*This prospectus ('**Prospectus**') has been prepared for the introduction of the shares privately issued earlier to the regulated market. The Prospectus was prepared on the basis of Act CXX of 2001 on Capital Markets ('**Capital Market Act**') and Commission Regulation No 809/2004/EC implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements. The Hungarian National Bank approved the disclosure of this Prospectus and the related announcement in its resolution No. H-KE-III-163/2019. passed on 26 March 2019.*

CONSOLIDATED PROSPECTUS

for the entry to the Budapest Stock exchange in category "Premium"

of 211,086,638 dematerialised, registered, series "A" shares of a nominal value of HUF 25 each, granting the exact same rights as the previously issued shares, issued during the closed capital increases approved on 31 July 2018, 14 September 2018 and 15 November 2018 ("**New Shares**") – of which the issue value of 9,314,820 shares is HUF 469, and the issue value of 201,771,818 shares is HUF 611, issued by **OPUS GLOBAL Nyilvánosan Működő Részvénytársaság**, as issuer ("**Issuer**")

Legal adviser: DLA Piper Hungary

27 March 2019

The Issuer shall take responsibility for the information included in the Prospectus.

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1. SUMMARY

This summary ('**Summary**') is the introductory part of the Prospectus. The Summary is fully based on the information included in the other chapters of the Prospectus and shall be interpreted together with it.

The terms and definitions included in the Prospectus are explained in Chapter 19 of the Prospectus called 'Terms and definitions used in the Prospectus'.

The Issuer takes responsibility for the contents of the Prospectus.

1.1 Section A – Introduction and warnings

A.1.	The Issuer informs the investors that (i) **the Summary is the introductory part of Prospectus;** (ii) **any decision to invest should be based on consideration of the Prospectus as a whole by the Investor;** (iii) **where a claim related to the information contained in the Prospectus is brought before a court in view of the fact that the original language of the Prospectus is Hungarian, the plaintiff investor may need to bear the costs of translating the Prospectus before the legal proceedings are initiated on the basis of the national legislation of the Member States; and** (iv) **the person taking responsibility for the contents of the Summary and the person translating the Summary may have civil liability but only if the Summary is misleading, inaccurate or inconsistent with the other parts of the Prospectus, or when, compared to other parts, the Prospectus does not contain the key information required to assist investors to decide whether or not they should invest into the particular securities.** The disclosure of this Prospectus shall not be considered the Issuer's promise that there will be no change in the activities of the Issuer or that no adverse changes will take place in the financial position of the Issuer following the disclosure of this Prospectus. The strategic trends, plans and projections included in the Prospectus are based on the current information and expectations of the Issuer's management and there is no evidence that would suggest that the particular processes will develop in the future according to the plans and projections. The data not included in this Prospectus may not be considered authentic without any confirmation from the Issuer. The potential investors should take into account that following the disclosure of the Prospectus there may be changes in the Issuer's matters. In case significant changes occur during the period between the disclosure of this Prospectus and the Introduction of the New Shares to the Stock Exchange with a major impact on the operation and assessment of the Issuer, the Issuer shall propose the supplementation of the Prospectus pursuant to Section 32 of the Capital Market Act and shall publish it in the same way as the Prospectus. Information originating from unauthorised individuals and statements made by such individuals in relation to the Introduction to the Stock Exchange may not be deemed as

	information or a statement based on the authorisation of the Issuer. Each potential investor shall assess the information included in this Prospectus for themselves and decide, as a result of their own assessment, whether or not to invest into the shares issued by the Issuer. It shall not affect the Issuer's obligation concerning the supplementation of the Prospectus pursuant to Section 32 of the Capital Market Act. On the basis of this Prospectus, the Issuer does not wish to introduce its shares to the regulated market of any country other than Hungary and does not intend to sell the shares within the framework of any other form of public offering in any country pursuant to this Prospectus.
A.2.	Not applicable

1.2 Section B – The Issuer

B.1.	The legal and commercial name of the issuer. OPUS GLOBAL Nyilvánosan Működő Részvénytársaság
B.2.	Issuer's registered office: 1062 Budapest, Andrássy út 59., Hungary Legal form of the issuer: publicly listed company *Law governing the operation of the Issuer and the country of registration*: Hungarian; Hungary
B.3.	*A description of, and key factors relating to, the nature of the Issuer's current operations and its principal activities, stating the main categories of products sold and/or services performed and identification of the principal markets in which the issuer competes.* The Issuer operates as an investment holding company, and invests in sectors of strategic significance and great growth potential in Hungary. By way of the investments - availing of the advantages of economies of scale and diversification - the Issuer is continuously aiming at value maximisation. The Issuer is present in four sectors at present: 1.1. **Industrial manufacturing segment**: by way of the 2018 acquisition of Mészáros Építőipari Holding Zrt. as contribution in kind, industrial manufacturing became the most significant segment. By way of the acquisition of 51% of Mészáros Építőipari Holding Zrt. two subsidiaries, 100% of which is owned by the same (Mészáros és Mészáros Kft. And R-KORD Kft.) were also entered into the Group. Mészáros és Mészáros Kft. is primarily involved in bridge, road and other construction works. The expertise and execution experience accumulated in the subsidiary made possible for Mészáros és Mészáros Kft. to have participated in numerous large scale projects recently. At present, Mészáros és Mészáros Kft. has 30-40 active contracts, and on the record date of 30 June 2018 the value of active contracts were HUF 193.1 billion, which increased by further 26.5 billion by 19 March 2019. The other subsidiary, 100% of which is owned by Mészáros Építőipari Holding Zrt. is R-KORD Kft., the main activity of which is the

building, maintenance, planning and licensing of protective and telecommunication devices related to railway construction as well as the construction of overhead lines. Due to its special expertise of the business in the field of protective railway devices, in a couple of years it grew into a middle sized company, employing almost a hundred employees, while its turnover also dynamically increased between 2015 and 2018. R-KORD Kft. has more than 30 active contracts, and on the record date of 30 June 2018 the value of active contracts were HUF 103.6 billion, which increased by further 20.3 billion by 19 March 2019. 50% of EURO GENERÁL Zrt. is also owned by the Issuer, which, within the field of construction, is especially involved in the full scale construction of residential homes, office buildings and condominiums. In addition, Wamsler SE, 99.93% of which is owned by the Issuer is also involved in the industrial manufacturing segment, which is the largest manufacturer of fireplaces and stoves in the Central Eastern European region. In accordance with the data of HKI Industrieverband, the products of Wamsler SE make up about 7-8% of the European market. Wamsler SE is building a new manufacturing facility, and upgrading its production with robotised lines, which makes possible for the present production capacity to double.

1.2. **Agriculture and food industry segment:** Besides the industrial manufacturing segment, the agriculture and food industry segment is also of significant importance for the Issuer, which is well represented by the fact that several investments were made by the same in this segment. The first element of the portfolio was made up by the business share in Csabatáj Zrt. acquired newly in 2017, the main profile of which is related to crop production and eggs for consumption. Almost half of the turnover of Csabatáj Zrt. comes from eggs for consumption, the output of which is almost 42 million eggs for consumption annually. The purchase of the business share in Csabatáj Zrt. was followed by the acquisition of 100% of KALL Ingredients Kft. in 2018 as contribution in kind. KALL Ingredients Kft. has great potential, and is one of the largest isosugar factories of Central Eastern Europe with its capacity to process 530 thousand tons of corn a year. 51% of the business share of VIRESOL Kft. was acquired as non-financial contribution in kind also in 2018. The company will be one of the greatest modern starch manufacturing facilities in our region. During the investment, which is implemented from more than EUR 100 million, the factory is expected to reach its full capacity by the third quarter of 2019 by processing 250 thousand tons of wheat a year.

1.3. **Energetics segment:** The Issuer purchased 40% of the business share of KPRIA Zrt. in 2017, which was the first portfolio element of the energetics segment. A significant element of the segment is the business share of the Issuer in Mátrai Erőmű Zrt. acquired in November 2018. The power plant, which has 966 MW installed power is the second largest electricity production power plant of the country, which produces electricity using lignite produced in its own mines by way of quarrying, as well as natural gas and photovoltaic power plants. Between 2013 and 2017, the power plant supplied 17.7% of the entire Hungarian electricity generation, with an average of 6 TWh annual electricity generation. Due to the volatility of Hungarian electricity generation, in certain cases, in short periods, the rate of the company's production significantly exceeded the above specified average value.

1.4. **Asset Management segment**: The Issuer holds direct and indirect minority shares in strategic companies with considerable income generating capacity. The

	determining elements of the asset management segment are the minority business shares of 24.67% in STATUS Capital Zrt., 13.79% is 4iG Nyrt. and 24.87% in Takarékinfó Zrt. The Issuer acquired business shares in Takarékinfó Zrt. in 2017 offering information technology and telecommunication service to the cooperative bank segment, while, in 2018, it acquired business shares in 4iG Nyrt., which has become an international software house since the beginning of the two thousands. The elements of this segment are expanded by OBRA Kft, Révay 10 Kft., and SZ és K 2005. Kft., dealing with property management, under 100% ownership.
B.4a.	*A description of the most significant recent trends affecting the Issuer and the industries in which it operates.* The Issuer operates in separate markets through its subsidiaries involved in the business segments indicated below. • **Industrial manufacturing segment**: the Issuer's industrial manufacturing segment includes businesses acting in the construction industry (including bridge, road and other construction works as well as processes related to equipment and wires used in railway manufacturing), and tje fireplace and stove manufacturing sector. In 2017, the most rapidly growing sector in the Hungarian market was the construction industry, and with regard to the high number of agreements and the confidence index, which is higher than ever, the continuation of the construction conjuncture is expected also in the public procurement, retail and business market. The performance of the sector increased by more than 25% in 2017, and the expansion continued also in 2018. In Hungary, road, railway and public utility constructions largely contributed to the outstanding results of the sector, but they were mostly financed from EU funds, thus in this field, coming to the end of the EU programming cycle, due to the risk of decreasing funds, there is reason for prudence. The railway construction market changed a lot during the change of the regime. Six of the MÁV's railway construction divisions were outsourced, based on which railway construction companies were founded. There was significant consolidation in this market, as a result of which, the number of market players decreased. Nevertheless, demand increasing in railway reconstruction and construction brought about the involvement of several competitors with foreign background in the railway construction market. These companies have significant references, and are well-capitalised, nevertheless - as the majority of their capacities are tied down on existing markets - they are primarily expected to take on the role of main contractor, reference provider and loan guarantors. The reorganisation and consolidation of railway construction companies in the Hungarian market have mostly been completed, thus in the future the competition of these companies, and their organisation into consortia are predicted. The most significant market from the aspect of the activity of Wamsler SE is the present market of wood, electronic and pellet burning fireplaces and stoves, which adds up to about USD 15.7 billion in the entire world. In accordance with the forecast, with an average annual growth rate of 3.87%, this market

		size will grow to USD 19 billion by 2023. Considering market trends and the increasing susceptibility to environment protection, the greatest growth will occur in the market of electrically operated units. With regard to geographical breakdown, the European market may be the most significantly expanding market in the forecast period. • **Agriculture and food industry segment**: The Issuer's agriculture and food industry activity is typically focused on food industry ingredients, fodder ingredients, starches, industrial alcohol, egg production and cereal production The ingredients of end products are mostly cereals. The features of Hungarian agriculture is excellent for cereal production, from the EU28 member states, Hungary's corn production is amongst the first five (with 6.5-7.5 million tons), and its wheat production is amongst the first ten (with 4-5 million tons). However, a great part of the produced quantity is exported unprocessed and with low added value. The long term interest of the country is to maximise revenues from crop output through the processing industry. Due to the investments made in the sector, Hungary will be able to process a large quantity of cereals in the coming years, increasing the ability of the sector to add value. In the European Union, in the agriculture and food industry segment, Joint Agricultural Policy has a great importance, with which different subsidies and quota systems are regulated. From the aspect of KALL Ingredients Kft., a significant change took place in 2017 in the EU sugar market, as the quota system was discontinued, which allowed the production of 100 thousand tons of sugar and 250 thousand tons of isosugar for Hungarian producers in total. No significant changes are expected in Hungarian sugar production, and in the coming years, KALL Ingredients Kft. will be a significant player in the field of Hungarian isosugar production, besides Hungrana in Szabadegyháza. By way of the discontinuation of the sugar quota, EU sugar price is expected to be adjusted to world market trends based on present trends. VIRESOL Kft. and KALL Ingredients Kft. are also involved in alcohol production and bio fuel production. All of the Hungarian producers involved in alcohol production, contribute to the Hungarian GDP with an annual EUR 750-800 million. This makes up one percent of the entire Hungarian GDP. With regard to quality, the entire Hungarian alcohol production exceeds 220 thousand hectolitres. With regard to Csabatáj Zrt., we need to highlight that 20% of Hungarian egg consumption comes from import. In 2016, total use amounted to 2.8 billion eggs, while consumption amounted to 2.3 billion eggs. A great possibility and also challenge of the egg market in the near future is to ensure the satisfaction of Hungarian demand only from Hungarian production, realizing self-sufficiency. The sector was cleaned by moving into the 5% VAT range. The positive turn of events in 2011-2012 was due to an EU regulation related to production. Companies had to start using cages, which are more modern and made of better design from the wellness of animals, as a result of which the market experienced a growth in production. • Energetics segment: The Issuer is also active on the market of energy production by way of the activities of Mátrai Erőmű Zrt. The Hungarian energy market is fundamentally dealing with lack of capacity,

thus foreign energy is to be imported in order to meet the demand. Almost 30% of the used energy at present comes from import.

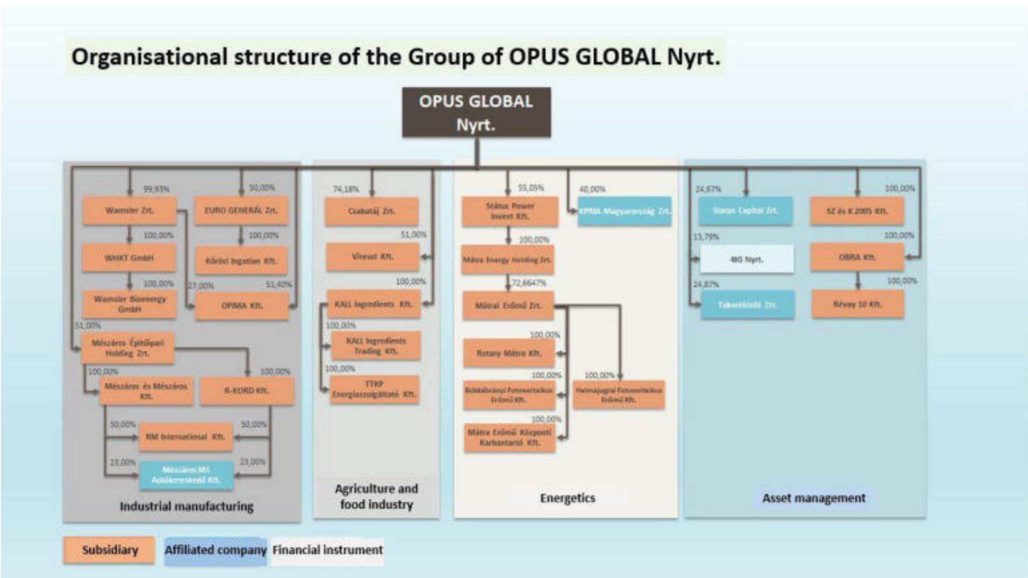
Hungarian installed capacity decreased in the period before 2015, which can be explained by the shut down of obsolete power plants, nevertheless consumption grew further, thus missing production had to be substituted with further import on the Hungarian market. Subsequent to 2015, Hungarian installed capacity started to grow, however internal use also increased, thus the Hungarian market is still in need of significant import. Installed capacity decreased by an average 1.4% between 2013 and 2017, while use increased by 2% during the same period. Thus domestic consumption in 2017 was 45.6 TWH and installed capacity was 8600 MW.

Hungarian electricity generation significantly relies on the Paks nuclear power plant, which made up 49% of Hungarian production in 2017. Between 2013-2015, coal based energy carrier based electricity generation made up for 20% of production, but this rate started to decrease after 2015, while gas was used more and more, which is partly due to the shut down of coal burning power plants and partly to the price decrease of gas.

With regard to the future, domestic electricity demand will probably further increase on the long run.

B.5. *If the Issuer is part of a group, the description of the group and the Issuer's position within the group.*

The Issuer is a member of a group performing the holding function within the Group. Its position within the Group is illustrated in the figure below.



Major subsidiaries, associated companies and other equity participations of the Issuer by segments of operation

Name	Main business activity	Country of registration	Indirect/direct business share	Issuer's business share
Industrial manufacturing				
EURO GENERÁL Építő és Szolgáltató Zrt.	Sale and purchase of own property	Hungary	Direct	50.00%
KŐRÖSI INGATLAN Ingatlanhasznosító és szolgáltató Kft.	Sale and purchase of own property	Hungary	Indirect	50.00%
Mészáros Építőipari Holding Zrt.	Asset management (holding)	Hungary	Direct	51.00%
Mészáros és Mészáros Ipari és Kereskedelmi Kft.	Other construction not elsewhere classified	Hungary	Indirect	51.00%
R-Kord Építőipari Kft.	Production of other electric equipment	Hungary	Indirect	51.00%
RM International Zrt.	Railway construction	Hungary	Indirect	51.00%
Mészáros M1 Autókereskedő Kft.	Trade of passenger vehicles and light motor vehicles	Hungary	Indirect	23.46%
Wamsler SE Háztartástechnikai Európai Rt.	Production of not electric household appliances	Hungary	Direct	99.93%
Wamsler Haus- und Küchentechnik GmbH	Trade of appliances	Germany	Indirect	99.93%
Wamsler Bioenergy GmbH	Trade of appliances	Germany	Indirect	99.93%
OPIMA Kft.	Production of fire proof products	Hungary	Direct	51.00%
Agriculture and Food industry				
Csabatáj Mezőgazdasági Zrt.	Miscellaneous activities	Hungary	Direct	74.18%
KALL Ingredients Kereskedelmi Kft.	Production of starch and starch products	Hungary	Direct	100.00%
KALL Ingredients Trading Kereskedelmi Kft.	Wholesale of cereals, tobacco, sowing seeds and fodder	Hungary	Indirect	100.00%
TTKP Energiaszolgáltató Kft.	Steam service and air conditioning	Hungary	Indirect	100.00%
VIRESOL Kft.	Production of starch and starch products	Hungary	Direct	51.00%
Energetics				
Status Power Invest Kft.	Electricity generation	Hungary	Direct	55.05%
MÁTRA ENERGY HOLDING Zrt.	Asset management (holding)	Hungary	Indirect	40.00%
Mátrai Erőmű Zrt.	Electricity generation	Hungary	Indirect	40.00%

Bükkábrányi Fotovoltaikus Erőmű Project Kft.	Electricity generation	Hungary	Indirect	40.00%
Halmajugrai Fotovoltaikus Erőmű Project Kft.	Electricity generation	Hungary	Indirect	40.00%
Mátrai Erőmű Központi Karbantartó Kft.	Repair of industrial machines and equipment	Hungary	Indirect	40.00%
ROTARY-MÁTRA Kútfúró és Karbantartó Kft.	Other specialised activities not elsewhere classified	Hungary	Indirect	40.00%
KPRIA Magyarország Zrt.	Engineering activities and technical consultancy	Hungary	Direct	40.00%
Asset management				
OBRA Ingatlankezelő Kft.	Letting and operating own or leased real properties	Hungary	Direct	100.00%
Révay 10 Ingatlanfejlesztési Kft.	Letting and operating own or leased real properties	Hungary	Indirect	100.00%
STATUS Capital Kockázati Tőkealap-kezelő Zrt.	Other financial auxiliary activities	Hungary	Direct	24.67%
SZ és K 2005. Ingatlanhasznosító Kft.	Letting and operating own or leased real properties	Hungary	Direct	100.00%
Takarékinfó Központi Adatfeldolgozó Zrt.	Data processing, web-hosting services	Hungary	Direct	24.87%
4iG Nyrt.	Other information technology services	Hungary	Direct	13.79%

B.6. *In so far as is known to the Issuer, the name of any person who, directly or indirectly, has an interest in the Issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest.*

Whether the Issuer's major shareholders have different voting rights if any.

To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.

Name	Number of Shares held (No.)	Ratio of the direct holding in the Issuer (%)	Ratio of the indirect ownership share in the Issuer(%) [1]
KONZUM PE Private Capital Fund	89,162,361	16.62	0.06
Lőrinc Mészáros	125,902,911	23.47	3.98
Beatrix Mészárosné Kelemen	48,902,911	9.12	3.98
KONZUM MANAGEMENT Kft.	50,113,993	9.34	0.00
Total	**314,082,176**	**58.55**	**8.02**

Based on the status as at 11 January 2019

The Issuer did not issue any preferential shares and therefore all shares issued by the Issuer represent equal voting rights. Consequently, the ownership ratio included in the table above equals the voting rights that may be exercised by the particular shareholder.

B.7-B.8.

Selected historical key financial information regarding the Issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information.

This should be accompanied by a narrative description of significant change to the issuer's financial condition and operating results during or subsequent to the period covered by the historical key financial information.

Selected key pro forma financial information, identified as such.

The selected key pro forma financial information must clearly state the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.

The data described in the following summary originate from the consolidated Annual Reports of the Group prepared and audited according to the International Financing Reporting Standards (IFRS) for the financial years ending on 31 December 2015, 31 December 2016 and 31 December 2017, as well as, 30 June 2018 annual and semi-annual reports and the Pro Forma Statements ending on 30 June 2018.

The Pro Forma Statements were prepared in compliance with Annex II of the 809/2004/EC Commission Regulation in order to present the pro forma financial information in the Prospectus. The data included in the Pro Forma Statements, also including the references to the Pro Forma Statements in this Prospectus are for information only. Given their nature, the pro forma financial information presented in the Pro Forma Statements relates to an assumed situation and therefore do not reflect the actual financial position or profit/loss of the company.

The Pro Forma Statements contain the pro forma consolidated balance sheet and profit

[1] The indirect holding was calculated on the basis of Section 5 (1) 84 of the Capital Market Act.

and loss account prepared for 30 June 2018. The balance sheet of the Pro Forma Statements presents the consolidated financial position of the member companies of the Group assuming that the following transactions took place as at 30 June 2018. The profit and loss account of the Pro Forma Statements presents the consolidated profit/loss of the Issuer and the member companies for the financial year ending on 31 December 2017, assuming that the following transactions took place as at 1 January 2018.:

- Contribution in kind of 51% holding interest in Mészáros Építőipari Holding Zrt. and its subsidiaries;
- Acquisition of 55.05% share in Status Power Invest Kft. and its subsidiaries;
- Contribution in kind of 100% holding interest in KALL Ingredients Kft. and related receivables;
- Contribution in kind of 51% holding interest in VIRESOL Kft;
- Sale of OPUS PRESS Zrt. and its subsidiaries.

data in HUF million	**2015**	**2016**	**2017**	**2017 H1**	**2018 H1**	**2018 H1 Pro-forma**
Revenues	11.379	15.315	42.552	17.404	20.882	74.843
Capitalised own performance	-396	-115	291	1.254	963	3.761
Other operating income	373	453	3.096	709	152	6.616
Material expenses	-7.251	-8.748	-22.622	-9.612	-12.730	-58.574
Personnel expenses	-2.889	-4.629	-12.297	-6.048	-6.275	-15.781
Impairment	-563	-532	-200	-90	-6	0
Other operating expenses	-1.313	-1.934	-3.423	-1.539	-1.305	-12.298
EBITDA	**-660**	**-190**	**7.397**	**2.078**	**1.681**	**-1.433**
Depreciation and amortisation	-665	-747	-1.672	-790	-795	-4.968
EBIT	**-1.325**	**-937**	**5.725**	**1.288**	**886**	**-6.401**
Negative goodwill	0	165	466	0	0	27.475
Financial income	84	105	1.014	1.212	321	8.026
Financial expenses	-430	-493	-672	-402	-906	-1.142
Shares in investments recognised with the equity method	0	0	63	0	0	0
Profit before tax	**-1.671**	**-1.160**	**6.596**	**2.098**	**301**	**27.958**
Income tax	-93	228	-695	-4	-181	-1.716
Profit from continued activities	**-1.764**	**-932**	**5.901**	**2.094**	**120**	**26.242**
Profit from discontinued activities	**-513**	**0**	**0**	**0**	**0**	**0**
Profit for the year	**-2.277**	**-932**	**5.901**	**2.094**	**120**	**26.242**
Other comprehensive income	-23	739	9	0	48	48
Total comprehensive income	**-2.300**	**-193**	**5.910**	**2.094**	**168**	**26.290**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

„Other operating income" for 2016 and 2017 does not agree to the audited financial statements because in the audited financial statements Other operating income included the negative goodwill. For comparative purposes with 30 June 2018, the negative goodwill was presented separately.

In 2015, 92.2% of reveues related to heavy industry production and construction, the remaining 7,8% related to hotel business and professional services. In 2016, the Issuer expanded its busines with media activities resulting in additional revenues from publishing and press representing 61% of revenues in 2017. In 2017, the Group further expanded its activities resulting in additional revenues from agriculture.

The Group made losses in 2015 and 2016 but as a result of reorganisation and new startegy, losses decreased and evolved into considerable profit by 2017, achieving positive EBITDA.

The Group made HUF 120 million profit after tax for the first six months in 2018. Other comprehensive income of HUF 48 million related to foreign exchage translation differences from conversion of foreign subsidiary financial statements to HUF.

The current operating structure is a result of the repositioning of the Group's activities and portfolio as well as the acquisitions and sales carried out in 2018, including the acquisition of Mészáros Építőipari Holding Zrt., Status Power Invest Kft, KALL Ingredients Kft, and VIRESOL Kft as well as the sales of OPUS PRESS Zrt. The Group has developed into a holding with a portfolio represented by companies operating in industries such as production, agriculture, food processing, energy and asset management.

According to the pro forma financial statements for the period ended 30 June 2018, profit after tax was significantly high at HUF 26.242 million which reflected the transaction noted earlier. As a result of the transactions, the Group's revenues increased four times compared to the actual numbers reported for 30 June 2018. Because expenses increased in a similar pattern, EBITDA ended with a HUF 1.4 billion loss. The pro forma profit and loss account included the effect of a one-off sales of a receivable at HUF 4.1 billion which if excluded would improve EBITDA to HUF 2.7 billion of profit.

For the period reported under the Pro forma financial statements profit after tax amouonted to HUF 26.242 million which was primarily due to the negative goodwill of HUF 27.475 million associated with the acquisition of energy companies and financial income of HUF 6.5 billion related to the sales of the media portfolio.

Combined balance sheet

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Pro-forma
Non-current assets	8.073	24.101	27.611	27.540	382.128
Current assets	8.291	13.815	20.458	22.843	171.350
Total assets	**16.364**	**37.916**	**48.069**	**50.383**	**553.478**

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Pro-forma
Equity	8.271	7.213	14.981	16.409	284.840
Non-current liabilities	3.064	21.578	18.865	18.592	90.386
Current liabilities	5.029	9.125	14.223	15.382	178.252
Total equit and liabilities	**16.364**	**37.916**	**48.069**	**50.383**	**553.478**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

The consolidated balance sheet clearly indicates that the Group's balance sheet total increased over the years. The balance sheet total increased form HUF 16 billion in 2015 to HUF 50 billion by 30 June 2018. Non-current assets represented approximately 50% of assets primarily due to plant, property and equipment. In 2016, the Group increased intangible assets by HUF 6 billion representing brand names mainly via its aqcuisitions in the media sector --- later being disposed of. In paralel with intangible assets, investment propertly also increased by HUF 6 billion in 2016 due tot he Group's investments in subsidiaries operatinig in the hotel business.

Plant, property and equipement futher increased in 2017 as a result of the re-acquisition of Csabatáj Zrt., the agriculture company. The Group's acquisitions in STATUS Capital Zrt. and Takarékinfo Zrt further increased the investment portfolio in associates in 2017. Again in 2017, OPUS PRESS Zrt, the Group's subsidiary redeemed shares of HUF 3 billion contributing to the increase of non-current assets.

The pro forma financial statements for the period ended 30 June 2018 indicate a significant increase in non-current assets due to property, plant and equipment amounting to HUF 200 billion for the period end. The increase in plant property and equipment is primarily due to the investments in the energy (Mátrai Erőmű Zrt.), construction (Mészáros és Mészáros Kft., R-KORD Kft., RM International Kft.) and food processing (KALL Ingredients Kft. és VIRESOL Kft.) businesses. Two other factors representing increase in non-current assets in the pro forma financial statements are goodwill and the value of open contracts. Goodwill primarily derives from the acquisition of two companies, KAAL Ingerdients Kft. by HUF 37 billion and VIRESOL Kft by HUF 27 billion. Open contracts associated with the acquisition of construction companies were valued at HUF 101 billion by PricewaterhouseCoopers, contributing to additional increase of non-current assets.

Current assets have also increased significantly for the period under review. For the period ended 30 June 2018 current assets represent HUF 23 billion compared to the HUF 8 billion in 2015. Cash and cash equivalents were the most significant components of current assets in the period under review but trade receivables and

	inventories also represented significant amounts. The increase in trade receivables were primarily due to the acquisition of media portfolio, later being disposed of, that generated nearly HUF 9 billion of receivables as a result of seasonal sales revenues by end of 2017. Cash and cash equivalents represented 40% and trade receivables 24% of current assets as at 30 June 2018. Currents assets amounted to HUF 171billion according to the pro forma financial statements at 30 June 2018 which is a significant increase compared to the actual financial statements for the same period. Cash and cash equivalents amounting HUF 94 billion represent 55% of current assets in the pro forma financial statements. Significant balances in cash and cash equivalents are primarily due to the advances received for construction projects that are recognised as current liabilities in the balance sheet. Inventories also increased significantly representing 12% of total current assets. The increase in inventories is primarily due to the inventories in the energy (Mátrai Erőmű Zrt.) and agriculture companies (KALL Ingredients Kft. és VIRESOL Kft.). Trade receivables and receivables from cunstruction contracts also represent significant amounts related to the construction companies (Mészáros és Mészáros Kft., R-KORD Kft., RM International Kft.) where receivables were recognised based on the percentage of completion method. Other receivables represented 17% of current assets in the pro forma financial statements for the period ended 30 June 2018 which increase was primarily due to advances paid and loans given. Equity increased in the period under review and by 2017 equity represented 181% of the equity in 2015. The increase is primarily due to capital increases and from the profitable operation of the Group. In 2018, further capital increase took place that raised equity to HUF 16 billion. In the the pro forma financial statements, equity represented HUF 285 billion of which non-controlling interest was HUF 112 billion at 30 June 2018. Equity presented in the pro forma financial statements increased as a result of the transactions and the capital contributions increased the share capital and capital reserve accounts. The profits in the pro forma financial statement increased significantly compared tot he actual profits for the first six months of which profits attributable to the parent was nearly HUF 30 billion. Non current liabilities also increased significantly in the period under review. Liabilities from HUF 3 billion in 2015 increased to nearly HUF 22 billion in 2016. The increase in non current liabilities is associated with three events. Firts, HUF 6 billion of bonds issued by OPUS PRESS Zrt., later being disposed of. Second, Mediaworks Hungary Zrt long term loan liability of HUF 7 billion to MKB bank. Third, Wamsler SE long term loan liability of HUF 3 billion. Provisions also contributed to the increase of non-current liabilities in 2016, related to litigation liabilities in the media portfolio. Non-current liabilites at year end 2017 and 30 June 2018 presented similar balances to year end 2016 with no significant changes. In the pro forma financial statements for the period ended 30 June 2018, non-current liabilities increased significantly to HUF 90 billion compared to actual HUF 18 billion. The increase related to the companies acquired in the transactions bringing in long term loan liabilities at an amount of HUF 47 billion as well as liabilities related to decommissioning costs of mines and power plants amounting HUF 17 billion. Other non-current liabilities represented borrowings received from parties other than financial institutions which increased to HUF 9 billion with the acquisition of the new companies. Current liability balances changed in line with the Company's operations where trade payables and other payables represented major amounts. In the pro forma financial statements as at 30 June 2018, current liabilities significantly increased compared to actual numbers from HUF 15 billion to HUF 178 billion. Importand factor of the

	increase related to the construction companies where customer advances amounted HUF 109 billion. The increase of current liabilities associated with the liabilities of acquired companies, mainly Mészáros and Mészáros Kft. and R-KORD Kft, as well as short term loan liabilities in KALL Ingredients at an amount fo HUF 8 billion.
B.9.	*Where a profit forecast or estimate is made, state the figure.* Not applicable The Issuer does not provide any profit forecast or estimate in the Prospectus.
B.10.	*A description of the nature of any qualifications in the audit report on the historical financial information.* The audit report relating to the historical financial information does not contain any qualification.
B.11.	*If the Issuer's working capital is not sufficient for the issuer's present requirements an explanation should be included.* The Issuer's working capital is sufficient for the Issuer's present requirements.
B.12. - B.50.	Not applicable

1.3 Section C – Securities

C.1.	*A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.* Consequently, at present the Issuer's share capital is made up of 536,384,476 (i.e., five hundred thirty-six million three hundred eighty-four thousand four hundred and seventy-six) registered, dematerialised ordinary shares of HUF 25 (two point five) par value each ('Shares'). Of the Shares: (a) 325,297,838 registered ordinary, series "A" shares of HUF 25 i.e., twenty-five Forints par value each (ISIN ID: HU0000110226) are already traded on BÉT **('Listed Shares');**)while (b) 325,297,838 registered, dematerialised, series "A" ordinary shares of HUF 25 i.e., twenty-five Forints per value each (ISIN ID: HU0000163498) to be traded on BÉT **('New Shares')**. As soon as the New Shares (ISIN ID: HU0000163498) are listed on BÉT, the ISIN number of the New Shares will change to HU0000110226 ISIN which refers to the Listed Shares.
C.2.	*Currency of the securities issue*: Hungarian forint (HUF)
C.3.	*The number of shares issued and fully paid and issued but not fully paid.*

	The par value per share, or that the shares have not par value. At the Prospectus date, the share capital of the Issuer registered in the company register was HUF 13,409,611,900. The par value and issue value of all Shares of the Issuer was paid in.
C.4.	*The rights relating to the securities* The rights defined in the Articles of Association and the Civil Code are assigned to the Shares. They include the right to participate in a General Meeting, the voting right, the right of subscription priority the right to dividend, the minority rights and the right to a liquidation share.
C.5.	*A description of any restrictions on the free transferability of the securities* Each Share can be transferred freely.
C.6.	*An indication as to whether the securities offered are or will be the object of an application for admission to trading on a regulated market and the identity of all the regulated markets where the securities are or are to be traded.* The Listed Shares have been introduced to BÉT and the Listed Shares are traded at the time when this Prospectus is closed. The New Shares had not yet been introduced to BÉT when this Prospectus was closed and therefore, in accordance with the applicable laws and regulations, the New Shares could / cannot be traded on the Stock Exchange yet. Following the approval of the Prospectus by MNB, the Board of Directors of the Issuer shall immediately initiate the introduction of the New Shares to BÉT and the start of trading of the New Shares on the Stock Exchange.
C.7.	*A description of dividend policy.* The Issuer's General Meeting decides on the ratios of the Issuer's profit for the current year available for distribution to be allocated to the profit reserve and to dividend payment, and the use of the profit reserve for dividend payment and the amount of payable divided each year within the framework defined by the applicable laws and regulations. Dividend payment depends on the achieved profit, the business position, business outlook and plans of the Issuer, as well as legal, regulatory and other factors and considerations.
C.8.- C.22.	Not applicable

1.4 Section D — Risks

Before making a decision on investing into the shares, the future investors must carefully consider the risk factors described below and all other information included in the Prospectus. If any of the risk factors occurs, it may have a detrimental impact on the Issuer's business activity, outlook, financial position and results as well as on the value of the Shares. Thus the investors may lose their capital invested into the Shares either in part or in full.

According to the Issuer’s position, the risk factors described below cover the major risks affecting the Issuer and the Shares. However, the business activity, operating results and financial position of the Issuer may also be detrimentally affected by further risk and uncertainty factors currently not known by the Issuer or not deemed significant by the Issuer according to its present best knowledge.

The future investors must carefully study the full test of the Prospectus. They are also advised to consult with their own financial, legal and tax experts before they make a decision on investing into the Shares in order to understand and adequately assess the risks associated with the investment into the Shares. Future investors are also advised to make their decision on the investment by taking into account their own personal circumstances.

D.1.	*Key information on the key risks that are specific to the Issuer or its industry*
D.2.	Not applicable
D.3.	*Key information on the key risks that are specific to the securities.* **<u>Market and sectoral risks</u>** **Macroeconomic risks:** The Group and its profitability are exposed to the general economic situation in Hungary. At the moment the macroeconomic situation is based on stable and strong foundations but any detrimental change in it may have a negative impact on the demand for the services of the Group and therefore also on the future profitability of the Group. **General regulatory risks:** The Group operates in a complex regulatory environment and its activities are significantly influenced by the specificities of the regulatory environment and the legislative framework. Any unpredictable legal, operating, administrative, taxation and other regulatory changes may have a significant impact on the business activity and financial profitability of the Group. **Force majeure risk:** A force majeure, wars, civil wars, natural disasters (such as earthquakes, floods) may have a negative impact on the macro economy and the profitability of the Group. **Risk related to ingredients** In order for the Group to carry out its activities, the availability of appropriate ingredients and components is indispensable. If the ingredients and components necessary for the performance of the activities cannot be acquired, or only at a large expense, the profitability of the Group might be adversely affected. **Risk related to transportation costs** During the performance of the activities of the Group, it largely leans on public road and railway transportation. The increase of transportation costs may increase the operating costs of the Group, negatively affecting the profitability of the Group.

Risk of human resources

At present, there is full employment in the Hungarian economy, which in practice means that Hungarian labour force has a significant bargaining power, and tends to move toward employers providing higher wages and better working conditions. The Group tries to keep employees providing competitive conditions, further education options, but there is no guarantee for not losing one or two experienced professionals. The Group's rising costs as a result of a possible wage pressure may negatively affect the profitability of the Group.

Risks related to the industrial manufacturing segment:

Any of the following factors may have a significant negative impact:

Risk related to suppliers, subcontractors

Related to the performance of the activities of the Group's industrial manufacturing segment, it is in contractual relation with several suppliers and subcontractors. Premature termination of such agreements with suppliers and subcontractors for any reason, or the non-contractual performance of the supplier or subcontractor partners may negatively affect the profitability of the Group.

Risks related to guarantee or implied warranty/Risk of the payment of guarantee retention

Although in the scope of the industrial manufacturing activity, the Group aims at contractual performance, the fact that the Company may have to do some "extra work" related to possible faulty performance cannot be excluded, just as the fact that the additional burdens arising in connection with the performance of such obligations may have a negative impact on the profitability of the Group cannot be excluded either.

Management of buyer and supplier advance payments

An important aspect of the activities performed by the construction subsidiaries is that turnover and the majority of subcontractor costs are provided or paid in advance prior to the record date of the valuation. Due to the rate of high pre-financing, which is typical of the project, the balance of the net operating capital of the companies involved is typically negative (liabilities exceed current assets), which may have a significant influence on the Group's cash flow.

Risk of EU financing

The EU projects executed by the industrial manufacturing segment of the Group are typically started based on operative programs or other long-term planning documents. Their preparation may lead to the delay of decision-making. Even with regard to won projects, certain factors may arise from outside of the Group's scope, which may result in the prevention of project execution. EU budgetary planning is coming to its end (in 2020), which generates further risks, as the strategic directions and allocations of the next cycle are not yet known. If as a result of the these factors, fewer projects are started in certain years, the implementation of projects in progress may be delayed,

	which may negatively affect the profitability of the Group.. *Risk of public procurement proceedings* Mészáros és Mészáros Kft. and R-KORD Kft. typically submit tenders to public procurement proceedings. In certain years, with regard to the number of projects, in which the Group can participate, the time and approval of starting public procurement proceedings constitute risks. In addition, the start date of the execution of certain projects may be delayed due to factors outside of the Group. Such factors may have a negative effect on the profitability of the Group. *Exposure due to large projects* With regard to their volume, large projects and orders are typical for Mészáros és Mészáros Kft. and R-KORD Kft. Revenues coming from the same may be volatile between certain years, which may negatively affect the profitability of the Group. *Risk of human resources* There is significant fluctuation in the labour force of the Group's industrial manufacturing segment, especially for Wamsler SE, which is primarily due to the labour drain of the facilities surrounding the same. The management of the Group tries to mitigate the unfavourable tendency with different measures. Should the efforts of the management fail, the Group's operation may be adversely affected. **Risks related to the agriculture and food industry segment** Any of the following factors may have a significant negative impact: *Weather conditions, which adversely affect agricultural production, or risks related to other circumstances resulting in poor harvest.* Weather conditions constitute a significant operational risk for the agriculture and food industry segment of the Group. Weather does not only directly affect the quantity of the products produced by the Group, but makes difficult or hinder the harvest of standing crops, and may negatively influence the use of different chemicals and active substances applied by the Group, which may negatively affect the profitability of the Group. *Risk of diseases and epidemics* The appearance and spreading of diseases and epidemics in the ingredients used, animals kept and products produced by the agriculture and food industry segment of the Group are unpredictable. Such diseases and epidemics may cause significant losses for the Group, and in extreme cases may even significantly hinder the performance of the Group's activities in the agriculture and food industry segment, adversely affecting the profitability of the Group. *Risk of contaminated agricultural and food industry products* The agricultural and food industry products produced by the Group may be contaminated. This risk may be mitigated with appropriate security measures - which the Group will take -, but they cannot totally be terminated. The negligent contamination of the products is illegal, which may give rise to the risk of product

	recall, compensation claims, increased inspection by the authorities, any of which may negatively affect the profitability of the Group. *The volatility of the market price of ingredients* With regard to KALL Ingredients Kft. and VIRESOL Kft., direct ingredient demand is related to cereal. In an indirect way - as fodder - it is also a significant factor for Csabatáj Zrt. in egg production. Nevertheless there is significant volatility in the world market and EU price of cereals. The Group has no influence on price volatility, and they can only be managed by futures, which are not able to totally terminate the related risks, thus the increase of the price of ingredients may adversely affect the profitability of the Group. *Risks arising from the volatility of the market price and demand of the end products* The end products of the agriculture and food industry segment are different food industry ingredients, starches, sweeteners, sugars, fodders and their ingredients, industrial alcohol, hen eggs, crop products. The demand for these products significantly depends on the world market and EU trends, which may fluctuate with the changes of global income generation and conjuncture. The future prices of the products produced by the Group are difficult to be determined. This may largely and significantly influence the Group's turnover, which may adversely affect the profitability of the Group. *Risk related to institutional regulations and community agricultural policy* The agricultural market in the European Union is a largely regulated sector, and also depends on subsidies, which is regulated by the common agricultural policy (CAP). There are large debates on the reform of this system. Possible changes may fundamentally change market conditions, related to both demand/supply and ingredient purchase. In addition, extreme and more and more comprehensive regulations and necessary licences may also negatively affect agricultural trends and profitability, and these factors together may negatively affect the profitability of the Group. *Risk of the growth of production and sales of starting projects* As with regard to KALL Ingredients Kft. And VIRESOL Kft., there are two starting projects, a general risk is the uncertainty related to the growth of sales. The rate production will take off, related to which the development of partner relationships are questionable. Parallel to the beginning of normal operation, profitability is expected to continuously improve, however in this case time may be a significant risk. *Market behaviour of competitors* In certain markets of the Group, in Europe and in Hungary, companies with strong positions, developed technologies, significant capacities and financial strength, including state or local government owned and controlled companies, compete or may enter the competition in the future. Competition, which may possibly strengthen in the future may make unpredictable developments and investments necessary, negatively affect the prices of the Group's services or increase the Group's costs, which may negatively affect the c.

