Light, while the biggest new lease agreement was recorded in Haller Gardens, extending over 2,000 sq m. Net absorption totalled 36,526 sq m in Q2 2016, 24.7% higher than in the previous quarter. Out of this volume, Central Pest accounted for 14,933 sq m.

City logistics

In the second quarter of 2016 no new developments were completed, hence the Budapest agglomeration’s modern industrial stock remains unchanged at 1,887,800 sq m.



Source: BRF



Source: BRF

Total leasing activity amounted to 92,100 sq m in Q2 2016, which marks a 22% decrease on the previous quarter and a 13% decline on a yearly basis. Similarly to previous quarters, most of the demand was generated by renewals with 65% of TLA, while new leases made up only 3% and expansions 13%.

Due to limited available space several large pre-leases were signed during the quarter, totalling 17,650 sq m and thereby representing 19% of the total demand for the period. The second quarter saw 21 industrial transactions in total, out of which two exceeded 10,000 sq m – these were all lease renewals.

The average deal size was 4,380 sq m, unchanged from the previous quarter but 18% above the quarterly average of the last three years. Approximately 93% of the leasing activity was recorded in logistics parks where the average deal size was 5,710 sq m. The average deal size in city logistics schemes equated to 1,080 sq m. The largest lease was signed in ProLogis Park Budapest Harbor Park, where a logistics company renewed on 20,860 sq m. The two largest pre-leases were both signed in Budapest Dock Szabadkikötő on a total area of 12,800 sq m. The largest new standard lease was a 2,000 sq m deal in the Gentraco warehouse, while the largest expansion took place in BILK with Transoflex's leasing. The vacancy rate currently stands at 9.7%, which is 1.1 pps above the level of Q1 2016 and thereby marks the first quarterly increase since Q3 2013. Currently there is 182,650 sq m vacant space, with only four schemes offering available areas larger than 10,000 sq m. Net absorption came out negative, totalling 20,640 sq m, which marks the volume by which the leased part of the industrial stock contracted during Q2 2016.

GOALS AND STRATEGY

Property management – office market

In line with its strategy, Appeninn Holding fundamentally focuses on such niche market segments where favourably priced assets promising high earning-generating potentials with professional operation can be acquired and held as medium and long-term investments. Primarily, the Group has office complexes in Budapest, but also acquires logistic, commercial properties nation-wide. Through its acquisitions in recent years, Appeninn has been able to broaden its property portfolio.

In addition to maintaining the utilization rate of the office properties belonging to the Company's portfolio on a favourable level, Appeninn attributes importance to satisfying the existing demands of tenants and keeping operating efficiency in the center of attention. The favourable locations and the applied leasing policy ensuring outstanding price-to-value ratios gives the Group a steady utilization rate over 95%, which goes well beyond the average in Budapest.

The principal expectations in relation to office properties include good location, easy access and beneficial functions – these criteria are eminently considered by the Company in its acquisitions. The Group owns the individual real-estate properties via its subsidiaries, and performs operation-related services (accounting, finance, maintenance) in a centralized manner, via the entities belonging to the holding company. To counterbalance the impacts of the economic environment on the tenants, the Company always aspires to continuously control and reduce operating costs, thereby responding to the tenants' cost reduction demands, and consequently the Company does not come under pressure to reduce rental levels, but there remains some room for increasing the amounts of rents even in the current market atmosphere.

Appeninn Nyrt. has a holding company function without the Group, and renders the following services within the Group:

- provision of real-estate property maintenance and operating services that are necessary for the lease-out activities of the subsidiaries
- active portfolio management
- centralized management and administration, as well as legal representation
- centralized arrangement of purchasing transactions, finding the most favourable offers
- organization and implementation of property renovation, conversion works, professional supervision
- receivables management
- provision and operation of the central dispatcher/fault reporting line
- organization of the security guarding and reception services of the properties
- advertising properties/offices to let, recruitment of tenants, maintaining contacts with the tenants
- publication of advertisements in the electronic and printed media, presentation of the subsidiaries and their properties at the appeninn.hu website

At the end of 2010, the Company made a definite move towards the warehousing and industrial property market, started to expand its portfolio in subsequent steps at a fast pace, thereby creating a massive second holdfast for the holding company beside the office market. The Company's entry into the new segment was implemented with abidance by the core values formulated in the office market: acquisition and management of properties that could be operated with over-the-average utilization rates and levels of earnings offering value to shareholders. In this market segment, Appeninn successfully focused on populating the portfolio with tenants, and pursued effective portfolio management activities towards the optimization of the portfolio structure.

MAIN RESOURCES, RISK FACTORS AND THEIR CHANGES, UNCERTAINTIES

Strengths

- The Company flexibly adapts itself to special customer demands
- The Company realizes cost-efficient operation
- Thoroughly considered property portfolio size and consequential volume-efficient management
- Maintenance of a coordinated funding and income structure
- The Company has a proper liquid asset portfolio
- The Company has well-balanced leverage.