Risk of human resources

Staff fluctuation also affects the Group's agriculture and food industry segment, and in order to decrease this and terminate unfilled positions, the management, if possible, plans further wage increase with extra expenses on top of the obligatory raise of the minimum wage. In order to maintain the number of staff, the Group cooperates with the local employment office. Nevertheless, should the efforts of the management fail, the Group's operation may be adversely affected.

Risks related to the Energetics Segment

Any of the following factors may have a significant negative impact:

Risks related to official licences

In the scope of the energetics segment, the Group performs numerous activities, which are subject to licences (e.g. Hungarian Energy and Public Utility Regulatory Authority (HEA), mine supervision, environment protection authority, etc.) A part of the licences are to be periodically reviewed. The Group uses its best endeavours in order to comply with the applicable laws and regulations and the requirements of licences, nevertheless there is no guarantee that as a result of the non-compliance with the requirements of licences and the provisions of applicable laws and regulations, a licence related to the Group's energetics segment is not issued or renewed, which may negatively influence the profitability of the Group.

Official prices

The prices of certain activities performed by the Group are determined or maximised by the laws or authorities (especially including HEA, ministries and local governments). Such prices specified in the laws or determined by the authorities, as well as the official changes of price regulation may significantly influence the profitability of the Group and competitiveness.

Risks related to the changes of the regulation related to renewable electricity generation

The renewable production of the Group supported with alternative brown premium (biomass), and the solar power project to be implemented, funded from the METÁR system is largely exposed to the possible changes of the rules related to renewable electricity generation. Future regulatory changes affecting the electricity generation activities of the Group may significantly negatively influence the profitability of the Group.

Risks related to CO_2 quota

The third trading period of EU ETS (2013-2020) started on 1 January 2013. In this period, the Group may only get emission quotas by way of auction or secondary trade channels - with some exceptions. The allocation system, the changes of the rules of allocation as well as the change of the prices of emission rights may significantly influence the operating costs and economic profits of the Group.

Risks of state subsidies

	The operation and profitability of the Group may depend on the amount of state subsidies related to the use of renewable energy resources and the related generated energy and investments and operation, as well as the future changes of state subsidies provided in Hungary and the European Union. The change of the regulations of state subsidy systems may significantly influence the Group's operation, profitability, market position and competitiveness. *Taxing risk* The present taxing, contribution and levy payment rules may change in the future, thus the increase of special tax imposed on energy producers and energy traders cannot be excluded, and further taxes may be levied on the businesses operating in the electricity sector adversely affecting the same, increasing the tax burden of the Group, which may negatively influence the profitability of the Group. *Risks related to the expansion of renewable energy resources* The further expansion of renewable energy resources may negatively affect fossil energy based electricity generation, because renewable energy resources constituting obligatory take-over may supersede traditional fossil based electricity generation. *The Group depends on the distribution network operated by third parties.* The Group plans the establishment of significant volume of new, renewable capacities in the coming decades. The overload of existing networks - especially due to developments planned by third parties, but not yet known - may limit or delay the implementation of the Group's investments. *Risks of technological changes* Technological changes may significantly increase the efficiency of the energy industry, especially in the field of energy generation. Technological development does not only transform the technologies applied by the Group, but in certain cases totally terminates the application of the same. There is no guarantee that the Group will always be able to choose or procure the most efficient technology and operate the same with the best results. *Risks of competition* In certain markets of the Group, in Europe and in Hungary, companies with strong positions, developed technologies, significant capacities and financial strength compete or may enter the competition in the future. Competition possibly strengthening in the future may make unpredictable developments and investments necessary, which may negatively affect the profitability of the Group. *Risk of the domestic effects of international market events* Hungarian energies are largely influenced by the market prices of foreign stock exchanges, which are significantly formed as a result of economic processes outside of Hungary and the relations of supply and demand. The development of economic processes and the relations of supply and demand may have a negative effect on the

profitability of the Group.

Price of natural gas, electricity and generated heat

The financial situation of natural gas operated power plants is largely influenced by the developments of the difference (margin) between the (purchase) price of natural gas and the price of sold electricity. The significant decrease of this margin may have a negative effect on the Group's business activity and profitability.

Risks characteristic of the Issuer and the Group

Risk of business development

The business development activities of the Group may be impeded by difficulties and may even generate a loss.

Exchange rate risk

The loans of certain members of the Group are denominated in EUR. Any unfavourable change in the exchange rate may have a negative impact on the operating profit and profitability Group.

Risk of indebtedness

If the Group is unable to fulfil its principal and interest payment obligations in time, the terms and conditions of the loan agreements applicable to default will be applied, deteriorating the financial position of the Group.

Tax risk

The tax authority has a right to inspect the tax matters of the companies for five years from the end of the current fiscal year. The Group takes all reasonable efforts to operate in accordance with the regulations, but a future tax inspection may lead to findings that will generate expenditure for the Issuer.

Other regulatory risks

Several authorities are entitled to inspect the operation of the Group (e.g. Hungarian Competition Authority - GVH, National Tax and Customs Administration of Hungary - NAV, Environment Protection and Nature Protection Authorities, National Food Chain Safety Office - NÉBIH, Hungarian Energy and Public Utility Regulatory Authority - MEKH, Hungarian National Bank - MNB, etc.) Full compliance with the legislative framework is extremely important for the Group, yet a future regulatory inspection may still lead to a large expenditure or loss of revenue for the Group, detrimentally influencing its profitability.

Loss of managers and employees of key importance:

If the Group loses its ability to keep or replace its mangers and employees, it may lead to significantly detrimental consequences affecting the financial position and profitability of the Group.

	Risk relating to IT systems The Group's exposure to the information technology system and the lack of the necessary IT developments, the use of inappropriate technologies presents risks, which may have significant negative effects on the profitability of the Group. **The electricity generation licence of Mátra Erőmű Zrt.** The expiration date of electricity generation licence No. 21/2003 issued to Mátrai Erőmű Zrt. and numerously amended is 31 December 2025. Application for the further extension of the licence can be submitted in 2021, the earliest. Should Mátrai Erőmű Zrt. not be able to extend its electricity generation licence, subsequent to the expiration of the electricity generation licence, the shut-down and recultivation of the power plant and the mine in Visonta as well as the mine in Bükkábrány may be necessary. The provision's insufficiency to cover the actual costs of recultivation may negatively affect the profitability of the Group. **Technical risk of Mátrai Erőmű Zrt.** A significant part of the Group's turnover comes from different energy generation units or the implementation of planned energy generation units. Consequently, the discontinuation of certain energy generation units may have a significant impact on the future turnover and profitability of the Group. **Buyer risk of Mátrai Erőmű Zrt.** A significant part of the Group's turnover comes from a low number, high purchasing clients. The Group made contracts with its major clients, suppliers and financial contributors for definite terms. There is no guarantee that subsequent to the expiration of such contracts, the parties will be able to extend the contracts. Even contracts made for a definite term may be terminated prior to the expiry of such term in an unexpected extraordinary situation, which may negatively affect the profitability of the Group. **Energy trading risk of Mátrai Erőmű Zrt.** The changes of electricity demand may significantly influence the Group's revenues and profitability. **Operating risk of Mátrai Erőmű Zrt.** The Group's economic performance depends on the appropriate operation of the energy generation units, which may be influenced by several factors. **Fuel risk of Mátrai Erőmű Zrt.** The Group procures the fuel (natural gas) necessary for the Group's hydrocarbon burning gas turbines from external suppliers. The Group's natural gas transportation agreements are in line with the general practice applied in the industry. However, there is no guarantee that the fuel necessary for the operation of the gas turbines will be available in all cases, especially in case of unpredictable external events. **Risk of Mátrai Erőmű Zrt. related to the dependence on the weather**

	The fuel necessary for the operation of the Group is produced and transported from its own open cast mines. Open cast mining is exposed to the weather. **Recultivation risk of Mátrai Erőmű Zrt.** The costs of the environment protection recultivation subsequent to the stoppage of the blocks of the power plant planned based on the present laws and regulations and the related shut down of the mines in Visonta and Bükkábrány may constitute significant burdens for the Company, and the estimation of expected costs constitutes significant uncertainty. If the actually arising costs exceed the amount of provisions, the profitability of the Group may be negatively affected. **Risk arising from the return of goodwill** In accordance with the Issuer's accounting policy, during the consolidation, when determining the impairment of goodwill, the requirements of Standard IAS 36 are applied. In accordance with the standard, future cash flow arising from the money making unit are to be examined every year (generally at the same time), and see if goodwill is expected to be returned. When examining future cash flow, the standard accepts several methods, namely valuation can be done by way of an external company or performed internally based on the business plans. In accordance with the practices applied so far, the lesser value of goodwill items arising prior to the acquisitions specified in this Prospectus, as well as the continuous upgrade of the business plans did not justify the involvement of an external valuation company, thus the Issuer performed goodwill valuation internally during the annual reviews based on the business plans received from the subsidiaries. In 2018, with the involvement of KALL Ingredients Kft. and VIRESOL Kft. as contribution in kind an especially large amount of goodwill was reported, considering which according to the Issuer's plans, besides internal valuation processes, an external as a part of the preparation for the end of the year 2019, an external valuation company was assigned to prepare the company valuation a year later with regard to the company referred to for the goodwill valuation specified upon its acquisition. These two parallel processes give enough control to the company management at the next year closure for ensuring the appropriateness of the values specified in the books and the return of goodwill, nevertheless with regard to KALL Ingredients Kft. and VIRESOL Kft., significant goodwill was reported, nevertheless the outcome of the emerging projects and the possibly long time necessary for the same may have a significant effect on the return of the goodwill, thus the profitability of the Group. **Technical risk of production equipment** In the agriculture and food industry segment, value creation is typically performed with significant current assets, which means great technical and amortisation risks. **Renewal of the land lease agreement related to the crop lands used by Csabatáj Zrt.** The main part of the crop lands used for the basic activity of Csabatáj Zrt. is used based on land lease agreements made for a definite period of time. There is no guarantee that Csabatáj Zrt. will be able to substitute the lands falling out of its scope with the same

quality and/or quantity of lands, subsequent to the expiration of the land lease agreement, which may negatively affect the profitability of the Group.

Guarantees assumed by Csabatáj Zrt.

Csabatáj Zrt. assumed guarantee for the liabilities of Hidashát Zrt. for capital and the relevant contributions for an amount of HUF 800 million. Hidashát Zrt. and the Group are affiliated companies due to their actual owners, nevertheless Hidashát Zrt. is an extra-group entity from the Issuer's aspect. Accordingly, should Hideaway Zrt. not comply with any of its obligations and thus Csabatáj Zrt. is obliged to act as guarantor, the profitability of the Group may adversely be affected.

Ingredient risk of Wamsler SE

In the operation of Wamsler SE, the company's own iron foundry has a significant role. Due to the age of the foundry, amongst others, its specific energy consumption is high, thus in order to address the technical risk of production equipment, the management is examining the method and options of the procurement of ingredients and castings necessary for production from an alternative source. The use of ingredients procured from alternative sources may bring about extra costs, which may negatively affect the profitability of the Group.

Renegotiation of the loan agreement of Wamsler SE

The loan agreement made by and between Wamsler SE and Raiffeisen Bank needs to be restructured. Related negotiations are in an advanced phase, as a result of which the Issuer will expectedly assume obligation as guarantor for the liabilities of Wamsler SE towards Raiffeisen Bank. The possible delay or failure of the negotiations may have a negative impact on the Group's operation.

The effect of the environment protection direction on consumer behaviour and product supply

The restrictions of environment protection requirements and the changes of the price and use of energy carriers constitute continuous challenge for stove and fireplace manufacturers, thus Wamsler SE too. If Wamsler SE is in delay to keep up with the development of the heat technological and environmental features of the products as well as the changes of demand, the profitability of the Group may be negatively affected.

Risk of the sales channel of Wamsler SE

Sales channels in wholesale and retail are more and more in transformation. On one hand, online sales is rapidly expanding, and on the other hand, large supermarket chains also take up an increasing part of the trade. This concentration is typical for the sale of Wamsler SE, as a result of which large players have more and more bargaining power, namely the unit prices of products sold to the same may decrease, which may negatively affect the profitability of the Group.

Risk related to the activity of the companies, the minority of which is owned by

the Group

The Group has only limited influence over the activity of the companies, the minority of which is owned by the Group.

Potential impairment of the assets of Takarékinfó Zrt.

By way of the Issuer's investment in Takarékinfó Zrt. of 24.87%, it is considered as an affiliate company, and the value of business share is recorded at HUF 492 million.

Based on the order of Takarékszövetkezeti Bank Zrt., Takarékinfó Zrt. acquired minimal amount of goods (for the Flexcube accounting system), which were recorded in unfinished investments. In the second half of 2018, Magyar Takarékszövetkezeti Bank Zrt. made a decision on using Eurobank system instead of Flexcube system on the long run, as its only accounting system. Consequently, the accounting of unplanned impairment of the immaterial goods acquired in connection with the Flexcube system at Takarékinfó Zrt. proved to be necessary, based on which Takarékinfó Zrt, in accordance with the provisions of the Accounting Act (Sztv.), one significant amount of expense had to be reported, as a result of which, in accordance with the disclosure of Takarékinfó Zrt., its expected after tax profit/loss for the 2018 business year will be HUF 2.9 billion in losses. With regard to the fact that the rate of the above specified expected loss of Takarékinfó Zrt. in proportion with the business share of the Issuer in Takarékinfó Zrt. (that is 24.87% of HUF 2.9 billion, which is approximately HUF 720 million) exceeds the book value of the business share of the Issuer in Takarékinfó Zrt. (HUF 426.5 million), thus applying the principle of prudence, the accounting of a loss of probably not more than HUF 492 million will be necessary related to the potential impairment of the intangible assets of Takarékinfó Zrt. in the 2018 consolidated annual report, which may have a negative impact on the Issuer's profitability. The Issuer has no obligation of possible additional payments towards Takarékinfó Zrt.

<u>Risk factors typical for shares or investment in shares</u>

Securities market risk:

The price of the Issuer's shares may also be significantly affected by the general assessment of the capital market and the assessment of the Hungarian sovereign risk by investors.

Exchange rate risk:

The price of the Shares in the Stock Exchange is affected by the fluctuation of market demand and supply. This is why prices may change in a direction and to an extent that cannot be projected. In future, prices may rise or fall depending on the market changes, the Issuer's profitability, the Issuer's future growth outlook the subjective assessment of investors, Hungary's risk assessment and other factors.

Dividend payment risk:

Even though the Issuer has assets that can be distributed as dividend, the main shareholders may still decide at a General Meeting not to pay any dividend.

	Risk of changes in tax regulations: The legal regulations pertaining to the taxation of gains achieved in the course of trading, trading with the Shares, dividend and transactions, effective at the Prospectus date, may change in the future detrimentally to the shareholders. **Delisting risk:** Public companies listed on BÉT may be delisted and transformed into private limited companies. There is no guarantee that in future a major shareholder will not decide on the Shares of the Issuer to be delisted on BÉT. If the Issuer's shares are delisted on BÉT, then their OTC trade may be extremely limited. **Dilution risk:** If a preferential subscription right of a shareholder is excluded or limited in a potential future capital increase or the shareholder does not take part in the capital increase despite having a preferential subscription right, then their share in the Issuer will be relatively reduced (diluted). **Risk of control by influential owners:** The interests of the major shareholders may not always coincide with the interests of the minority shareholders. The sale of a large volume of Shares by the major shareholders, either directly or through their associated companies, may have a significant influence on the price of the Issuer's shares.
D.4.- D.6.	Not applicable.

1.5 Section E – Offer

E.1. - E.7.	Not applicable.

2. RISK FACTORS

Before making a decision on investing into the shares, the future investors must carefully consider the risk factors described below and all other information included in the Prospectus. If any of the risk factors occurs, it may have a detrimental impact on the Issuer's business activity, outlook, financial position and results as well as on the value of the Shares. Thus the investors may lose their capital invested into the Shares either in part or in full.

According to the Issuer's position, the risk factors described below cover the major risks affecting the Issuer and the Shares. However, the business activity, operating results and financial position of the Issuer may also be detrimentally affected by further risk and uncertainty factors currently not known by the Issuer or not deemed significant by the Issuer according to its present best knowledge.

The future investors must carefully study the full test of the Prospectus. They are also advised to consult with their own financial, legal and tax experts before they make a decision on investing into the Shares in order to understand and adequately assess the risks associated with the investment into the Shares. Future investors are also advised to make their decision on the investment by taking into account their own personal circumstances.

2.1 Market and sectoral risks

2.1.1 Macroeconomic risks

The Group and its profitability are exposed to the general economic situation in Hungary. At the moment the macroeconomic situation is based on stable and strong foundations but any detrimental change in it may have a negative impact on the demand for the services of the Group and therefore also on the future profitability of the Group.

If there are business opportunities, the Group may also enter new markets. In future, the general economic situation of further target markets will also influence the profitability of the activities of the Group.

Furthermore, the economic situation of the European countries that have close economic relations with the markets of the Group can also strongly influence the general economic situation of the markets of the Group.

In addition, the economic policy, including inflation, exchange rate policy and interest rates, may also have a strong impact on the return of the investment into the shares.

2.1.2 General regulatory risks

The Group operates in a complex regulatory environment and its activities are significantly influenced by the specificities of the regulatory environment and the legislative framework. Any unpredictable legal, operating, administrative, taxation and other regulatory changes may have a significant impact on the business activity and financial profitability of the Group.

The Group takes all generally expected efforts to make sure to comply with the applicable laws and regulations. Nevertheless, any non-conformity to the provisions of the law may entail administrative proceedings and fines or other legal consequences. Furthermore, the future regulatory changes affecting the activities of the Group can also have a significant and negative impact on the profitability of the Group

2.1.3 Force majeure risk

A force majeure, wars, civil wars, natural disasters (such as earthquakes, floods) may have a negative impact on the macro economy and the profitability of the Group.

2.1.4 Risk related to ingredients

In order for the Group to carry out its activities, the availability of appropriate ingredients and components is indispensable. If the ingredients and components necessary for the performance of the activities cannot be acquired, or only at a large expense, the Group's turnover may decrease, and the Group's operating costs may increase, negatively affecting the profitability of the Group.

2.1.5 Risk related to transportation costs

During the performance of the activities of the Group, it largely leans on public road and railway transportation. The increase of transportation costs may increase the operating costs of the Group, negatively affecting the profitability of the Group.

2.1.6 Risk of human resources

At present, there is full employment in the Hungarian economy, which in practice means that Hungarian labour force has a significant bargaining power, and tends to move toward employers providing higher wages and better working conditions. This tendency results in a serious wage competition between companies. Appropriate quality employees can only be kept with higher and higher wages, which negatively affects profitability, and makes normal operation difficult. This tendency is especially related to the construction industry, as higher wages attract employees working in the construction industry, consequently there is severe shortage of labour, and increasing wage costs soared in recent times.

The Group's performance and success largely depends on the expertise, attitude and commitment of experts. The Group tries to keep employees providing competitive conditions, further education options, but there is no guarantee for not losing one or two experienced professionals.

2.1.7 Risks related to the industrial manufacturing segment

The demand constituting the basis of the activity related to the Group's industrial manufacturing segment is cyclical and is driven by general economic factors, with regard to which the Group has no influence. In the past years, the volume of industrial grew in Hungary, but there is no guarantee with regard to the fact that this trend will go on. If the growth of the economy decelerates or declines in the future, it may have a negative impact on the demand for the services, financing opportunities, profitability and growth of the Group.

Any of the following factors may have a significant negative impact on the profitability of the Group:

2.1.7.1 *Risk related to suppliers, subcontractors*

Related to the performance of the activities of the Group's industrial manufacturing segment, it is in contractual relation with several suppliers and subcontractors.

Premature termination of such agreements with suppliers and subcontractors for any reason, or the non-contractual performance of the supplier or subcontractor partners may negatively affect the profitability of the Group.

2.1.7.2 Risks related to guarantee or implied warranty/Risk of the payment of guarantee retention

In accordance with the standard practice of the industry, 5% of the agreed amount is retained by customers for three years in the scope of guarantee retention. The amount retained can be used as the guarantee for the warranty (guarantee) right of the customer. In accordance with the applicable laws and regulations, the Group makes provisions and takes out appropriate insurances to cover these costs.

In the scope of the Group's industrial manufacturing activity, it aims at excellent and contractual performance, nevertheless the option that extra costs arising in connection with the performance of these obligations exceed the amount of provisions cannot be precluded, which may negatively affect the profitability of the Group.

2.1.7.3 Management of buyer and supplier advance payments

An important aspect of the activities performed by the construction subsidiaries is that turnover and the majority of subcontractor costs are provided or paid in advance prior to the record date of the valuation. Due to the rate of high pre-financing, which is typical of the project, the balance of the net operating capital of the companies involved is typically negative (liabilities exceed current assets), which may have a significant influence on the Group's cash flow.

2.1.7.4 Risk of EU financing

The EU projects executed by the industrial manufacturing segment of the Group are typically started based on operative programs or other long-term planning documents. Many times there is a long internal preparatory process preceding the decisions related to projects, especially large projects, which may lead to a delayed start of the project.

If as a result of the above factors, fewer projects are started in certain years, the implementation of projects in progress may be delayed, which may have a negative effect on the profitability of the Group.

2.1.7.5 Risk of public procurement proceedings

Mészáros és Mészáros Kft. and R-KORD Kft. typically submit tenders to public procurement proceedings. In certain years, with regard to the number of projects, in which the companies can participate, the time necessary for the implementation of the public procurement proceedings constitutes risks. The matter whether the implementation of certain projects can be started is affected by the fact that the delay of the start of the project may possibly not be executed in the project schedule, thus less time may be available for implementation, which may adversely affect the Group's operation.

2.1.7.6 Exposure due to large projects

With regard to their volume, large projects and orders are typical for Mészáros és Mészáros Kft. and R-KORD Kft. Revenues coming from the same may be volatile between certain years, which may negatively affect the profitability of the Group.

2.1.7.7 Risk of human resources

Fluctuation is still typical for the industrial manufacturing staff of the Group, which is also the case in the entire sector. The management of the Group tries to decrease the unfavourable tendency by way of wage development and staff maintenance programs as well as the provision of education places. The implementation of the planned investment will provide secure means of subsistence, and may be a significant milestone in catching up and stopping migration. Should the efforts of the management fail, the Group's operation may be adversely affected.

2.1.8 Risks related to the agriculture and food industry segment

With regard to agriculture, we can generally say that the produced goods can hardly be differenced and can easily be substituted by the products of other competitors. In addition, the activities of the companies involved in agriculture and food industry and the related risks significantly depend on the development of the agricultural conjuncture and the price changes of the cereal market, because in an economic sense, the ingredients of output products are closely related to crop production, animal husbandry and food industry. In addition, there are numerous difficulties in the field of operation and production as well as the selling target markets in the corporations involved in agriculture and food industry, which include economic, industrial management, institutional/regulatory and labour market risks.

Any of the following factors may have a significant negative impact on the profitability of the Group:

2.1.8.1 Weather conditions, which adversely affect agricultural production, or risks related to other circumstances resulting in poor harvest

Weather conditions constitute a significant operational risk for the agriculture and food industry segment of the Group. Weather does not only directly affect the quantity of the products produced by the Group, but makes difficult or hinder the harvest of standing crops.

Weather conditions, and other factors may negatively influence the use of different chemicals and active substances applied by the Group, as well as their used quality, which may result in the increase of the operational costs of the Group.

On top of the above mentioned, weather and other conditions resulting in bad quality products may adversely affect the price of the ingredients used by the agriculture and food industry segment, as a result of which the operating costs of the Group may increase, which adversely affect the profitability of the Group

2.1.8.2 Risk of diseases and epidemics

The appearance and spreading of diseases and epidemics in the ingredients used, animals kept and products produced by the agriculture and food industry segment of the Group is unpredictable. Such diseases and epidemics may cause significant losses for the Group, and in extreme cases may even significantly hinder the performance of the Group's activities in the agriculture and food industry segment, adversely affecting the profitability of the Group.

2.1.8.3 Risk of contaminated agricultural and food industry products

The agricultural and food industry products produced by the Group may be contaminated. This risk may be mitigated with appropriate security measures - which the Group will take -, but they cannot totally be terminated. The negligent contamination of the products is illegal, which may give rise to the risk of product recall, compensation claims, increased inspection by the authorities, any of which may negatively affect the profitability of the Group.

2.1.8.4 The volatility of the market price of ingredients

With regard to KALL Ingredients Kft. and VIRESOL Kft., direct ingredient demand is related to cereal. In an indirect way - as fodder - it is also a significant factor for Csabatáj Zrt. in egg production. Nevertheless, there is significant volatility in the world market and EU price of cereals, which is due to the variability of the weather (fluctuation in temperature, amount of precipitation, extremities related to global warming) as well as the possible changes of demand (for example increasing demand due to the production of biofuel). The Group has no influence on price volatility, and they can only be managed by futures, which are not able to totally terminate the related risks, thus the increase of the price of ingredients may adversely affect the profitability of the Group.

2.1.8.5 Risks arising from the volatility of the market price and demand of the end products

The end products of the agriculture and food industry segment are different food industry ingredients, starches, sweeteners, sugars, fodders and their ingredients, industrial alcohol, hen eggs, crop products. The demand for these products significantly depends on the world market and EU trends, which may fluctuate with the changes of global income generation and conjuncture. Products produced by developing regional countries, and sold at a low price may significantly influence world market prices. Significant competition can be expected in the EU in the field of agriculture, because low differentiability and easy replaceability are typical for such products. Consequently, the future prices of the products produced by the Group are difficult to be determined. This may largely and significantly influence the Group's turnover, which may adversely affect the profitability of the Group.

2.1.8.6 Risks related to institutional regulations and community agricultural policy

The agricultural market in the European Union is a largely regulated sector, and also depends on subsidies, which is regulated by the common agricultural policy (CAP). The subvention system grants minimum price for producers and direct payments for agricultural products (which are also significant for the Group: cereals, fodder, sugar, eggs), which ensures financial security for EU farmers.

There are large debates on the reform of this system. Possible changes may fundamentally change market conditions, related to both demand/supply and ingredient purchase. In addition, extreme and more and more comprehensive regulations and necessary licences may also negatively affect agricultural trends and profitability, and these factors together may negatively affect the profitability of the Group.

2.1.8.7 Risks of the growth of production and sales of starting projects

As with regard to KALL Ingredients Kft. and VIRESOL Kft., there are two starting projects, a general risk is the uncertainty related to the growth of sales. The rate production will take off, related to which the development of partner relationships are questionable. Parallel to the beginning of normal operation, profitability is expected to continuously improve, however in this case time may be a significant risk.

2.1.8.8 Market behaviour of competitors

In certain markets of the Group, in Europe and in Hungary, companies with strong positions, developed technologies, significant capacities and financial strength, including state or local government owned and controlled companies, compete or may enter the competition in the future. Competition, which may possibly strengthen in the future may make unpredictable developments and investments necessary, negatively affect the prices of the Group's services or increase the Group's costs, which may negatively affect the c.

2.1.8.9 Risk of human resources

Staff fluctuation also affects the Group's agriculture and food industry segment, and in order to decrease this and terminate unfilled positions, the management, if possible, plans further wage increase with extra expenses on top of the obligatory raise of the minimum wage. In order to maintain the number of staff, the Group cooperates with the local employment office. Nevertheless, should the efforts of the management fail, the Group's operation may be adversely affected.

2.1.9 Risks relating to the Energetics Segment

The demand constituting the basis of energy generation is cyclical and is driven by general economic factors, on which the Group has no influence. In Hungary, after 2008, the quantity of electricity consumption drastically decreased, which reached the level of the period before 2008 only in 2016. Nevertheless, between 2008 and 2014, the volume of domestic power plant production decreased due to old and discontinued power plants at a much faster pace than that of electricity consumption.

Domestic power plant production started to grow after 2014, but even in 2017 it still lagged way behind the level of the period before 2008. At present, the volume of electricity consumption is increasing year by year, but there is no guarantee that this trend will continue. The deceleration or future decline of the growth of the economy may have a negative impact on the demand for the Group's products, the Group's financing position, as well as its profitability and growth potential.

Any of the following factors may have a significant negative impact on the profitability of the Group:

2.1.9.1 Risks related to official licences

In the scope of the energetics segment, the Group performs numerous activities, which are subject to licences (e.g. Hungarian Energy and Public Utility Regulatory Authority

(HEA), mine supervision, environment protection authority, etc.) A part of the licences are to be periodically reviewed and continuously updated. The Group uses its best endeavours in order to comply with the applicable laws and regulations and the requirements of licences, nevertheless there is no guarantee that as a result of the non-compliance with the requirements of licences and the provisions of applicable laws and regulations, a licence related to the Group's energetics segment is not issued or renewed, which may negatively influence the profitability of the Group.

2.1.9.2 Official prices

The prices of certain activities performed by the Group are determined or maximised by the laws or authorities (especially including HEA, ministries and local governments). Such prices specified in the laws or determined by the authorities, as well as the official changes of price regulation may significantly influence the profitability of the Group and competitiveness.

2.1.9.3 Risks related to the changes of the regulation related to renewable electricity generation

Renewable production performed by the Group supported with alternative brown premium (biomass), and the solar power project to be implemented, funded from the METÁR system is largely exposed to the possible changes of the rules related to renewable electricity generation.

Future regulatory changes affecting the electricity generation activities of the Group may significantly negatively influence the profitability of the Group.

2.1.9.4 Risks related to CO_2 quota

The third trading period of EU ETS (2013-2020) started on 1 January 2013. In this period, the Group may only get emission quotas by way of auction or secondary trade channels - with some exceptions. The allocation system, the changes of the rules of allocation as well as the change of the prices of emission rights may significantly influence the operating costs and economic profits of the Group.

2.1.9.5 Risks of state subsidies

The operation and profitability of the Group may depend on the amount of state subsidies related to the use of renewable energy resources and the related generated energy and investments and operation, as well as the future changes of state subsidies provided in Hungary and the European Union.

The changes of state subsidy structures, especially the obligatory off-take (KÁT) and the renewable energy support scheme (METÁR), or the possible termination of the relevant subsidies may significantly influence the operation, profitability, market position and competitiveness of the Group.

2.1.9.6 Taxing risks

The present taxing, contribution and levy payment rules may change in the future, thus the increase of special tax imposed on energy producers and energy traders cannot be excluded, and further taxes may be levied on the businesses operating in the electricity sector, increasing the tax burden of the Group.

2.1.9.7 Risks related to the expansion of renewable energy resources

The further expansion of renewable energy resources may negatively affect fossil energy based electricity generation, because renewable energy resources constituting obligatory take-over may supersede traditional fossil based electricity generation.

2.1.9.8 The Group depends on the distribution network operated by third parties.

The Group plans the establishment of significant volume of new, renewable capacities in the coming decades. The overload of existing networks - especially due to developments planned by third parties, but not yet known - may limit or delay the implementation of the Group's investments.

2.1.9.9 Risks of technological changes

Technological changes may significantly increase the efficiency of the energy industry, especially in the field of energy generation. Technological development does not only transform the technologies applied by the Group, but in certain cases totally terminates the application of the same. If solutions and technologies come about, related to which the Group does not have appropriate experiences, or to which it does not have access (due to patent protection or other reasons), the Group may lose market or experience the decrease of its turnover and profitability. There is no guarantee that the Group will always be able to choose or procure the most efficient technology and operate the same with the best results.

2.1.9.10 Risks of competition

In certain markets of the Group, in Europe and in Hungary, companies with strong positions, developed technologies, significant capacities and financial strength compete or may enter the competition in the future. Competition, which may possibly strengthen in the future may make unpredictable developments and investments necessary, negatively affect the prices of the Group's services or increase the Group's costs, which may negatively affect the profitability of the Group.

2.1.9.11 Risks of the domestic effects of international market events

Hungarian energies are largely influenced by the market prices of foreign stock exchanges, which are significantly formed as a result of economic processes outside of Hungary and the relations of supply and demand. The development of economic processes and the relations of supply and demand may have a negative effect on the profitability of the Group.

2.1.9.12 Price of natural gas, electricity and generated heat

The financial situation of natural gas operated power plants is largely influenced by the developments of the difference (margin) between the (purchase) price of natural gas and the price of sold electricity. The significant decrease of this margin may have a negative effect on the Group's business activity and profitability.

2.2 Risks characteristic of the Issuer and the Group

2.2.1 The business development activities of the Group may be impeded by difficulties and may even generate a loss.

The Group's medium-term plans include expansion abroad, primarily in the Central and Eastern European region. However, until the Prospectus date, the Group had only obtained limited experience in foreign markets and therefore the business activities and projects planned in those countries may not be implemented or, if they are implemented, they may require more management resources than projected or unexpected large costs may incur, which may negatively influence the profitability of the Group. These markets are less known to the Group and therefore the activities in those markets cannot be planned efficiently.

The expansion of the Group in new areas and fast and extensive growth may weaken the control functions of the management to a certain extent. The costs of entering new territories or the magnitude of the development expenses cannot be exactly estimated at the moment. Similarly, the exact time or extent to which the new sites can contribute to an increase in the profit generating ability of the Group cannot be estimated either. Despite the difficulties related to the exact projection of these costs and expenses, the Group must be able to continuously finance such additional costs and expenses.

2.2.2 Exchange rate risk

The loans of certain members of the Group are denominated in EUR. Some operating expenses, primarily wage costs, re-invoiced utility charge, expert fees and taxes generally incur in HUF. This entails an exchange rate risk, Group does not cover with hedge transactions. Any unfavourable change in the exchange rate may have a negative impact on the operating profit and profitability Group.

2.2.3 Risk of indebtedness

The group has a significant loan portfolio. The cash generating capacity of the Group depends on whether or not it can fulfil its principal and interest payment obligations stated in the loan agreements. The cash generating ability of the Group of affected not only by the general economic, financial and competition regulations but also by numerous other factors, over which the management of the Group has no or very little influence. If the profitability of the Group and thereby its cash generating ability declines, the loan portfolio may need to be restructured and refinanced, assets may need to be sold or further funds should be raised. If despite those measures the Group is still unable to fulfil its principal and interest payment obligations in time, the terms and conditions of the loan agreements applicable to default will be applied, deteriorating the financial position of the Group.

2.2.4 Tax risk

The tax authority has a right to inspect the tax matters of the companies for five years from the end of the current fiscal year. The Group takes all reasonable efforts to operate in accordance with the regulations, but a future tax inspection may lead to findings that will generate expenditure for the Issuer.

2.2.5 Other regulatory risks

Several authorities are entitled to inspect the operation of the Group (e.g. Hungarian Competition Authority - GVH, National Tax and Customs Administration of Hungary - NAV, Environment Protection and Nature Protection Authorities, National Food Chain Safety Office - NÉBIH, Hungarian Energy and Public Utility Regulatory

Authority - MEKH, Hungarian National Bank - MNB, etc.) Full compliance with the legislative framework is extremely important for the Group, yet a future regulatory inspection may still lead to a large expenditure or loss of revenue for the Group, detrimentally influencing its profitability.

2.2.6 Loss of managers and employees of key importance:

The loss of managers and employees of key importance may have a negative influence on the Group's business activity. The business performance and success of the Group largely depends on the management controlling the Group (see Chapter 8.4. 'Managers' of the Prospectus). A great deal of the revenues of the Group depends on the knowledge and approach of these experienced experts. The Group takes steps to keep these key experts by providing competitive conditions to them, but there is no guarantee that the Group will not lose one or more experienced experts.

A successful HR policy, reflecting the ability of the Group to employ experts who exercise sufficient strategic control over the members of the Group and whose expert skills ensure the successful everyday operation of the members of the Group towards both customers and the supervisory authorities (including the Stock Exchange) is one of the cornerstones of the effective operation of the Group. If the Group loses its ability to keep or replace its mangers and employees, it may lead to significantly detrimental consequences affecting the financial position and profitability of the Group.

2.2.7 Risk relating to IT systems

The availability, adequate operation security and regulation of certain IT systems is indispensable for the operation of the Group. The maintenance and development of the IT systems require high expenditure.

The Group aims at ensuring the enforcement of the principles of data protection and the requirements of data security with regard to the information system, and hinder unauthorised access, change of data and unlawful disclosure of the same. The Group's exposure to the information technology system and the lack of the necessary IT developments, the use of inappropriate technologies presents risks, which may have significant negative effects on the profitability of the Group.

2.2.8 The electricity generation licence of Mátra Erőmű Zrt.

The present expiration date of licence No. 21/2003 issued to Mátrai Erőmű Zrt. and numerously amended is 31 December 2025. Application for the further extension of the licence can be submitted in 2021, the earliest.

According to the experts, the life span of certain power plant blocks lasts until the below specified dates:

(a) Blocks I-II: 31 December 2023

(b) Block III: 31 December 2029, and

(c) Blocks IV-VII: 31 December 2025

Should Mátrai Erőmű Zrt. not extend the term of its electricity generation licence, or the life span of its power plant blocks, subsequent to the expiration of the electricity generation licence, and the life span of its power plant blocks, the shut-down and recultivation of the power plant and the mine in Visonta as well as the mine in Bükkábrány may be necessary. In accordance with the relevant laws and regulations, Mátrai Erőmű Zrt. makes provisions for the performance of possible recultivation obligations, nevertheless there is no guarantee that the provisions will cover the actual costs of recultivation, which may negatively affect the profitability of the Group.

2.2.9 Technical risk of Mátrai Erőmű Zrt.

A significant part of the Group's turnover comes from different energy generation units or the implementation of planned energy generation units. Consequently, the discontinuation of certain energy generation units may have a significant impact on the future turnover and profitability of the Group.

2.2.10 Buyer risk of Mátrai Erőmű Zrt.

A significant part of the Group's turnover comes from a low number, high purchasing clients. Consequently the acquisition or loss of a few number of buyer agreements may have a significant impact on the future turnover and profitability of the Group. The Group made contracts with its major clients, suppliers and financial contributors for definite terms. There is no guarantee that subsequent to the expiration of such contracts, the parties will be able to extend the contracts. Even contracts made for a definite term may be terminated prior to the expiry of such term in an unexpected extraordinary situation, which may negatively affect the profitability of the Group.

2.2.11 Energy trading risk of Mátrai Erőmű Zrt.

The changes of electricity demand may significantly influence the Group's revenues and profitability. In order to flexibly service consumer needs, the Group does not cover the entire contracted amount, due to which there are open positions, the closure of which is primarily made on the immediate (spot) market. Prices applicable on the spot markets cannot be planned ahead, and their disadvantageous effect on the Group may adversely influence the profitability of the Group. Electricity volumes are more and more tethered on high liquidity stock exchanges. As a large number of transactions are made every day, the product prices change on a daily basis. Price changes from one day to another, which may even be significant may constitute risks when providing consumer offers for the long run. Even though the Group performs its trade activities with great care, a possible faulty transaction may have significant negative effect on the profitability of the Group.

2.2.12 Operating risk of Mátrai Erőmű Zrt.

The Group's economic performance depends on the appropriate operation of the energy generation units, which may be influenced by several factors, amongst others:

(a) general or unexpected maintenance or renovation costs;

(b) outage or service interruption due to equipment failure;

(c) catastrophes (fire, flood, earthquake, storm and other natural circumstances);

(d) change of operating parameters;

(e) change of operating costs;

(f) possible mistakes during production;

(g) extra costs arising from the expiration of the life span of main units or main parts;

(h) dependence on external operators;

The Group has “all risk” property insurance for machine breakdown, outage and certain natural disasters, which provide coverage for damages arising from such reasons, and the Group also has liability insurance for damages caused to third persons by the energy generation activity. Nevertheless, the insurance case may possibly fall out of the scope of risks specified by the insurance company, thus the damage is to be compensated by the insured entity - as the one suffering or causing the damage -, which may negatively affect the profitability of the Group.

2.2.13 Fuel risk of Mátrai Erőmű Zrt.

The Group procures the fuel (natural gas) necessary for the Group’s hydrocarbon burning gas turbines from external suppliers. The Group’s natural gas transportation agreements are in line with the general practice applied in the industry. However, there is no guarantee that the fuel necessary for the operation of the gas turbines will be available in all cases, especially in case of unpredictable external events.

2.2.14 Risk of Mátrai Erőmű Zrt. related to the dependence on the weather

The fuel necessary for the operation of the Group is produced and transported from its own open cast mines. Open cast mining is exposed to the weather. Long term precipitation, or large volume of precipitation in a short period of time may have a negative effect on the cleaning of the caprock and coal production too. This may result in the temporary decrease of electricity generation, thus loss of revenues. Long term cold temperatures in the winter may freeze fuel of high water content in the coal bunkers of the power plant and in the transfer points of the delivery line, but there might also be disturbances with regard to the fact that 60% of the fuel and 100% of the limestone is delivered on rail. The Group is in close cooperation with the railway companies, but risks arising from railway failures, extraordinary weather conditions or unplanned maintenance cannot totally be averted.

2.2.15 Recultivation risk of Mátrai Erőmű Zrt.

The costs of the environment protection recultivation subsequent to the stoppage of the blocks of the power plant planned based on the present laws and regulations and the related shut down of the mines in Visonta and Bükkábrány may constitute significant burdens for the Company, and the estimation of expected costs constitutes significant uncertainty. The planned stoppage date of the power plant blocks is 30 June 2013 with regard to the 100 MW blocks and 31 December 2029 with regard to the 200 MW blocks. In accordance with the relevant laws and regulations, Mátrai Erőmű Zrt. makes provisions for recultivation costs, but there is no guarantee that the arising costs will not exceed the amount of provisions, which may negatively affect the profitability of the Group.

2.2.16 Risk arising from the return of goodwill

In accordance with the Issuer's accounting policy, during the consolidation, when determining the impairment of goodwill, the requirements of Standard IAS 36 are applied. In accordance with the standard, future cash flow arising from the money making unit are to be examined every year (generally at the same time), and see if goodwill is expected to be returned. When examining future cash flow, the standard accepts several methods, namely valuation can be done by way of an external company or performed internally based on the business plans.

In accordance with the practices applied so far, the lesser value of goodwill items arising prior to the acquisitions specified in this Prospectus, as well as the continuous upgrade of the business plans did not justify the involvement of an external valuation company, thus the Issuer performed goodwill valuation internally during the annual reviews based on the business plans received from the subsidiaries.

In 2018, with the involvement of KALL Ingredients Kft. and VIRESOL Kft. as contribution in kind an especially large amount of goodwill was reported, considering which according to the Issuer’s plans, besides internal valuation processes, an external as a part of the preparation for the end of the year 2019, an external valuation company was assigned to prepare the company valuation a year later with regard to the company referred to for the goodwill valuation specified upon its acquisition.

These two parallel processes give enough control to the company management at the next year closure for ensuring the appropriateness of the values specified in the books and the return of goodwill, nevertheless with regard to KALL Ingredients Kft. and VIRESOL Kft., significant goodwill was reported, nevertheless the outcome of the emerging projects and the possibly long time necessary for the same may have a significant effect on the return of the goodwill, thus the profitability of the Group.

2.2.17 Technical risk of production equipment

In the agriculture and food industry segment, value creation is typically performed with significant current assets, which means great technical and amortisation risks. Production equipment need special expertise and continuous maintenance. In spite of the fact that these competences are available, normal operation may possibly be interrupted, which may negatively affect the profitability of the Group.

2.2.18 Renewal of the land lease agreement related to the croplands used by Csabatáj Zrt.

The main part of the crop lands used for the basic activity of Csabatáj Zrt. is used based on land lease agreements made for a definite period of time. There is no guarantee that Csabatáj Zrt. will be able to substitute the lands falling out of its scope with the same quality and/or quantity of lands, subsequent to the expiration of the land lease agreement, which may negatively affect the profitability of the Group.

2.2.19 Guarantees assumed by Csabatáj Zrt.

Csabatáj Zrt. assumed guarantee for the liabilities of Hidashát Zrt. for capital and the relevant contributions for an amount of HUF 800 million. Hidashát Zrt. and the Group are affiliated companies due to their actual owners, nevertheless Hidashát Zrt. is an extra-group entity from the Issuer’s aspect. Accordingly, should Hideaway Zrt. not comply with any of its obligations and thus Csabatáj Zrt. is obliged to act as guarantor, the profitability of the Group may adversely be affected.

2.2.20 Ingredient risk of Wamsler SE

In the operation of Wamsler SE, the company's own iron foundry has a significant role. Due to the age of the foundry, amongst others, its specific energy consumption is high, thus in order to address the technical risk of production equipment, the management is examining the method and options of the procurement of ingredients and castings necessary for production from an alternative source. The use of ingredients procured from alternative sources may bring about extra costs, which may negatively affect the profitability of the Group.

2.2.21 Renegotiation of the loan agreement of Wamsler SE

The loan agreement made by and between Wamsler SE and Raiffeisen Bank needs to be restructured. Related negotiations are in an advanced phase, as a result of which the Issuer will expectedly assume obligation as guarantor for the liabilities of Wamsler SE towards Raiffeisen Bank. The possible delay or failure of the negotiations may have a negative impact on the Group's operation.

2.2.22 The effect of the environment protection direction on consumer behaviour and product supply

These risks are primarily related to Wamsler SE, which performs manufacturing activities. Even though the segment of stoves and fireplaces can be regarded as conservative, the restrictions of environment protection requirements and the changes of the price and use of energy carriers constitute continuous challenge for manufacturers, thus Wamsler SE too (e.g. increasing spreading of pellet burning, or electronic products). At present, a significant capacity expansion and innovation support investment is in progress at Wamsler SE, which helps risk management, but it also needs to keep up with the development of the heat technological and environment protection features of the products as well as the changes of demand, in order to ensure that its strong European position can be maintained. If this cannot fully be attained, the profitability of the Group may be negatively affected.

2.2.23 Risk of the sales channel of Wamsler SE

Sales channels in wholesale and retail are more and more in transformation. On one hand, online sales is rapidly expanding, and on the other hand, large supermarket chains also take up an increasing part of the trade. This concentration is typical for the sale of Wamsler SE, as a result of which large players have more and more bargaining power, namely the unit prices of products sold to the same may decrease, which may negatively affect the profitability of the Group.

2.2.24 Risk related to the activity of the companies, the minority of which is owned by the Group

The Group has only limited influence over the activity of the companies, the minority of which is owned by the Group.

2.2.25 Potential impairment of the assets of Takarékinfó Zrt.

By way of the Issuer's investment in Takarékinfó Zrt. of 24.87%, it is considered as an affiliate company, and the value of business share is recorded at HUF 492 million.

Based on the order of Takarékszövetkezeti Bank Zrt., Takarékinfó Zrt. acquired minimal amount of goods (for the Flexcube accounting system), which were recorded in unfinished investments. In the second half of 2018, Magyar Takarékszövetkezeti Bank Zrt. made a decision on using Eurobank system instead of Flexcube system on the long run, as its only accounting system. Consequently, the accounting of unplanned impairment of the immaterial goods acquired in connection with the Flexcube system at Takarékinfó Zrt. proved to be necessary, based on which Takarékinfó ZRt, in accordance with the provisions of the Accounting Act (Sztv.), one significant amount of expense had to be reported, as a result of which, in accordance with the disclosure of Takarékinfó Zrt., its expected after tax profit/loss for the 2018 business year will be HUF 2.9 billion in losses. With regard to the fact that the rate of the above specified expected loss of Takarékinfó Zrt. in proportion with the business share of the Issuer in Takarékinfó Zrt. (that is 24.87% of HUF 2.9 billion, which is approximately HUF 720 million) exceeds the book value of the business share of her Issuer in Takarékinfó Zrt. (HUF 426.5 million), thus applying the principle of prudence, the accounting of a loss of probably not more than HUF 492 million will be necessary related to the potential impairment of the intangible assets of Takarékinfó Zrt. in the 2018 consolidated annual report, which may have a negative impact on the Issuer's profitability. The Issuer has no obligation of possible additional payments towards Takarékinfó Zrt.

2.3 Risk factors typical for shares or investment in shares

2.3.1 Securities market risk

As the Hungarian equity market is open and is relatively small, it heavily depends on international market processes; the international, primarily European capital and money market movements have an impact on its performance and also generate exchange rate changes that are independent from the profitability of the Issuer or of the Hungarian economy. The price of the Issuer's shares may also be significantly affected by the general assessment of the capital market and the assessment of the Hungarian sovereign risk by investors.

2.3.2 Exchange rate change risk

The price of the Shares in the Stock Exchange is affected by the fluctuation of market demand and supply. This is why prices may change in a direction and to an extent that cannot be projected. In future, prices may rise or fall depending on the market changes, the Issuer's profitability, the Issuer's future growth outlook the subjective assessment of investors, Hungary's risk assessment and other factors.

2.3.3 Dividend payment risk

Dividend can be paid if the Issuer has assets that can be distributed as dividend. The Issuer cannot guarantee that its activity will be profitable in the future (i.e., that it will have assets available for distribution as dividend). Furthermore, the dividend payment may also be affected by any change in the legislation on dividend payment limits. The allocation of the profit after taxation and its reinvestment into the business or the payment of dividend, as well as the potential dividend amount are decided by the Issuer's General Meeting within the applicable legislative framework.

Even though the Issuer has assets that can be distributed as dividend, the main shareholders may still decide at a General Meeting not to pay any dividend.

2.3.4 Risk of changes in tax regulations

The legal regulations pertaining to the taxation of gains achieved in the course of trading, trading with the Shares, dividend and transactions, effective at the Prospectus date, may change in the future detrimentally to the shareholders.

2.3.5 Delisting risk

Public companies listed on BÉT may be delisted and transformed into private limited companies. There is no guarantee that in future a major shareholder will not decide on the Shares of the Issuer to be delisted from BÉT. If the Issuer's shares are delisted from BÉT, then their OTC trade may be extremely limited.

2.3.6 Dilution risk

If a preferential subscription right of a shareholder is excluded or limited in a potential future capital increase or the shareholder does not take part in the capital increase despite having a preferential subscription right, then their share in the Issuer will be relatively reduced (diluted).

On top of the above mentioned, if the Merger specified in Point 4.6 is realised, the shares of the shareholders in the Issuer will also be diluted.

2.3.7 Risk of control by influential shareholders

The interests of the major shareholders may not always coincide with the interests of the minority shareholders.

The sale of a large volume of Shares by the major shareholders, either directly or through their associated companies, may have a significant influence on the price of the Issuer's shares.

3. DECLARATION ON RESPONSIBILITY

OPUS GLOBAL Nyilvánosan Működő Részvénytársaság (registered office: 1062 Budapest, Andrássy út 59.; company registry number: Cg.01-10-042533) (the '**Issuer**') as the Party responsible for the information included in this Prospectus hereby declares, in compliance with Section 29 (2) of Act CXX of 2001 on the Capital Market and the General Business Regulations of the Budapest Stock Exchange, that this Prospectus contains true data and statements and that it does not withhold any facts or information that may be important in the assessment of the shares and position of the Issuer.

While preparing this Prospectus, the Issuer tried, in all reasonably expected ways, to ensure that the Prospectus contains all data that are required for an informed assessment of the market position, the assets and liabilities of the Issuer and the expected developments therein as well as the rights associated with the Shares by the investors in compliance with the provisions of the applicable law. According to the best knowledge of the Issuer, the data, data groups, statements and analyses contained in the Prospectus are true and valid and, based on them, the investors can have an informed assessment of the market, economic, financial and legal position of the Issuer and the expected development thereof as well as of the rights associated with the Shares. According to the best knowledge of the Issuer, the Prospectus does not contain any misleading information or data groups or analyses likely to lead to a misconclusion and does not withhold any fact that imposes a threat to the informed assessment of the Issuer's market, economic, financial or legal position and the estimated development thereof and the rights associated with the Shares by the investors.

On the basis of the above, the Issuer shall have exclusive responsibility for the contents of this Prospectus.

Budapest, 27 March 2019

4. INTRODUCTION OF THE ISSUER

4.1 General information on the Issuer

The Issuer's company name	OPUS GLOBAL Nyilvánosan Működő Részvénytársaság
Place of registration of the Issuer	Hungary
Date of registration of the Issuer	11 August 1994
The Issuer's company registration number	Cg.01-10-042533
The Issuer's registered office	1062 Budapest, Andrássy út 59.
The Issuer's website	www.opusglobal.hu
The Issuer's e-mail address	info@opusglobal.hu
The Issuer's main telephone numbers	+(36-1) 433-07-00
The Issuer's share capital	HUF 13,409,611,900
Governing law	Hungarian
Date of the effective Articles of Association	15 November 2018
The Issuer's term of operation	Indefinite
The Issuer's financial year	It is identical with the calendar year, which lasts from 1 January to 31 December of each year.
The Issuer's core activity	6420'08 Asset management (holding)
Members of the Board of Directors	Beatrix Mészáros Ágnes Homlok-Mészáros Tamás Halmi Gellért Zoltán Jászai József Vida

Members of the Supervisory Board	János Tima Dr. Orsolya Páricsi Dr. Egyedné Dr. Éva Szilvia Gödör
Members of the Audit Committee	János Tima Dr. Orsolya Páricsi Dr. Egyedné Dr. Éva Szilvia Gödör
Place of disclosure of announcements	Unless the law requires otherwise, the Issuer shall disclose the announcement at its own website, the website of the Budapest Stock Exchange and at www.kozzetetelek.hu. The announcements shall only be disclosed in print media, if required by the law or especially specified by the Articles of Association, in such a case, the place of disclosure is the daily paper called Világgazdaság.
The Issuer's Shares	Of the 536,384,476 dematerialised Series "A" ordinary shares of HUF 25 (twenty five) par value each, constituting the share capital of the Issuer: (a) 325,297,838 are listed shares; and; (b) 211,086,638 are new shares.

4.2 The Issuer's auditor

4.2.1 The Issuer's auditor at present

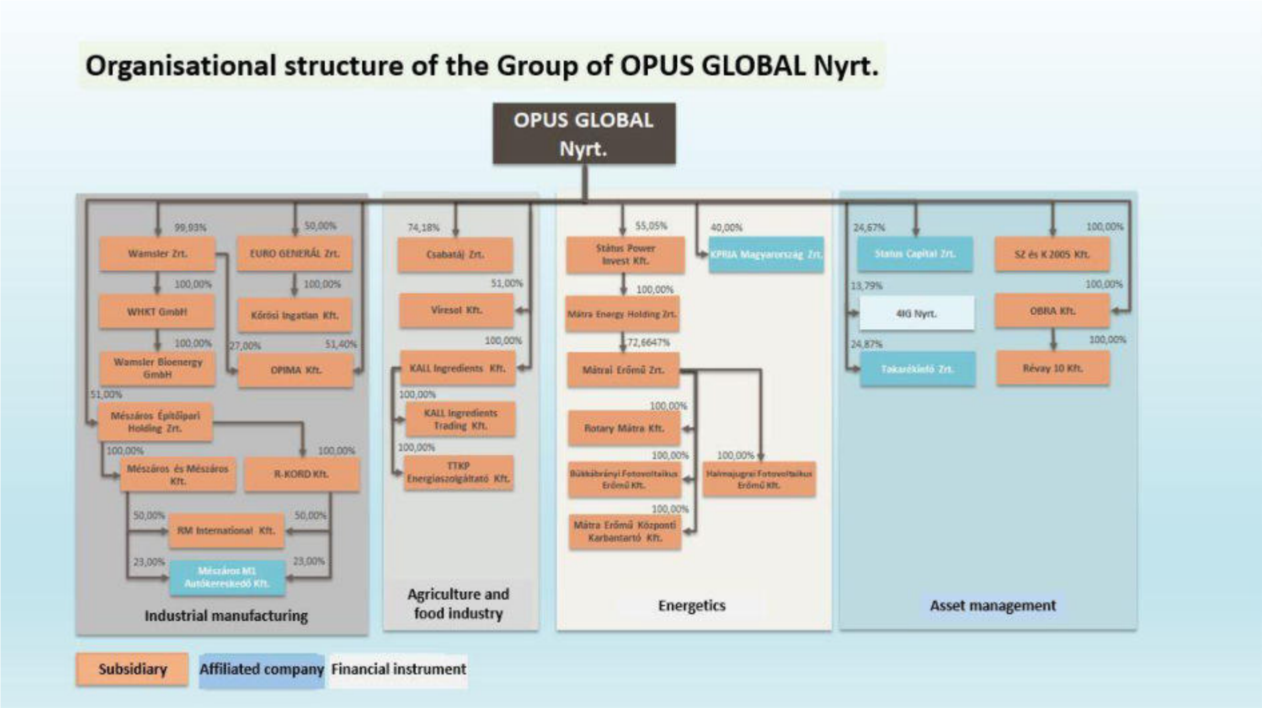
The Issuer's auditor between 2 May 2017 and 30 May 2019 is BDO Magyarország Könyvvizsgáló Kft. (registered office: 1103 Budapest, Kőér utca 2/A. Building C; company registry number: Cg.01-09-867785; auditor: Péter Kékesi, membership number in the Chamber of Hungarian Auditors: 007128). The Issuer's auditor audited the Issuer's individual Annual Report for 2017 prepared according to the IFRS, the consolidated annual report for 2017 prepared according to IFRS as well as the consolidated semi-annual report for 2018 prepared according to the IFRS. The present auditor has no interest in the Issuer.

4.2.2 The Issuer's previous auditors

The Issuer's auditor between 30 April 2015 and 30 April 2017 was ALPINE - Gazdasági Tanácsadó és Könyvvizsgáló Kft. (registered office: 1026 Budapest, Pasaréti út 59.; company registry number: Cg.01-09-068660; auditor: Gabriella Forgács, membership number in the Chamber of Hungarian Auditors: 003228). The Issuer's former auditor audited the Issuer's individual Annual Report for 2015 and 2016 prepared according to IFRS and the Issuer's Consolidated Annual Report for 2015 and 2016. The former auditor has no interest in the Issuer.

4.3 Participations and investments of the Issuer in subsidiaries and the Issuer's position within the Group

The Issuer is a member of a group performing the holding function within the Group. Its position within the Group is illustrated in the figure below.



The Group classifies its activities in the following four segments:

(a) The most significant corporation of the industrial manufacturing segment is Mészáros Építőipari Holding Zrt., the 100% subsidiaries of which, Mészáros és Mészáros Kft. and R-KORD Kft., are involved in bridge, road and other construction works, as well as implementation works related to railway construction. The main activity of Wamsler SE Európai Részvénytársaság, which is a 99.93% subsidiary of the Issuer, is boiler manufacturing. The companies are introduced in detail in Chapter 6.2.1.

(b) The agriculture and food industry segment is made up of three subsidiaries of the Issuer: Csabatáj Zrt., KALL Ingredients Kft. and VIRESOL Kft., the detailed introduction of which is included in chapter 6.2.2.

(c) The most significant subsidiary of the energetics segment is Mátrai Erőmű Zrt., which with its 966 MW installed capacity, is the second largest electricity generation power plant of Hungary. The Issuer became the direct owner of the power plant by the acquisition of 55.05% of Status Power Invest Kft. The Issuer lists KPRIA Kft. also into this segment, 40% of which is owned by the same. The detailed introduction of Mátrai Erőmű Zrt. is included in chapter 6.2.3.1.

(d) The asset management segment is primarily made up by STATUS Capital Zrt., 24.67% of which is owned by the Issuer, Takarékinfó Zrt, 24.87% of which is owned by the Issuer and 4iG Nyrt., 13.79% of which is owned by the Issuer. The Issuer consolidates STATUS Capital Zrt. and Takaérkinfó Zrt., as affiliated companies, while the business share in 4iG Nyrt. is managed as an invested financial instrument. The Issuer lists its subsidiaries performing property management in this segment. Consequently the rest of the elements of the segment are 100% subsidiaries of the Issuer: OBRA Kft., and indirectly Révay 10 Kft., which owns Révay Office Building. SZ és K 2005 Kft., which is also a 100% subsidiary owns an industrial property in Eger.

The Issuer, as a holding company has direct or indirect business shares in the below businesses, as specified in the above organisational chart:

Major subsidiaries, associated companies and other equity participations of the Issuer by segments of operation				
Name	**Main business activity**	**Country of registration**	**Indirect/direct business share**	**Issuer's business share**
Industrial manufacturing				
EURO GENERÁL Építő és Szolgáltató Zrt.	Sale and purchase of own property	Hungary	Direct	50.00%
KŐRÖSI INGATLAN Ingatlanhasznosító és szolgáltató Kft.	Sale and purchase of own property	Hungary	Indirect	50.00%
Mészáros Építőipari Holding Zrt.	Asset management (holding)	Hungary	Direct	51.00%
Mészáros és Mészáros Ipari és Kereskedelmi Kft.	Other construction not elsewhere classified	Hungary	Indirect	51.00%
R-Kord Építőipari Kft.	Production of other electric equipment	Hungary	Indirect	51.00%
RM International Zrt.	Railway construction	Hungary	Indirect	51,00%
Mészáros M1 Autókereskedő Kft.	Trade of passenger vehicles and light motor vehicles	Hungary	Indirect	23.46%
Wamsler SE Háztartástechnikai Európai Rt.	Production of not electric household appliances	Hungary	Direct	99,93%
Wamsler Haus- und Küchentechnik GmbH	Trade of appliances	Germany	Indirect	99.93%
Wamsler Bioenergy GmbH	Trade of appliances	Germany	Indirect	99.93%
OPIMA Kft.	Production of fire proof products	Hungary	Direct	51.00%
Agriculture and Food industry				
Csabatáj Mezőgazdasági Zrt.	Miscellaneous activities	Hungary	Direct	74.18%
KALL Ingredients Kereskedelmi Kft.	Production of starch and starch products	Hungary	Direct	100.00%
KALL Ingredients Trading Kereskedelmi Kft.	Wholesale of cereals, tobacco, sowing seeds and fodder	Hungary	Indirect	100.00%

TTKP Energiaszolgáltató Kft.	Steam service and air conditioning	Hungary	Indirect	100.00%
VIRESOL Kft.	Production of starch and starch products	Hungary	Direct	51.00%
Energetics				
Status Power Invest Kft.	Electricity generation	Hungary	Direct	55.05%
MÁTRA ENERGY HOLDING Zrt.	Asset management (holding)	Hungary	Indirect	40.00%
Mátrai Erőmű Zrt.	Electricity generation	Hungary	Indirect	40.00%
Bükkábrányi Fotovoltaikus Erőmű Project Kft.	Electricity generation	Hungary	Indirect	40.00%
Halmajugrai Fotovoltaikus Erőmű Project Kft.	Electricity generation	Hungary	Indirect	40.00%
Mátrai Erőmű Központi Karbantartó Kft.	Repair of industrial machines and equipment	Hungary	Indirect	40.00%
ROTARY-MÁTRA Kútfúró és Karbantartó Kft.	Other specialised activities not elsewhere classified	Hungary	Indirect	40.00%
KPRIA Magyarország Zrt.	Engineering activities and technical consultancy	Hungary	Direct	40,00%
Asset management				
OBRA Ingatlankezelő Kft.	Letting and operating own or leased real properties	Hungary	Direct	100.00%
Révay 10 Ingatlanfejlesztési Kft.	Letting and operating own or leased real properties	Hungary	Indirect	100,00%
STATUS Capital Kockázati Tőkealap-kezelő Zrt.	Other financial auxiliary activities	Hungary	Direct	24.67%
SZ és K 2005. Ingatlanhasznosító Kft.	Letting and operating own or leased real properties	Hungary	Direct	100.00%
Takarékinfő Központi Adatfeldolgozó Zrt.	Data processing, web-hosting services	Hungary	Direct	24.87%
4iG Nyrt.	Other information technology services	Hungary	Direct	13.79%

4.4 Transactions bringing about the preparation of the Prospectus

This Prospectus was prepared in connection with the planned entry of 211,086,638 dematerialised, registered, series ”A” shares of a nominal value of HUF 25 each, granting the exact same rights as the previously issued shares, issued during the closed capital increases approved on 31 July 2018, 14 September 2018 and 15 November 2018 into the Budapest Stock Exchange in category “Premium”.

The transactions bringing about the preparation of the Prospectus based on Section 21, (1) of the Capital Market Act are specified below.

4.4.1 Capital increase approved on 31 July 2018 - KALL Ingredients Kft.

On the basis of Section 3:294 (1) of the Civil Code, Section 10.4, b) of the Articles of Association, and the authorisation included in the General Meeting Resolution 19/2016 (IV.29) adopted on 29 April 2016, the Board of Directors adopted Resolutions 30-32/2018. (VII.31.) on 31 July 2018 to increase the share capital of the Issuer to HUF 9,639,776,150 through the private issue of 60,293,208 new, dematerialised, series “A” ordinary shares of HUF 25 par value and HUF 611 issue value each, granting the same rights in every aspect as the ordinary shares issued earlier. (The extract of the Resolution was disclosed on the BÉT website on 01 August 2018.)

The total increased share capital became HUF 9,639,776,150, consisting of 385,591,046 ordinary shares of HUF 25 par value each.

Within the framework of the HUF 1,507,330,200 share capital increase, the total amount of the share capital increase was made available as non-financial capital contribution (contribution in kind).

The persons providing the HUF 1,507,330,200 non-financial capital contribution and the assets of the contribution in kind are summarised in the following table:

Name of company providing the contribution in kind	**Registered office of the company providing the contribution in kind**	**Value of the contribution in kind (HUF)**
Assets involved in the contribution in kind		**Ordinary shares to be given in exchange for the contribution in kind**
KONZUM PE Private Capital Fund	1062 Budapest, Andrássy út 59.	HUF 25,787,405,316,
70% business quota in KALL Ingredients Kft.		42,205,246 ordinary shares of HUF 25 par value and HUF 611 issue value each, with a total nominal value of HUF 1,055,131,150 and total issue value of HUF 25,787,405,306

Name of company providing the contribution in kind	Registered office of the company providing the contribution in kind	Value of the contribution in kind (HUF)
Unitreasury Kft.	2053 Herceghalom, Zsámbéki út 16.	HUF 11,051,744,953
30% business quota in KALL Ingredients Kft.		18,087,962 ordinary shares of HUF 25 par value and HUF 611 issue value each, with a total nominal value of HUF 452,199,050 and total issue value of HUF 11,051,744,782

The valuation of the non-financial contribution (contribution in kind) was performed by PricewaterhouseCoopers Magyarország Kft.

The capital increases was recorded in the company register on 06 September 2018.

KONZUM PE Magántőkealap providing non-financial contribution in kind is entitled to 42,205,246 ordinary shares of HUF 25 par value, with a total nominal value of HUF 1,055,131,150 in exchange for the contribution in kind, while Unitreasury Kft. is entitled to 18,087,962 ordinary shares of HUF 25 par value, with a total nominal value of HUF 452,199,050. The shares were produced pursuant to the provisions of paragraph 4.5.

As a result of the capital increase detailed in this point, the Issuer became the sole member of KALL Ingredients Kft. (subsidiary involved in the consolidation scope), the introduction if which is specified in point 6.2.2.1.

4.4.2 Private capital increase approved on 14 September 2018 – VIRESOL Kft.

On the basis of Section 3:294 (1) of the Civil Code, Section 10.4, b) of the Articles of Association, and the authorisation included in the General Meeting Resolution 19/2016 (IV.29) adopted on 29 April 2016, the Board of Directors adopted Resolutions 37-38/2018. (IX.14.) on 14 September 2018 to increase the share capital of the Issuer to HUF 10,731,595,850 through the private issue of 43,672,788 new, dematerialised, series "A" ordinary shares of HUF 25 par value and HUF 611 issue value each, granting the same rights in every aspect as the ordinary shares issued earlier. (The extract of the Resolution was disclosed on the BÉT website on 17 September 2018.)

The total increased share capital became HUF 10,731,595,850, consisting of 429,263,834 ordinary shares of HUF 25 par value each.

Within the framework of the HUF 1,091,819,700 share capital increase, the total amount of the share capital increase was made available as non-financial capital contribution (contribution in kind).

The persons providing the HUF 1,091,819,700 non-financial capital contribution and the assets of the contribution in kind are summarised in the following table:

Name of company providing the contribution in kind	Registered office of the company providing the contribution in kind	Value of the contribution in kind (HUF)
Assets involved in the contribution in kind		**Ordinary shares to be given in exchange for the contribution in kind**
Talentis Group Zrt.	2053 Herceghalom, Zsámbéki út 16.	HUF 26,684,073,945
51% business quota in VIRESOL Kft.		43,672,788 ordinary shares of HUF 25 par value and HUF 611 issue value each, with a total nominal value of HUF 1,091,819,700 and total issue value of HUF 26,684,073,468

The valuation of the non-financial contribution (contribution in kind) was performed by EQUILOR Corporate Advisory Zrt.

The capital increases was recorded in the company register on 08 October 2018.

In exchange for the asset provided as contribution in kind, Talentis Group Zrt. is entitled to 43,672,788 shares of HUF 25 par value each, with a total nominal value of HUF 1,091,819,700. The shares were produced pursuant to the provisions of paragraph 4.5.

As a result of the capital increase detailed in this point, the Issuer is a direct influencer in VIRESOL Kft. (subsidiary involved in the consolidation scope), the introduction if which is specified in point 6.2.2.2.

4.4.3 Private capital increase approved on 15 November 2018 - claim contribution in kind, R-KORD Kft, and Mészáros és Mészáros Kft.

On the basis of Section 3:294 (1) of the Civil Code, Section 10.4, b) of the Articles of Association, and the authorisation included in the General Meeting Resolution 19/2016 (IV.29) adopted on 29 April 2016, the Board of Directors adopted Resolutions 58-60/2018. (XI.15.) on 15 November 2018 to increase the share capital of the Issuer to HUF 13,409,611,900 through the private distribution of 107,120,642 new, dematerialised, previously issued series "A" ordinary shares of HUF 25 par value - of which the issue value of 9,314,820 shares is HUF 469, the issue value of 97,805,822 shares is HUF 611. (The extract of the Resolution was disclosed on the BÉT website on 16 November 2018.)

The total increased share capital became HUF 13,409,611,900, consisting of 536,384,476 ordinary shares of HUF 25 par value each.

Within the framework of the HUF 2,678,016,050 share capital increase, the total amount of the share capital increase was made available as non-financial capital contribution (contribution in kind).

The persons providing the HUF 2,678,016,050 non-financial capital contribution and the asset of the contribution in kind are summarised in the following table:

Name of company providing the contribution in kind	**Registered office/residential address of the provider of the contribution in kind**	**Value of the contribution in kind (HUF)**
Assets involved in the contribution in kind		**Ordinary shares to be given in exchange for the contribution in kind**
KONZUM PE Private Capital Fund	1062 Budapest, Andrássy út 59.	HUF 4,368,650,815
Financial claim of KONZUM PE Magántőkealap from KALL Ingredients Kft. of EUR 6,526,743,72 and HUF 2,261,100,000		9,314,820 ordinary shares of HUF 25 par value and HUF 469 issue value each, with a total nominal value of HUF 232,870,500 and total issue value of HUF 4,368,650,580
Lőrinc Mészáros	8086 Felcsút, Fő utca 311/5.	HUF 29,879,678,621
Share package constituting 25.5% of the share capital of Mészáros Építőipari Holding Zrt.		48,902,911 ordinary shares of HUF 25 par value and HUF 611 issue value, with a total nominal value of HUF 1,222,572,775 and total issue value of HUF 29,879,678,621
Beatrix Csilla Mészárosné Kelemen	8086 Felcsút, Fő utca 311/5.	HUF 29,879,678,621
Share package constituting 25.5% of the share capital of Mészáros Építőipari Holding Zrt.		48,902,911 ordinary shares of HUF 25 par value and HUF 611 issue value, with a total nominal value of HUF 1,222,572,775 and total issue value of HUF 29,879,678,621

The valuation of the non-financial contribution (contribution in kind) provided by KONZUM PE Magántőkealap was performed by BDO Magyarország Könyvvizsgáló Kft.

The valuation of the non-financial contributions in kinds provided by Lőrinc Mészáros and Beatrix Csilla Mészárosné Kelemen was performed by PricewaterhouseCoopers Magyarország Kft.

The capital increases was recorded in the company register on 21 December 2018.

In exchange for the asset provided as contribution in kind, KONZUM PE Magántőkealap is entitled to 9,314,820 shares of HUF 25 par value each, with a total nominal value of HUF 232,870,500. The shares were produced pursuant to the provisions of paragraph 4.5.

In exchange for the contribution in kind, Lőrinc Mészáros is entitled to 48,902,911 shares of HUF 25 par value each, with a total nominal value of HUF 1,222,572,775. The shares were produced pursuant to the provisions of paragraph 4.5.

In exchange for the contribution in kind, Beatrix Csilla Mészárosné Kelemen is entitled to 48,902,911 shares of HUF 25 par value each, with a total nominal value of HUF 1,222,572,775. The shares were produced pursuant to the provisions of paragraph 4.5.

As a result of the capital increase detailed in this point, Mészáros és Mészáros Kft. and R-KORD Kft. are under the indirect majority influence of the Issuer. (subsidiaries involved into the consolidation scope), the introduction of which is specified in point 6.2.1.

4.5 Information relating to the New Shares

211,086,638 dematerialised, registered, series ”A” shares of a nominal value of HUF 25 each, to be issued in connection with the capital increases detailed in the above points 4.4.1 - 4.4.3 (ISIN: HU0000163498) (“**New Shares**”) were produced in two steps. In connection with the capital increases detailed in the above points 4.4.1 - 4.4.2, 103,965,996 ordinary shares were produced on 27 November 2018, while 107,120,642 ordinary shares were produced on 11 January 2019 in connection with the capital increase specified in point 4.4.3.

The New Shares had not yet been introduced to BÉT at the Prospectus date and therefore, in accordance with the applicable laws and regulations, the New Shares could / cannot be traded on the Stock Exchange yet.

Following the approval of the Prospectus by MNB, the Board of Directors of the Issuer shall immediately initiate the introduction of the New Shares to BÉT and the start of trading of the New Shares on the Stock Exchange.

As soon as the New Shares (ISIN ID: HU0000163498) are listed on BÉT, the ISIN number of these Shares will change to HU0000110226 ISIN which refers to the Listed Shares.

4.6 The merger of the Issuer and KONZUM Nyrt.

The general assembly, at its meeting held on 3 December 2018, proposed in Resolutions No. 3-7/2018 (XII.03.) the preparation of the merger of the Issuer with KONZUM Nyrt so that in the scope of the merger, KONZUM Nyrt would merge into the Issuer. The general assembly of KONZUM Nyrt, at its meeting held on 3 December 2018, also proposed in Resolutions No. 2-6/2018 (XII.03.) the preparation of the merger of the Issuer with KONZUM Nyrt. so that in the scope of the merger, KONZUM Nyrt would merge into the Issuer ("**Merger**"). The resolutions of the main organisational body were disclosed on the BÉT website on 3 December 2018.

As a result of the resolutions of the main organisational body, the management bodies of the Issuer and KONZUM Nyrt. prepared the documentation necessary for the Merger.

In accordance with the provisions of the Civil Code and the Transformation Act, the main organisation bodies of the Issuer and KONZUM Nyrt. - knowing the Merger documentation prepared by the management bodies - will probably make a final decision on the Merger at their meetings held on 8 April 2019. The invitation to the extraordinary meeting held on 8 April 2019 and the proposals of the general assembly related to the Merger, including the Merger plan were disclosed on the BÉT website on 7 March 2017.[2]

Based on the proposals of the general assembly, the planned record date of the asset balance and asset inventory plans is 31 December 2018, while the planned date of the Merger is 30 June 2019. In accordance with the Merger documentation - if the main bodies of the Issuer and KONZUM Nyrt. approve the Merger - the shareholders of KONZUM Nyrt., who have KONZUM shares on their accounts on 26 June 2019, and wish to take part in the legal successor company, will be entitled to one ordinary share issued by OPUS GLOBAL Nyrt. of a nominal value of HUF 25 (that is twenty-five Forints) for every two ordinary shares issued by KONZUM Nyrt. of a nominal value of HUF 2.5 (that is two point five Forints) at the time of share exchange, taking into account the rules of rounding.

If the Merger is implemented, then as a result, KONZUM Nyrt will be terminated, and its general legal successor will be the Issuer.

In order to implement the Merger, the Issuer put together a joint and unified schedule ("**Schedule**") with the Board of Directors of KONZUM Nyrt, an integral part of which was the extraordinary members' meeting held in December by the Issuer and KONZUM Nyrt. The Schedule includes all tasks to be performed by the legal predecessor and legal successor companies, company events to be held, as well as the chain of the activities of entities performing other regulatory tasks, which results in the actual implementation of the Merger complying with the provisions of the relevant laws and regulations and other rules and their time limits, built on one another, and subject to one another from the beginning of the preparatory works necessary for the decision-making related to the transformation - from the obligation of certain company events to the obligation of the preparation of the transformation plan, from the registry of the Court of Registration at the Court of Budapest to the disclosure of the final asset balance sheets. The Schedule does not include a date or deadline as the calendar date of a step or event, which would be obligatory and specified in any law or other policy, with regard to the fact that the approval of applicable legal provisions and certain official and other regulatory decisions cannot exactly be planned, specifying an exact calendar date. Thus the Schedule, in the chain of the relevant tasks and events, takes into consideration the tasks to be performed by third parties, the deadlines of procedures necessary to be conducted and official or other acts, which can reasonably be planned, and these deadlines may be changed in the chain of events.

The Issuer agrees that in the process of the merger, this Prospectus, the information specified therein, the approval of the same by the MNB and the subsequent disclosure of the same (in compliance with the requirements specified in Section 22 of the Capital Market Act), the Issuer wishes to use this Prospectus as the basis of information related to the merger of the companies

[2] The proposals are available at the www.bet.hu website, in the announcements of OPUS GLOBAL Nyrt. The date of disclosure is 7 March 2019.

during the official proceeding in accordance with the Capital Market Act, trying to ensure that the documentation of the merger is complies with the information specified in this Prospectus - except for the process of the merger specified in the laws and the facts, data and information included in the necessary and required documents of the process.

5. SHARES

5.1 Information relating to the Shares

On 30 June 2018, the share capital of the Issuer registered in the Company Register was HUF 8,132,445,950 (i.e., eight billion one hundred and thirty-two million four hundred and forty-five thousand nine hundred and fifty Forints) consisting of 325,297,838 registered ordinary shares of HUF 25 i.e., twenty-five Forints par value each, listed on the Stock Exchange (ISIN ID: HU0000110226).

The Issuer's share capital of HUF 8,132,445,950 (i.e., eight billion one hundred and thirty-two million four hundred and forty-five thousand nine hundred and fifty Forints), in accordance with the provisions specified in the above mentioned points 4.4.1 - 4.4.3 was increased in several steps, as a result of which the Issuer's share capital at the Prospectus date was HUF 13,409,611,900 (that is thirteen billion four hundred and nine million six hundred and eleven thousand nine hundred Forints), which at the Prospectus date was made up of 536,384,476 (that is five hundred and thirty-six million three hundred and eighty-four thousand four hundred and seventy-six) registered, dematerialised, series "A" ordinary shares of HUF 25 i.e., twenty-five Forints per value each ("**Shares**"). Of the Shares:

(a) 325,297,838 registered dematerialised, series "A" ordinary shares of HUF 25 i.e., twenty-five Forints per value each (ISIN ID: HU0000110226) were entered to BÉT ('**Listed Shares**'); while

(b) 325,297,838 registered, dematerialised, series "A" ordinary shares of HUF 25 i.e., twenty-five Forints per value each (ISIN ID: HU0000163498) are to be traded on BÉT **('New Shares')**.

As soon as the New Shares (ISIN ID: HU0000163498) are listed on BÉT, the ISIN number of the New Shares will change to HU0000110226 ISIN which refers to the Listed Shares.

The Shares, i.e., both the Listed Shares and the New Shares were produced as dematerialised shares.

The par value and issue value of the Shares, i.e., both the Listed Shares and the New Shares, have been made available to the Issuer in full.

The Shares, i.e., both the Listed Shares and the New Shares, are registered by KELER as the central depositary in a central securities account.

Pursuant to Resolution 362/2017 of the Chief Executive Officer of BÉT, the ordinary shares of the Issuer are Premium category shares as of 03 October 2017 and, based on a decision of the Vienna Stock Exchange (Wiener Börse AG), have also been part of the CECE index since 18 September 2017. In addition, from 1 June 2018, the Issuer's ordinary shares were entered in MSCI Hungary Small Cap, MSCI Emerging Markets Small Cap, with the MSCI review of semi-annual global index in May as well as the MSCI ACWI Small Cap indices. Since December 2018, based on the Vienna Stock Exchange, the Issuer's Shares are listed in the CECE basked with a greater weigh.

5.1.2 Main laws and regulations applicable to the issue of New Shares and their Flotation on the Stock Exchange:

(a) Act V of 2013 on the Civil Code;

(b) Act CXX of 2001 on Capital Markets;

(c) Commission Regulation No 809/2004/EC implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements;;

(d) Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

5.1.3 Voting right

Each share carries one voting right

Shareholders may not exercise their voting rights, if they do not comply with their obligation to provide their due financial contribution.

In accordance with the provisions of Section 61 of the Capital Market Act and Point 5.7 of the Articles of Association, the shareholder or the owner of the voting rights (in this paragraph: "**shareholder**") is obliged to inform the MNB immediately, but no later than 2 calendar days, if the number and rate of the voting rights of Shares directly or indirectly granting voting rights reaches or exceeds, or falls below the rate specified in Section 61 of the Capital Market Act. The shareholder, who fails to comply with this obligation, may not exercise its voting rights in the Issuer until the compliance with the notification obligation.

5.1.4 Subscription priority

If the share capital is increased from financial contribution, the shareholders of the Issuer are entitled to subscription priority as specified in the Articles of Association (more specifically: primarily the shareholders holding shares in the same share series as the shares sold in the first place, then the owners of convertible bonds, and bonds ensuring subscription rights - in this order). If the share capital is increased with private issue, subscription priority means the priority related to the receipt of shares under subscription priority.

The condition of the exercise of subscription priority (related to the receipt of shares) is that the shareholder, who wishes to exercise its priority right assumes obligation for the purchase (takeover) of the number of shares to be acquired within 15 (fifteen) days after the disclosure of the announcement about the capital increase and the option to exercise priority rights.

The assumption of obligation is effective, if by way of and at the same time with the same, the shareholder meets all obligations, which are specified in the resolution on the capital increase. If based on the legally valid assumption of obligation related to the exercise of the shareholder's priority right, the amount of the shares to be taken over exceeds the number of shares specified in the resolution of the general assembly or the Board of Directors, or the upper limit of the same, the shareholders can procure the shares based on the principle of so-called "card distribution", which means that each and every subscriber continuously receives a share until the financial counter value specified in the resolution on the capital increase runs out, or reaches the volume to be subscribed by the subscriber prior to this. The Issuer shall inform the shareholders after a 15 (fifteen) day deadline, within 7 (seven) days about the number of shares acquired by the shareholders - if the shareholders made their payments, on the reimbursement of the extra payment.

With regard to the shareholder's person and the volume of shares owned by the same (ownership share), the data of the share book valid on the day of the resolution related to the capital increase are to be applicable. Possible bond owners can exercises their priority rights applying the above-mentioned, in accordance with the provisions of the resolution on the capital increase.

If the capital increase is made by way of close distribution of new shares in exchange of financial contribution, in the resolution of the general assembly or the Board of Directors on the capital increase, the persons, who are authorised by the general assembly or the Board of Directors to assume obligation related to the receipt of the shares with regard to the preliminary statement on the assumption of obligation made by the same, shall be specified - if the above entitled persons do not or do not entirely exercise their priority rights with regard to the receipt of the entire share volume. The number of shares, which each person can receive shall be specified in the resolution.

The general assembly - based on the preliminary proposal of the Board of Directors - may preclude the exercise of subscription priority. In such a case, the Board of Directors has to introduce the reasons for the proposal related to the preclusion of subscription priority, as well as the planned issue value of the shares. The general assembly passes its decision with a 3/4 (three-fourth) majority on the approval of the proposal

5.1.5 Right to liquidation rate

Should the Issuer be terminated without a legal successor, the shareholder is entitled to the business share in the rate of the nominal value of its shares from the dividable asset generated as the result of the final settlement

5.1.6 Right to dividend

The shareholder is entitled to the part of the balance sheet profit in the rate of its shares, which is to be divided based on the decision of the general assembly made in accordance with the relevant laws.

The amount of dividend is specified by the general assembly. Dividend is to be divided in the rate of the nominal value of the Shares - if no priority shares were issued.

The date of dividend payment is specified by the general assembly. There should be at least 20 (twenty) business days between the date of the resolution on the starting date of dividend payment and the actual date of dividend payment.

Within 60 (sixty) days after the due date, the shareholder is obliged to accept the dividend. Should the shareholder be in default, no interest on the Issuer's dividend can be requested.

The shareholder cannot be obliged to repay the dividend accepted in good faith. Dividend accepted in good faith shall only mean the acceptance of dividend per share from the dividend base specified base on the balance sheet (annual report) approved by the general assembly, provided that there is no exclusions related to the acquisition of the share with regard to the shareholder.

Shareholders shall only be entitled to receive dividends based on the capital contributions they have already paid up.

When determining the share due to the shareholders, who are entitled to receive dividends, the Issuer shall not take into consideration dividends for own shares. At least 10 (ten) business days need to be between the first disclosure of the announcement including the amount of dividend based on the resolutions made on the amount and the first day of dividend payment.

The Issuer is obliged to disclose the final amount of dividend 2 (two) days prior to the ex coupon date. The earliest ex coupon date can be the third stock exchange date after the general assembly specifying the amount of the coupon.

5.1.7 Provisions relating to redemption

The Shares cannot be redeemed.

5.1.8 Conversion conditions

The Shares cannot be converted. The Issuer did not issue convertible or exchangeable securities or option vouchers.

5.1.9 Limitations relating to the free transferability of the Shares

The transferability of the Shares is not limited.

5.1.10 Provisions on public takeover bid bids/or squeeze-out and sell-out rules in relation to the Shares.

A public takeover bid approved by the MNB must be issued, at least at the minimum price specified in the Capital Market Act (i) for the acquisition of more than 25% of the voting rights, if there is no shareholder in the company, other than the buyer, holding more than ten per cent of the voting rights; or (ii) for obtaining more than 33% influence in the Issuer.

Pursuant to Section 76/D (1) of the Capital Market Act, the offerer declared, according to Section 69 (6) e), his intention to exercise his purchase option in the application for approval of the bid (voluntary bid); b) controls ninety per cent or more of the voting rights within three months from the date of closure of the successful bid (voluntary bid) in the offeree company; and c) is able to verify of having sufficient financial means to cover the purchase of the securities to which his option pertains, he may exercise his option to purchase within three months from the date of closure of the bid (voluntary bid) the remaining shares of the offeree company.

If the offerer's holding in the offeree company exceeds ninety per cent of the voting rights when closing out the takeover bid, the offerer must purchase the remaining shares if so requested in writing by the owners of these shares within ninety days following the day on which the notice was published on the ninety percent holding.

The price payable for the shares obtained by way of exercising the purchase option or sale option shall be the price quoted in the takeover bid (voluntary bid) or the amount of equity capital per share, whichever is higher. Equity capital means the own funds shown in the last audited annual report, with the exception where the Issuer is required to file consolidated annual reports in accordance with the Accounting Act, equity capital means the consolidated own funds.

On top of the analogue provisions included in points 5.8 and 5.10 of the Articles of Association, and the provisions referring to the above rules, there are no provisions related to obligatory purchase offers and/or exclusions and/or forced sales.