Uncertainties

- Uncertainties relating to the accurate forecasting of utilization rates in new acquisitions
- Duration of tenant changeover for continuous lease

Opportunities

- The underpriced property market in Hungary is an attractive investment target for foreign investors
- Acquisition of undervalued properties in the niche market segments
- The demands of small and medium-sized enterprises as tenants mostly surface in category B
- Long-term cooperation with liquid companies with steady cash flow when the prime of the small and medium-sized enterprises are acquired

Risk factors and mitigation

- The creation of the portfolio for the "bad bank" (MARK Zrt.) planned to be founded by the National Bank of Hungary (MNB) has the potential to substantially influence the selling parameters of the properties that are currently available in the market.
- Appeninn Nyrt.'s Treasury function coordinates participation in the financial markets in line with the Company's long-term business interests.
- Investments in the Hungarian office market can influence pricing indirectly and in the long term.
- The risks of non-payment or default payment that are generally experienced in the corporate segment have already been managed by the Company by maintaining continuous customer monitoring. Customer monitoring activities are continuously developed by coordinating information flow among operations, energy management, customer management and finance.
- 0% of Appeninn Nyrt.'s FX-based investment loans are denominated in EUR.

CONSOLIDATED ENTITIES AND SHARES IN CONTROLLED PARTICIPATIONS

Company:	Controlled participation:
Appeninn-Angel Zrt.	100 %
Appeninn-Bp1047 Zrt.	100 %
Appeninn E-Office Zrt.	100 %
Appeninn-Logisztika Zrt.	100 %
Appeninn-Solaris Zrt.	100 %
BERTEX Zrt.	100 %
Curlington Kft.	100 %
W-GO 2000 Zrt.	60 %
Szent László Téri Szolgáltató Ház Kft.	100 %
Appeninn-Investment Zrt.	100 %*
Pontott Kft.	100 %*
FELHÉVÍZ-APPEN Kft.	100 %

'*By the increase of the share capital the Issuer has acquired the 100% of the registered capital of the subsidiary Appeninn-Investment Zrt and Pontott Kft. Consolidated since 20th May 2016.

The subsidiaries listed above are included in the consolidated financial statement applied the full consolidation method.

DECLARATION ON THE AUDIT OF INFORMATION PRESENTED IN THE REPORT

The information and data presented in the Report have been consolidated, but have not been audited.

ISSUE OF NEW SHARES, AND NEW INVESTMENT

The Board of Directors of the Issuer on the meeting held on 20 May 2016 by the Resolution of the Board No. 1./2016.05.20. decided to increase the Issuer's capital by private offering of new shares. In relation to the increase of the share capital the Issuer has acquired the 100% of the registered capital of Pontott Productive, Service and Trade Limited Liability Company (3-5. Bég utca, Budapest, 1024; registration no.: 01-09-731476; tax number: 13363943-2-41; statistical number: 13363943-5829-113-01) with the nominal value of HUF 3.000.000,- by the Cg. 01-09-731476/58. no. ruling on amendment registration of the Company Registry Court of Budapest-Capital Regional Court.

CHANGES IN THE HEADCOUNT OF FULL-TIME EMPLOYEES (PERS.)

	Beginning of the period	End of the period
At company level	2	1

LIST AND DESCRIPTION OF OWNERS WITH STAKES LARGER THAN 5%

Name	Nationality[1]	Activity [2]	Number (pcs)	Stake (%) [3]	Voting right (%) [3,4]	Remark[5]
Lehn Consulting AG	F	BE	13.497.004	33,91	35,26	
E-Milorg Kft.	D	BE	7.300.000	18,34	19,07	
Appeninn Nyrt.	D	BE	1.521.142	3,82	-	Treasury shares

[1] Domestic (D). Foreign (F)
[2] Trustee (T). Budgetary (B). International Development Institute (Dev). Institutional (I). Business entity (BE) Private (P). Employee, senior officer (E)
[3] To be specified as rounded to two decimals
[4] Voting rights allowing participation in decision-making at the general meeting of the issuing entity
[5] E.g.: professional investor, financial investor, etc.

SENIOR OFFICERS, STRATEGIC EMPLOYEES

Name	Position	Starting date and end of the office	Shareholding (pcs)
György Ádámosi Jr. Indirect shareholding via Lehn Consulting AG	chairman of the BoD	17.01.2014 indefinite	13.497.004
Gábor Székely	BoD member, chairman of the Audit Committee	12.03.2010 indefinite	16.100
Balázs Szabó	BoD member, member of the Audit Committee	10.04.2012 indefinite	-
Lőrinc Éder	BoD member, member of the Audit Committee	12.03.2010 indefinite	-
Zoltán Prutkay	chief financial officer and BoD member	01.01.2015 indefinite	48.600
Attila Gábor Kovács	BoD member BoD member	15.04. 2016 indefinite	100.000

COMPANY'S DECLARATION OF LIABILITY

We, the undersigned hereby declare that to the best of our knowledge this interim report offers a reliable and true view of the financial standing and performance of Appeninn Nyrt. and its controlled undertakings, describes the major events and transactions that occurred and were consummated during the associated period, as well as the connected financial impacts exercised on the financial standing of Appeninn Nyrt. and its consolidated entities. In the period under review, there were no material changes in the accounting policy and accounting principles.

Budapest, 23th November 2016

Appeninn Holding Plc.

Zoltán Prutkay Gábor Székely
jointly as the members of the Board of Directors