The public takeover bid to purchase the Shares of the Issuer was made in compliance with Section 5 (1) Item 100 of the Capital Market Act and the procedure of the persons acting in concert pursuant to Section 68 (3) of the Capital Market Act. On the basis of a separate agreement of KONZUM PE Magántőkealap, Lőrinc Mészáros private person, STATUS Capital Zrt., Wamsler SE and Csabatáj Zrt. acting in concert, the public takeover bid was made in their name by KONZUM PE Magántőkealap offering a price of HUF 45.38 for each share. The bid was approved by the MNB on 21 April 2017. The deadline for providing the declarations of acceptance in relation to the public takeover bid expired on 26 May 2017. None of the shareholders accepted the bid.

5.2 Information related to the Shares owned by the Issuer or its subsidiaries

Name	Number of Shares held (No)	Book value of shares (HUF/share)	Book value of shares (HUF)	Nominal value of shares (HUF/share)	Nominal value of shares (HUF)
Wamsler SE	5,404,313	HUF 30	162,129,390	HUF 25	135,107,825
Csabatáj Zrt.	12,500,000	HUF 14.974	187,180,496	HUF 25	312,500,000
Total	**17,904,313**		**349,304,390**		**447,607,825**

5.3 Option rights

Wamsler SE, as obligor and the Issuer, as obligee made a pre-agreement on 21 December 2017 on the establishment of the purchase price of 5,404,313 shares owned by Wamsler SE Based on the pre-agreement, the Issuer, subsequent to the conclusion of the agreement, will be entitled to exercise the right of purchase from 30 May 2019 and 31 December 2019.

5.4 History of the share capital

The Issuer's share capital was HUF 7,897,759,025 from 14 June 2013 until 2 October 2017, then it was increased to HUF 8,080,753,050, effective from 2 October 2017 and then to HUF 8,132,445,950 effective from 8 January 2018.

As a result of the above capital increases, the Issuer's share capital was increased in several steps as specified in points 4.4.1 - 4.4.3, as a result of which the Issuer's share capital was 13,409,611,900 at the Prospectus date.

During the capital increases specified in this point, the more than 10 % of the total amount of capital increases were transferred to the Issuer in the form of non-financial contribution in kind.

6. OVERVIEW OF THE BUSINESS ACTIVITY

The Issuer's history dates back to more than a 100 years, to its foundation in 1912. At the start, the Issuer's main activity was veterinary medicine production, which was shortly followed by human vaccine production. It was a significant and world class company in the 1950's, bringing together all of the vaccine production institutions of Hungary. During privatisation, in 1991, the different activities performed by the Issuer were divided and outsourced. The Issuer has been a member of the BÉT's issuers since 1998, and its shares were entered to the Budapest Stock Exchange on 22 April 1998.

Subsequent to several restructuring and reorganisation processes, since 1999, due to the decrease of turnover and the transformation of the veterinary medicine market, a significant reorganisation process was implemented in the Issuer, as a result of which in 2009, veterinary medicine production was shut down and several subsidiaries were sold.

Since the 2009 image change, it has been operating in the form of a holding, being involved in the management and asset management of companies of different profiles. Prior to 2017, the Issuer's portfolio was significantly different from today's, as it used to have subsidiaries in the hotel industry, and since 2016, it has had significant investments in the media sector.

2017 - Ownership change and the new growth strategy

2017 was a significant milestone in the Issuer's life, when both the ownership and the management structure was severely reorganised. In the first half of 2017, Lőrinc Mészáros became an owner of more than 24% of the Issuer (with the approval of the Hungarian Competition Authority - GVH). The 2017 annual general assembly voted Beatrix Mészáros, Ágnes Homlok-Mészáros, Tamás Halmi, Gellért Jászai and dr. Éva Szilvia Gödör as the members of the Board of Directors. In the scope of the new strategy, the Management changed the Company's name to OPUS GLOBAL Nyrt., which is aimed at highlighting and also giving a new image to the new structure and growth potential of the Issuer.

Parallel to the transformation of the management, there was a significant portfolio extension in 2017, during which the Issuer enriched its investments with high value assets.

- The Issuer expanded its activities to the field of agriculture, crop production and egg production by the repurchase of 74.18% of Csabatáj Zrt. in 2017, which had been a part of the portfolio before, but was sold in December 2015.
- As a further pillar of the agriculture and food industry segment, in the first half of 2017, the Issuer indirectly became the owner of 6% of KALL Ingredients Kft., which has great potentials as one of the leading Central Eastern European companies, producing not only isosugar, but also food products, medical alcohol, cooking oil ingredients and GMO-free fodder ingredients.
- In the beginning of 2017, with the purchase of 40% of KPRIA Magyarország Kft., the Issuer opened to the energetics segment, which gives grounds to the implementation of the Issuer's growth plans for the future in the energetics segment.
- A key element of the Issuer's long-term value creation is the diversification of investments, and presence in strategically important industries. In line with this effort, the Issuer entered several different sectors:
    - As the strengthening of the asset management segment, in July 2017, the Issuer purchased 24.67% of STATUS Capital Kockázati Tőkealap-kezelő Zrt., with which it expanded its portfolio with the asset management activity.
    - In July 2017, the Issuer entered the field of IT data management by way of the purchase of 24.87% of Takarékinfó Központi Adatfeldolgozó Zrt. Takarékinfó Zrt. performs information technology activities, and coordinates the development of the Single Information Technology System (Egységes Informatikai Rendszer - EIR) between the members of the cooperative bank integration.

In 2017, the results attained by the Issuer became visible in the stock exchange performance too. The Issuer's shares were classified by the Budapest Stock Exchange in Premium Category, and the shares were put in the CECE basket for the long run. The Issuer's Share has been a strong member of the two indices of the Budapest Stock Exchange, BUX and BUMIX.

2018 - The year of dynamic growth

Based on the Issuer's growth strategy, it aims to strengthen through the acquisition of Central Eastern European corporations, which are in line with its Hungarian investments and make regional growth possible. The Issuer further increased its intense expansion strategy in 2018, and significantly expanded its investment portfolio. As a result of the investments, a diversified holding corporation has been formed, with great growth potential, which can benefit from numerous prospering sectors of the Hungarian economy.

The Issuer performed the below main acquisitions and capital increases in 2018:

- In June 2018, the Issuer acquired 13.79% of the business share of 4iG Nyrt, further expanding its investments in the filed of information technology;
- In July 2018, it acquired the ownership of 100% of KALL Ingredients Kereskedelmi Kft. as contribution in kind, becoming the direct owner of one of the largest isosugar factories of Central Eastern Europe;
- In September 2018, 51% of the business share of VIRESOL Kft. was transferred to the Issuer as contribution in kind, acquiring direct influence in one of the largest modern starch manufacturing facilities of Central Eastern Europe;
- In November 2018, 51% of the business shares of Mészáros Építőipari Holding Zrt. was transferred to the Issuer as contribution in kind, acquiring direct ownership in Mészáros és Mészáros Ipari, Kereskedelmi és Szolgáltató Kft. and R-KORD Építőipari Kft taking up a leading role in road and bridge manufacturing as well as railway infrastructure implementation;
- In November 2018, the Issuer acquired 40% direct ownership in Mátrai Erőmű Zrt., which is the second largest electricity generating power plant in Hungary;
- In November 2018, in the scope of the optimisation of the Issuer's portfolio, its media portfolio was sold profitably.

As a result of the capital increases, the Issuer has become one of the key companies in the Budapest Stock Exchange (BÉT), as its portfolio includes several industrial and production companies from the sectors that serve as the engines of the Hungarian economy. Obtaining ownership in these companies through these acquisitions was an important step in the generation of shareholder value, as companies with a significant favourable impact on the Issuer's expected profit, profit-making capacity and capital structure were included in its group of consolidated companies.

In 2018, another significant capital market event happened to the Issuer: at the semi-annual review of the global index in May, MSCI included the Issuer's shares in to MSCI Hungary Small Cap, MSCI Emerging Markets Small Cap, as well as the MSCI ACWI Small Cap indices. From 21 December 2018, during the review of the Vienna Stock Exchange, OPUS shares did not only maintain, but strengthen their influence in the CECE basket.

2019 - New times

In October 2018, the Boards of Directors of the Issuer and KONZUM Befektetési és Vagyonkezelő Nyrt. made a decision on the fusion of the two companies - that is the merge of Konzum Nyrt. into the Issuer ("**Merger**"), which was approved by the extraordinary general assembly of the two companies. The purpose of the Merger is to form the largest investment holding of Hungary, which invests in the strategic sectors of the Hungarian economy, acquiring a dominant position.

The Merger may bring about new opportunities for the Issuer, and the Issuer may be an attractive target for investors even internationally. Based on its capitalisation and financial indices, it may help the entry of its shares into foreign regulated markets, presence in indices, which provide European benchmarks, and may even contribute to the implementation of the Issuer's large scale growth plans.

The Issuer starts the year of 2019 with a stable balance sheet and excellent organic and acquisition growth prospects. The strategic goals of OPUS are primarily the further dynamic growth of the profitability of the Group and the future optimisation of existing asset items. In addition, it will continue to put great emphasis on the acquisition and integration of companies having significant growth potential and profitability capacity.

6.1 Presentation of the Issuer and its organisational structure

The Issuer is a diversified investment holding investing into sectors of the economy with the greatest growth potential in Hungary. As the Issuer invests into a number of industries, which are significant in the Hungarian economy, it provides opportunities for the Issuer's investors to make major contributions to the growth profile of the Hungarian economy.

With the help of the holding structure, the Issuer provides significant advantages to its subsidiaries.

- **Market background and relations**: The professional background of the Issuer means significant support in the exploitation of market opportunities, and in the search for, structuring and achievement of acquisition targets.

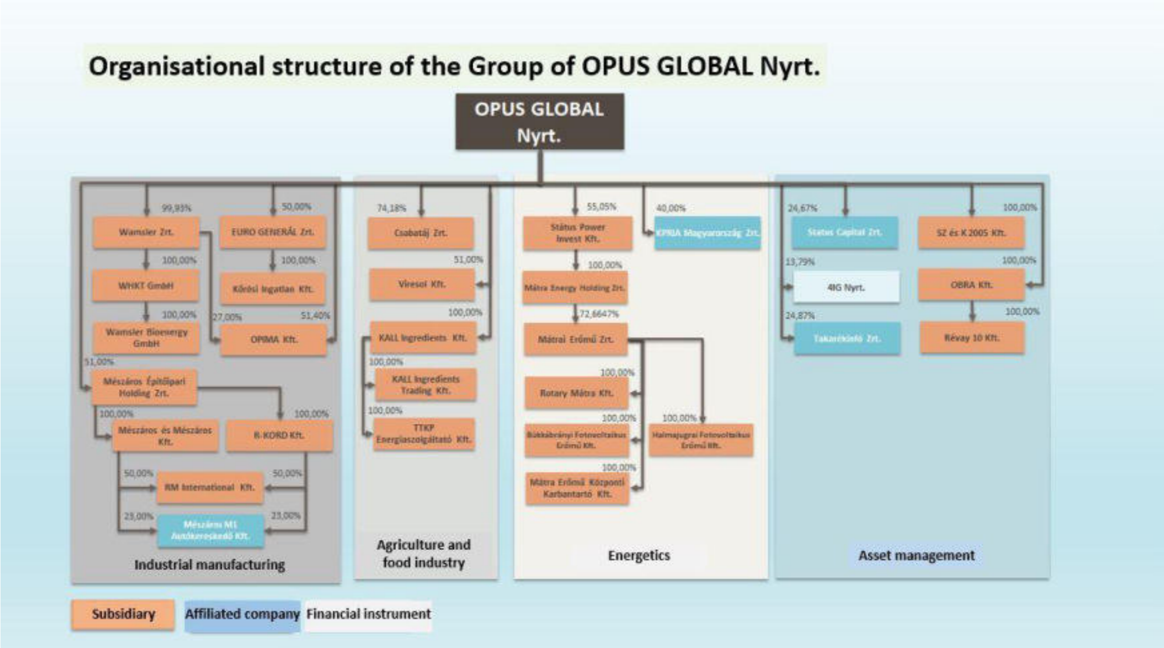
- **Management capabilities** Proved, high-quality management capabilities in acquisitions and integration of companies and the effective operation of the companies included in the portfolio of the Group.

- **Financial stability and capital strength**: The holding offers financial stability and more capital to the companies included in the portfolio of the Group.

- **Financing synergies:** Utilisation of financing options and synergies in the financing of the subsidiaries of the Group and easier access to capital market transactions.

- **Economic size**: based on the size of the Issuer, it may be an attractive investment target for both Hungarian and foreign investors, who cannot invest in certain subsidiaries due to their size.

The Issuer functions as a holding company and often performs acquisitions through specific subsidiaries. The Issuer classifies its activities in four segments, the structure of which is illustrated in the below chart:



Source: OPUS GLOBAL Nyrt.

6.2 Segments

The Group presents its business activities in segments below, as follows:

(i) Industrial Production

(ii) Agriculture and Food Industry

(iii) Energy

(iv) Asset Management

6.2.1 Industrial Production segment

The Industrial Production segment comprises most of the entities of the Group and embodies over 40% of the Balance Sheet Total of the Pro Forma Statement, so it may be deemed to be the most significant addition to the portfolio.

With the addition of Mészáros Építőipari Holding Zrt. as contribution in kind in 2018, Industrial Production has emerged as the dominant segment of the Issuer, as the two 100% subsidiaries (Mészáros és Mészáros Kft. and R-KORD Kft.) have an outstanding significance in the dominant fields of construction industry.

Mészáros és Mészáros Kft. carries out primarily bridge, road and other construction work. The expertise and construction experience amassed in this subsidiary allowed the company to take part in a number of large-volume projects recently. Currently, the company has between 30 and 40 active contracts, and on the cut-off date of 30 June 2018, active contracts amounted to HUF 193.1 billion, augmented by an additional HUF 26.5 billion by 19 March 2019.

The other 100% subsidiary held by Mészáros Építőipari Holding Zrt. is R-KORD Kft., the core activity of which consists of the construction, maintenance, design and licensing of security and telecommunications equipment related to railway construction and railway overhead contact lines. Thanks to its special expertise connected to railway security equipment, the business has evolved into a medium-sized enterprise with nearly a hundred employees over recent years, while its sales revenue increased dynamically between 2015 and 2018. R-KORD Kft. has over 30 active contracts, and on the cut-off date of 30 June 2018, active contracts amounted to HUF 103.6 billion, augmented by an additional HUF 20.3 billion by 19 March 2019.

Furthermore, the Issuer owns 50% of EURO GENERÁL Zrt., engaged in the comprehensive construction of residential buildings, office buildings and condominium houses within building construction. The Industrial Production also includes Wamsler SE, 99.93% of which is owned by the Issuer, which is the largest fireplace and stove manufacturer of the Central and Eastern European region, having a share of around 7 to 8 per cent of the European market also according to the figures of HKI Industrieverband. In the framework of the Large Enterprises Investment Support Programme, the company was awarded a subsidy of HUF 1.8 billion early in 2018, which it will use to build a new manufacturing hall, and will develop its production with robotised assembly lines, to make increase its current manufacturing capacity to nearly double.

6.2.1.1 Mészáros Építőipari Holding Zrt. and its subsidiaries

(a) <u>Mészáros Építőipari Holding Zrt.</u>

Mészáros Építőipari Holding Zrt. was added to the Group as contribution in kind, as per the decision of the Company's Board of Directors made on 15 November 2018. Its core activity consists of asset management for its two subsidiaries held with 100% ownership, Mészáros és Mészáros Kft. and R-KORD Kft., and it pursues no other activities.

(b) <u>Mészáros és Mészáros Kft.</u>

b.1. Company history, major features of operation

Mészáros és Mészáros Kft. was established in 2001, and carries out primarily large-volume earthwork, bridge, road, utility and building construction and other construction work. 100% of Mészáros és Mészáros Kft. is owned by Mészáros Építőipari Holding Zrt. The 51% participation held by Mészáros Építőipari Holding Zrt. was incorporated into OPUS GLOBAL Nyrt. according to a decision made by the Board of Directors on 15 November 2018, so that now OPUS GLOBAL Nyrt. indirectly holds 51% of Mészáros és Mészáros Kft.

In general, Mészáros és Mészáros Kft. pursues its activities by involving subcontractors, and it typically carries out technical preparation, project management tasks as well as tasks related to technology supervision and control, with the help of its highly qualified staff. As of 31 December 2018, the company employed 84 people.

Mészáros és Mészáros Kft. performs its activities on a project basis, playing a role mostly in large capital expenditure projects. Its assignments are large projects applied for in open public procurement procedures. Its orders and the conditions associated with those orders are custom orders and conditions. Mészáros és Mészáros Kft. has a considerable volume of contracts associated with projects still in early phases.

b.2. Major activities

Mészáros és Mészáros Kft. carries out activities in the following business lines:

(i) Utilities business line

(ii) Water and underground construction business line

(iii) Road and railway construction business line

(i) Utilities business line

This business line comprises projects related to wastewater projects, water utility and waste management infrastructure and the gas supply infrastructure.

The most significant of the company's projects currently under way are associated with community or regional wastewater treatment and canalisation infrastructure (e.g. in Adony, Dunaújváros, Dunavarsány), in which the company takes part as the general contractor.

A number of regional framework contracts to be implemented with the European Union's support have been signed under the supervision of Nemzeti Programfejlesztési Iroda Nonprofit Kft., in the framework of the Environmental and Energy Efficiency Operational Programme (Development of wastewater canalisation and treatment, wastewater treatment in agglomerations of over 2,000 population equivalent). Under these contracts, the wastewater infrastructure of settlements or groups of settlements will be developed by 2020. A Mészáros és Mészáros Kft. was selected in two regions (Northern Hungary, Central Transdanubia) alongside a number of large contracting companies. These projects are currently in the planning phase, and construction work is set to commence on the basis of individual contracts at each location (settlement or group of settlements), to be completed by 2020.

Open public procurement procedures are expected to be announced for measures to be implemented also under the EEEOP concerning the drinking water and waste infrastructure, and Mészáros és Mészáros Kft. intends to apply for the execution of construction work on these projects. Given the schedule for implementing the EEEOP, these public procurements are foreseen to cover work to be completed by the end of 2020.

In 2018, Mészáros és Mészáros Kft. concluded a framework agreement with NKM Földgázszolgáltató Zrt., under which Mészáros és Mészáros Kft. is to carry out a part of infrastructure development tasks in NKM Földgázszolgáltató Zrt.'s area of supply.

Special references for the utilities business line:

Description	Period	Contract amount	Type
Sewer networks for wastewater canalisation in the Tápiómenti Region	13.09.2012 - 12.09.2014	mHUF 3,310	General contractor
Békés County drinking water quality improvement programme	23.12.2013 - 15.12.2015	mHUF 10,467	General contractor
Complex integrated wastewater canalisation for Budapest project, Canalisation	31.07.2013 - 30.07.2015	mHUF 2,000	General contractor
Renovation of the wastewater treatment plant of the town of Adony	24.01.2017 - 24.01.2019	mHUF 346	General contractor
Dunavarsány wastewater canalisation network	12.09.2017 - 11.09.2020	mHUF 3,852	General contractor
Dunaújváros wastewater treatment plant	30.08.2017 - 29.08.2020	mHUF 5,748	General contractor

Source: Mészáros és Mészáros Kft.

(ii) Water and underground construction business line

Mészáros és Mészáros Kft.'s water and underground construction business line comprises construction related to flood protection dams, development related to the enhancement of protection capacity, and rehabilitation of running waters. The company participates in the construction of flood protection embankments as well as other facilities associated with flood protection and protection capacity. As regards water construction, the company has a number of contracts under which construction is already in progress (Upper Tisza River, raising the flood protection embankment to the design flood level along the section over Tivadari Bridge, rehabilitation of the mouth section of the Mosoni-Duna), while work is currently in the planning stage for other contracts, and construction may start afterwards.

Special references of the water and underground construction business line:

Description	Period	Contract amount	Type
Project for raising the flood protection embankment to the design flood level along the Upper Tisza River over the Tivadari	16.12.2016 - 31.07.2019	mHUF 2,952	General contractor

Description	Period	Contract amount	Type
Bridge			
Tisza River floodplain: Restoration of the water discharge capacity of the first bottom along the section of the Szolnok railway bridge and Kisköre	22.04.2016 - 31.08.2018	mHUF 6,613	Subcontractor
Restoration of protection capacity along first-class flood protection main lines	20.11.2017 - 12.11.2018	mHUF 6,005	General contractor

Source: Mészáros és Mészáros Kft.

(iii) Road and railway construction business line

Mészáros és Mészáros Kft. was present typically in the capacity of subcontractor in the road and railway construction business line. At the same time, the company's goal is to become capable of playing the general contractor's role in projects, and to emerge as a dominant operator in the Hungarian construction market, primarily in railroad construction.

In the framework of this business line, Mészáros és Mészáros Kft. has taken part in the refurbishment works of several railroad sections, such as the railroad, railway facility and overhead power line and road construction works of the Szántód - Balatonszentgyörgy railroad section, as well as the design and implementation of the related railway security equipment, overground construction, telecommunication, utility replacement and cable replacement works.
The company played a significant role in developing the fixed-rail suburban network at Kaposvár in the refurbishment of the Fonyód - Kaposvár railroad section.
In the framework of the Kelenföld - Százhalombatta project, the railroad section has to be enabled for use at a speed of 120 km/h and stations have to be designed so that they can meet the requirements appearing with the change in the nature of cargo traffic, so that passenger transport will need to be carried out at the highest possible standard, in compliance with the EU's transparency requirements.

In addition, the company assumed a role in the construction of the section of motorway M8 connecting the highway with the country border between Körmend and Rábafüzes.

Special references of the road and railway construction business line:

Description	Period	Contract amount	Type
South Balaton II project: Refurbishment works along the Szántód-Balatonszentgyörgy and the Fonyód-Kaposvár railroad sections	10.08.2016 - 30.09.2018	mHUF 7,199	Subcontractor

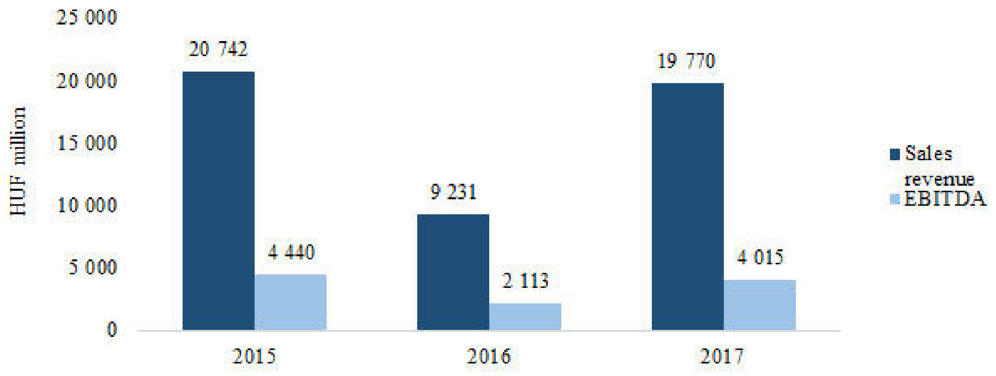
Refurbishment works of the Kelenföld-Százhalombatta railroad section	28.04.2017 - 25.06.2020	mHUF 3,687	Subcontractor
Refurbishment works of the Nagyút-Mezőkeresztes railroad section	09.07.2015 - 10.05.2016	mHUF 3,344	Subcontractor

Source: Mészáros és Mészáros Kft.

b.3. Summary of the key business figures and characteristics

The company's sales revenue and profitability between 2015 and 2017 is demonstrated by the following figure:

Sales revenue and profitability between 2015 and 2017



Source: Mészáros és Mészáros Kft.

The reason for the considerable decline from 2015 to 2016 is the divestment of the overground construction business, which has been operating in the framework of Fejér-B.Á.L. Zrt. since then, as well as the fact that the works and financial clearing of the previous programming term of the EU were concluded in 2015. The projects financed in the framework of the new term were under preparation in 2016 and 2017, while construction will take place from 2018 until the end of 2020.

Based on financial statements for 2015 to 2017, Mészáros és Mészáros Kft.'s EBITDA in proportion of sales revenue fluctuated between 20% and 23%, while the average normalised EBITDA cover realised was about 28%.

During the above period, sales revenue was distributed between business lines as follows:

figures in mHUF

	2015	2016	2017
Utilities business line	230	1,835	3,368
Water and underground construction business line	13,646	1,543	7,477
Road and railway construction business line	-	933	5,139
(Overground construction business line) *	6,596	4,431	2,940
Sales revenue from other activities	270	489	846
Total sales revenue	**20,742**	**9,231**	**19,770**

* the business line was divested by the company in the course of 2016

Source: Mészáros és Mészáros Kft.

It may be observed that the utilities business line and the road and railway construction business line, which play an increasingly important role in the company's activities, have realised a dynamic raise in sales revenue, making up 43% of the total sales revenue as early as in 2017. The water and underground construction business line remains the dominant factor in sales revenue with a share of 38%, although its weight is shrinking. All this allows for finding that Mészáros és Mészáros Kft. is engaged in increasingly diversified activities, which affords more safety in operation.

The company currently pursues no export activities.

Mészáros és Mészáros Kft. pursues a large portion of its activities using subcontractors, so accordingly, the ratio of fixed assets to the balance sheet total is not significant in the company's balance sheet (cca 1.5% at the end of 2017).
The average statistical headcount of Mészáros és Mészáros Kft. was 130 in 2016 and 194 in 2017.

b.4. Markets, competitors

(i) Market trends

In 2017, the sector with the fastest growth in Hungarian economy was construction industry and, considering the high volume of contracts and the confidence index having reached a historical high, the boom in construction may be anticipated to continue in both the public procurement, the household and the corporate markets. In 2017, performance in this sector increased by over 25%, and the expansion continued in 2018 as well.

Road, railway and utilities construction works have greatly contributed to the outstanding achievement of this sector, but these projects were implemented with partial EU funding, so there is room for caution due to the threat of funds diminishing as the EU programming cycle draws near to its end in this field. The top danger in the current operating environment is the shortage of labour, which appears to strike this sector the most, while building material capacities also warrant attention, as they need to be contracted as much as 18 months ahead of commencing construction in many cases.

(ii) *Major competitors*

There are a number of large and smaller operators present in the Hungarian construction (utilities, water, underground construction, road and railway construction). Of these, Mészáros és Mészáros Kft. considers primarily the following to be its competitors (with no attempt at being exhaustive):

(1) *Colas Alterra Kft.:* the predecessor of today's Colas Alterra, Csatornaépítő Vállalat, commenced its activities in 1951, over 60 years ago. The company, considered to be a dominant player in the trade and the market for decades, is characterised by considerable knowledge and experience amassed, traditions and renewal. Utility construction, environmental protection, flood protection and urban rehabilitation projects testify that quality, accuracy, reliability and innovation are priorities for the company.

(2) *STRABAG Építő Kft.:* STRABAG's scope of activities is extremely manifold, with a performance spectrum spanning customised and tailor-made project completion and comprehensive solutions, all from a single hand - from small assignments to spectacular large projects.

(3) *Szabadics Zrt.:* has considerable references in the fields of utilities construction, canalisation, road construction, urban development, building demolition and overground construction. As a result, the company has emerged as a reliable partner for municipalities, water supply companies.

(4) *Swietelsky Vasúttechnika Kft.*: Swietelsky GmbH. established the company on 3 December 2008 for the purpose of emerging as a dominant operator in the Hungarian railway construction market, using the modern railway construction technology applied in Europe. Having acquired MÁVÉPCELL Mély-, Magas- és Vasútépítő Kft., the company has evolved into a competitor with a substantial technology and history relying on MÁV's roots, and with a stable international background.

Additional competitors of Mészáros és Mészáros Kft. include Duna Aszfalt Kft., Hídépítő Zrt., Betonút Szolgáltató és Építő Zrt., V-Híd Zrt. and Hódút Kft.

b.5. Strategic goals and vision

Over the nearly two decades of its existence, Mészáros és Mészáros Kft. has amassed significant expertise and references in the fields of bridge, road, utilities and building construction and construction industry contracting. Currently, the company has between 30 and 40 active contracts, and on the cut-off date of 30 June 2018, active contracts amounted to HUF 193.1 billion, augmented by an additional HUF 26.5 billion by 19 March 2019. The dominant portion of this portfolio consists of future revenue not yet realised. Based on the current contract portfolio, the company can foresee jobs and revenue up until the end of the year 2020, and - with a view to the known action plans for operational programmes carried out with support from the EU and their cost frameworks - foresees tasks it may expect to apply for in open public procurement procedures on this time horizon.

Given the particular nature of the company's activities (construction work done primarily as general contractor for projects), it has a moderate amount of human resources, whereas the headcount may be expected to be developed in the coming period in order to perform future tasks. The rate of this expansion is subject to the scheduling of tasks arising out of the current volume of contracts, and the volume of tasks to be performed in the framework of future contracts.

Being a dominant operator in the domestic market in respect of both utilities, water and underground construction, and road and railway construction, the company's goal is to maintain diversification of its fields of activities in the future. Diversification will ensure a reduction of the risk of depending on certain areas and/or regions. Based on the experience, expertise and widespread references earned in the course of the company's history, Mészáros és Mészáros Kft. may be expected to be able to increase the portfolio of contracts in the future.

(c) R-KORD Építőipari Kft.

b.1. Company history, major features of operation

R-KORD Építőipari Kft. was established in 1997 with the core activity of the manufacturing of other electric equipment and, within that, the construction, maintenance, design and licensing of security and telecommunications equipment related to railway construction. The company's predecessor (FEMOL'97 Kft.) was established as a small business comprising a few people. 100% of R-KORD Kft. is owned by Mészáros Építőipari Holding Zrt. The 51% participation held by Mészáros Építőipari Holding Zrt. was incorporated into OPUS GLOBAL Nyrt. according to a decision made by the Issuer's Board of Directors on 15 November 2018, so that now OPUS GLOBAL Nyrt. indirectly holds 51% of R-KORD Kft.

Thanks to its special expertise connected to railway security equipment, R-KORD Kft. has evolved into a medium-sized enterprise with nearly a hundred employees over recent years. The development entailed an increase in the range of activities as well as the related infrastructure and assets.

The business carries out its activities on a project basis, primarily as a general contractor, occasionally involving subcontractors. As of 31 December 2018, the company employed 214 people. As of 1 July 2018, Vasútautomatika Kft., of which the company had held 100% earlier, was merged into the company; this entity worked on the design of and support for telecommunication systems, railway point heating and railway security equipment along MÁV Zrt.'s and GYSEV Zrt.'s lines, and power supply for such equipment.

R-KORD Kft. partly plays a role in large projects, but considering that it is one of the few industry players in the fields of railway security equipment - by virtue of its specialised expertise and equipment fleet - it is an inevitable market operator also for ad hoc or regular maintenance tasks. Consequently, its tasks and contract portfolio encompass a very broad spectrum as regards size. Its large projects are applied for in open public procurement procedures. Its orders and the conditions associated with those orders are custom orders and conditions.

The company is a regular supplier for MÁV Zrt. and GYSEV Zrt., its business partners include NIF Zrt., TRSZ Kft., Swietelsky Vasúttechnika Kft., THALES RSS Kft., SIEMENS Hungária Zrt., and MÁV FKG Kft.

b.2. Activities

R-KORD Kft. carries out activities in the following business lines:

(i) Railway security equipment business line

(ii) Railway overhead power line systems business line

(iii) Railway telecommunications systems business line

(i) Railway security equipment business line:

The company performs a broad range of activities associated with the construction and installation of security equipment that forms a part of railroad operation, mainly in the following fields:

- Conversion of security equipment operated in connection with railroad construction, following up on railroad construction phases, design and installation of temporary security equipment.
- Comprehensive construction of new relay-dependent station and line security equipment.
- Installation of electronic security equipment in cooperation with security equipment manufacturers (Thales, Siemens).
- Comprehensive construction and representation in Hungary of Scheidt&Bachmann level crossing coverage security systems, and representation of Frauscher axle counting systems in Hungary.
- Integration of relay-dependent security equipment in the KÖFI system.
- The company also designs and builds the necessary cable structures and structured cable networks as part of the security equipment.

One of the most significant projects of the railway security equipment business line currently in progress is the construction related to the supplementary security equipment for the Budapest-Esztergom railway line, comprising a section of approximately 31 kilometres.

(ii) Railway overhead power line systems business line:

The company performs a broad range of activities associated with the construction and installation of railway overhead power line systems, mainly in the following fields:

- Construction and refurbishment of 25 kV, 50 Hz overhead power line capable of serving the design speed of the railroad.
- Installation and construction of the

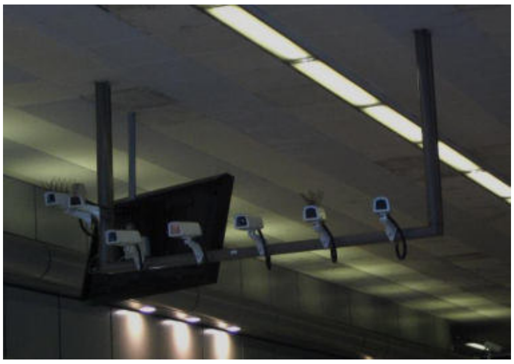
various electric equipment and transformer units (preheating, point heating, auxiliary operation transformer stations) connecting to the overhead power line.

- Installation of line separator automatics, complex construction, refurbishment and restructuring of 120/25 kV traction transformer substations with protection and control technology subsystems, fire and property protection systems compliant with the IEC 61850 standard.
- Installation, refurbishment and restructuring of overhead power line remote control system (FET). Installation of local remote control (HETA), comprising the overhead line section switches along with the related motor traction racks, phase border control racks with intelligent field controllers, meteorological measuring stations, short detectors and uninterrupted power supply units.
- Construction of low- and medium-voltage power supply networks, installation of 20/04 kV, 10/04 kV transformer stations.
- Construction of power strip equipment with automatic phase shifter equipment. Comprehensive construction, conversion of railway lighting and public lighting networks, their integration into central control systems.
- Installation of lighting for underground passages and platform roofs, and construction of power supply systems for the engineering equipment, lifts and pumps associated with underground passages.
- Completion of the comprehensive electricity safety and lighting review of the lighting technology equipment completed by technology fields.

One of the most significant projects for the railway overhead power line systems business currently underway is the electrification of the Mezőzombor-Sátoraljaújhely railway line.

(iii) Railway telecommunications systems business line

The company's activities include the comprehensive construction of railway telecommunications systems, comprising the installation of transmission technology equipment, operation control radio systems, dispatcher equipment, instruction systems, audio and visual passenger information systems, fire and property safety systems, surveillance systems, optical and copper cable networks.



One of the most significant projects of the railway telecommunications systems business line currently in progress is the design and construction of the GSM-R radio network along the standard gauge national public railroad system of nearly 2,255 km length.

In addition to the business lines described above, the company is active and generates sales revenue in other related areas, but these do not make up separate business lines. They include tasks related to lighting, ducts and optical cabling or railroad construction, as well as other activities consisting mainly of repair and maintenance tasks.

Special references of R-KORD Kft.'s activities:

Description	Period	Contract amount	Type
NAGY-MEZŐ 2.4: in the framework of the refurbishment of the right track along the Nagyút-Mezőkeresztes-Mezőnyárád line segment, overhead power line, security equipment and telecommunications construction works along the Kál-Kápolna (excl.) - Füzesabony (excl.) and Mezőkövesd (excl.) - Mezőkeresztes (excl.) railway line segment	18.06.2015 - 30.11.2015	mHUF 522	Subcontractor
NAGY-MEZŐ 1.3: in the framework of the refurbishment of the right track along the Nagyút-Mezőkeresztes-Mezőnyárád line segment, implementation of subcontracted tasks	09.07.2015 - 09.05.2016	mHUF 3,344	Subcontractor
Modernisation of the Szombathely - Zalaszentiván railway line	02.11.2015 - 02.11.2016	mHUF 7,850	General contractor
South Balaton II: railroad, railway facility and railway overhead power line and road construction work for the Szántód-Kőröshegy (excl.) - Balatonszentgyörgy (excl.) railway line segment, as well as the design and implementation of the related railway security	04.04.2016 - 09.09.2018	mHUF 31,860	General contractor

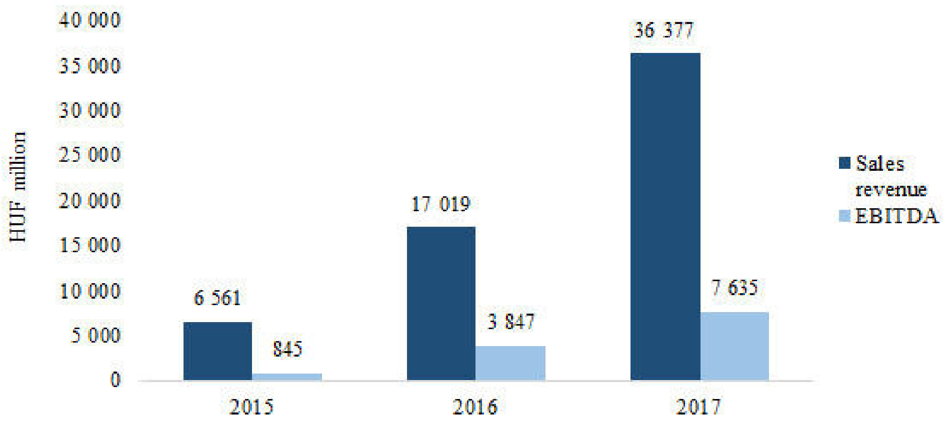
Description	Period	Contract amount	Type
equipment, overground construction, telecommunication, utility replacement and cable replacement works, and replacement of the Fonyód - Kaposvár line segment as part of the development of the fixed-rail suburban network of Kaposvár			
Supplementary security equipment works and supplementary design of the Budapest - Esztergom line segment	28.04.2017 - 29.05.2019	mHUF 7,651	General contractor
Design and construction work on the railroad construction and security equipment for the V100.32 Püspökladány (excl.) - Ebes (incl.) line segment	12.06.2017 - 30.09.2020	mHUF 35,492	General contractor

Source: R-KORD Kft.

c.3. Summary of the key business figures and characteristics

The company's sales revenue and profitability between 2015 and 2017 is demonstrated by the following figure:

Sales revenue and profitability between 2015 and 2017



Source: R-KORD Kft.

Both sales revenue and profitability have increased dynamically between 2015 and 2017. Sales revenue increased 5.5 fold over two years, generating an annual average growth of 135%. EBITDA increased over nine times, in line with which EBITDA cover increased from 12.9% to 21%.

During the above period, sales revenue was distributed between each field of activity as follows:

figures in mHUF	2015	2016	2017
Railway security equipment	839	2,860	6,933
Railway overhead power line systems	438	6,251	3,124
Railway telecommunications systems	444	2,005	146
Lighting	21	747	1,210
Ducts	16	205	633
Optical cable	-	1,026	2,764
Railroad	-	1,580	9,620
Other sales revenue	4,803	2,346	11,948
Total sales revenue	**6,561**	**17,019**	**36,377**

Source: R-KORD Kft.

It can be seen that sales revenue has increased dynamically in all fields of activities save one in respect of the three business years presented. The most significant growth was produced by sales revenue related to railway security equipment and railroad construction, and other sales revenue, which made up 78% of the total sales revenue in 2017.

The company currently pursues no export activities.

R-KORD Kft. pursues a large portion of its activities using subcontractors, so accordingly, the ratio of fixed assets to the balance sheet total is not significant in the company's balance sheet (cca 2% at the end of 2017).

c.4. Markets, competitors

(iv) Market trends

R-KORD Kft. is active in railway construction sectors, focusing its portfolio on railway construction and railroad refurbishment, in contrast with the more significant projects focusing only on security equipment, which could be seen in earlier years. The development budgets available partly out of EU funds currently and in the future as well allow for considerable market expansion in the market of railway construction.

After the political regime change, the railway construction market underwent a considerable transformation. MÁV's six railway construction directorates were outsourced, and railway construction companies were established on their basis. This market underwent significant consolidation, as a result of which the number of market operators was reduced. At the same time, the increased demand in railroad refurbishment and construction brought about the entry of a number of competitors with an international background to the railway construction market. These companies have capital strength and substantial references, but given that a large part of their capacities have been committed to their existing markets, they may be expected to play primarily general contractor roles and roles of providing references and credit guarantees. The restructuring and consolidation of railway construction companies in the domestic market have been largely completed, so these companies may be expected to compete and/or to arrange themselves into consortia.

(v) Major competitors

The Hungarian railway construction market features a low number of typically large-size operators. R-KORD Kft. considers mainly the following market operators to be its competitors:

- *Strabag Vasútépítő Kft.* (formerly Szentesi Vasútépítő Kft.): the company is backed by the Strabag group, so it has a firm financial background, good references in Hungary and abroad, and a highly skilled professional staff.

- *Swietelsky Vasúttechnika Kft.:* Swietelsky GmbH established the company on 3 December 2008 for the purpose of emerging as a dominant operator in the Hungarian railway construction market, using the modern railway construction technology applied in Europe. Having acquired MÁVÉPCELL Mély-, Magas- és Vasútépítő Kft., the company has evolved into a competitor with a substantial technology and history relying on MÁV's roots, and with a stable international background.

- *Vasútépítők Pályatervező, Kivitelező és Iparvágányfenntartó Kft.:* a company with a long history based on MÁV, also with a substantial international background (Wiebe group) and a staff of trained professionals.

Other competitors and partners of R-KORD Kft.:

- Subterra-Raab Kft.
- Pannon-Doprastav Kft.
- V-Híd Építő Zrt.
- Thales Austria GmbH
- Siemens Zrt.
- ABB Kft.
- TBÉSZ Zrt.
- BSS 2000 Kft.
- Termini Rail Kft.
- Műszer Automatika Kft.
- PROLAN Irányítástechnikai Zrt.

c.5. Strategic goals and vision

R-KORD Kft. has between 30 and 40 active contracts, and on the cut-off date of 30 June 2018, active contracts amounted to HUF 103.6 billion, augmented by an additional HUF 20.3 billion by 19 March 2019. In addition to the low number of contracts for large railway line refurbishments, the company has live contracts for several small, local projects. As regards large-volume projects, the company foresees assignments and revenue up until the end of the year 2022, and no significant boost may be expected in the number and volume of such projects, having regard to the imminent end of the European Union's budget term. At the same time, smaller projects are expected to increase, which will call for a slight expansion of human resources in the next one or two years.

The company's goal is to emerge as a dominant player in respect of an increasing number of partial construction tasks in the field of railway construction, expanding its activities to all partial areas not directly associated with railroad tracks in the course of railway construction projects.

Based on the expertise and references of the company amassed in its nearly two decades of history, the company is considered to be an inevitable operator in the Hungarian market, which serves as the jumping board for the continued dynamic expansion of the current robust portfolio of contracts. Furthermore, R-Kord Kft.'s medium-term goal is to extend its activities to the Central and Eastern European region in addition to Hungary, by way of both international and cross-border projects.

6.2.1.2 Wamsler SE Háztartástechnikai Európai Részvénytársaság

(a) Company history, major features of operation

The iron foundry and machine factory established in 1894, having merged with Wamsler HKT GmbH of Germany, has been using the Wamsler name since 1992, and has kept it throughout the restructuring exercises of the past decades. The company, employing nearly 700 persons, has been operating as a European cmopany limited by shares since 2008, and has been a member of the Group since 2012.

Wamsler SE is the largest fireplace and stove manufacturer of the Central and Eastern European region, having a share of around 7 to 8 per cent of the European market[3]. More than three-quarters of its production is for exports, primarily to the German, Austrian and Dutch markets, while the market share secured in the domestic market is also significant. Equipment manufactured under the names Westminster and ClubEdition also belong to Wamsler; the Wamsler Group created these brands to satisfy different customer demands.

The company manufactures fireplaces and stoves fired by coal, wood or pellets of its own designs (that have earned multiple Hungarian Product Grand Prizes) for its own distribution network, and also produces fireplaces operated on similar principles as its own products as well as on gas and electricity for its large European customers under a contract work arrangement.

Wamsler SE has its registered office in Salgótarján, where two of its sites are located, and also has branches in Bátonyterenye and Budapest. Production and warehousing takes place on the three pieces of real property the company owns in the residential area of Salgótarján, with additional warehousing at the 700 m² Bátonyterenye site, while the company operates a brand store in Budapest. The Western European, primarily German market is reached by way of the company's subsidiary Wamsler HKT based in Munich.

[3]Source of information: HKI Industrieverband

Unlike many of its competitors, the company has manufacturing capacities for the complete spectrum of iron- and metalworking technologies required for manufacturing. Accordingly, it has its own foundry, as well as traditional and modern CNC-controlled plate processing equipment (plate straightener, cutter, puncher, chopper and bender, welder, polisher, painter and enamelling lines).

The company has its own experiment laboratory and develops proprietary products, which helps to come up with modern energy-saving equipment. Wamsler puts great emphasis on the application of environmentally friendly manufacturing technologies and recycling the waste generated. Their success is reflected by the fact that, in addition to ISO 9001, the company is certified for ISO 14001 and ISO 28001.

The subsidiary holds an Integrated Pollution Prevention and Control (IPPC) permit. The company's environmental management system encompasses waste management, protection of clean air, noise and vibration protection as well as landscape and nature protection. Environmental awareness and energy saving appears not only in the products but the manufacturing processes as well. The management puts great emphasis on the application of innovative and environmentally friendly manufacturing technologies and recycling the waste generated.

(b) <u>Products</u>

(i) Fireplaces

Fireplaces fired by wood and coal radiate warmth and a friendly atmosphere in any residential ambience with the flames and embers visible through their large glass doors. Their heating capacity enables them to heat large-volume premises or weekend houses, or to provide supplementary heating on cool nights. The great benefit of free-standing fireplaces is that they are easy to move, provided there is a smokestack outlet in the given room.

(ii) Stoves, stove furnaces

Stoves fired by wood or coal are popular items in detached houses and second homes for cooking, baking and heating. As they save energy, they have become popular again in households with a smokestack outlet. Given their excellent shapes and dimensions, certain types may be used as supplementary stoves in addition to gas or electric ranges. Wamsler SE's equipment includes both traditional cooking-stoves and modern shapes. In addition to cooking, baking and heating the rooms, cooking-stoves are capable of providing central heating and supplying hot water. Their multi-faceted nature and safety of operation, along with their energy efficiency and traditional atmosphere, make them highly popular.

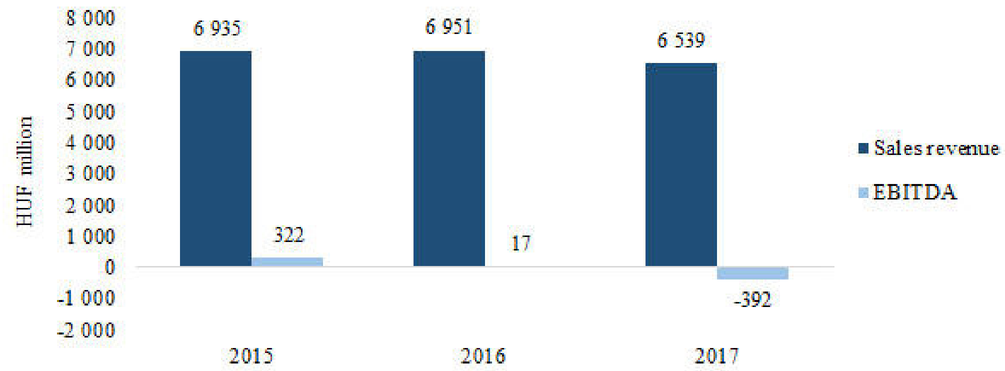
(iii) Stoves

Stoves fired by wood or coal are appreciated as heating equipment for rooms, holiday homes, weekend houses and workshops. They enjoy great popularity througout Europe due to their energy efficiency and traditional airs, and are excellent for full-fledged heating of rooms or as supplementary heating to complete central heating. Their cast-iron components and fire-resistant walls warrant reliable operation and a long life cycle. The glass built into the types featuring glass panel doors is highly heat-resistant hardened glass.

(c) **Summary of the key business figures and characteristics**

The company's sales revenue and profitability between 2015 and 2017 is demonstrated by the following figure:

Sales revenue and profitability between 2015 and 2017



Source: Wamsler SE

During the above period, sales revenue was distributed between business lines as follows:

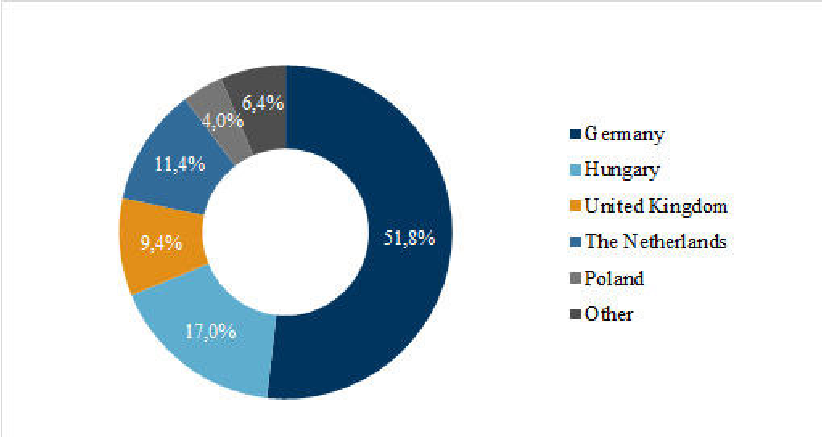
figures in mHUF	2015	2016	2017
Stoves, stove furnaces			
Sales revenue	773	711	671
of this, in export markets	660	623	564
of this, in the domestic market	113	88	107
Fireplaces			
Sales revenue	4,152	4,273	3,920
of this, in export markets	3,741	3,854	3,502
of this, in the domestic market	411	419	418
Stoves			

figures in mHUF	2015	2016	2017
Sales revenue	1,060	1,036	959
of this, in export markets	786	828	720
of this, in the domestic market	274	208	239
Gas and electric equipment, oil stoves			
Sales revenue	264	255	283
of this, in export markets	247	230	238
of this, in the domestic market	17	25	45
Other activities			
Sales revenue	686	676	706
of this, in export markets	379	391	247
of this, in the domestic market	307	285	459
Total			
Sales revenue	**6,935**	**6,951**	**6,539**
of this, in export markets	**5,813**	**5,926**	**5,425**
of this, in the domestic market	**1,122**	**1,025**	**1,114**

Source: Wamsler SE

Between 2015 and 2017, sales revenue stagnated and deteriorated slightly, accompanied by a deterioration in profitability. A significant part (83 to 85%) of the company's sales revenue consists of export activities, and fluctuations in total sales revenue is typically due to variations in these figures. Sales revenue for 2017 remained 5.8% below the sales revenue for 2015, primarily due to the decreases in the German and UK markets. The reason for decline in these markets is primarily the shrinking of the solid-fired equipment market in the years affected.

The five key target countries for sales



Source: Wamsler SE

In both 2016 and 2017, Wamsler SE's average statistical headcount was 696, the majority of which (some 530) are blue-collar workers.

(d) Markets, competitors

(i) Market trends

According to a market survey by ResearchAndMarkets.com[4] the current market of fireplaces and stoves fired by wood, gas, electricity and pellet amounts to about US 15.7 bn worldwide. The study forecasts that this rate will go up to USD 19 bn by 2023, after an average annual growth of 3.87%. Having regard to market trends and the increasing receptiveness to environmental aspects, the greatest growth may be anticipated in the market of equipment operated by electricity. As regards geographic distribution, the market with the greatest growth may be the European market in the period contemplated by the forecast.

The geographic distribution anticipates a favourable market position for the products and marketability of the products of Wamsler SE. The company sells its products almost exclusively in Europe, mostly in Germany, in a very strong market environment, so Wamsler products stand a good chance of securing a share of the growth taking place in this market. Having fire as a source of heating while being a central component of modern home design has many decades and increasongly strong traditions in Europe. At the same time, Wamsler SE does not produce electricity-operated equipment, so it can set goals for additional sales only in the markets of products with traditional fuels.

(ii) Major competitors, market position

Wamsler SE's most important market competitors are as follows:

[4]Source of information: ResearchAndMarkets.com

- Haas&Sohn (Germany)
- Lohberger (Austria)
- Olsberg (Germany)
- Edilkamin (Italy)
- Rika (Austria)
- NIBE Stoves (Sweden)

The company's market position in its key export market and the domestic market:

Germany:

- Wamsler is one of the market leaders in the medium price range of products in the German market
- key products sold by the company in the German market: fireplaces, cooking stoves
- major sales channels: do-it-yourself stores and specialist retailers
- market advantage: the Wamsler brand is one of the best known and oldest brand for fireplaces and cooking stoves

Hungary:

- Wamsler is the market leader with 30 to 40% of the domestic market
- key products sold by the company in the domestic market: fireplaces and stoves
- major sales partners: do-it-yourself stores and wholesalers

(e) Strategic goals and vision

In line with the company motto of "renewal based on tradition", exploiting over 140 years of experience, the developments target the elaboration of forward-looking technologies, based on which Wamsler may emerge as the market leader in the medium price range.

The success of the subsidiary is substantiated by customer satisfaction as well as economic indicators, as a result of which the goal is to contribute to increasing the aesthetic and comfort experience of buyers while reducing energy consumption and showing new possibilities for protecting the environment. Wamsler SE puts immense emphasis on the application of innovative and environmentally friendly manufacturing technologies and recycling the waste generated.

In addition to the production of fireplaces and cooking stoves, Wamsler is continuously working on creating mutually beneficial cooperations with other companies in the field of plate processing and surface protection, making use of the experience and knowledge amassed by its staff in this domain. New developments and investments also serve to maintain technological competitiveness and securing a competitive advantage.

It is a particularly important achievement in Wamsler SE's history that it submitted a successful application under the Large Enterprises Investment Support Programme, and was awarded a subsidy of HUF 1.8 bn for its capital expenditure programme to be implemented with a budget of HUF 3.6 bn early in 2018. The company is set to build a new manufacturing hall of 840 m2 and an intelligent manufacturing and innovation hall of 5,400 m2, and will enhance its production by robotised assembly lines. The development will by and large double the manufacturing capacity of 150,000 to 160,000 units per year, and automation will enable the company to manufacture smaller series profitably. The project commenced in July 2018.

6.2.1.3 EURO GENERÁL Zrt.

The issuer acquired a 50% participation in EURO GENERÁL Zrt., based in Győr, in 2009. The company's core activity consists of various building construction works, in particular the comprehensive construction of residential buildings, office buildings and condominium houses (from design to turnkey delivery).

6.2.2 Agriculture and Food Industry segment

The Agriculture and Food Industry segment is particularly important for the Issuer, which is demonstrated by the fact that it has carried out a number of capital expenditure projects in this field over the past years. Currently, the segment consists of three of the Issuer's subsidiaries: Csabatáj Zrt. (74.18% participation), VIRESOL Kft. (51%), and KALL Ingredients Kft., 100% of which is held by the Issuer.

The first component of the agricultural portfolio was the Csabatáj Zrt. participation re-acquired by the Issuer in 2017, the complete business of which is determined by two key activities: plant cultivation together with the associated services, and the production of commodity eggs in the field of animal husbandry.

This was supplemented by the acquisition of altogether 100% of the business shares of KALL Ingredients Kereskedelmi Kft. as contribution in kind by the Issuer in 2018. The new subsidiary has great potential as it is one of Central and Eastern Europe's largest isosugar factories.

51% of VIRESOL Kft.'s shares was contributed in kind also in 2018; this company is one of the largest modern starch factories in the Central and Eastern European region, presented in detail later on.

The role played by the Agriculture and Food Industry segment in consolidation may increase considerably as the total production capacity of the newly acquired companies is launched and test operation is completed.

6.2.2.1 KALL Ingredients Kft.

(a) <u>Company history, major features of operation</u>

KALL Ingredients is a company processing corn, which produces high added-value raw materials for the food industry and for fodder, using only GMO-free Hungarian corn. By its production capacity, it ranks among the larger factories in Europe, while offering the highest quality products and services to its customers by applying the most innovative and greenest technologies available. The primary goal is to make sure that production can be adjusted flexibly to satisfying the current market needs, and to

be able to provide custom solutions to partners.

The main motivation for setting up KALL Ingredients Kft. was that the EU's sugar quota was abolished in October 2017, which represented a one-off chance for establishing a factory in Hungarian ownership and for exploiting this opportunity. The factory is located in the outskirts of Tiszapüspöki in Jász-Nagykun-Szolnok County, 10 km from the city of Szolnok, 5 km from the River Tisza, and is a part of the industrial zone to be established by the exit from motorway M4, to be built yet. The location is ideal for the purposes of logistics for raw materials and finished products, optimum energy supply and minimum load on the environment, as well as for exerting as little adverse influence on the everyday life of the population as possible.

The factory commenced its commercial operation in January 2018. KALL Ingredients produces raw materials for the food industry, mainly various sugar products and starch derivatives, high-quality pharmaceutical and nutritional alcohol and raw materials for fodder, and sells a considerable portion of its products outside Hungary. The plant is planned to process 530,000 tonnes of GMO-free Hungarian corn each year. The EUR 160 million greenfield investment was built with the best available technology. The factory technology is very clean, processing corn without generating waste.

80% of the factory's annual sales revenue is expected to come from European markets in the coming years.

In the framework of a capital increase registered by the Court of Registration of the Szolnok Tribunal on 4 December 2018, the Issuer raised KALL Ingredients' registered capital to EUR 5,800,000. As a result of the transaction, KALL Ingredients' equity complies with legal requirements, making it a capital-strong company.

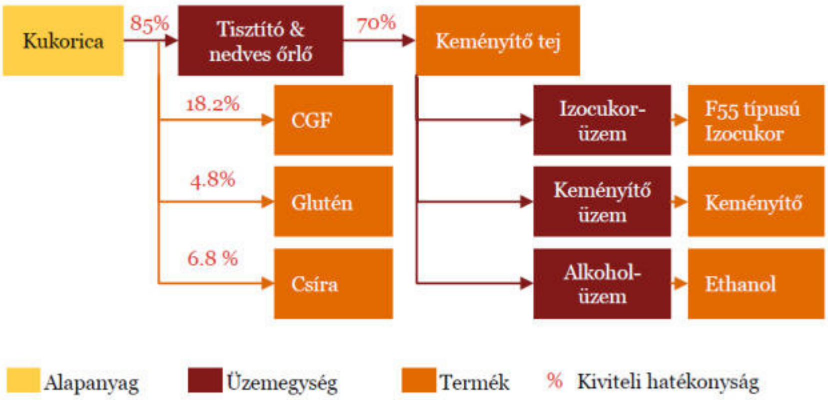
(b) Products

KALL Ingredients Kft. has a capacity for processing 530,000 tonnes of corn annually, making it one of the largest plants in Europe. In the course of production, the company produces liquid sweeteners (isosugar and its mixtures, glucose), alcohol, corn gluten as well as maize germ. The corn is processed by the cleaning and wet grinding unit, which generates corn-based starch milk with a 70% yield efficiency. The starch milk is then processed by the starch and sugar lines and the alcohol plant.

The facility is able to produce altogether more than 250 tonnes of various sugar products, and the alcohol plant can produce about 401,500 hl of alcohol for pharmaceutical and food industry use.

As a byproduct of alcohol production, over 80,000 tonnes of CGF is produced in the factory, which is an important raw material for fodder production. Around 22,000 tonnes of gluten and 31,000 tonnes of maize germ is also produced annually in corn processing.

Production flow chart



Source: KALL Ingredients Kft

Features of the products in the three major categories:

- isosugar and liquid sugars
- alcohol products
- raw materials for fodder

(i) The main products are **isosugar and liquid sugars,** which may be processed favourably by food industry producers. The plant is able to produce sugar products in a customised manner, with components and features aligned to the various different uses, thereby helping its customers in product development. Products help give food industry an opportunity to rely on a stable base of excellent-quality raw material in this sugar-deficient region that needs sugar to be imported.

Major products are as follows:

- The products sold under the name K-SWEET with various fructose contents are produced by degrading the starch extracted from corn. The high calorific value and ease of use of isosugar make it the most suitable sweetener to substitute crystal sugar. It is the base material for soft drinks, fruit juices, energy drinks, syrups, jams, fruit preparations and dairy products, to name a few.
- The glucose syrups named K-SYRUP are used for producing jams, candies, jelly sweets, ice creams, gum candies and chewing gum, but may also be used as auxiliary material for producing insulation for the construction industry.
- K-SYRUP-LDX is liquid dextrose, used as the raw material for fermentation in yeast and fruit wine production, beer brewing, the

pharmaceutical industry, citric acid production, and is also added to animal fodder.

- K-SYRUP M52 maltose syrup has a high maltose and low dextrose content. This slightly sweet and medium viscuous product is used for producing candies, pastry, buscuits and beers, as well as for producing maltitol, a natural sweetener.
- K-SWEET F95 is a syrup with high fructose content, a raw materal for diabetic or reduced-energy candies, pastries, biscuits and soft drinks.

(ii) **Alcoholic products** produced by the plant are of an exceptionally high quality and highly refined, and offer a raw material produced from a natural source for industries where only mineral oil-based synthetic alcohol was available before, in addition to the food industry, the pharmaceutical industry and the beauty industry.

Alcohol products include:

- ALCO-KALL Extra Fine and Fine alcohols have an alcohol content of minimum 96 V/V%. It is most widely used in producing spirits, the beauty industry, the pharmaceutical and chemical industries. The neutral flavour and excellent quality of this product meets the strict requirements of vodka production as well.
- ALCO-KALL 99.9 dehydrated grain spirit is an excellent auxiliary material for the pharmaceutical industry, as well as a popular raw material for the chemical industry.

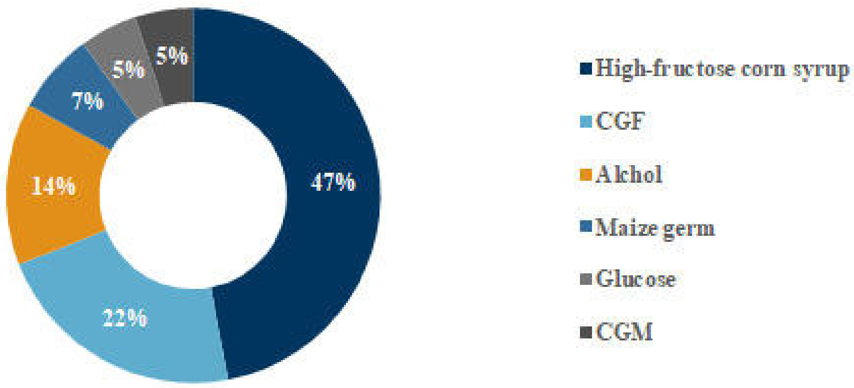
(iii) **Fodder raw material products** provide a cost efficient nutrient with a high protein content for ruminants, pigs, poultry, pets and fish.

Fodder raw material products are as follows:

- FEED-KALL CGF is a product marketed as wet coarse fodder, or in powder or pellet form after drying. CGF (Corn Gluten Feed) carries the fibre, protein and starch content of corn in an optimum ratio, making an efficient contribution to the cost efficient feeding of ruminants, pigs, poultry and pets.
- PROTE-KALL is corn gluten, a premium-quality dried fodder raw material containing concentrated protein that remains after separation of the larger portion of germ, fibre and starch . Its natural yellow colour, low mineral content and easy digestion makes it suitable for wide-ranging uses, primarily in the fodders for poultry, milking cows, fish and pets.
- ENERGO-KALL is our brand name for maize germ, which may be a valuable component of high-standard animal fodders due to its

significant protein and starch content, in addition to use in vegetable oil production.

Distribution of KALL Ingredients products out of the total output

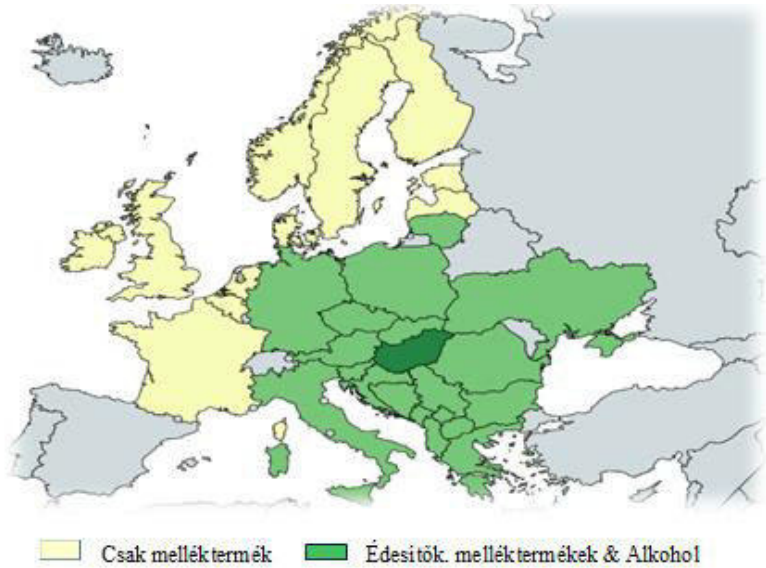


Source: KALL Ingredients Kft

Currently, the domestic market is able to absorb about one-fifth of the factory's capacity, so 80% of sales target international markets. The goal is to directly reach large and medium-sized brand producers, in addition to which the contact networks of local distributors and wholesalers are used to reach smaller producers and the spot market. In the year 2019, they will deliver under direct contracts to over 50 large brand producers, and supply another several hundred end users indirectly. The largest segment of the isosugar market consists of HFCS use; large quantities of these fructose-glucose syrups are used for sweetening soft drinks and fruit juices, as well as components for producing sauces, canned foods and candy products.

(c) <u>Summary of the key business figures and characteristics</u>

Export target countries of KALL Ingredients Kft



Source: KALL Ingredients Kft

In general, the liquid and isosugars produced by KALL Ingredients Kft. can be transported economically to a limited distance of about 1,000 km. Consequently, the factory sells it sugar products mostly in the Central and the Eastern European regions. More distant regions such as Nordic countries and Western Europe are eligible only for shipping byproducts. The factory has contracts with over 200 partner companies in various European countries.

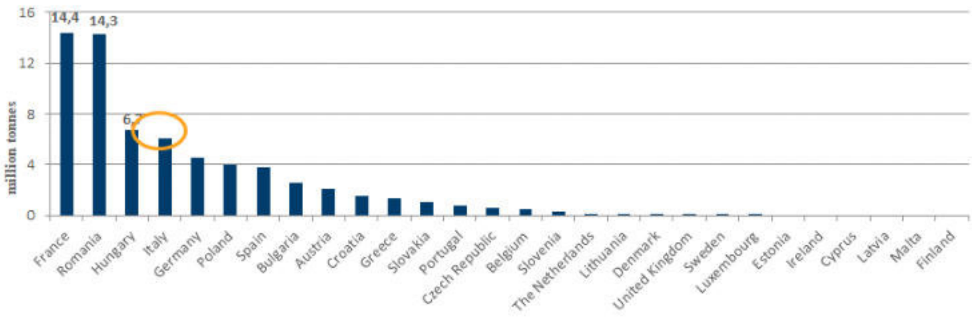
(d) <u>Markets, competitors</u>

(i) Corn market

KALL Ingredients' sole raw material is corn, which is why it is important to discuss the industry trends associated with this market.

Hungarian agriculture produces 6.5 to 7.5 million tonnes of corn per year on average, barely over half of which is used by the country, so the annual export surplus is 3 to 3.5 million tonnes (*source: KSH).* Hungarian corn production may be said to be significant also at EU level, given that Hungary is among the top three to top five producers of corn. The total corn crop of the EU was 64.8 million tonnes in 2017 (*source: Eurostat*).

Corn production in Member States of the EU28 in 2017



Source: Eurostat

As regards Hungary's corn balance, the quantity of corn used each year consists of the crops harvested and, in case of shortages, the stocks warehoused in earlier years. Most of the corn used in 2017 was exported (3.68 million tonnes), processed by the industry (2.06 million tonnes) and used as fodder (2.01 million tonnes). In case of surplus, the unused crop is stored in warehouses, which goes to increase Hungary's closing corn stock (source: KSH).

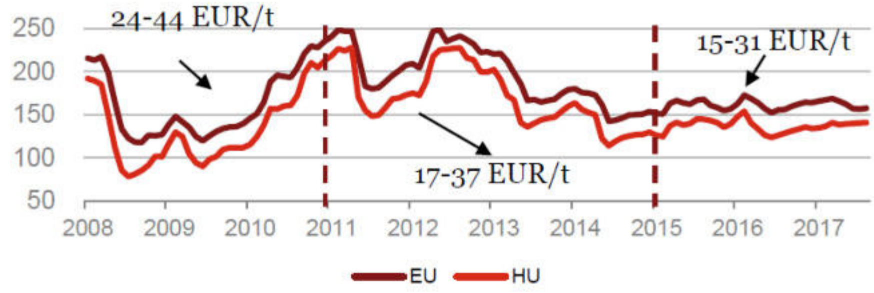
Hungary's corn production, export and industrial processing between 2015 and 2017

Source: KSH

Hungary and, within that, agriculture in particular, has a long-term interest in ensuring that Hungarian processing industry and animal husbandry use a greater quantity within the country, and less crops should be shipped to distant markets at high cost. KALL Ingredients compensates for the raw material export by producing highly processed products with considerable added value. The new factory ensures stable long-term demand for corn produced in an area that is less industrialised in the sector. The investment serves the long-term interests of Hungarian agriculture, and the plant will produce at a fixed location, once built. The plant's production will contribute to the development of Hungary's processing industry, and its exports will help to improve the current balance of payments.

The most important input material for the final product generated is corn, price variations of which year after year may have a significant impact on production costs. This is why it is important to investigate price changes for corn in the EU and in Hungary. Looking at the historical corn prices in Hungary and Europe, they may be said to have changed similarly to one another in recent times. Between 2008 and 2017, Hungarian corn prices varied between EUR 78 and 228 per tonne, while EU rates were between EUR 118 and 248 per tonne. The highest prices appeared between 2011 and 2013, since when both prices have been even. Prices were lower in Hungary in each year (source: European Commission).

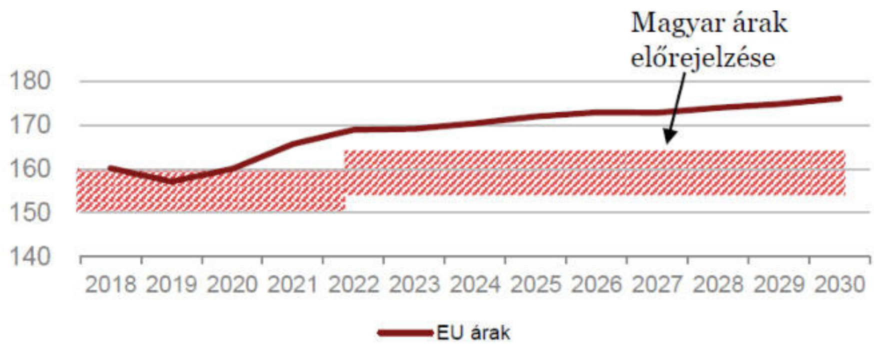
Difference between corn prices in the EU and in Hungary (EUR/t)



Source: European Commission

Based on the European Commission's forecast, EU prices will vary between EUR 157 and 176 per tonne between 2018 and 2030. Historical data allows for concluding that Hungarian prices will remain below EU prices in the future (EUR 150 to 165 per tonne), so the price difference of EUR 15-30/tonne is likely to remain in place in the long run as well (source: European Commission).

Corn prices in the EU and in Hungary after 2018 (EUR/t)



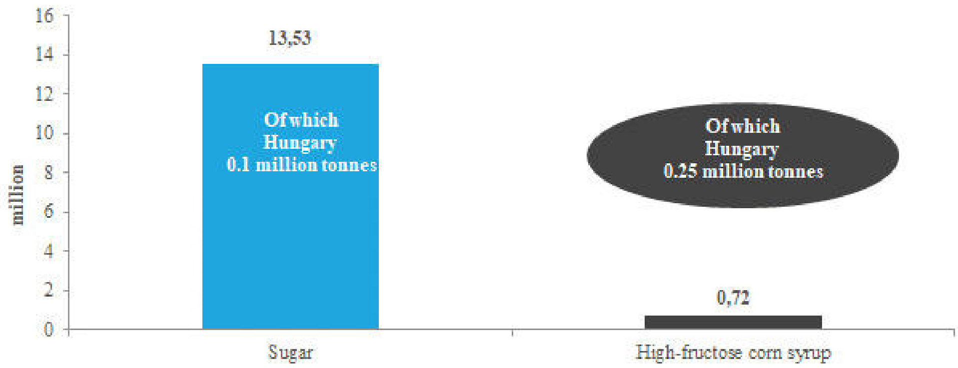
Source: European Commission

(ii) Sugar market

KALL Ingredients Kft. produces mostly isosugars and liquid sugars from corn. However, it is important to have an overview of the sugar market in connection with these products, as they are substitute products for each other, playing the same role as input raw material in further processing in a number of fields. In addition, it should be mentioned that available market analyses and price forecasts treat the market of sugar and that of isosugar to be one and the same category in most cases. However, price variations and trends turn out nearly similarly for both types of sugar as regards direction and volume. Therefore, isosugar prices are strongly correlated with sugar price levels.

In September 2017, the EU regulation limiting sugar and isosugar production, which has been in place since 1968, was phased out. The quota quantities remained unchanged since 2010 up to the liberalisation: the production of sugar was set for 13.5 million tonnes and production of isosugar was set at 720,000 tonnes annually in the European Union.

Sugar quotas in the EU before 2017, in a breakdown by sugar and isosugar



Source: KALL Ingredients Kft

Sugar production in the EU and in Hungary

The total capacity of European sugar factories is around 20 million tonnes, which the factories are expected to exploit as best they can. According to the European Commission's forecast, the EU's sugar production will exceed European demand by 1 to 1.5 million tonnes. At the same time, as sugar is easy to transport, imported sugar represents strong competition for European factories. The time elapsed since the abolition of the quota has not been sufficient for a clear outline of the changes that may be expected and for seeing whether consolidation will occur.

Isosugar production in the EU and in Hungary

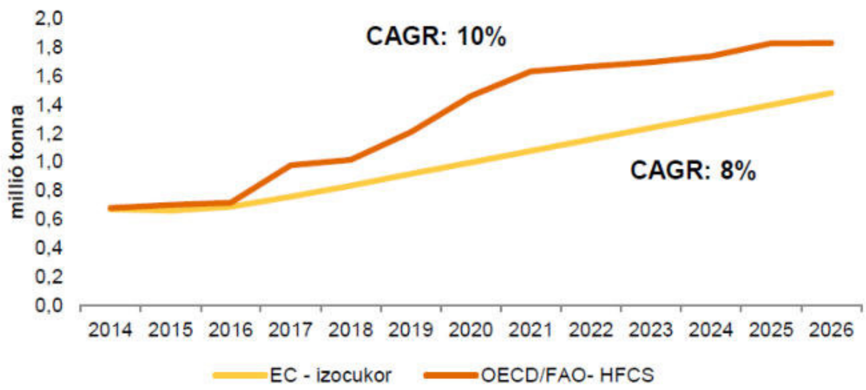
The quota for isosugar has been exploited to the maximum extent in the EU prior to the liberalisation. As the quota has been fixed for several years, and the product is cumbersome to transport and export, the European production capacity exceeded the quota amount only slightly. Customers expect supply to be stable in order to switch to isosugar, so the expansion of the current supply needs to precede the increase in demand. This is substantiated by the European Commission's forecast, according to which EU production will exceed demand initially by 50 to 60 thousand tonnes and then, by 200,000 tonnes. Recent years seem to corroborate this forecast; market operators have embarked on expansion exercises.

As regards isosugar, Hungary had the largest quota throughout all of Europe under the quota regime. It amounted to 250,000 tonnes. Prior to the capital expenditure project, isosugar was produced only by Hungrana, with a very significant capacity that equalled the Hungarian quota amount. The company entered the market by building its factory at Tiszapüspöki. The combined capacity of the two factories is quite high, so that it is particularly important to service European customers in addition to domestic buyers. However, the increasing investments by competitors may curb regional growth.

Consumer trend forecasts

Looking at consumer trends in the EU, demand for glucose fructose syrups can be seen to have increased continuously and forecasts indicate a significant increase to be expected after 2018 according to the figures of both the European Commission (EC) and the OECD/FAO.

Consumption of glucose fructose syrups in the EU (forecast after 2018)

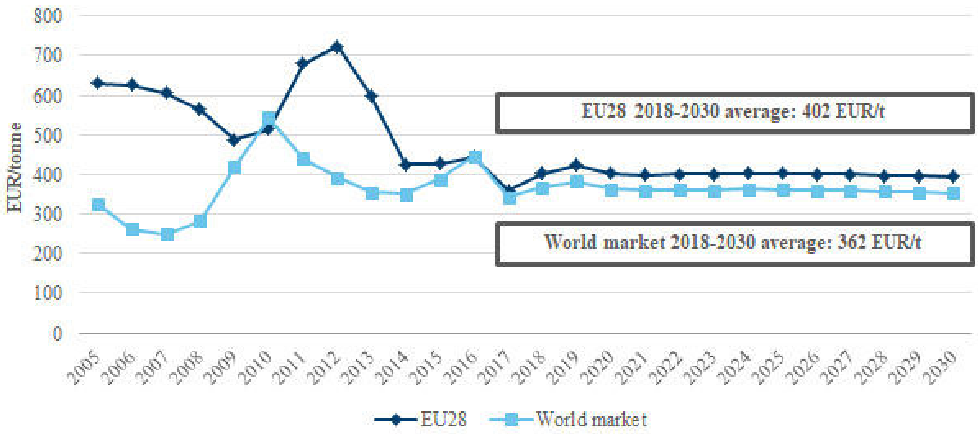


Source: European Commission, OECD/FAO

Development of sugar prices

The abolition of the EU's sugar quota changed the conditions for sugar beet growing and sugar production considerably, which had a significant effect in the market of isosugars as well. In the wake of the phasing out of the sugar quota, EU sugar prices are expected to align increasingly with global market processes based on current market trends.

The European Commission's forecast for the development of global and EU sugar prices



Source: European Commission

Major competitors, market position

KALL Ingredients Kft. is one of the largest isosugar producers within 1,000 km of the factory. Most competitors are large international corporate groups with significant factories in Poland, Bulgaria, Slovakia, Germany and Italy. These plants have no surplus capacity, and their target markets show only a small overlap with those of the company.

Isosugar producing plants within 1,000 km of KALL Ingredients Kft.'s factory

Location	**Company**	**Annual isosugar capacity (thousand tonnes)**
Tiszapüspök	KALL	250
Szabadegyháza	Agrana, ADM	250
Wroclaw (PL)	Cargill	120
Razgrad (BG)	ADM	89
Boleraz (SK)	Tate & Lyle	68
Krefeld (DE)	Cargill	57
Castalmassa (IT)	Cargill	22
Cassano Spinola (IT)	Roquette	11
Total		**867**

Source: European Commission

(e) ***Strategic goals and vision***

KALL Ingredients Kft.'s strategic goal is to continuously expand its product portfolio, which also means stronger diversification and expansion of the range of sugar products and starch derivatives, generated by customer demands that appear continuously. Accordingly, the company's plans for the medium and long term focus on innovative product developments corresponding to the latest industrial and market trends. However, they concentrate not only on the various sugar products, but the company will set out towards the developments required for producing native and modified starch products produced for special and unique purposes. KALL's engineering team in charge of product development targeted experimenting with and developments of products corresponding to unique and special needs, to move on to producing them on industrial scales. In addition to greater product diversification and developing a broader portfolio, the company's goal is to provide products that correspond to even the most special needs of our partners.

6.2.2.2 VIRESOL Kft.

(a) ***Company history, major features of operation***

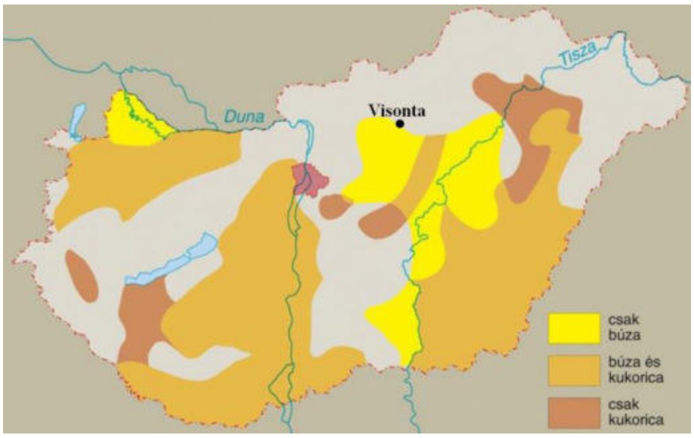
VIRESOL Kft. (formerly known as VISONTA Projekt Kft.), established in 2015, Was established as Central and Eastern Europe's most modern and most innovative wheat processor, for the purpose of creating Hungary's only plant producing high-quality wheat-based products that go beyond milling industry processing. VIRESOL Kft., which produces its starch, alcohol and fodder products by processing about a quarter million tonnes of wheat in proper operation with the help of over 250 employees, will commence operation early in 2019.

In the framework of a capital increase registered by the Court of Registration of the Eger Tribunal on 17 August 2018, VIRESOL Kft.'s registered capital was increased to HUF 760,000,000. As a result of the transaction, VIRESOL Kft.'s equity complies with legal requirements, making it a capital-strong company.

(i) Factory location

The place where the factory will be established is in Visonta, Heves County, on an area of 14 hectares in the industrial park. The proximity of motorway M3, the railway connection point nearby, the appropriate infrastructure, the logistic features, and the proximity of the electricity, steam and natural gas connection points ensure that the site will provide optimum conditions for the purposes of both operation and the logistics of wheat and end products.

Main wheat and corn production areas in Hungary



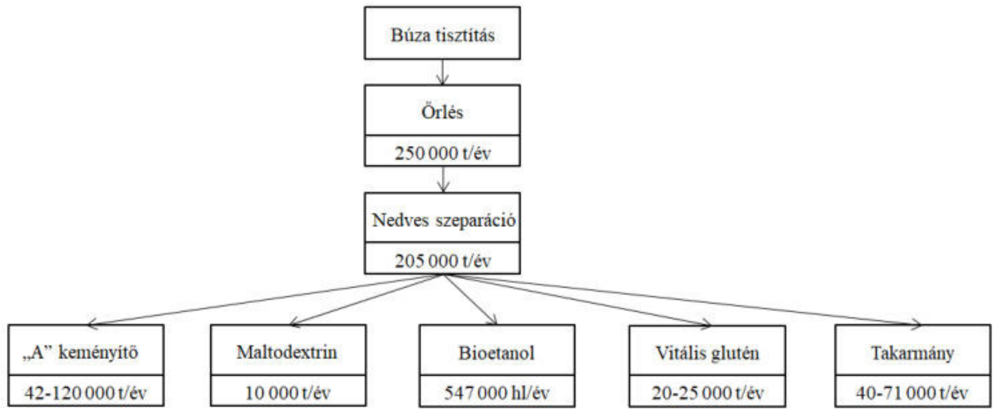
Source: VIRESOL Kft.

(b) ***Products***

The product groups produced by VIRESOL Kft. are as follows: native and modified starches, maltodextrin, industrial alcohol, vital wheat gluten and raw material for fodder.

The factory's wheat processing capacity is 250,000 tonnes, and its production capacity is 42,000 tonnes of 'A' starch, 547,000 hectolitres of industrial alcohol, 10,000 tonnes of maltodextrin, 24,000 tonnes of vital gluten and 70,000 tonnes of fodder per year. The processing plant will sell its main products to the food, paper, chemical and fodder industries, and intends to meet the demands of customers by strictly regulating the parameters of finished products and manufacturing processes and by supervising these expectations by focusing on quality. The company produces its products only out of high-quality wheat originating from Hungary, which it intends to purchase from reliable and regular vendors.

End product capacities of the VIRESOL plant



Source: VIRESOL Kft.

The primary criterion for selecting the plant's technologies is the procurement of state-of-the-art machinery and equipment, environmental protection and renewable energy in order to ensure that the plant functions in harmony and in close synergy with both its natural and its social environment.

(c) ***Summary of the key business figures and characteristics***

Construction work on the first phase of the project started in May 2017 and lasted until the end of 2018. The second phase of the project (cationic starch, maltodextrin plant) will be completed in the first half of 2019. Once test operation of the plant is completed, live operation will commence gradually from the beginning of 2019, while production is expected to reach full capacity by the third quarter of 2019.

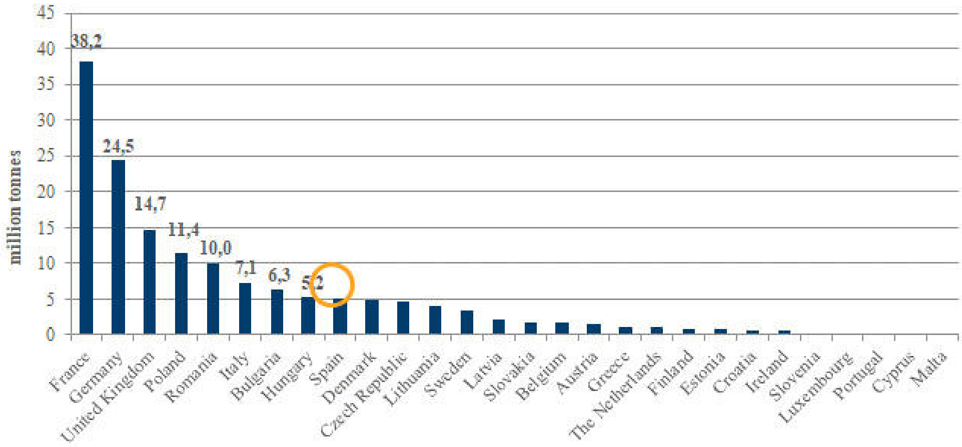
(d) ***Markets, competitors***

(i) Wheat market

VIRESOL Kft. is a wheat processing plant, so wheat as a raw material plays a special role in production. This is why it is important to describe this market in detail.

In Hungary, farmers produced more than 5 million tonnes of wheat on an area of over one million hectare on average per year between 2013 and 2018. A significant portion of the wheat grown in Hungary is exported without processing. In 2017, wheat production amounted to 5.2 million tonnes, of which Hungary exported 2 million tonnes. This performance may be deemed to be significant also in global terms, as Hungary was the 13th largest wheat exporter worldwide in 2017 (source: Worldstopexports). Wheat purchasers, mostly in multinational ownership, play a dominant in Hungary in contrast with agricultural small producers by virtue of the large quantity of grains produced. Hungary and, within that, agriculture in particular, has a long-term interest in ensuring that Hungarian processing industry and animal husbandry use a greater quantity within the country, and less crops should be shipped to distant markets at high cost.

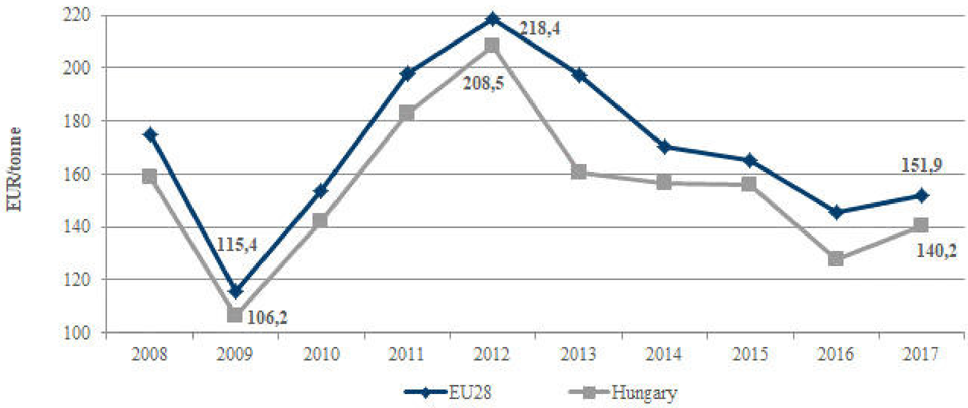
Wheat and spelt production in Member States of the EU28 in 2017



Source: Eurostat

VIRESOL's production cost and through that, its operating income, is highly dependent on the sales price of wheat as a raw material, so it is important to investigate the trend of prices. Over the past ten years, wheat prices were volatile, as they were between EUR 106.2 and 208.5 in Hungary, with the average rates between EUR 140 to 160. The EU and Hungarian markets move together, but the Hungarian price level is EUR 10 to 15 lower than the former.

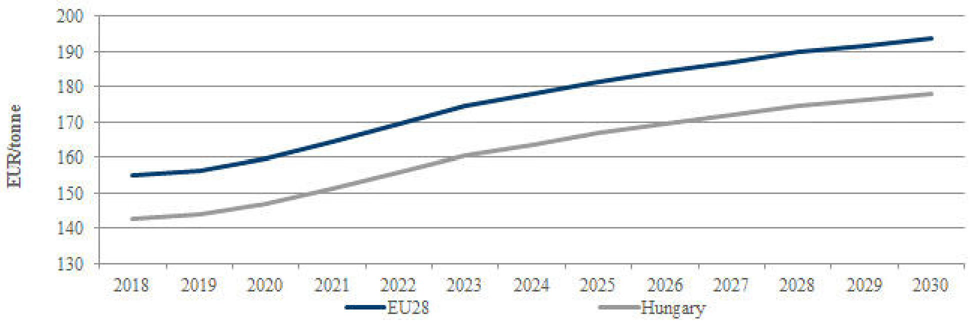
Average wheat sale prices in the EU28 and in Hungary between 2008 and 2017



Source: Eurostat

Based on the European Commission's forecast, EU prices will vary between up to EUR 194 per tonne by 2030. In the long run, prices are expected to increase continuously, but the price difference between the Hungarian and the EU markets is likely to remain based on historical figures. The current price level of EUR 140/tonne in the Hungarian market may increase to over EUR 170/tonne by 2030.

Wheat prices in the EU and in Hungary after 2018 (EUR/t)



Source: Eurostat

(ii) Maltodextrin market

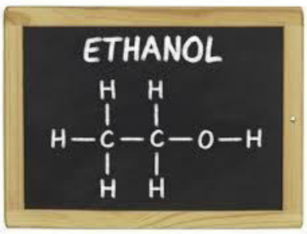
Maltodextrin is a medium sweet polysacharide extracted from starch, which is a popular ingredient and raw material of foods and biofoods. It is a creamy white coloured powder that absorbs moisture, is easy to digest and is absorbed quickly.

The product is one of the most dynamically developing raw material for the food industry also globally. A further 5% growth may be expected in the global market by 2020, thanks to use in the food and beverage and beauty industries (in Asia and Eastern Europe). There are five large markets for the product: North America, Latin America, Europe, Asia, Middle East and Africa, of which a 61% share is held by Europe and North America. Annual maltodextrin production in Europe is 277 kilotonnes. Compared to this, VIRESOL Kft. is planned to produce 10 kilotonnes annually in the future.

The major fields of use for maltodextrin are food and beverages industry (60%), the pharmaceutical industry and paper industry (10%), chemical industry and the beauty industry.

The product's market in the European Union is rather segmented, as more than 80% of the EU market is dominated by a few large producers. The size of the Hungarian user market is 2,775 tonnes/year (2015). There is no production in Hungary yet, so VIRESOL Kft. has no direct competitor in production, as demand is satisfied by imported products.

(iii) Industrial alcohol market

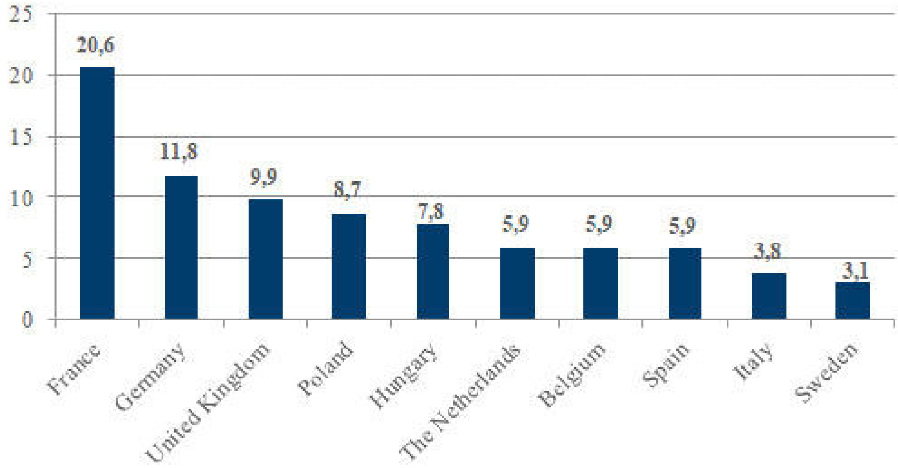


Subject to the manufacturing process, it is possible to distinguish between synthetic and agricultural alcohol in alcohol production. The raw materials for synthetic alcohol are various petrochemical materials (oil derivatives, coal), while agricultural alcohol may be produced out of produce containing sugar and starch (as done by VIRESOL Kft.) by fermentation (sugar cane, sugar beet, corn, wheat, rye, potato, etc.). Synthetic alcohol represents only a small part of the market.

There are three major buyer markets for alcohol in Europe - alcoholic drink production (13.6%), use for fuel purposes (70.3%) and industrial purposes (12.5%). (Use for other purposes makes up 3.6%.)

VIRESOL Kft. is planned to produce 547,000 hectolitres of industrial alcohol annually in the future.

Production capacities of the ten largest European producer countries of bioethanol in 2017



Source: ePURE

Agricultural alcohol produced by fermentation may be used in all three sectors, as opposed to which synthetic alcohol is used in Europe only in the industrial market. Due to its natural character, fermented alcohol is preferred by users.

As regards the importance of Hungarian alcohol production, all Hungarian producers contribute about EUR 750 to 800 million to GDP each year. This represents one per cent of the total Hungarian GDP, which illustrates that it is an industry that generates a serious economic value.

(iv) <u>Starch market</u>

75% of Hungarian starch consumption is made up of paper industry companies owned by international owners, in other words, the 'non-food' market. Starch is used in the course of producing the raw paper and the corrugated paper intended for packaging raw paper.

The other part of the starch market has a food industry character, as it is the raw material for producing baking powders, food industry additives and candies.

Currently, 80% of Hungarian market demand is satisfied by Hungrana of Szabadegyháza and the remaining part is covered by import. VIRESOL Kft. is planned to produce 42,000 to 120,000 tonnes of starch per year. It plans to sell a significant part of this in export markets. It is planned to cover about 15% of the cca. 50,000 tonnes of consumption in the Hungarian market.

The European Union's starch market is about 4.5 million tonnes, and European consumption exceeds 5 million tonnes including countries outside the European Union. Half of that consumption is in food industry (sweets, household and industrial additives), and the other half is for paper industry, chemical industry and fermentation uses.

(v) Vital wheat gluten market

Vital wheat gluten or food industry wheat protein is a mixture of amino acids from wheat flour, with a high protein content, which does not dissolve in water. It is a powder or grit type material, extracted by drying at 140°C in the wet protein pneumatic dryer.

The annual vital wheat gluten use of the EU28 countries is around 350,000 tonnes annually, of which Hungary consumes 20,000 tonnes. VIRESOL Kft. is planned to produce 25,000 tonnes of vital wheat gluten per year.

Main fields of use for vital wheat gluten market

- Increasing protein content in low protein content flours.
- Binding water and grease and improving the quality of the flour used in the baking and pastry industry.
- Increasing protein content in bread and biscuit production.
- Binding water and fats in meat industry.
- Producing cereals, snacks, soup powders and condiments and dairy products.
- The largest purchasing markets are the pet food and aqua feed sectors, where preference is given to products with high protein contents.

(vi) DDGS market

DDGS (distillers dried grains with solubles) is dried distilled grain, based on wheat or corn. DDGS, having a high protein and fibre content, is a recommended raw material for fodders for ruminants, pigs and poultry. It is primarily its stable nutrient composition, homogenous ingredient content and ease of digestion that make it popular in the fodder market.

DDGS has an increasing share in the palette of fodder raw material, with further increases expected, as it offers an excellent option for replacing more expensive protein carriers, while import fodders may be substituted by Hungarian production. Overall, the process improves the sector's competitiveness, as animal farmers face several problems. The fodder market is expressly price sensitive, so the only chance for development lies in innovation. It is exactly this that DDGS represents, as it links environmental protection with sustainable agriculture without harmful side effects.

A total of 46.8 million tonnes of DDGS is used annually for fodder purposes worldwide. About 7% of this (3.3 to 3.5 million tonnes) is produced in the European Union. Consumption in Hungary is between 250,000 and 360,000 tonnes per year. Consumption in Hungary shows an increasing trend, as it was available only from import (Slovakia or Austria) earlier.

VIRESOL Kft.'s maximum DDGS capacity is planned at 71,000 tonnes per year, and it plans to sell nearly 60% of this in export markets.

(e) Strategic goals and vision

The main goal of setting up VIRESOL Kft. was to create a production plant in Hungary that produces raw materials for the food industry and for industrial purposes. The plant produces 'A' starch, maltodextrin, industrial alcohol, vital gluten and fodder from wheat. The plant will produce high added-value bases for goods by processing a part of the country's considerable export surplus of wheat in Hungary. The raw material to be used will be wheat grown in Hungary in whole, and the products produced will be sold partly in Hungary and partly in the markets of European Union Member States and other European countries.

The establishment of new Hungarian processing industry capacities is made more difficult by the high investment costs, the strong market competition in the markets of end products, and the limited availability of the necessary expertise, due to which there was no possibility for such an investment with Hungarian ownership to be implemented in the grain processing industry in the past 25 years. VIRESOL Kft. has the necessary resources, professional and market knowledge, technical and financial expertise for establishing and successfully operating a wheat processing plant with state-of-the-art technology pointing beyond mere milling technology in Hungary. The purchase cost of the investment was more than EUR 100 million. More than 60% of the factory's annual sales revenue is expected to come from European export markets.

VIRESOL Kft.'s goal is to adopt service-based raw material supply that has already spread in Western Europe in Hungary as well, which consists of the development and production of products tailored to individual customer needs. As the company's production runs up, the trained staff of the R&D division will work in the application technology laboratories set up specifically for this purpose to ensure that starch and modified starch products meeting the most special needs may be developed together with our partners.

6.2.2.3 Csabatáj Mezőgazdasági Zrt.

(a) Company history, major features of operation

Csabatáj Zrt. was set up on 23 April 2002, its legal predecessor was Csabatáj Agricultural Cooperative. The company is based in Békéscsaba, and has sites in Békéscsaba and Újkígyós.

Csabatáj Zrt.'s core activity is mixed farming, supplemented by basic agricultural activities and the services closely related to those activities, as well as wholesale of crops and other produce.

The core activity may be divided into four main fields of activity:

- production of commodity eggs and associated activities,
- plant production and associated activities,
- related auxiliary activities, and
- services.

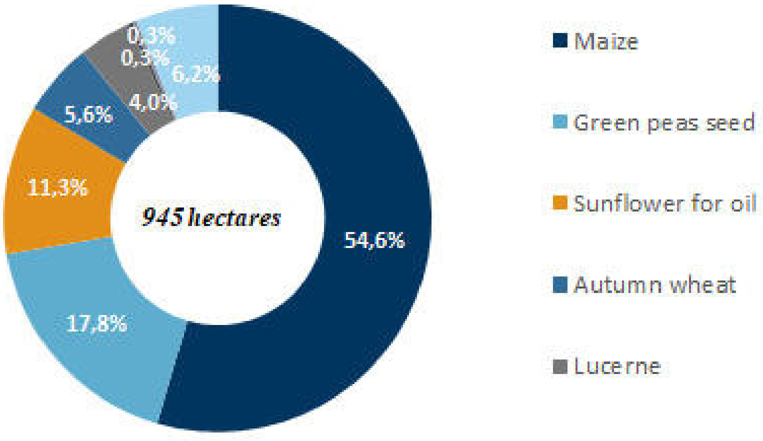
In the field of animal husbandry, commodity eggs are produced. Egg-laying hybrid birds purchased when they are just days old are raised at the company's site. The animals eat fodder produced in the company's own mixing plant, made of industrial raw materials purchased and grain grown by the company. There is a manure drying plant linked to the modern egg-laying plant, which complies with EU standards in all respects, in which products are produced by aerobic fermentation. The company also has a retail unit, selling mostly in the local markets. In addition, the company earns revenue from the letting of real property and equipment, as well as other activities. The company pursues sales and purchase activities typically with domestic partners.

(b) ***Activities***

(i) Crop production

Currently, crops are produced on about 945 hectares of leased land, in addition to which the company integrates growers on 430 hectares, plus it services additional producers on 700 hectares in the framework of machine services for agriculture - primarily sowing, plant protection and harvesting - who purchase their own input materials and carry out certain work phases themselves. The company produces primarily autumn wheat, fodder corn, sunflowers, alfalfa, other supplementary plants and green pea sowing seeds. Of this, 3,000 tonnes of corn and 1,400 tonnes of autumn wheat for feeding the company's own hens, while the rest is sold together with primarily wheat, corn and sunflowers grown in the integrated lands.

Distribution of plant growing area by volume



Source: Csabatáj Zrt.

(ii) Commodity egg production

The commodity egg production business is closely linked to the mechanism for keeping poultry, which complies with EU requirements in all respects. Csabatáj Zrt. has 150,000 egg-laying hens kept in cages, in compliance with animal welfare criteria, raised by the company, which produce nearly 40 million commodity eggs per year. The company sells unsorted commodity eggs to its partners. After purchasing animals that are just days old, the company ensures the supply of laying hens at its own chicken raising site.

(iii) Products of auxiliary activities

The company also produces poultry fodder for own consumption, to feed its hens. The fodder mixing capacity is exploited to 85%, so it satisfies only the company's own needs of 6,700 to 7,000 tonnes per year.

(iv) On an annual basis, the manure fermentation plant is capable of producing cca. 1,500 to 1,600 tonnes of fermented manure. Currently, 1,200 tonnes of poultry manure is processed between March and November, quantities generated in excess of this are used in plant production. *Services*

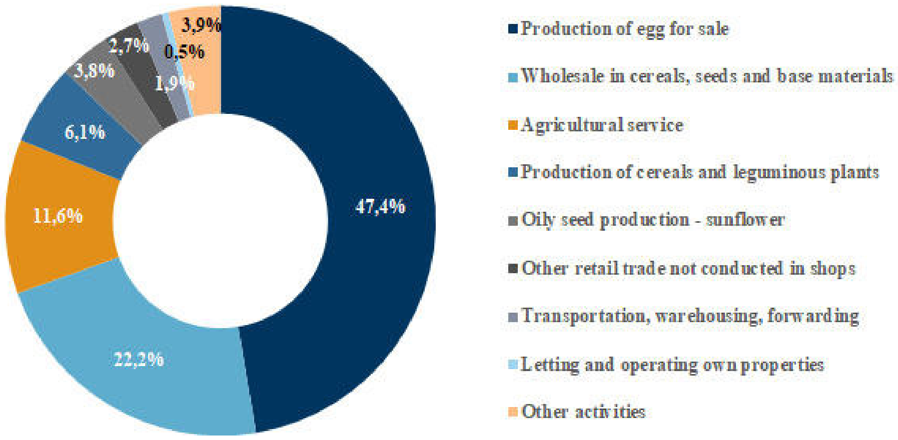
Services include plant growing services, ranging from soil working to harvesting. Post-harvest services include cleaning, drying and storage. In addition, real property and equipment rental services deserve mention.

In connection with drying activities, the company operates two crop dryers at its Békéscsaba and Újkígyós sites. The average capacity of dryers is 18 tonnes/hour in Békéscsaba and 30 tonnes/hour in Újkígyós. Annual processing at the two sites amounts to 8,000 of cereal grains, 35,000 tonnes of corn, and 600 tonnes of sunflowers.

As regards storage activities, it should be mentioned that the capacity of crop storage operated is 15,000 tonnes in Békéscsaba and 9,000 tonnes in Újkígyós, owned by the company. Contract storage, crop purchasing and sales activities are associated with this activity, in the course of which some 15,000 tonnes of grains are traded. Fertilisers, chemicals and sowing seeds are sold typically to small agricultural procedures, from whom they purchase the produce grown and resell them to purchasing companies with which Csabatáj Zrt. stands in a better bargaining position due to the higher volume.

(c) ***Summary of the key business figures and characteristics***

In 2017, the company's net sales revenue amonted to HUF 1,673 million, made up of the following activities:

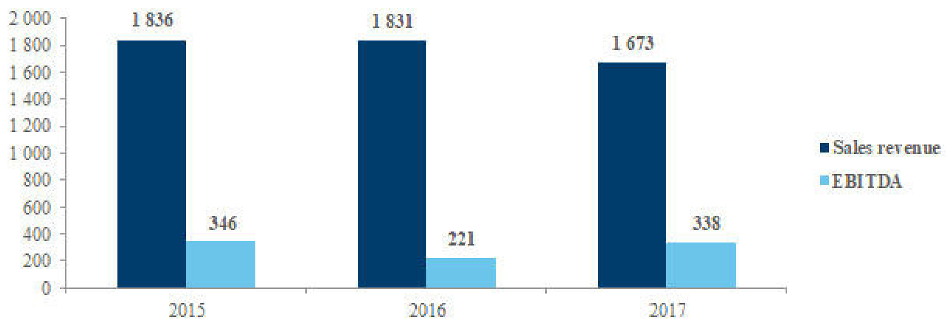


Source: Csabatáj Zrt.

Recently, the company was awarded a number of subsidies associated with agriculture and tenders, in connection with which it carried out significant capital expenditure (e.g. expansion of the manure storage facility).

The company's sales revenue decreased over the past three years, but EBITDA started to grow considerably in 2017 following a decline in 2016. The lower EBITDA of 2016 can be explained primarily by the increase in costs and the temporary drop in average sales prices.

Sales revenue and profitability of Csabatáj between 2015 and 2017



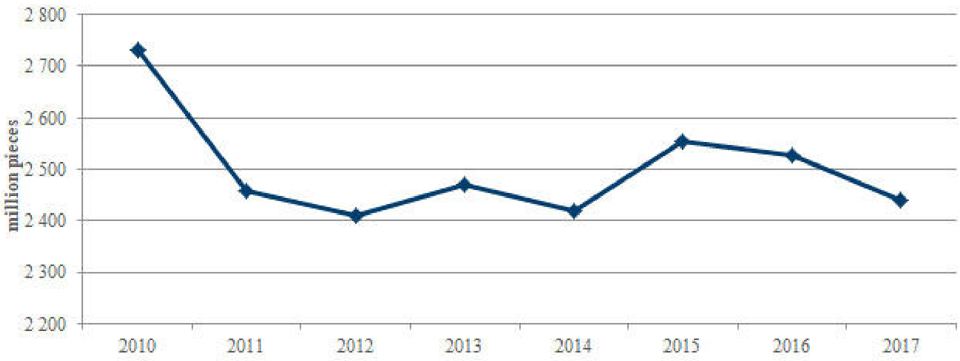
Source: Csabatáj Zrt.

(d) ***Markets, competitors***

(i) *Egg market*

Egg production has adopted a volatile path in Hungary over the past five or six years, and may be said to have continuously decreased between 1990 and 2010. Following 2012, animal keepers had to switch to more modern cages that satisfied animal welfare criteria as a result of an EU regulation, which had an effect of cleaning up the market. After this, Hungarian egg production reached the peak of the 2011 to 2017 period in 2015.

Hen egg production in Hungary between 2010 and 2017



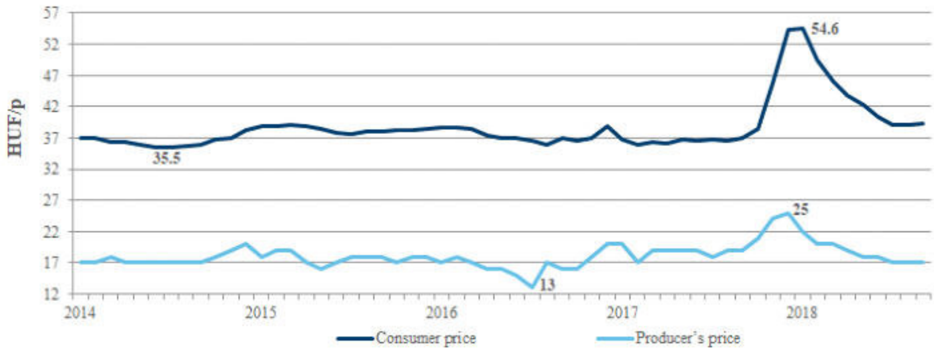
Source: KSH

As regards the Hungarian trade balance, the country needs to import eggs, with about 20% of consumption being provided by imports. In 2016, total use was close to 2.8 billion pieces and consumption was 2.3 billion eggs, corresponding to a per capita egg consumption of 234 pieces nationwide. A great opportunity offered by and challenge posed by the egg market for the near future is satisfying domestic demand completely out of domestic production, thereby ensuring self-sustainance (source: NAK).

The sector was further purified by being included in the group subject to 5% VAT and the introduction of the EKÁER (Electronic Road Cargo Control System) system.

Egg prices are strongly affected by the volatility of fodder prices, which in turn is related to the grain crop of the given year. Poorer harvest justifies a price increase for crops, which may raise the prices of fodder required for animal husbandry including poultry farming. Early in 2018, egg prices approached record highs as a consequence of the shortage of eggs linked to bird flu, but a significant adjustment was seen in price levels by the middle of the year. In this period, producer prices dropped at a greater rate than consumer prices, which allows for concluding that store chains sell the goods with an increasing margin. The difference between the two prices is increasing, which justifies a raise in producer prices in the future. Egg producers need to incorporate the increase in costs such as fodder prices in their sale prices if they wish to increase their profitability.

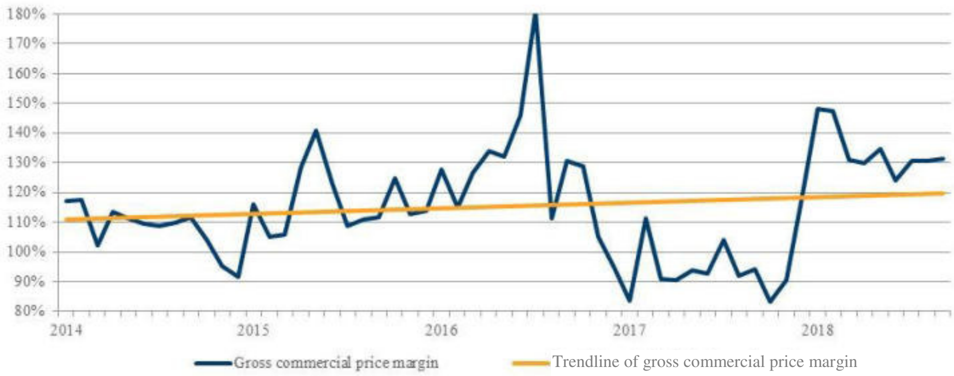
Average consumer and producer egg prices in Hungary after 2014



Source: KSH

The following figure demonstrates the difference between consumer and producer egg prices (trade margin), which represented income for traders. The trend line shows that over the years, income was earned more and more by traders instead of producers on average, who in turn lost extra profits. The direction of the slowly rising trend is likely to remain in the future.

Commercial margin and its trend in the egg market after 2014



Source: KSH

Note: corn is an important raw material for fodder and goods base for Csabatáj Zrt., which may influence the income-generating ability of production to a significant extent. The summary of the corn market is included in the section on KALL Ingredients Kft.

Major competitors, market position

As regards competitors, most of the companies active in the egg sector are in Hungarian ownership. In respect of the activities of the largest operators of the sector, quite a number of companies are engaged in mixed farming, and deal with plant production as well. Due to the low distinction between products, competition in the sector affects prices, rather than quality.

Egg producers with the largest capacities in Hungary

Company	Region	Max. egg capacity/day
Gyermelyi Tojás Kft.	Komárom-Esztergom County	518,016
Szerencsi Mezőgazdasági Zrt.	Borsod- Abaúj-Zemplén County	408,320
Egg-Land Kft.	Győr-Moson-Sopron and Vas Counties	348,000
Major Kft.	Pest County	250,000
…	…	…
Csabatáj Zrt.	**Békés County**	**114,540**

Source: Poultry Product Council

(e) ***Strategic goals and vision***

The company's vision and stability are ensured by the continuous and safe performance of the strategic development of commodity egg production, the associated plant production and agricultural services, which will allow for efficient production and profitable operation in the long run. Csabatáj Zrt. aims to maintain environmentally aware farming, which plays a priority role in the company's everyday life, ensuring a safe workplace predictable in the long run and a quality lifestyle for the company's employees.

The agricultural subsidiary is also affected by the fluctuation of labour, and our subsidiary cooperates with the local employment office in order to reduce this fluctuation and to fill vacant positions, and to maintain the level of staffing. Focusing on jobs where there is a shortage of labour, training will be launched for poultry carers in the framework of cooperation, where the location and professional assistance for practical training will be provided by the agricultural subsidy.

Manure management for the poultry farm was resolved by an environmental protection project implemented in the framework of the New Hungary Rural Development Plan in the agricultural sector. Observation wells allow for checking the nitrate content of ground water. The dust emission from crop dryers is within limits according to test results. The area of the discontinued manure deposit site was recultivated and afforested.

The strategic development of commodity egg production involves both production volume and the expansion of the range of goods. The HUF 500 million investment to be implemented in animal husbandry sites, which is linked to condierable EU funding, is aligned to this development concept. This project is in the planning phase.

The subsidiary plans to carry out considerable restructuring in plant production. It wishes to upgrade its equipment to be capable of precision plant production.

6.2.3 Energy segment

In the coming period, the Energy segment may emerge as one of the Group's most significant components, considering that this portfolio realises 43% of the consolidated net sales revenue based on the Proforma Financial Statement.

The Company entered the energy segment by acquiring KPRIA Magyarország Zrt.'s 40% participation in 2017. The Issuer carried out its second investment into the energy sector in March 2018 when it acquired an indirect participation of 20% in Mátrai Erőmű Zrt. On 15 November 2018, the Issuer acquired a 55.05% stake in Status Power Invest Kft. On 23 March 2018, Status Power Invest Kft. purchased the 100% share package of Mátra Energy Holding Zrt. from EP Power Europe AS. Title of ownership of 15% of the share package is due on 20 June 2019, but the rights linked to this 15% share package do not allow the shareholder currently holding it to have any impact whatsoever on the management of and payment of dividends by Mátra Energy Holding Zrt., so Status Power Invest Kft. has control over Mátra Energy Holding Zrt. Status Power Invest Kft. has deposited the purchase price of the 15% share package in escrow, and any yield (possible dividends) associated with the share package is due to Status Power Invest Kft.

In respect of Status Power Invest Kft., it should be noted that based on its annual statement for the business year 2017, its equity remained below half of the company's registered capital, given that the company's registered capital was HUF 3,000,000, while its equity was HUF 1,238,000 based on its annual report for the year 2017. Based on this, a measure set out in Section 3:189(2) of the Civil Code would have been necessary, but based on the annual report prepared by the management of Status Power Invest Kft. for the year 2018, Status Power Invest Kft.'s equity meets the legal requirements, so that no further steps or measures are needed in connection with this.

6.2.3.1 Mátrai Erőmű Zrt.

Mátrai Erőmű is one of the reliable and currently the dominant basic unit of the Hungarian electricity grid, and its core activity is electricity generation. The power plant having a built-in capacity of 966 MW is Hungary's second largest power plant generating electricity. The company generates electricity out of lignite mined by openwork technology in its own mines, natural gas and by photovoltaic power plants. In order to reduce CO_2 emissions, the company also fires biomass mixed with the lignite at a rate of 10%.

In order to utilise the byproducts generated, an industrial park was installed in conjunction with Mátrai Erőmű, producing drywall and alpha hemihydrate. In addition, a biodiesel factory operates in the industrial park, using heat and electricity from the power plant, and the biomass produced in the factory is used in the power plant. Significant quantities of other byproducts of the power plant are also utilised; a large portion of the ashes and gypsum generated is sold to cement factories.

(a) ***Structure of Mátrai Erőmű and its subsidiaries***

MÁTRAI ERŐMŰ ZRT.

	Activity
Mátrai Erőmű Központi Karbantartó Kft.	Manufacturing and reconstruction of components, repair and reconstruction of electric equipment relating to the operation of the power plant.
ROTARY-MÁTRA Kft.	Construction, maintenance, reconstruction of drainage and monitoring wells used in open-cast mining, core drilling, filtering pipe building, submersible pump replacement and rescue, repair of centrifugal pumps and compressors
Bükkábrányi Fotovoltaikus Erőmű Projekt Kft.	Construction and operation of a 20 MW capacity photovoltaic electric energy generating unit
Halmajugrai Fotovoltaikus Erőmű Projekt Kft.	Construction and operation of a 20 MW capacity photovoltaic electric energy generating unit

Source: Mátrai Erőmű Zrt.

(b) ***History of the power plant***

Construction of the power plant commenced in 1965, relying on the lignite field located in the vicinity of Visonta. Gyöngyösi Hőerőmű Vállalat was established on 1 October 1967, and was renamed Gagarin Hőerőmű Vállalat for the first astronaut of the world, on 29 May 1968.

Two 100 MW blocks (numbers I and II) and three 200 MW blocks (numbers III, IV and V) were built as the power plant units. The first 100 MW block was handed over in 1969, and the last block with a built-in capacity of 200 MW was handed over completely in 1972.

Out of the development projects for the power plant equipment, the large overhaul programme completed between 1986 and 1992 was the most important, which formed the basis of additional capital expenditure projects to prolong the life of the power plant. In the framework of this reconstruction, main and auxiliary equipment was refurbished and replace in the three 200 MW blocks. New membrane-wall steam furnaces and LURGI (Germany) type electrofilters were built in, and the control technology systems were modernised. Steam turbines, generators, transformers, cooling systems and a part of the transport system were refurbished.

As of 1 January 1992, the power plant has been operated as a joint stock company under the name Mátrai Erőmű Részvénytársaság. As of 1 April 1993, the ownership and organisational integration of Mátraaljai Szénbányák and Mátrai Erőmű was carried out, and the resulting corporate group is named Mátrai Erőmű Részvénytársaság.

Following the privatisation of the electricity industry in December 1995, the majority of the company's shares was transferred to German ownership.

Relying on the considerable lignite assets existing in Northern Hungary, in the years 1998-2000, the company carried out renovations to increase capacity and life cycle for the 200 MW blocks, in connection with which it carried out environmental protection investments, by building flue gas desulphurisation equiopment and implementing mining development to provide coal supply. The good technical condition of the three 200 MW blocks of the power plant offered an opportunity to increase the gross capacity of blocks and extending their life cycle by carrying out retrofitting work. The company implemented and, since 1999, has been using a modern and environmentally friendly technology of slag and ash depositing with thick sludge.

The company completed its retrofitting programme in 2003, in the framework of which it connected blocks I and II, having a capacity of 100 MW each, to the flue gas desulphurisation equipment.

The primary goal of installing two ballast gas turbines commissioned in 2007 was to improve the ability to control the blocks. The generator connected to the gas turbine generates electricity as an independent unit, while th eheat of the flue gas leaving the ga turbine may be used for the high-pressure pre-heaters of blocks IV and V with the help of a heat exchanger.

The company's photovoltaic power plant commenced operation early in October 2015. The solar power plant located at the top of the abandoned sludge deposit at Őzse-völgy has a capacity of 16 MW. The electricity generated by the solar power plant reaches the power plant's start-up transformer, replaced again, with the help of the 6 kV land cable, and goes on to MAVIR's substation at Detk via the existing 120 kV long-distance power line.

Following the retrofitting and the inclusion of the gas turbine and the solar power plant, the electricity generating blocks operated by the company have the following capacities:

Capacities of the electricity generating bloks of the power plant[5]

Blocks	Capacity (MW)	Type of fuel
I.	100	Lignite
II.	100	Lignite
III.	220	Lignite
IV.	232	Lignite

[5] http://www.mert.hu/cegtortenet

V.	232	Lignite
VI.	33	Natural gas
VII.	33	Natural gas
VIII.	16	Solar

(c) ***Location of the power plant and the lignite mines***

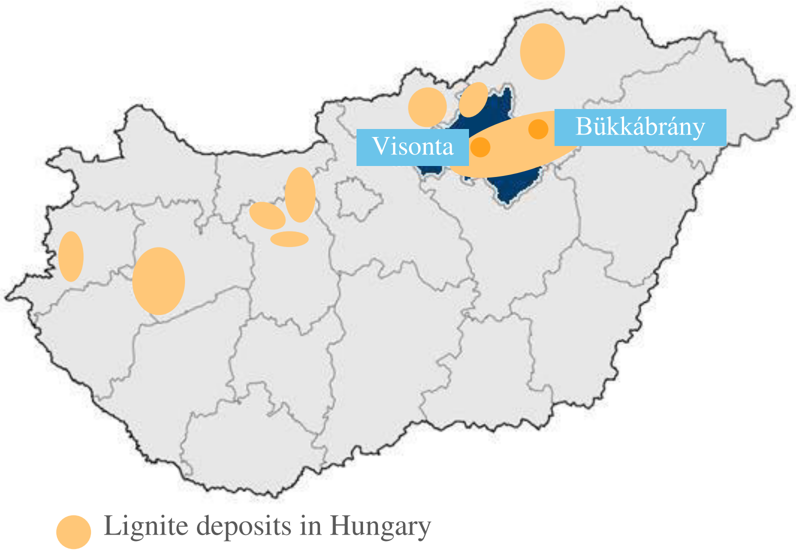
The power plant is located in Visonta, 95 km from Budapest, in Heves County, District of Gyöngyös. The power plant is one of the largest employers in the district having a population of 70,000, and had 2,167 employees in 2017.

Location of the power plant

Source: Mátrai Erőmű Zrt.

Mátrai Erőmű Zrt. generates electricity out of domestic lignite. The two openwork mines of the company are located in Visonta and Bükkábrány. The southern mining field at Visonta is located in an area marked out by Detk - Ludas - Karácsond - Halmajugra villages, while the eastern III mine of Visonta is between Detk and Aldebrő. The Bükkábrány mine is 55 km to the east of Visonta, between Bükkábrány - Vatta - Csincse.

Location of lignite mines[6]



Source: Mátrai Erőmű Zrt.

The mines are estimated to hold a total reserve of 637 M lignite in 2017. which may ensure at least 40 years of additional operation for the power plant, by keeping its current operation.

(d) Sales channels and customers

The power plant's most important partner is the MVM group, which provides nearly 2/3 of the power plant's revenue. MVM Partner purchases the power generated under a long-term contract. The green and brown premium revenues associated with the support for power generation out of biomass and solar power, and the revenue from capacity tenders come from MAVIR. Additional important partners are energy wholesalers such as Alpiq, Axpo RWE, MOL, NKM, and the ELMŰ-ÉMÁSZ group. The company is a member of the HUPX energy exchange where it sells electricity generated and performs trading activities.

Top 10 buyers[7]

figures in mHUF	**2017**	**%**
MVM Partner	44,793	54%
MAVIR	10,154	12%
Alpiq Energy	7,659	9%
Axpo Trading	6,244	8%

[6] http://eko-unia.org.pl/en/situation-hungary/

[7] Figures provided by Mátrai Erőmű Zrt.

Top 10 buyers[7]

figures in mHUF	2017	%
HUPX	4,654	6%
ELMŰ-ÉMÁSZ Energiakereskedő	2,450	3%
RWE Supply & Trading	1,420	2%
ELMŰ-ÉMÁSZ Energiaszolgáltató	734	1%
MOL	675	1%
NKM Áramszolgáltató	511	1%
Total for the top 10	**79,295**	**96%**
Miscellaneous	3,609	4%
Total	**82,904**	**100%**

The largest supplier partners for the power plant is RWE Supply & Trading, from whom it purchases CO_2 emission quotas and a smaller quantity of electricity; transactions are concluded at market prices. The power plant purchases electricity from a number of larger operators such as the MVM group, Ezpada and other HUPX members. Out of supplier partners, Cronus takes part in oal production and removing the top layer in mining. MEKK is a subsidiary of Mátrai Erőmű Zrt., which performs various maintenance services for the power plant and the mines. Geosol and Magyar Biomix are the major biomass suppliers for the power plant. Omya Hungaria supplies the company with limestone. Rail Cargo Logistics provides railway transport services for transporting lignite from Bükkábrány to Visonta.

Top 10 suppliers[8]

Figures in mHUF	2017	%
RWE Supply & Trading	14,890	21%
Cronus	5,335	7%
MVM Partner	4,603	6%
HUPX	3,580	5%
Geosol	3,395	5%
Mátrai Erőmű Központi Karbantartó (MEKK)	2,722	4%
Ezpada	1,999	3%
Omya Hungária	1,725	2%

[8] Figures provided by Mátrai Erőmű Zrt.

Top 10 suppliers[8]

Figures in mHUF	2017	%
Magyar Biomix	1,563	2%
Rail Cargo Logistics	1,546	2%
Total for the top 10	**41,359**	**57%**
Miscellaneous	31,093	43%
Total	**72,452**	**100%**

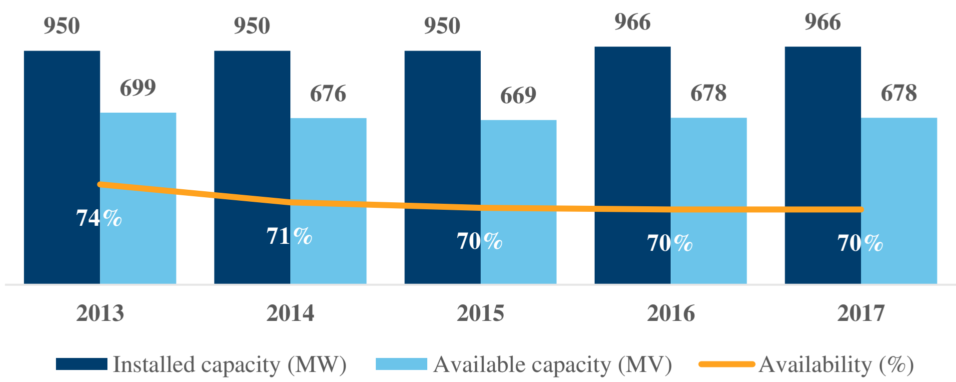
(e) ***Mátrai Erőmű Zrt.'s major operational and financial figures***

e.1 Production

(i) Built-in capacity and efficiency

The power plant's five lignite-fired blocks (2x100MW, 1x220MW, 2x232MW) with a total of 884 MW make up a significant portion of the 966 MW built-in capacity. The lignite-fired blocks operate throughout the entire year. The three large blocks use 10% biomass as fuel in addition to lignite. The two gas-operated blocks (2x33MW) function as tertiary reserve. The 16 MW solar power plant operates in the area of the former sludge deposit next to the power plant. In 2016, built-in capacity increased by 16MW thanks to the solar power plant put into operation. Currently, the power plant's availability is a stable 70%.

Built-in capacity and availability (2013-2017, MW, %)

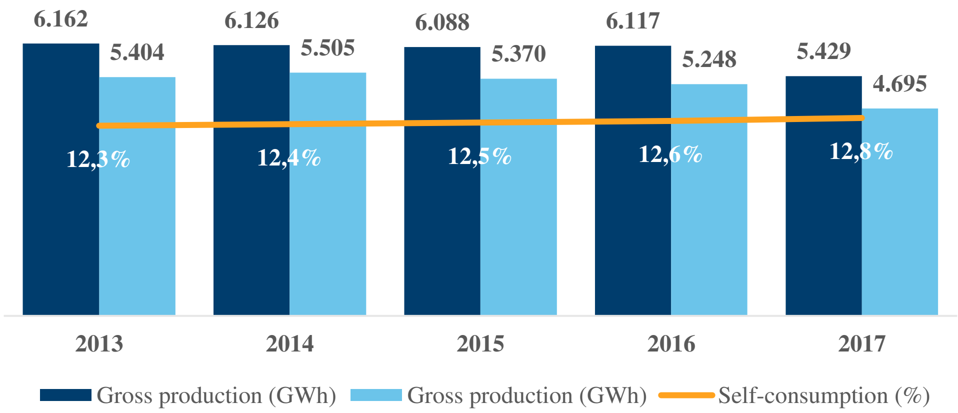


Source: Mátrai Erőmű Zrt.

(ii) *Power generation and sales*

The power plant's annual gross energy generation is approximately 5.4 TWh, corresponding to 16.6% of domestic power generation. Production was stable up until 2016, and went into a significant decline in 2017 due to maintenance work. The ratio of own consumption moved between 10.1 and 14.2 per cent in the 2013 to 2017 period. The company operated the most efficiently in the year 2014 when the ratio of own consumption was 10.1%; in 2017, the 13.5% own consumption was slightly over the 12.3% measured as the median for five years, but indicates an improving trend compared to the year 2016.

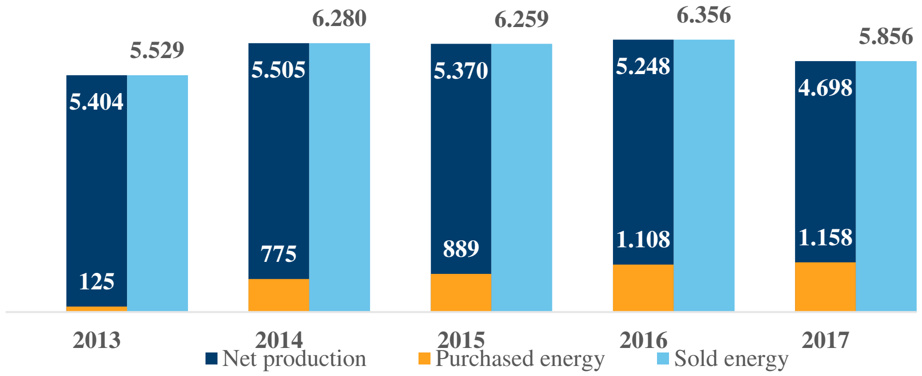
Production and own consumption (2013-2017, GWh, %)



Source: Mátrai Erőmű Zrt.

After 2014, the role of gas-operated power plants was reduced in generation, due to the increasing cross-border trading and network stability requirements. The power plant has become an active operator in energy wholesale in the wake of the changed requirements, so it continuously increased the quantity of energy purchased, and reached a ratio of energy purchased out of sales of nearly 20% in 2017.

Composition of energy sold (2013-2017, GWh)

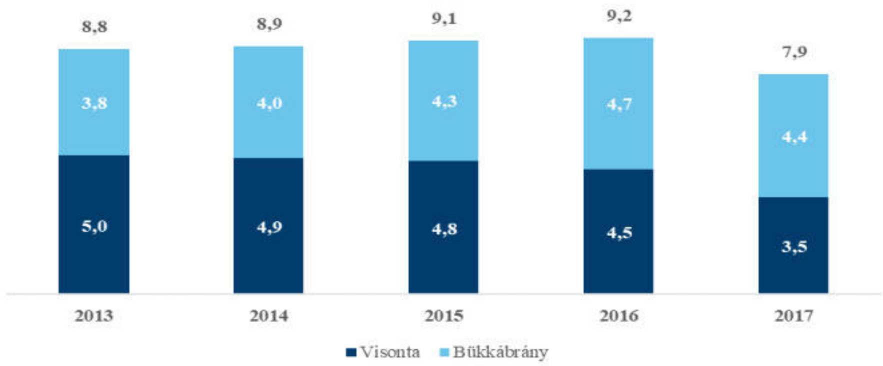


Source: Mátrai Erőmű Zrt.

(iii) *Mining*

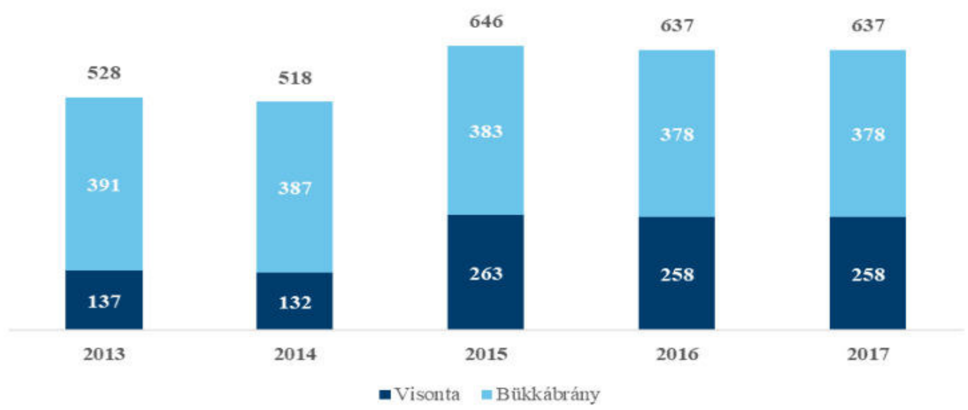
The company owns and operates two mines near the power plant, in Visonta and Bükkábrány. The mines have sufficient lignite reserves to ensure operation for another 40 years given the current level of production. The lignite extracted from the Visonta mine reaches the power plant via a conveyor belt system, while it comes by railway from the Bükkábrány mine. As regards lignite production, the company has continuously increased the quantity extracted from the initial 8.8 million tonnes to 9.2 million tonnes between 2013 and 2016, followed by a slight decline in 2017 due to maintenance works. In respect of the coal assets available, the company explored considerable coal reserves in the Visonta mine in 2015, so the quantity that may be exploited went from 132 million tonnes to 263 million tonnes.

Lignite production (2013-2017, million t)



Source: Mátrai Erőmű Zrt.

Available coal assets (2013-2017, million t)



Source: Mátrai Erőmű Zrt.

e.2. Capital expenditure

After the 1996 privatisation, nearly HUF 200 bn has been invested into the power plant and the mines. Major development projects were as follows:

- (1998-2002) retrofitting programme HUF 55 bn
- (2005-2007) new gas turbine blocks HUF 16.8 bn
- (2009) New MT-14 dredger HUF 7.6 bn (MT-14: HUF 5.2 bn, SZK-8 HUF 2.4 bn)
- (2015) 16 MW solar power plant HUF 6.5 bn
- (2015-2016) Refurbishment of blocks IV-V HUF 6 bn

Over the past ten years, capital expenditure was approximately equal to the amount of depreciation, so the assets are adequately maintained. The five-year median for historical capital expenditure was HUF 8.4 bn between 2013 and 2017, with 2015 being an outstanding year when the company made its first solar power plant investment.

The median of the rate of capital expenditure to depreciation was 103%, and the ratio of capital expenditure to depreciation increased continuously from 2013 to 2017, so that the company's capital expenditure amounted to 118% of depreciation by 2017.

Capital expenditure (2013-2017, HUF bn)

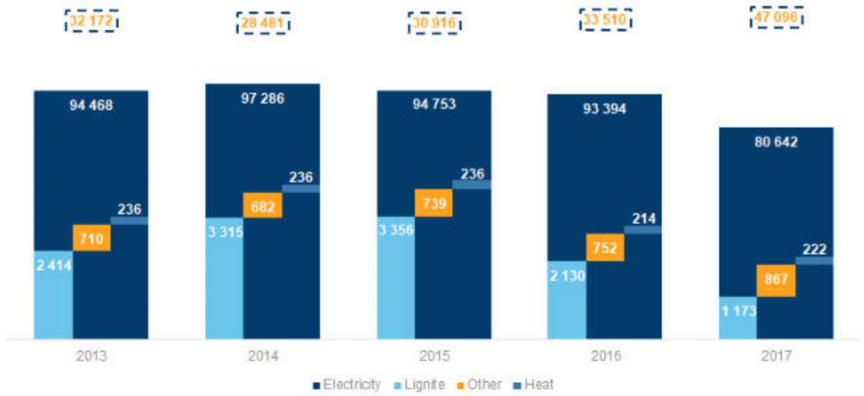
Capital expenditure as a ratio of depreciation (2013-2017, %)

Source: Mátrai Erőmű Zrt.

e.3. Financial figures

Nearly 60% of sales revenue comes from MVM Partner and MAVIR. The power plant sells 3 TWh of power to MVM under a long-term agreement concluded between them. The company receives KÁT sales revenue from MAVIR for the solar power sold in the framework of the KÁT system, and also attends capacity tenders. The remaining energy generated by the company is sold in the free market. Between 2013 and 2016, the decline in electricity prices in the free market had the greatest impact on the company's sales revenue, whereas it was driven by a significant drop in production in 2017.

Distribution of net sales revenue (2013-2017, mHUF)



Source: Mátrai Erőmű Zrt.

The company's EBITDA decreased continuously between 2013 and 2017, with EBITDA cover deteriorating constantly between 2013 and 2016, with relatively stable sales revenue. In 2017, the company's EBITDA turned negative, accompanied by a significant drop in sales revenue. The primary reason underlaying this reduction is the necessary maintenance. The company's EBITDA decreased from HUF 27.7 billion in 2013 to HUF -1.7 billion by 2017.

EBITDA and EBITDA cover (2013-2017, HUF bn, %)

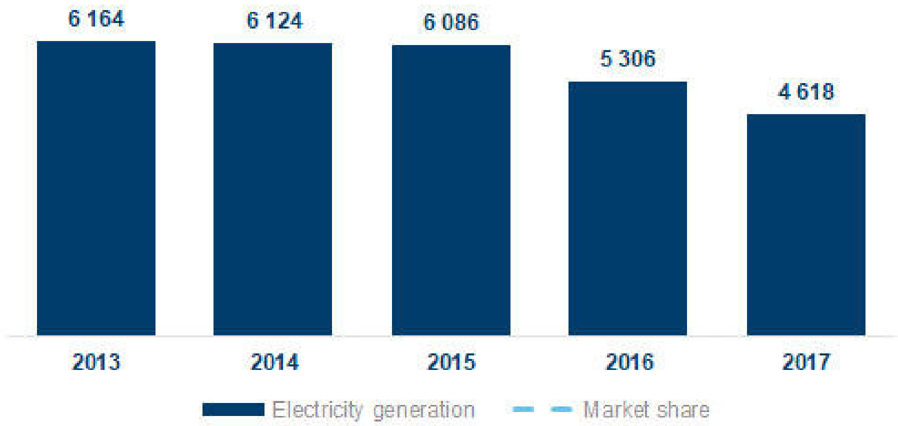
Source: Mátrai Erőmű Zrt.

(f) Markets of the Energy segment

f.1. Domestic markets and trends

The company is one of the dominant operators in the Hungarian energy market, and its production provided nearly 14% of total domestic electricity use on average between 2013 and 2017. Pursuant to the fluctuation of Hungarian power generation, the proportion of the company's production was well over the above average in shorter periods. The company sells nearly 60% of the electricity generated to the MVM group.

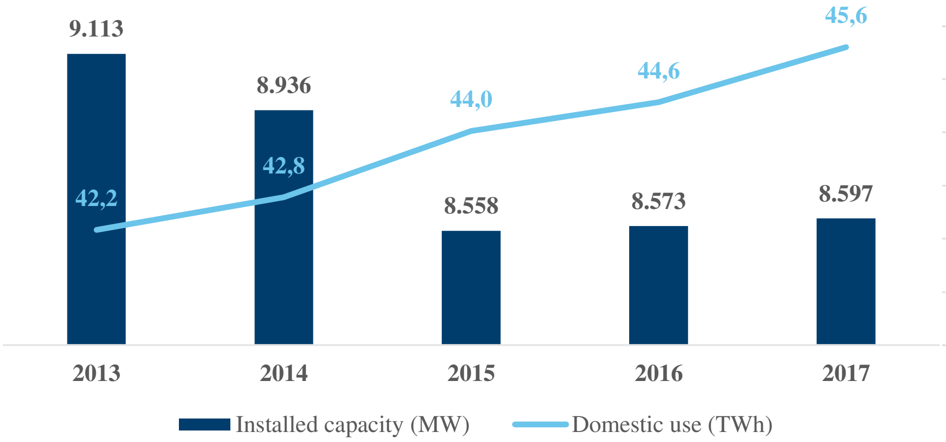
Production and market share of the power plant (2013-2017, GWh, %)



Source: Mátrai Erőmű Zrt., MAVIR

The Hungarian energy market basically struggles with a shortage of capacities, so it requires energy imports from abroad to meet consumption. Currently, nearly 30% of the electricity used is from import. The domestic built-in capacity decreased over the past period, which may be explained with the shutdown of power plants that have become obsolete, while consumption continued to increase, so the production lost had to be substituted by additional imports. Hungarian built-in capacity started to grow after 2015, but domestic use continued to increase as well, so the Hungarian market continues toneed considerable imports.

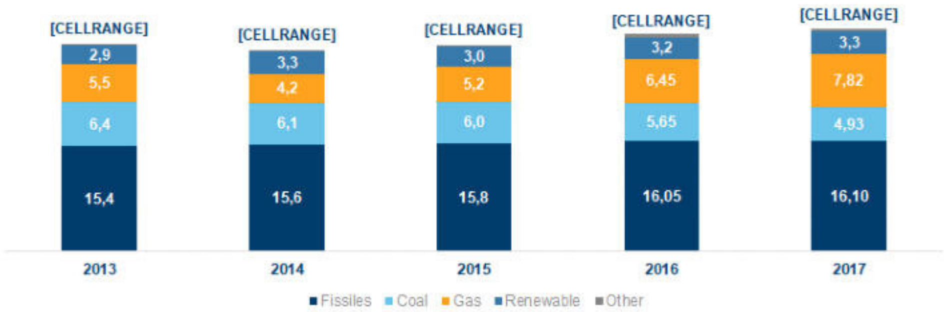
Hungarian built-in capacity and domestic use (2013-2017, MW, TWh)



Source: MAVIR

Hungarian electricity generation relies especially on the Paks nuclear power plant, which provided about 49% of domestic power generation in 2017. Between 2013 and 2015, electricity generation based on coal-based fuels provided 20% of power generation, but this ratio started to shrink after 2015 with focus shifting to gas, partly due to the coal-fired power plants shut down and partly due to the reduction of gas prices. The average change of built-in capacities (CAGR) was -1.4% between 2013 and 2017, while domestic use increased by 2.0% on average during that period.

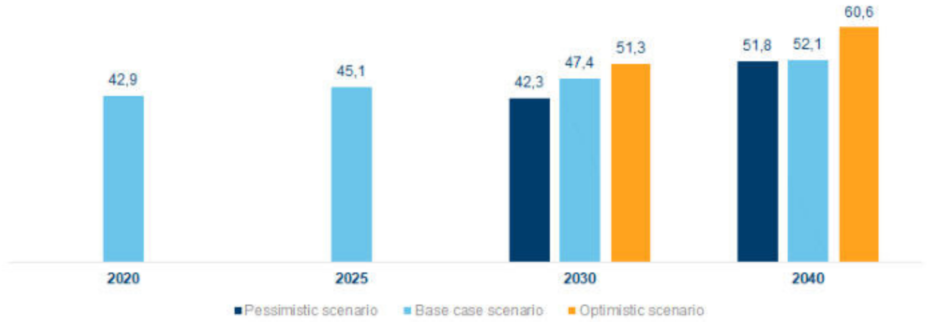
(Gross) electricity generated by fuels used for production (2013-2017, TWh)



Source: MAVIR

As regards the outlook for the future, ENTSO-E expects domestic poer use requirements to continue to increase in the long run, which may lead to a further increase in electricity prices. By default, ENTOS-E expects consumption to increase by over 21% between 2020 and 2040, and the pessimistic scenario also projects nearly the same increase in consumption. The optimistic scenario forecasts a significantly greater growth than the default case, at a rate of over 41% by 2040 compared to the consumption level for 2020. Consequently, Hungarian power plants may continue to play an important role in satisfying Hungarian electricity consumption requirements in the future.

Forecast for Hungarian energy consumption (2020-2040, TWh)

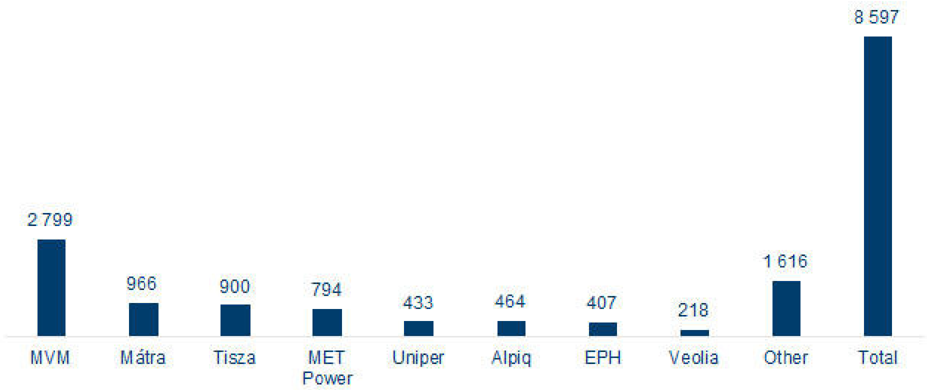


Source: ENTSO-E

(g) Competitors

Mátrai Erőmű is currently the only power plant fired by lignite in Hungary. In addition to Paksi Atomerőmű, Mátrai Erőmű is an important basis for Hungarian electricity generation. Based on its built-in capacity of 966 MW, the power plant is the second largest operator after MVM in the market of Hungarian electricity generation. The company also has gas turbines with a total built-in capacity of 66 MW, which it uses to take part in capacity tenders announced by MAVIR, so it also competes with Hungarian gas turbine power plants.

Major operators in Hungarian electricity generation based on built-in capacity (2017, MW)



Source: MAVIR

(h) Strategy of the power plant

Mátrai Erőmű Zrt. focuses its strategy on restoring and conserving the profit-generating ability of traditional production based on lignite, biomass and gas, and on investing in renewable energy.

The profit generating ability of Mátrai Erőmű is focused on the 200 MW blocks and gas turbines with a capacity of 750 MW. Between 2015 and 2017, 200 MW blocks underwent a renovation to increase their life cycle, and may be kept in operation until the end of the next decade based on tests for remaining lifetime. Gas turbines are planned to be refurbished in 2019, and the relevant contracts have been concluded with HITACHI, the manufacturer.

The 100 MW blocks provide utilisation of the lignite extrated as reserves, and are operating reserves for 200 MW blocks in the event of unintended stoppages.

Fuel is planned to be provided by the mines in visonta and Bükkábrány. Biomass, RDF waste and gas are involved as supplementary fuel (the latter for power generation by the gas turbines in peak hours).

The company's market position is good, and electricity wholesale prices have increased continuously throughout the past two years. The risks associated with price increases of CO_2 quotas are covered by forward CO_2 delivery deals until 2020.

h.1. Vision of the existing power plant

The company plans no more capital expenditure for the 100 MW blocks. Having regard to environmental protection requirements, they may continue operation until mid-2021, but the management expects an earlier shutdown and keeping them in reserve due to their low efficiency.

h.2. Power plant blocks

		I.	II.	III.	IV.+VI.	V.+VII.	VIII.
Mátra	**555 MW**	**100 MW (2019)**	**100 MW (2020)**	**220 MW (2029)**	**232 MW (2033)** **29.6 MW**	**232 MW (2033)** **29.6 MW**	**31.5 MW RDF (2050)**

Source: Mátrai Erőmű Zrt.

The 200 MW blocks are planned to operate until 31 December 2029, but the operating licence may be extended to 2033 if the Paks blocks suffer a delay.

The company plans to implement a block for neutralising 400,000 tonnes of RDF waste between 2019 and 2020, subject to the government's plan for waste management, in connection with which the support intensity may reach 70% according to the current projections. This block may provide cheap steam supply for the consumers at the site. In addition to the RDF block, the company plans to set up a 100 MW biomass unit, which will ensure absorbing the current amount of biomass from the agricultural sector, to make investments into the utilisation of solar power on a scale greater than the current use, and to set up pump storage unit(s) acceptable in political and environmental terms in addition to solid storage.

h.3. Mátrai Erőmű Zrt.'s long-term vision

In the coming years, the company plans to assume an increasing role in low-carbon economy, and plans to invest into energy sotrage and grid regulation in addition to production. This may allow the company to preserve its market position, sales revenue level and a considerable part of its staff. The shift in development focus is justified by the impossibility of regulating nuclear power plant production, and the dependence of renewable energy on weather and time of day.

The situation concerning the availability of funding is favourable for the company, because the EU provides considerable funds for both mitigating the effects stemming from quashing coal-based power generation, and maintaining security of supply.

h.4. Current and planned blocks of the power plant

		I.	II.	III.	IV.+VI.	V.+VII.	VIII.
Mátra Low Carbon	**1,382 MW**	**100 MW (2019)**	**100 MW (2020)**	**220 MW (2029)**	**232 MW (2033)**	**232 MW (2033)**	**31.5 MW RDF (2050)**
					29.6 MW	**29.6 MW**	
				IX.	**X.**	**XI.**	**XII.**
				100 MW bio mass (2050)	**450 MW CCGT (2050)**	**600 MW SZET (2070)**	**200 MW PV (2050)**

Source: Mátrai Erőmű Zrt.

(CCGT: combined cycle gas turbine, SZET: pump energy storage, PV, solar power plant)

Having regard to the spreading of digitisation, renewable energy generation and electromolisation, the company intends to invest the funds that may be produced in the coming period solely into renewable energy production. This way, the company may carry on its operation in the low-carbon economy.

6.2.4 Asset Management segment

In July 2017, OPUS GLOBAL Nyrt. acquired 24.67% of STATUS Capital Tőkealap-kezelő Zrt., so the Issuer strengthened its presence in the field of fund management activities as well. The capital funds managed by STATUS Capital Zrt. acquired participations in companies having significant potential already after their establishment, such as Takarékinfó Központi Adatfeldolgozó Zrt. and Diófa Alapkezelő Zrt.

In addition to the participation held in STATUS Capital Tőkealap-kezelő Zrt., the Company's Asset Management segment includes a 13.79% stake held in 4iG Nyrt., a participation of 24.87% held in Takarékinfo Zrt., and the 100% stake held in SZ és K 2005 Kft. and OBRA Kft.

By the early 2000's, 4iG Nyrt. has emerged as one of the leading operators in the Hungarian ICT market. It expanded its portfolio with the document management system developed for the purpose of serving the public administration sector (Contentum), which allowed it to become the market leader soon. The company carried out a number of successful acquisitions in the years that followed, and set up subsidiaries on several continents. The market consolidation during the early 2010's and the company's successful business strategy strengthened the group and moved it to an upward path, as a result of which consolidated net sales revenue in 2013 exceeded HUF 10 billion. 2018 marks the beginning of a new era in 4iG's history. Between June and October, a significant change in ownership structure took place: in addition to KONZUM PE Magántőkealap, the Issuer also acquired a participation in 4iG Nyrt. The Issuer handles its participation held in 4iG Nyrt. as an invested financial instrument in consolidation.

Th main profile of Takarékinfo Központi Adatfeldolgozó Zrt. is to provide IT and telecommunications support to operators in the savings cooperative sector, to operate systems and carry out new developments, by involving external partners as need be. The company's services encompass the complete range of banking and financial institution applications: applications operation, architectural design, development, managed telecommunications services, information technology solutions. The Issuer treats this participation as an affiliate in consolidation.

Within the Asset Management segment, Révay Office Building, a historical monument building owned indirectly by way of OBRA Kft., embodies real property management. On account of the development in its area, the building located at Révay utca 10. was completely renovated in 1992, and the former yard surrounded by corridors is now an air-conditioned atrium with natural lighting. The company's core activity is real property rental, and its sales revenue comes from utilising the real property where its registered office is located. Utilisation of the Office Building has been over 95% for years.

7. RESEARCH, DEVELOPMENT, PATENTS, LICENCES

7.1 Research and development

With the series of capital increases shown in sections 4.4.1 to 4.4.3 of the Prospectus, the Issuer wished to include companies in its portfolio which, over and above their profit-generating capacity, pay attention to environmental sustainability in addition to economic sustainability. Companies of this dedication include KALL Ingredients Kft. and VIRESOL Kft., which produce their products using innovative manufacturing technologies in modern facilities, and, in case of the latter, the environmental and economic challenges of waste management are met by a waste-free production process.

VIRESOL Kft.'s goal is to adopt service-based raw material supply that has already spread in Western Europe in Hungary as well, which consists of the development and production of products tailored to individual customer needs. The trained staff of VIRESOL Kft.'s R&D division will work in the application technology laboratories set up specifically for this purpose to ensure that starch and modified starch products meeting the most special needs may be developed together with VIRESOL Kft.'s partners. In respect of VIRESOL Kft., experimenting with and production of product types meeting unique and special requirements provides the main point of focus for the year 2019.

KALL Ingredients Kft. puts great emphasis on finding innovative solutions that correspond to the latest industrial and market trends. In this context, the company's engineering team in charge of product development works to introduce new products and implement new manufacturing lines to enhance product diversification and expand the portfolio.

In the course of its core activity, Wamsler SE develops stoves, fireplaces and cooking stoves fired by oil and solid matter, with particular regard to environmental protection, particularly to the reduction of solid matter in smoke, CO_2 and NO_x. It pays special attention to the application of new technologies and base materials available in the course of its development work. It is able to carry out heat technology tests compliant with the EN13240, EN12815, EN14785 standards as well as tests to ensure long product life in its own heat technology laboratory.

Currently the Issuer is not engaged in research and development activities that may result in patents or licences.

7.2 Trademarks, Patents

As regards the operation of the Agriculture and Food Industry segment, products that require protection as intellectual works are linked to VIRESOL Kft.'s activities, and the company carries out trademark registration and patent application filing activities to ensure this protection.

In addition, trademarks of the company names of the companies in the Group are deemed to be important trademarks:

For the purposes of the Issuer's operation, the Issuer's most important trademarks are OPUS GLOBAL (text trademark - registration number: 224038) and OPUS GLOBAL (colour graphic trademark - registration number: 224002).

As regards Wamsler SE, the 'club edition by wamsler' trademark (EU trademark - registration number: 009950866), also known abroad, is important.

Currently there are no environmental protection issues affecting the use of the Issuer’s tangible assets in respect of the Issuer.

8. MANAGEMENT, CONTROLLING AND SUPERVISORY BODIES, EMPLOYEES IN LEADING POSITIONS

8.1 The Board of Directors

The Board of Directors is the managing body of the Issuer. The Board of Directors represents the Issuer in courts and in front of other authorities and towards third parties.

The Board of Directors, as the executive body of the Issuer, controls the Issuer's activities and performs the tasks that are referred into its competence under the Civil Code and the Articles of Association.

Members of the Board of Directors of the Issuer in alphabetical order, following the chairman of the Board and the key information related to them:

(a) Beatrix Mészáros

Start of the legal relationship in the Board of Directors:	2 May 2017
End of the legal relationship in the Board of Directors:	2 May 2022
Other position at the Issuer:	None
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract
Main activities performed at the Issuer that are relevant to the Issuer:	Member of KONZUM MANAGEMENT Kft. Member of the Supervisory Board of Mátrai Erőmű Zrt.; Member of the Board of Directors of MÁTRA ENERGY HOLDING Zrt.; Member of the Board of Directors of Csabatáj Zrt.; Member of the Supervisory Board of KALL Ingredients Kft.; Member of the Board of Directors of HUNGUEST Hotels Szállodaipari Zrt.; Member of the Board of Directors of KONZUM Befektetési és Vagyonkezelő Nyrt. Member of the Supervisory Board of STATUS

	Capital Kockázati Tőkealap-kezelő Zrt.;	
List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	Búzakalász 66 Felcsút Kft.	Executive Director between 05.10.2012-24.05.2017 membership status; 2015.02.09-2016.07.19.
	Bakony Hús Kft.	Executive Director: 2013.12.30-2016.06.02
	Aranykorona Zrt.	Member of the Board of Directors: 02.04.2014-28.11.2018
	MóriczFarm Kft.	Executive Director: 31.12.2014-31.05.2018 member of the company: 31.12.2014-31.05.2018
	"BIO-SÜTI" Kft.	Executive Director: since 30.03.2015
	Agrosystem Zrt.	Member of the Supervisory Board: since 09.02.2016
	TBP Ingatlanhasznosító Zrt.	Chief Executive Officer: since 15.08.2017
	Talentis Group Zrt.	member of the Board of Directors: since 09.02.2016
	Talentis Consulting Zrt.	Member of the Board of Directors: since 14.12.2017
	FÉNYKALÁSZ-KER Kft.	Executive Director: since 06.04.2017
	KONZUM MANAGEMENT Kft.	membership status; since 01.03.2018
	KUNHALOM AGRÁRIA Kft.	Executive Director: 06.04.2017-21.04.2017
	Mátrai Erőmű Zrt.	Chairperson of the Supervisory Board since 08.05.2018

	DRÁVA KALÁSZ Zrt.	member of the Board of Directors: since 06.04.2017
	Csabatáj Zrt.	member of the Board of Directors: since 28.06.2017
	Hidasháti Zrt.	Member of the Board of Directors: 28.06.2017-29.2018
	KALL Ingredients Kft.	Member of the Supervisory Board: since 02.02.2018
	Magyar Sportmárka Zrt.	Member of the Supervisory Board: since 30.11.2017
	MÁTRA ENERGY HOLDING Zrt.	member of the Board of Directors: since 21.11.2017
	RM International Zrt.	member of the Board of Directors: since 23.11.2017
	Mészáros Gasztro Kft.	membership status; since 24.10.2016
	HUNGUEST Hotels Szállodaipari Zrt.	Member of the Board of Directors: since 31.05.2018
	KONZUM Befektetési és Vagyonkezelő Nyrt.	Member of the Board of Directors: since 26.04.2017
	STATUS Capital Kockázati Tőkealap-kezelő Zrt.	Member of the Supervisory Board since 02.10.2018
	Fejér-B.Á.L. Zrt.	shareholder: since 05.06.2015
	Medio Vario Zrt.	shareholder: since 15.06.2016
Number of Shares directly owned in the Issuer on 1	0	

January 2019:	
Number of shares affected by the option relating to the Shares of the Issuer:	0
Professional curriculum vitae:	She graduated at Budapest Business School in the Foreign Trade Programme, specialised in export-import in 2009. She conducted her studies at Universitá Cattolica di Sacro Cuore in Italian and obtained a master's degree in communication. She obtained her diploma at the University of Debrecen, Faculty of State and Legal Sciences. She holds a high-level language proficiency certificate in Italian and German and has an intermediate level certificate in English. She began her professional career in telecommunications and media and later moved on to controlling agricultural and manufacturing companies.
Business contact:	meszaros.beatrix@opusglobal.hu

(b) Tamás Halmi

Start of the legal relationship in the Board of Directors:	2 May 2017
End of the legal relationship in the Board of Directors:	2 May 2022
Other position at the Issuer:	None
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract
Main activities performed at the Issuer that are relevant to the Issuer:	Member of the Board of Directors of KPRIA Magyarország Zrt.; Member of the Board of Directors of MÁTRA ENERGY HOLDING Zrt.; Member of the Board of Directors of Mátrai Erőmű Zrt.; Executive Director of Mészáros és Mészáros Kft.

	Executive Director of R-KORD Kft.;	
	Executive Director of Status Power Invest Kft.;	
	Member of the Supervisory Board of Wamsler SE;	
List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	Atlasz Geodézia Kft.	Executive Director: since 22.02.2016
	KPRIA Magyarország Zrt.	Member of the Board of Directors: since 25.05.2017
	MÁTRA ENERGY HOLDING Zrt.	Member of the Board of Directors: since 13.12.2017
	Mátrai Erőmű Zrt.	Member of the Board of Directors: since 08.05.2018
	Mediaworks Hungary Zrt.	Member of the Supervisory Board: since 01.08.2017
	Mészáros Építőipari Holding Zrt.	Chief Executive Officer: since 09.04.2018
	Mészáros és Mészáros Kft.	Executive Director: since 01.01.2013
	OPUS PRESS Zrt.	Chief Executive Officer. since 27.02.2018
	R-KORD Kft.	Executive Director: since 16.04.2018
	Status GEO Invest Kft.	Executive Director: since 10.11.2017
	Status Power Invest Kft.	Executive Director: since 09.11.2017
	Talentis Consulting Zrt.	member of the Board of Directors: since 11.05.2018
	Unitreasury Kft.	Executive Director: since 09.06.2017
	Veszprém Handball	Member of the Supervisory Board: since

	Team Zrt.	16.04.2018
	Wamsler SE	Member of the Supervisory Board: since 10.03.2017
Number of Shares directly owned in the Issuer on 1 January 2019:	0	
Number of shares affected by the option relating to the Shares of the Issuer:	0	
Professional curriculum vitae:	He obtained an engineering diploma in geophysics at Miskolc University of Heavy Industry, Faculty of Mining Engineering. Following the changes in the economy and a change in career, he launched a business in geodesy. He served as unit and then as office manager at the Land Registry Office in Bicske for ten years from 2000. He has been the executive director of Mészáros és Mészáros Kft., established as a family business with a construction industry profile.	
Business contact:	halmi.tamas@opusglobal.hu	

(c) Ágnes Homlok-Mészáros

Start of the legal relationship in the Board of Directors:	2 May 2017	
End of the legal relationship in the Board of Directors:	2 May 2022	
Other position at the Issuer:	None	
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract	
Main activities performed at the Issuer that are relevant to the Issuer:	Member of KONZUM MANAGEMENT Kft. Member of the Board of Directors of MÁTRA ENERGY HOLDING Zrt.;	
List of the legal entities in which the particular person	H-M Pet Kft.	Executive Director:

was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):		since 10.05.2018
		membership status; since 10.05.2018
	Mészáros és Mészáros Kft.	Executive Director: 21.03.2011-16.06.2015
	MÁTRA ENERGY HOLDING Zrt.	member of the Board of Directors: since 07.05.2018
	BAU-PRODUKT 2002 Kft.	Executive Director: since 14.03.2014
	Aranykorona Zrt.	Member of the Board of Directors: 02.04.2017-28.11.2018
	MóriczFarm Kft.	Executive Director: since 31.12.2014
		membership status; since 31.12.2014
	VIVIENVÍZ Kft.	Executive Director: since 19.02.2015
	VÉRT Vadászati KFt.	Executive Director: 08.02.2016-15.02.2017
	Kutatópark Zrt.	member of the Board of Directors: since 26.04.2017
	Talentis Group Zrt.	member of the Board of Directors: since 09.02.2016
	KONZUM MANAGEMENT Kft.	membership status; since 01.03.2018
	Mészáros Gasztro Kft.	membership status; since 24.10.2016
	Atlasz Geodézia Kft.	membership status; since 15.12.2014
	Fejér-B.Á.L. Zrt.	shareholder:

		since 05.06.2015
	Properitus Vagyonkezelő Kft.	membership status since 05.06.2018
	Medio Vario Zrt.	shareholder: 15.06.2016

Number of Shares directly owned in the Issuer on 1 January 2019:	0
Number of shares affected by the option relating to the Shares of the Issuer:	0
Professional curriculum vitae:	She graduated at the Faculty of Economic Sciences of Szent István University in 2009. She began her career at Mészáros és Mészáros Kft., being also in charge of the administration of the company. She became the Executive Director of VIVIENVÍZ Kft. in 2015 and has held that position ever since. As a member of the Board of Directors in multiple companies, she has gained a lot of experience in company management.
Business contact:	meszaros.agnes@opusglobal.hu

(d) Gellért Zoltán Jászai

Start of the legal relationship in the Board of Directors:	2 May 2017
End of the legal relationship in the Board of Directors:	2 May 2022
Other position at the Issuer:	None
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract
Main activities performed at the Issuer that are relevant to the Issuer:	Chairman of the Board of Directors of KONZUM Befektetési és Vagyonkezelő Nyrt.; Chairman of the Board of Directors of Konzum Befektetési Alapkezelő Zrt.; Chairman of the Board of Directors of HUNGUEST

Hotels Szállodaipari Zrt.;

Executive Director of KONZUM MANAGEMENT Kft.;

Member of the Board of Directors of Appeninn Nyrt.

Chairman of the Board of Directors of 4iG Nyrt.;

List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	KONZUM Nyrt.	Chairman of the Board of Directors: since 30.04.2015
	KONZUM MANAGEMENT Kft.	Executive Director: since 21.09.2015 membership status; 10.03.2016-01.03.2018
	BLT Group Zrt.	Chief Executive Officer since 03.10.2016 membership status; since 03.10.2016
	KZBF Invest Kft.	Executive Director: 08.12.2015-21.07.2016
	KPE Invest Kft.	Executive Director: 17.02.2017-23.03.2018 membership status; 17.02.2017-19.06.2017
	KZF Vagyonkezelõ Kft.	Executive Director: since 17.02.2017
	KZH Invest Kft.	Executive Director: since 06.04.2016
	Kisörs Vagyonkezelő Kft.	Executive Director: since 27.02.2017
	Páfrány 15 Invest Kft.	Executive Director: since 07.06.2017 membership status; since 07.06.2017
	Badacsony Park Kft.	Executive Director: since 01.06.2017

	RKOFIN Kft.	Executive Director: since 15.06.2017
	Konzum Befektetési Alapkezelő Zrt.	Chairman of the Board of Directors: since 20.07.2016
	HUNGUEST Hotels Szállodaipari Zrt.	Chairman of the Board of Directors: since 13.10.2016
	Appeninn Nyrt.	Chairman of the Board of Directors: since 20.04.2018
	B-Fond Kft.	membership status; since 14.03.2018
	4iG Nyrt.	Chairman of the Board of Directors: since 26.07.2018
Number of Shares directly owned in the Issuer on 1 January 2019:	0	
Number of shares affected by the option relating to the Shares of the Issuer:	0	
Professional curriculum vitae:	After graduating from the College of Public Administration (Corvinus University), he gained extensive experience in property development and investments. As the founder and chairman of the SCD Group, he controlled the group, which was one of the largest property development and investment companies in Central and Eastern Europe. Since 2015, he has been the chairman and chief executive of the KONZUM Nyrt and then, since 2016, has also been one of the main shareholders of the company. Following the restructuring and repositioning of the company, he turned KONZUM Nyrt. into one of Hungary's largest investment holdings. Besides being a member of the Board of Directors of OPUS, Gellért Jászai controls the KOMZUM group is the chairman of the Board of Directors of Konzum Befektetési Alapkezelő Zrt. a member of the Board of Directors of HUNGUEST Hotels Szállodaipari Zrt, the chairman of the Board of Directors of Appeninn Vagyonkezelő Holding Nyrt. and the chairman of the Board of Directors of 4iG Nyrt.	

Business contact:	jaszai.gellert@opusglobal.hu

(e) József Vida

Start of the legal relationship in the Board of Directors:	19 June 2018	
End of the legal relationship in the Board of Directors:	2 May 2022	
Other position at the Issuer:	None	
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract	
Main activities performed at the Issuer that are relevant to the Issuer:	Chairman-Chief Executive Officer of Magyar Takarékszövetkezeti Bank Zrt.; Takarék Jelzálogbank Nyrt. (previously FHB Jelzálogbank Nyrt.): Chairman and Chairman of the Board of Directors: Chairman-Executive Director of B3 TAKARÉK Szövetkezet; Member of the Supervisory Board of STATUS Capital Kockázati Tőkealap-kezelő Zrt.;	
List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	Magyar Takarékszövetkezeti Bank Zrt.	Member of the Board of Directors: since 12.05.2014
	TAK-INVEST Informatikai és Szolgáltató Zrt.	Member of the Supervisory Board: since 26.05.2015
	Takarék Faktorház Zrt.	Member of the Supervisory Board: since 21.05.2014
	Magyar Takarék Befektetési és Vagyongazdálkodási Zrt.	Chief Executive Officer and Member of the Board of Directors: since 21.01.2014
	Ariadné Válságkezelő Kft.	liquidation and reorganisation

		consultant: since 2015
	National Deposit Insurance Fund	Member of the Board of Directors since 24.09.2016
	Takarékinfo Központi Adatfeldolgozó Zrt.	Member of the Supervisory Board: since 03.08.2017
	Magyar Takarékszövetkezeti Bank Zrt.	Chairman-Chief Executive Officer since 13.01.2017
	Takarék Jelzálogbank Nyrt. (previously FHB Jelzálogbank Nyrt.):	Chairman and Chairman of the Board of Directors: since 09.12.2016
	B3 TAKARÉK Szövetkezet:	Chairman-Executive Director: since 26.05.2011
	STATUS Capital Kockázati Tőkealap-kezelő Zrt.:	Member of the Supervisory Board: since 29.12.2016

Number of Shares directly owned in the Issuer on 1 January 2019:	0
Number of shares affected by the option relating to the Shares of the Issuer:	0
Professional curriculum vitae:	He obtained his diplomas at the University of Pécs, Szent István University and at Université Paris X-Nanterre. He controlled the merger of ten savings cooperatives as a result of which B3 TAKARÉK Szövetkezet (Savings Cooperative) was established where he is now the chairman-executive director. He was actively involved in the implementation of the government's savings cooperative strategy. He is also a members of the internal Board of Directors of Magyar Takarékszövetkezeti Bank Zrt., chairman of Takarék Jelzálogbank Nyrt. (former FHB Jelzálogbank Nyrt.) and chief executive of Magyar Takarék Befektetési és Vagyongazdálkodási Zrt. In 2016 he was elected chairman of the central governing bods of the Savings Group (SZHISZ) and has been the chairman-chief executive of Takarékbank Zrt. since 2017.

Business contact:	vida.jozsef@opusglobal.hu

8.2 The Chief Executive Officer

The Chief Executive Officer, who is also an employee of the Issuer, is responsible for operational management.

Chief Executive Officer of the Issuer and the key information related to him:

(a) Zsuzsanna Angyal Mrs. Ódor

Start of the legal relationship as Chief Executive Officer:	1 August 2017,	
End of the legal relationship as Chief Executive Officer:	-	
Other position at the Issuer:	None	
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	Pursuant to the Employment Contract between the Chief Executive Officer and the Issuer, the Chief Executive Officer is entitled to severance pay at the rate of the average wage of the Chief Executive Officer for six months if the employment of the Chief Executive Officer (a) is terminated by the employer, (b) the Issuer ceases to exist without a legal successor, (c) due to a reason included in Section 63 (1) d) of the Labour Code (i.e., in the case of legal succession when the legal successor would be a public agency) and (d) the employment ceases to exist due to an illness or death of the Chief Executive Officer.	
Main activities performed at the Issuer that are relevant to the Issuer:	Member of the Supervisory Board of 4iG Nyrt.; Chairperson of the Board of Directors of STATUS Capital Kockázati Tőkealap-kezelő Zrt.;	
List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	R-Éta Kft.	membership status; from 15.11.1999
	SZ és K 2005. Kft.	Executive Director: since 04.07.2016
	OPIMA Kft.	Executive Director: since 04.07.2016
	Mediaworks Hungary Zrt.:	Member of the Supervisory Board from 25.10.2016

	OBRA Kft.	Executive Director: since 04.07.2017
	PRINTIMUS Kft.	Executive Director: since 01.08.2017
	4iG Nyrt.	Member of the Supervisory Board: since 26.07.2018
	Solus Capital Kockázati Tőkealap-kezelő Zrt.	Member of the Supervisory Board: since 14.09.2018
Number of Shares directly owned in the Issuer on 1 January 2019:	0	
Number of shares affected by the option relating to the Shares of the Issuer:	0	
Professional curriculum vitae:	She graduated at Gödöllő University of Agricultural Sciences as an economist-chartered accountant in 1996 and then obtained a diploma as an engineering teacher. She obtained her second diploma in 2002 as an EU agricultural expert. She gained extensive experience in the corporate sector in the complete operation of production companies, in production management and process organisation. She has professional competence as a tax advisor and in HR policy. She has been an employee of the Issuer since 2009. Initially as a CEO assistant, then as controlling manager, and currently as the Chief Executive Officer of the Issuer, she has actively contributed to the successful presence of OPUS GLOBAL Nyrt. in the capital market to date.	
Business contact:	angyal.zsuzsa@opusglobal.hu	

8.3 The Supervisory Board

In order to control the management and protect the interests of the Issuer and the shareholders, the General Meeting elects a Supervisory Board of at least 3 members. The minimum 3 members of the Supervisory Board must be independent individuals as defined in Section 3:287 of the Ptk. Unless the General Meeting provides otherwise, the mandate of the members of the Supervisory Board is for 5 years. If for any reason a new member of the Supervisory Board is elected during the term of mandate of the Supervisory Board, the mandate shall be for the same term as defined when the original Supervisory Board was elected.

Members of the Supervisory Board of the Issuer in alphabetical order, following the chairman of the Supervisory Board and the key information related to them:

(a) János Tima

Start of the legal relationship in the Supervisory Board:	2 May 2017	
End of the legal relationship in the Supervisory Board:	2 May 2022	
Other position at the Issuer:	Chairman of the Audit Committee	
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract	
Main activities performed at the Issuer that are relevant to the Issuer:	Member of the Supervisory Board of MÁTRA ENERGY HOLDING Zrt.; Member of the Board of Directors of Wamsler SE; Member of the Supervisory Board of 4iG Nyrt.; Member of the Board of Directors of Appeninn Nyrt.; Member of the Supervisory Board of KONZUM Nyrt.;	
List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	Talentis Consulting Zrt.	member of the Board of Directors: since 11.05.2018
	Echo Penisola Kft.	Executive Director: since 15.08.2017
	T-Ingatlanfejlesztő 2016 Kft.	Member of the Supervisory Board: since 16.05.2017
	Agrosystem Zrt.	Chief Executive Officer: between 08.31.2016 and 02.10.2016 Member of the Supervisory Board since

		19.04.2018
	Keszthelyi Holding Zrt.	Member of the Supervisory Board since 11.04.2018
	Magyar Sportmárka Zrt.	Member of the Supervisory Board since 13.12.2017
	Veszprém Handball Zrt.	Member of the Supervisory Board since 16.04.2018
	MÁTRA ENERGY HOLDING Zrt.	Member of the Supervisory Board since 07.05.2018
	Wamsler SE	Member of the Board of Directors since 10.03.2017
	Wellnesshotel Építő Kft.	Executive Director: since 23.01.2018
	RÉZ-HEGY Településfejlesztő Kft.	Member of the Supervisory Board since 19.05.2017
	B+T Management Kft.	Executive Director: since 19.04.2018
	4iG Nyrt.	Member of the Supervisory Board: since 26.07.2018
	Appeninn Nyrt.	Member of the Board of Directors: since 23.08.2018
	KONZUM Nyrt.	Member of the Supervisory Board: since 26.04.2017
Number of Shares directly owned in the Issuer on 1 January 2019:	0	
Number of shares affected by the option relating to the Shares of the Issuer:	0	
Professional curriculum	He has professional experience in finance, accounting	

vitae:	and organisation development. She worked at production companies across the whole range of professional hierarchy in finance and accounting and gained experience in public administration, and the banking sector in management and extensive financing. The past few years spent in the corporate sector completed the foundation of her professional career. Working as the finance director of a dynamically developing group, she arranged the human resources and tangible requirements required for secure operation. She gained special economic experience in different business lines while performing that job (construction industry, agriculture, catering). He conducted his studies at the College of Modern Business Studies specialising in corporate management.
Business contact:	tima.janos@opusglobal.hu

(b) Dr. Orsolya Páricsi Mrs. Dr. Egyed

Start of the legal relationship in the Supervisory Board:	2 May 2017
End of the legal relationship in the Supervisory Board:	2 May 2022
Other position at the Issuer:	Member of the Audit Committee
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract
Main activities performed at the Issuer that are relevant to the Issuer:	Member of the Supervisory Board of HUNGEST HOTELS Zrt.; Member of the Supervisory Board of MÁTRA ENERGY HOLDING Zrt.; Member of the Board of Directors of Appeninn Nyrt.; Member of the Supervisory Board of Wamsler SE;

List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	Egy-Pár-Om Kft.	membership status; 09.07.2012 - 20.04.2018 Executive Director: 2012.07.11 - 2018.04.20.
	HUNGUEST Hotels Szállodaipari Zrt.	Member of the Supervisory Board: since 08.02.2016
	MÁTRA ENERGY HOLDING Zrt.	Member of the Supervisory Board: since 02.05.2017
	Nemzeti Ménesbirtok Zrt.	Member of the Supervisory Board: 14.11.2016-03.05.2017
	Talentis Consulting Zrt.	member of the Board of Directors: since 11.05.2018
	Appeninn Nyrt.	Member of the Board of Directors: 20.04.2018-23.08.2018
	Echo Hungária TV Zrt.	Member of the Board of Directors: since 15.04.2018
	Wamsler SE	Member of the Supervisory Board: since 10.03.2017
	Kristály Consulting Bt.	Membership status; 17.06.2008-02.12.2016
	Magyar Sportmárka Zrt.	Member of the Supervisory Board: since 30.11.2017
Number of Shares directly owned in the Issuer on 1 January 2019:	0	
Number of shares affected by the option relating to the Shares of the Issuer:	0	
Professional curriculum vitae:	After obtaining a diploma in law, Dr. Orsolya Páricsi Mrs. Dr. Egyed took a job as a corporate lawyer. During the years of serving in the corporate sector,	

	she gained experience in corporate law, financial law, employment law, public procurement and agricultural law.
Business contact:	dr.paricsi.orsolya@opusglobal.hu

(c) Dr. Éva Szilvia Gödör

Start of the legal relationship in the Supervisory Board:	27 April 2018	
End of the legal relationship in the Supervisory Board:	2 May 2022	
Other position at the Issuer:	Member of the Audit Committee	
Presentation of the employment contracts with the Issuer and/or subsidiaries that prescribe benefits in case the employment is terminated:	There is no such work contract	
Main activities performed at the Issuer that are relevant to the Issuer:	None	
List of the legal entities in which the particular person was a member, or the legal entities in the administrative, control or supervisory body of which the respective individual was a member over the past five years (separately indicating whether or not they are still a member in the legal entity or in the bodies referred to above):	OfficeGuide Szolgáltató Bt.	membership status (external member); 22.01.2015-07.04.2016
	Takarék Jelzálogbank Nyrt.	Member of the Supervisory Board: 01.08.2018-02.02.2022
	OPUS GLOBAL Nyrt.	Member of the Board of Directors: 02.05.2017-26.04.2018
Number of Shares directly owned in the Issuer on 1 January 2019:	0	
Number of shares affected by the option relating to the Shares of the Issuer:	0	
Professional curriculum vitae:	She gained her diplomas as administration organiser at the Public Administration College in 1998 and then as a lawyer at Eötvös Loránd University, Faculty of	

Public and Legal Sciences in 2002. She took her specific exam in law in 2006.

She began working as an individual attorney in 2007 and then continued her career as the head and principal lawyer of the law office founded by her in 2013.

Special fiends: corporate law, property law, financial law, labour law.

She was a Member of the Board of Directors of OPUS between 02.05.2017 and 26.04.2018

She has been a member of the Supervisory Board of OPUS since 22.04.2018.

She has been a member of the Supervisory Board of Takarék Jelzálogbank Nyrt. since 01.08.2018,

Business contact: drgodor.eva@opusglobal.hu

8.4 The Managers

Managers of the Issuer and subsidiaries of the Group whose professional knowledge and experience contribute a great deal to the successful operation of the Issuer:

Name	Business line / Company	Position	Start of legal relationship (year)	Start of the current position (year)	Number of Shares held in the Issuer
Zsuzsanna Angyal Mrs. Ódor	OPUS GLOBAL Nyrt.	Chief Executive Officer	2009	2017	0
Ferenc Finta	Wamsler SE	Chief Executive Officer	2017	2017	0
Dr. József Valaska	Mátrai Erőmű Zrt.	Operative Chairman-Chief Executive Officer	1971	2018	0
Mrs. Jánosné Antal	Mátrai Erőmű Zrt.	Business Director	1975	1992	0
Dr. Anett Tóth	VIRESOL Kft.	Executive Director	2015	2015	0
Zsanett Oláh	KALL Ingredients Kft.	Executive Director	2018	2018	0
Dr. Gyula Csák	Csabatáj Zrt.	Chairman of the Board of Directors:	2017	2017	0
Tamás Halmi	Mészáros és Mészáros Kft.	Executive Director	2010	2014	0
Sándor Csűrös	R-KORD Kft.	Executive Director	2016	2016	0

Source: Based on the Issuer's reports

The individuals included in the table above received in total HUF 146 million wages and HUF 10.3 million under other titles of remuneration from the Issuer and other subsidiaries of the Issuer at time of preparation of this Prospectus. The amounts indicted above do not contain the taxes or contributions payable by the Group.

8.5 The Audit Committee

8.5.1 The competence of the Audit Committee

The General Meeting elects a minimum three-member Audit Committee from the independent members of the Supervisory Board, with the following competence:

(a) review of the financial statements prepared in accordance with the Accounting Act;

(b) follow-up the audit of the financial statements prepared in accordance with the Accounting Act;

(c) proposal for the auditor;

(d) preparation of the contract to be concluded with the auditor and signature of the contract on behalf of the Issuer;

(e) monitoring the enforcement of the professional requirements with respect to the auditor and the requirements related to conflict of interest, performing the tasks of cooperation with the auditor, monitoring the other services provided by the auditor to the Issuer other than the audit of the financial statements prepared according to the Accounting Act, and - if necessary - making proposals for the Supervisory Board on measures to take;

(f) assessment of the operation of the financial reporting system and proposal for the necessary measures;

(g) support for the Board of Directors in order to facilitate the appropriate audit of the financial reporting system; and.

(h) monitoring the efficiency of the internal control and risk management system.

8.5.2 Members of the Audit Committee

Members of the Audit Committee of the Issuer in alphabetical order, following the chairman of the Audit Committee:

(a) János Tima

Start of the membership status of the Audit Committee:	2 May 2017
End of the membership status of the Audit Committee:	2 May 2022

(b)Dr. Orsolya Páricsi Mrs. Dr. Egyed

Start of the membership status of the Audit Committee:	2 May 2017
End of the membership status of the Audit Committee:	2 May 2022

(c) Dr. Éva Szilvia Gödör

Start of the membership status of the Audit Committee:	27 April 2018
End of the membership status of the Audit Committee:	2 May 2022

8.5.3 The operation of the Audit Committee

This Clause contains a summary of the rules pertaining to the operations of the Audit Committee.

The Audit Committee of the Issuer is a permanent committee established by the General Meeting of the Issuer from independent members of the Issuer's Supervisory Board pursuant to the authorisation granted in Section 3:291 of the Civil Code and Section 62 of the Capital Market Act.

Rules of operation of the Audit Committee:

(a) The Audit Committee has its meetings prior to the meetings of the Board of Directors whenever the Board of Directors agenda includes items falling within the scope of competence of the Audit Committee. Otherwise, the Audit Committee holds its meetings as and when necessary.

(b) The Audit Committee prepares an annual work plan by 31 May in the year of its foundation and by 28 February in the subsequent years for its tasks independent from the meetings of the Board of Directors.

(c) The Audit Committee meetings are convened by the Chairman of the Audit Committee. Any member of the Audit Committee may request the Chairman of the Audit Committee to convene an Audit Committee meeting in writing, by indicating the reasons and objective, or to discuss an agenda item specified by them. In such a case, the Chairman of the Audit Committee must convene an Audit Committee meeting and add the proposed topic to the agenda.

(d) The Audit Committee meetings are chaired by the Chair of the Audit Committee.

(e) An Audit Committee meeting has a quorum if all members of the Audit Committee are present. The Audit Committee adopts its resolutions with a simple majority vote. In the case of equal number of votes the vote of the chairman of the meeting shall be decisive.

(f) The Chairman of the Audit Committee keeps minutes of the Audit Committee meeting.

(g) The Audit Committee adopts its decisions at the meetings with an open vote, by raising hands. The Audit Committee may also adopt a resolution in writing, without holding a meeting.

(h) The Chairman of the Audit Committee presents the resolutions at the meetings of the Board of Directors. The Chairman of the Audit Committee sends to the Chairman of the Board of Directors the the Audit Committee Resolutions independent from the meetings of the Board of Directors within three days.

8.6 Family relations

Family relations between the persons listed in Clauses 8.1-8.5:

Ágnes Homlok-Mészáros and Beatrix Mészáros are siblings.

In addition to the sibling status indicated above, the Issuer is not aware of any family relations between the members of the Board of Directors, Supervisory Board and trop management.

8.7 Declaration of no fraudulent crimes, bankruptcy or liquidation or other sanctions

According to the Issuer's best knowledge, none of the individuals mentioned in Clauses 8.1-8.5

(a) was sentenced for a fraudulent crime during the period of 5 years prior to the date of this Prospectus;

(b) was subject to any bankruptcy procedure, trusteeship or liquidation procedure due to their position during the period of 5 years prior to the date of this Prospectus;

(c) was affected by any official charges and/or sanctions made and imposed by any legislative or regulatory authority (also including the appointed professional organisations) for the period of 5 years prior to the date of this Prospectus; none of these individuals were banned in a court decision from membership in the Board of Directors, managing and supervisory body of the Issuer company or the management of its business activities in a court decision.

8.8 Conflict of interest among the employees in executive positions in the administrative, control and supervisory bodies

8.8.1 Conflict of interest

According to the Issuer's best knowledge, there is no conflict of interest between the tasks performed by the individuals mentioned in Clauses 8.1-8.5 for the Issuer and their private interests or other tasks.

The Issuer did not enter into any contract or agreement with any main shareholder, customer, supplier or other parties based on which the individuals mentioned in Clauses 8.1-8.5 were elected or appointed for their positions held at the Issuer.

8.8.2 Limitations of alienation

The shares held by the individuals mentioned in Clauses 8.1-8.5 are not affected by any limitation of alienation.

8.9 Remuneration and benefits

In 2017, the members of the Board of Directors presented in Clause 8.1 received in total HUF 6,400,000 remuneration, which does not contain any taxes or contributions paid by the Issuer.

In 2017, the members of the Supervisory Board presented in Clause 8.3 received in total HUF 1,600,000 remuneration, which does not contain any taxes or contributions paid by the Issuer.

In 2017, the members of the Audit Committee presented in Clause 8.5 received in total HUF 1,600,000 remuneration, which does not contain any taxes or contributions paid by the Issuer.

8.10 Declaration on the corporate governance practice

The Issuer performs the tasks included in the Responsible Corporate Governance Recommendations published BÉT according to its declaration on its Responsible Corporate Governance Practice, disclosed on its website.

9. EMPLOYEES

9.1 Employees

Based on the Issuer's audited Annual Reports, the headcount of employees at the Issuer is as follows:

(a) 5 intellectual employee in January-June 2018, of whom 5 people held intellectual positions,

(b) on average 4 employees in 2017, of whom 4 people held intellectual positions,

(c) on average 6 intellectual employees in 2016, of whom 6 people held intellectual positions, and

(d) on average 6 intellectual employee in 2015, of whom 6 people held intellectual positions,

9.2 Share ownership and share options

At the moment, there are no agreements or regulations at the Issuer based on which the Issuer's employees could have a share in the Issuer's capital.

In relation to the shares held by the members of the Board of Directors, the Supervisory Board and the Chief Executive Officer of the Issuer and the managers indicated in Clause 8.4, see Clauses 8.1-8.4, of the Prospectus.

10. SHAREHOLDERS

10.1 Ownership structure

The ownership structure of the Issuer is as follows on 11 January 2019:

Name	Number of Shares held (number)	Ratio of the direct holding in the Issuer (%)	Ratio of the indirect holding in the Issuer[9] (%)
KONZUM PE Private Capital Fund	89,162,361	16.62	0.06
Lőrinc Mészáros	125,902,911	23.47	3.98
Beatrix Kelemen Mrs. Mészáros	48,902,911	9.12	3.98
KONZUM MANAGEMENT Kft.	50,113,993	9.34	0.00
Total	**314,082,176**	**58.55**	**8.02**

The Issuer did not issue any preferential shares and therefore all shares issued by the Issuer represent equal voting rights. Consequently, the ownership ratio included in the table above equals the voting rights that may be exercised by the particular shareholder.

The Issuer is not aware of any arrangements, the implementation of which may modify the control of the Issuer at a later date.

[9] The indirect holding was calculated on the basis of Section 5 (1) 84 of the Capital Market Act.

11. MATERIAL CONTRACTS

This Clause presents the material contracts of the Group that do not relate to its ordinary business activities. This Clause should be interpreted together with the information included in Chapter 2 'Risk factors' of the Prospectus.

11.1 Loan agreements

11.1.1 Refinancing loan to KALL Ingredients Kft. form MKB Bank, MFB Bank and EXIM Bank

KALL Ingredients Kft., as borrower, and MKB Bank and EXIM Bank as banks, and MKB Bank as commissioned agent and collateral agent, entered into a credit facility agreement on 6 August 2018 for EUR 107,010,730.08 (Credit Line 'A') and EUR 25,000,000 (Credit Line 'B'); the credit facility agreement was amended on 17 December 2018 and was prepared in a consolidated structure with the modifications because (among others) MKB Bank joined the agreement as a creditor. The purpose of the loan is to refinance the loans under the credit facility agreement between KALL Ingredients Kft., MKB Bank and EXIM Bank concluded on 8 February 2016 and the working capital loans of KALL Ingredients Kft. at MKB Bank pursuant to agreements concluded on 12 June 2017 and 26 April 2018. The loans mature on 31 December 2030; the interest rate is fixed at 4.82% for Credit Line 'A' and 3-month EURIBOR + 3.50% for Credit Line 'B' for the entire term.

11.1.2 Loan extended by Takarékbank Zrt. to Wamsler SE to pre-finance the VAT content of the capital investment project implemented with state support.

Wamsler SE as borrower and Takarékbank Zrt. as lender entered into a loan agreement for HUF 440,000,000 on 3 September 2018. The purpose of the loan is to pre-finance the VAT amount of the investment project for the establishment of an intelligent manufacturing and innovation centre with state support. The loan will mature on 30 June 2019. Interest rate: 1-month BUBOR + 2%.

11.1.3 Loan extended by Takarékbank Zrt. to Wamsler SE to finance a capital investment project implemented with state support.

Wamsler SE as borrower and Takarékbank Zrt. as lender entered into a loan agreement for HUF 892,980,000 on 3 September 2018. The purpose of the loan is to finance the investment for the establishment of an intelligent manufacturing and innovation centre implemented with state support. The loan will mature on 31 July 2028. Interest rate: 1-month BUBOR + 2%.

11.1.4 Loan extended by Takarékbank Zrt. to Wamsler SE to finance a capital investment project implemented with state support.

Wamsler SE as borrower and Takarékbank Zrt. as lender entered into a loan agreement for HUF 1,285,960,000 on 12 November 2018. The purpose of the loan is to pre-finance the financial support to the capital investment for the establishment of an intelligent manufacturing and innovation centre implemented with state support. The loan will mature on 30 September 2019. Interest rate: 1-month BUBOR + 2%.

11.1.5 Loan extended by MKB Bank, EXIM Bank and Budapest Bank to VIRESOL Kft. for the construction of a plant.

VIRESOL Kft., as borrower, and MKB Bank, Budapest Bank and EXIM Bank as banks, and MKB Bank as commissioned agent and collateral agent, entered into a credit facility agreement on 27 April 2017, which was amended on three occasions, on 13 December 2017, 30 August 2018 and 10 December 2018. The purpose of the loan is to finance a capital investment project for the establishment of a plant processing wheat as the main product and also processing and producing starch, maltrodexin, cation starch and animal fodder and other manufacturing units as well as a cation starch plant and fodder complex. The loans disbursed from the EUR 51,200,000 Credit Line 'A' will mature on 31 December 2025; the interest rate is fixed at 2.98% p.a. for the entire term. The loans disbursed on the basis of the HUF 800,000,000 Credit Line 'B' will mature on 30 September 2019. Interest rate: 3-month BUBOR + 1.7%. The loans disbursed from the HUF 1,000,000,000 Credit Line 'C' will mature in the fourth month following the commitment period or not later than on 31 October 2019; the interest rate is fixed at 3.38% p.a. for the entire term. The loans disbursed on the basis of the HUF 10,000,000 Facility 'D' will mature on 1 April 2020. Interest rate: 3-month BUBOR + 2.5%. The loans disbursed on the basis of the HUF 4,499,200 Facility 'E' will mature on 31 December 2025. Interest rate: 3-month BUBOR + 3.4%. The loans disbursed on the basis of the HUF 9,560,800 Facility 'F' will mature on 31 December 2025. The interest rate is 2.82% p.a. fixed for the term.

11.1.6 Loan extended by Takarékbank to VIRESOL Kft. to pre-finance state support.

VIRESOL Kft. as borrower and Takarékbank as lender entered into a loan agreement for HUF 1,000,000,000 on 25 September 2018. The purpose of the loan is to pre-finance state support. The loan will mature on 31 August 2019. Interest rate: 1-month BUBOR + 1%.

11.1.7 Acquisition loan from Takarékbank to Status Power Invest Kft.

Status Poser Invest Kft. as borrower and Takarékbank as lender entered into a loan agreement for the HUF equivalent of EUR 35,000,000 but no more than HUF 12,700,000,000 on 25 April 2018. The purpose of the loan is to finance the purchase of 50% of the share package of EP POWER EUROPE A.S. in Mátrai Energy Holding Zrt. The loan will mature on 20 June 2019. Transactional interest rate: 3-month BUBOR + 1%.

11.2 Acquisition agreements

11.2.1 Acquisition agreement relating to the 55.05% business quota of Status Power Invest Kft. (Mátrai Erőmű Zrt.)

The Issuer as buyer and STATUS ENERGY Private Equity Fund as seller entered into a sale and purchase agreement on 15 November 2018 for the 55.05% business quota in Status Power Invest Kft. The purchase price of the business quota is HUF 9,890.000,000. The transaction was closed on 10 December 2018, as a result of which the Issuer directly acquired 40% of Mátrai Erőmű Zrt., as presented in Section 6.2.3.1.

11.2.2 Contract for the sale of the share package representing 100% of the share capital of OPUS PRESS Zrt.

The Issuer as seller and Talentis Group Zrt. as buyer entered into a sale and purchase agreement on 15 November 2018 for the 20 ordinary shares shares of HUF 1,000,000 nominal value each, issued by OPUS PRESS Zrt., representing 100% of the share capital of OPUS PRESS Zrt. The purchase price of the shares is HUF 7,357,102,952. The transaction was closed on 10 December 2018, as a result of which the Issuer sold its media portfolio.

Simultaneously with the conclusion of the sale and purchase agreement presented in this Section, the Issuer assigned to Talentis Group Zrt. its receivable from OPUS PRESS Zrt. for HUF 2,532,897,048.

12. TRANSACTIONS WITH RELATED PARTIES

IAS 24 requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent or investors with joint control of, or significant infuence over, an investee presented in accordance with IFRS 10 Consolidated Financial Statements or IAS 27 Separate Financial Statements. This Standard also applies to individual financial statements.

An entity is related to a reporting entity if the entity and the reporting entity are members of the same group; or one entity is an associate or joint venture of the other entity; or person member of key management in the entity or parent; or a close member of that person related to any of the above; or subsidiary, associate or joint venture owned by that close member.

A person or close member of that person's family is related to a reporting entity of that person has cotrol or joint control of the reporting entity; has significant influence over the reporting entity; or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person ers those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

In the following paragraphs disclose receivables, payables, income and expenses incured with related parties based on the requirements prescribed above. Items exceeding HUF 250 million are disclosed in detail.

The pro forma financial statements for the period ended 30 June 2018 include the pro forma balance sheet and pro forma profit and loss account. The balance sheet in the pro forma financial statements present the combined financial position of the Group assuming that the transaction below concluded on 30 June 2018.

The profit and loss account in the pro forma financial statements present the combined results of the Group for the period ended 30 June 2018, assuming that the transactions below concluded on 1 January 2018.

The pro forma financial statements as part of this prospectus present preliminary financial information that by their nature refer to predicted situation and therefore do not present the company's true financial position or results.

12.1 Related party receivables

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Konzum PE Magántőkealap			1.313		
STATUS Capital Zrt.			693	703	703
MVM Partner Zrt. (villamosenergia vevő egyenleg)					4.146
MAVIR Zrt.					98
Bau-Produkt 2002 Kft.					37
Marlra-Istria Kft.					4
Wellnesshotel Építő Kft.					1.367
Vivenvíz Kft.					152
Unitreasury Kft.					4.257
Búzakalász 66 Felcsút Kft.					437
Mészáros és Mészáros Kft. magánszemély tulajdonosa					9.000
Status Energy Magántőkealap befektetési jegy					2.843
Total related party receivables	**0**	**0**	**2.006**	**703**	**23.044**

In July 2017, the Issuer provided a loan at an amount of HUF 424 million to STATUS Capital Kockázati Tőkealap-kezelő Zrt. being one of the shareholders in the Issuer and an associate of the Issuer. The loan matured on 31 July 2018. The parties modified the loan agreement and increased the amount of the loan to HUF 687 million, in December 2017, using the original collateral. The purpose of the original loan amount was to finance STATUS Capital Kockázati Tőkealap-kezelő Zrt. to acquire 284 shares issued by Takarékinfó Zrt. representing 24.69% of the share capital. The purpose of the loan increase was to finance STATUS Capital Kockázati Tőkealap-kezelő Zrt for its additional acquisition of 5.05% holding interest in Diófa Alapkezelő Zrt. Balances at thre reproting dates represent principal and interest receivable. The repayment of the full amount of the loan was extended to 31 December 2028. STATUS Capital Zrt being one of the shareholders in the Issuer is a related party. 1.716.250 OPUS shares at HUF 25 par constitute the collateral of the loan.

Receivable from KONZUM PE being one of the shareholders in the Issuer amount to HUF 1.313 million as at 31 December 2017. The receivable represents the share capital contribution approved at the same amount on 12 December 2017. Because the capital contribution was registered subsequently on 8 January 2018, the amount was recognised as a receivable at period end. Konzum PE Magántőkealap provided the issue price of the capital increase that the Issuer accepted in exchange for receivables at the same value. After registration of the capital increase the receivable was transfered in 2018.

MVM Zrt is a shareholder in one of the Issuer's subsidiary operting in the energy segment, therefore considered as related party. Mátrai Erőmű Zrt. sells electricity power at market price to MVM Partner. The HUF 4.146 million receivable related tot he sales transaction.

Mészáros és Mészáros Kft granted a loan at an amount of HUF 1.367 million to Wellneshotel Építő Kft., a subsidiary of one of the Issuer's shareholders. The loan matures on 18 April 2022 with central bank interest rate + 1.5%.

R-KORD Kft. granted a loan to Unitreasury Kft. a subsidiary of one of the Issuer's shareholders. The loan comprises of the following elements: EUR 6.818.000 maturing on 26 June 2023 with central bank interest rate + 1%; HUF 171 million maturing on 26 June 2023 with central bank interest rate + 1%; EUR 15.000 10 year loan with central bank interest rate + 1.5%; HUF 1.750 million 10 year loan with central bank interest rate + 1.5%; and HUF 90 million maturing in 6 November 2022 with central bank interest rate + 1.5%.

A Mészáros és Mészáros Kft. granted a loan to a person owner at an amount of HUF 9.000 million with central bank interest + 5% on 22 June 2018. The loan matures on 31 December 2018. The loan was repaid prior to the contribution of the owner of Mészáros and Mészáros Kft, Mészáros Építőipari Holding Zrt into the Group.

12.2 Related party payables

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
KONZUM PE Magántőkealap			2.627		
Talentis Consulting Zrt.					221
Unitreasury Kft.					4.189
Total related party payables	**0**	**0**	**2.627**	**0**	**4.410**

Borrowings were outstanding at an amount of HUF 2.627 million to KONZUM PE Magántőkealap, one of the Issuer's owners in 2017. The borrowing was converted into equity based on the decision to inclrease capital with premium on 12 Decemebr 2017.

In the first half of 2018, Unitreasury Kft the former owner of KALL Ingerdients Kft, granted a loan to KALL Ingredients at an amount of HUF 4.189 million to finance investments. The loan matures on 31 December 2023 with 12 month EURIBOR + 1.5% interest rate.

12.3 Related party income

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
KONZUM Nyrt. (Holiday Resort értékesítése)			1.900			
Talentis Group Zrt. (OPUS PRESS Zrt. értékesítése)						9.890
MVM Partner Zrt.						19.704
STATUS Capital Zrt. (kapott kamat)			6		10	10
Geosol Kft.						170
Total related party income In 2017,	**0**	**0**	**1.906**	**0**	**0**	**29.774**

In 2017, KONZUM Nyrt, one of the Issuer's indirect owner acquired 100% in Holiday Resort GmbH for HUF 1.900 million.

On 15 November 2018, the Issuer sold 100% of the share in OPUSS PRESS Zrt. for 7.357 million. Together with the shares, the Issuer assigned HUF 2.533 of OPUS PRESS Zrt. receivables to the buyer.

Mátrai Erőmű Zrt. sells electricity power at market price to MVM Partner. Fort he period ended 30 June 2018, revenues from electricity power sales to MVM amounted to HUF 29.764 million.

12.4 Related party expenses

data in HUF million	**2015**	**2016**	**2017**	**2017 H1**	**2018 H1**	**2018 H1 Proforma**
Búzakalász 66 Felcsút Kft.						4.129
Geosol Kft.						232
Talentis Consulting Zrt.						1.800
Total related party expenses	**0**	**0**	**0**	**0**	**0**	**6.161**

In 2018, Mészáros és Mészáros Kft., and az R-KORD Kft. sold loans and interest receivables from Búzakalász 66 Felcsút Kft. at a loss of HUF 4.129 million.

From 2018, Talentis Consulting Zrt. provided administrative services to Mészáros és Mészáros Kft., and az R-KORD Kft, including accounting, controlling, tax planning, human resources, IT, legal, marketing, commercial, technical, and general management consulting.

12.5 Transactions with the management

There were no transaction with the management.

13. FINANCIAL INFORMATION

The information and analysis below originate from the consolidated Interim Reports of the Issuer prepared and audited according to IFRS for the peiod ending ending on 30 June 2018 and consolidated Annual Reports of the Issuer prepared and audited according to IFRS for the financial years ending on 31 December 201731 December 2016 (comparative period ending on 31 December 2015) and the Pro-Forma Statements for the financial year ending on 30 June 2018, as well as unaudited data taken from the management information system of the Group.

As a result of the transactions affecting the equity of the Group, implemented in the second half of 2018, a number of financial indicators relating to the size of the group (including equity, balance sheet total, operating profit) changed by more than 25%. Consequently, this Chapter also contains pro-forma financial information (Pro-Forma Statements) prepared with the method described in the Regulation.

The Pro Forma Statements were prepared in compliance with Annex II of the 809/2004/EC Commission Regulation in order to present the pro forma financial information in the Prospectus. The data included in the Pro Forma Statements, also including the references to the Pro Forma Statements in this Prospectus are for information only.

Given their nature, the pro forma financial information presented in the Pro Forma Statements relates to an assumed situation and therefore do not reflect the actual financial position or profit/loss of the company.

The Pro Forma Statements contain the pro forma consolidated balance sheet and profit and loss account prepared for 30 June 2018.

The balance sheet of the Pro Forma Statements presents the consolidated financial position of the member companies of the Issuer assuming that the following transactions took place as at 30 June 2018.

The profit and loss account of the Pro Forma Statements presents the consolidated profit/loss of the Issuer and the member companies for the financial year ending on 30 June 2018, assuming that the following transactions took place as at 1 January 2018.

13.1 Economic events disclosed in the pro forma financial statements

13.1.1 Capital increases

13.1.1.1 Decision of capital increase on 31 July 2018 – KALL Ingredients Kft.

On 31 July 2018 the Board of Directors granted consent in resolution 30-32/2018 (VII.31.) to increase the private capital of the Issuer to HUF 9.639.776.150 by 60.293.208 new previously issued „A” series registered, dematerialised ordinary shares at HUF 25 par each at HUF 611 issue price. The increased capital amounted to HUF 9.639.776.150 consisting of 385.591.046 ordinary shares at HUF 25 par each.

Capital increase of HUF 1.507.330.200 was non-cash consideration contribution in kind. The valuation of the capital contribution in kind was performed by PricewaterhouseCoopers Magyarország Kft.

In exchange for the capital contribution, KONZUM PE Magántőkealap is eligible to 42.205.246 ordinary share at HUF 25 par amounting HUF 1.055.131.150 and Unitreasury Kft is eligible to 18.087.962 ordinary shares at HUF 25 par amounting HUF 452.199.050.

As a result of the capital increase, the Issuer became the sole owner of KAAL Ingredients Kft.

13.1.1.2 Decision of private capital increase on 14 September 2018. – VIRESOL Kft.

On 14 September 2018 the Board of Directors granted consent in resolution 37-38/2018 (IX.14.) to increase the private capital of the Issuer to HUF 10.731.595.850 by 43.672.788 new previously issued „A" series registered, dematerialised ordinary shares at HUF 25 par each at HUF 611 issue price. The increased capital amounted to HUF 10.731.595.850 consisting of 429.263.834 ordinary shares at HUF 25 par each.

Capital increase of HUF 1.091.819.700 was non-cash consideration, contribution in kind. The valuation of the capital contribution in kind was performed by EQUILOR Corporate Advisory Zrt.

In exchange for the capital contribution, Talentis Group Zrt. is eligible to 43.672.788 ordinary share at HUF 25 par amounting HUF 1.091.819.700.

As a result of the capital increase, the Issuer practiced significant influence over VIRESOL Kft.

13.1.1.3 Decision of private capital increase on 15 November 2018. – Követelésapport, R-KORD Kft. and Mészáros és Mészáros Kft.

On 15 November 2018 the Board of Directors granted consent in resolution 58-60/2018 (XI.15.) to increase the private capital of the Issuer to HUF 13.409.611.900 by 107.120.642 new previously issued „A" series registered, dematerialised ordinary shares at HUF 25 par each of which 9.314.820 oridinary shares at HUF 469 issue price and 97.805.822 ordinary shares ate HUF 611 issue price.

The increased capital amounted to HUF 13.409.611.900 consisting of 536.384.476 ordinary shares at HUF 25 par each.

The total capital increase of HUF 1.091.819.700 was non-cash consideration, contribution in kind.

The valuation of the capital contribution in kind from KONZUM PE Magántőkealap was performed by BDO Magyarország Kft.

The valuation of the capital contribution in kind from Mészáros Lőrinc and Mészárosné Kelemen Beatrix Csilla was performed by PricewaterhouseCoopers Magyarország Kft.

As a result of the capital increase, the Issuer practiced significant influence over Mészáros és Mészáros Kft. and R-KORD Kft.

13.1.2 Transactions

13.1.2.1 The Issuer (buyer) and STATUS ENERGY Magántőkealap (seller) signed an agreement on 15 November 2018 to buy 55.05% of investment in Status Power Invest Kft. The sales price of the investment was HUF 9.890 million. The transaction concluded on 10 December 2018 resulting in ownership in Status Power Invest Kft and its majority owned subsidiaries.

13.1.2.2 The Issuer (seller) and Talentis Group Zrt. (buyer) signed an agreement on 15 November 2018 to sell 100% of the share capital of OPUS PRESS Zrt. representing 20 ordinary shares at HUF 1.000.000 par each. The sales price of the shares was HUF 7.357.102.952. Th e transaction concluded on 10 December 2018 resulting in the disposal of the media segment.

In paralel with the agreement disclosed in this paragraph, the Issuer assigned receivables from OPUS PRESS Zrt to Talentis Group Zrt. for a consideration of HUF 2.532.897.048.

The combined and individual effects of the above tarnsactions on profits for the first six months of 2018 and balance sheet at 30 June 2018 are presented in detail in Annex 4 of the pro forma financial statements.

Annex 1-4. of the Prospectus presents the Issuer's audited financial statements including the auditors report.

Annex 1-3. presenting the annual and interim financial statements and Annex 4 presenting the pro forma financial statements should be interpreted in conjunction with the „Financial Information" in Section 13 of this Prospectus.

Significant accounting policies applied in the annual and interim financial statements are disclosed in the notes tot h financial statements.

The Issuer does not disclose profit forecasts or estimates in this Prospectus.

The data presented in the Prospectus were rounded according to the general rules of rounding, and therefore there may be a difference between the total of the individual rows and the total of the aggregating rows.

13.2 Dividends paid

For the period under review the Issuer has not paid dividends.

13.3 Dividend policy

The Issuer's General Meeting decides on the ratios of the Issuer's profit for the current year available for distribution to be allocated to the profit reserve and to dividend payment, and the use of the profit reserve for dividend payment and the amount of payable divided each year within the framework defined by the applicable laws and regulations. The dividend payment depends on the achieved profit, the business position, business outlook and plans of the Issuer, as well as legal, regulatory and other factors and considerations.

13.4 Review of the Group's profitability

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Revenues	11.379	15.315	42.552	17.404	20.882	74.843
Capitalised own performance	-396	-115	291	1.254	963	3.761
Other operating income	373	453	3.096	709	152	6.616
Material expenses	-7.251	-8.748	-22.622	-9.612	-12.730	-58.574
Personnel expenses	-2.889	-4.629	-12.297	-6.048	-6.275	-15.781
Impairment	-563	-532	-200	-90	-6	0
Other operating expenses	-1.313	-1.934	-3.423	-1.539	-1.305	-12.298
EBITDA	**-660**	**-190**	**7.397**	**2.078**	**1.681**	**-1.433**
Depreciation and amortisation	-665	-747	-1.672	-790	-795	-4.968
EBIT	**-1.325**	**-937**	**5.725**	**1.288**	**886**	**-6.401**
Negative goodwill	0	165	466	0	0	27.475
Financial income	84	105	1.014	1.212	321	8.026
Financial expenses	-430	-493	-672	-402	-906	-1.142
Shares in investments recognised with the equity method	0	0	63	0	0	0
Profit before tax	**-1.671**	**-1.160**	**6.596**	**2.098**	**301**	**27.958**
Income tax	-93	228	-695	-4	-181	-1.716
Profit from continued activities	**-1.764**	**-932**	**5.901**	**2.094**	**120**	**26.242**
Profit from discontinued activities	**-513**	**0**	**0**	**0**	**0**	**0**
Profit for the year	**-2.277**	**-932**	**5.901**	**2.094**	**120**	**26.242**
Other comprehensive income	-23	739	9	0	48	48
Total comprehensive income	**-2.300**	**-193**	**5.910**	**2.094**	**168**	**26.290**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

„Other operating income" for 2016 and 2017 does not agree tot he audited financial statements because in the audited financial statements Other operating income included the negative goodwill. For comparative purposes with 30 June 2018, the negative goodwill was presented separately.

In 2015, 92.2% of reveues related to heavy industry production and construction, the remaining 7,8% related to hotel business and professional services. In 2016, the Issuer expanded its busines with media activities resulting in additional revenues from publishing and press representing 61% of revenues in 2017. In 2017, the Group further expansed its activities resulting in additional revenues from agriculture.

The Group made losses in 2015 and 2016 but as a result of reorganisation and new startegy, losses decreased and evolved into considerable profit by 2017, achieving positive EBITDA.

The current operating structure is a result of the repositioning of the Group's activities and portfolio as well as the acquisitions and sales carried out in 2018, including the acquisition of

Mészáros Építőipari Holding Zrt., Status Power Invest Kft, KALL Ingredients Kft, and VIRESOL Kft as well as the sales of OPUS PRESS Zrt. The Group has developed into a holding with a portfolio represented by companies operating in industries such as production, agriculture, food processing, energy and asset management.

According to the pro forma financial statements for the period ended 30 June 2018, profit after tax was significantly high at HUF 26.242 million which reflected the transaction noted earlier. As a result of the transactions, the Group's revenues increased four times compared tot he actual numbers reported for 30 June 2018. Because expenses increased in a similar pattern, EBITDA ended with a HUF 1.4 billion loss. The primary source of losses is the loss from the energy division for the first six months. The increase in other operating income related to the acquisition of the energy companies due to grants received and the reversals of prior period provisions amounting HUf 6 billion compared to the actual data.

The pro forma profit and loss account included the effect of a one-off sales of a receivable at HUF 4.1 billion which if excluded would improve EBITDA to HUF 2.7 billion of profit.

The profitability of the Group is determined by the combined performance of four segments with divers characteristics as well as by other items form consolidation adjustments. The profitability of the individual segments are presented in Section 13.5 of this Prospectus in detail.

For the period reported under the Pro forma financial statements profit after tax amouonted to HUF 26.242 million which was primarily due to the negative goodwill of HUF 27.475 million associated with the acquisition of energy companies and financial income of HUF 6.5 billion related to the sales of the media portfolio.

The objective of the pro forma financial statements is to present the effect of the Transaction on the elements of the financial statements in relation to actual data. Because the Company still owned 100% of OPUS Press on 30 June 2018, the investment in the subsidiary (HUF 20.000 thousand) was eliminated in equity in the actual consolidated financial statements. The adjustment column presents the elimination of consolidated Statement of Financial Position and Comprehensive Income for the Opus Press Group which would amend the consolidated financial statements of OPUS GLOBAL Nyrt. had the Transaction taken place on 1 January 2018.

The Group's profit after tax, asstes, equity and liabilities and cash flows are analysed in Section 13.11 to 13.13 of this Prospectus.

13.5 Segment profitability

Segment profit and loss – 30 June 2018

data in HUF million	**Production**	**Agriculture and food industry**	**Energy**	**Asset management**	**Other**	**Consolidated**
Revenues from sales	5.264	530	0	64	15.024	**20.882**
Capitalised own performance	856	85	0	0	23	**964**
Material expenses	-5.067	-477	0	-76	-7.110	**-12.730**
Gross profit	**1.053**	**138**	**0**	**-12**	**7.937**	**9.116**
Other operating income	80	33	0	0	39	**152**
Other operatinf expenses	-1.510	-398	0	-84	-5.595	**-7.587**
EBITDA	**-377**	**-227**	**0**	**-96**	**2.381**	**1.681**
Depreciation and impairment	-191	-59	0	-13	-533	**-796**
Operating profit	**-568**	**-286**	**0**	**-109**	**1.848**	**885**
Negative goodwill						**0**
Financial results	-293	-1		257	-548	**-585**
Income taxes	58	13		-7	-245	**-181**
Profit after tax	**-803**	**-274**	**0**	**141**	**1.055**	**119**
Gross margin	*20%*	*26%*	*0%*	*-19%*	*53%*	*44%*
Operating margin	*-11%*	*-54%*	*0%*	*-170%*	*12%*	*4%*

Other operating expenses include personnel expenses in the annual and interim financial statements and agree with „other operating expenses" in those statements.

Segment profit and loss – 30 June 2018 – Pro forma

data in HUF million	**Production**	**Agriculture and food industry**	**Energy**	**Asset management**	**Other**	**Consolidated**
Revenues from sales	37.700	4.745	34.378	79	-2.059	**74.843**
Capitalised own performance	1.076	2.063	622	0	0	**3.761**
Material expenses	-30.774	-6.065	-23.643	-82	1.990	**-58.574**
Gross profit	**8.002**	**743**	**11.357**	**-3**	**-69**	**20.030**
Other operating income	2.895	249	3.474	0	-2	**6.616**
Other operating expenses	-8.172	-2.237	-17.501	-84	-85	**-28.079**
EBITDA	**2.725**	**-1.245**	**-2.670**	**-87**	**-156**	**-1.433**
Depreciation and impairment	-408	-102	-4.445	-13	0	**-4.968**
Operating profit	**2.317**	**-1.347**	**-7.115**	**-100**	**-156**	**-6.401**
Negative goodwill			27.475			**27.475**
Financial results	-386	-191	686	192	6.583	**6.884**
Income taxes	40	113	-1.867	-8	6	**-1.716**
Profit after tax	**1.971**	**-1.425**	**19.179**	**84**	**6.433**	**26.242**
Gross margin	*21%*	*16%*	*0%*	*-4%*	*3%*	*27%*
Operating margin	*6%*	*-28%*	*0%*	*-127%*	*8%*	*-9%*

Other operating expenses include personnel expenses in the annual and interim financial statements and agree with „other operating expenses" in those statements.

The Group's activities can be distinguished among the following four segments:

(1) Industrial production segment,
(2) Agriculture and food industry segment,
(3) Energy segment,
(4) Asset management segment.

Section 6 of this Prospectus outlines the activities of the individual segments in fetail..

In addition to the four segments, „Other" items represent the sales of the media prtfolio in 2018 and the elmination of intra-segment profits.

In the profitability analysis of the segments the Issuer applied the following ratios:

Gross margin: Gross margin is the ratio of gross profit to sales revenues. Because material expenses are significant in the Inustrial production, agriculture and food industry and energy segments, the gross margin shows the relative portion of gross profit to sales revenues.

Operating margin: Operating margin is the ration of operating profit tosales revenues. The operating margin is an important ratio that shows the relative portion of operating profit to sales revenues, hence indicating the cost effectiveness of the individual segments. The operating margin is important for the Issuer to support decisions in cost rationalisation whils expecting the improvement of the ratio.

The paragrapg below present the profitabily by segment.

13.6 Industrial Production segment

Industrial Production segment profit and loss

data in HUF million	**2015**	**2016**	**2017**	**2017 H1**	**2018 H1**	**2018 H1 Proforma**
Revenues from sales	10.498	10.202	14.211	2.930	5.264	37.700
Capitalised own performance	-396	-118	103	1.167	856	1.076
Material expenses	-6.856	-5.916	-11.414	-2.691	-5.067	-30.774
Gross profit	**3.246**	**4.168**	**2.900**	**1.406**	**1.053**	**8.002**
Other operating income	348	202	647	74	80	2.895
Other operating expenses	-3.687	-4.335	-3.191	-2.105	-1.510	-8.172
EBITDA	**-93**	**35**	**356**	**-625**	**-377**	**2.725**
Depreciation and impairment	-666	-420	-448	-200	-191	-408
Operating profit	**-759**	**-385**	**-92**	**-825**	**-568**	**2.317**
Negative goodwill						0
Financial results	-181	-58	873	-36	-293	-386
Income taxes	-109	78	-142	187	58	40
Profit after tax	**-1.049**	**-365**	**639**	**-674**	**-803**	**1.971**
Gross margin	*31%*	*41%*	*20%*	*0%*	*20%*	*21%*
Operating margin	*-7%*	*-4%*	*-1%*	*0%*	*-11%*	*6%*

Other operating expenses include personnel expenses in the annual and interim financial statements and agree with „other operating expenses" in those statements.

The industrial production segment data for the financial years 2015, 2016, and 2017 present the results of Wamsler Group and EURO GENERAL Zrt. The segment made operating losses which was intended to compensated by improving production efficiency. In 2017, subsidiaries in the segment acheived success in public procurement invitations resulting in increase in sales revenues and operating profits in addition tot he improvements in efficiency.

In line with the new acquisitions and capital contributions revenues and operating profits show significant increase in the pro forma financial statements for the period ended 30 June 2018. With the acquisition of Mészáros Építőipari Holding Zrt. and its subsidiaries revenues have increased significantly. The increase in revenues was attibutable to construction projects related to Szilvásvárad, Szolnok Hollámtér, Dél-Balaton II., Sport facilities, Dél Balaton II. railways and Puskás Stadium. Construction companies account for revenues and expenses applying the output model for determining the percentage of completion stage of the projects.

In case of construction companies (Mészáros és Mészáros Kft., R-KORD Kft., RM International Kft.), other income and expenses were affected by warranty and performance provisions recognised and reversed as well as losses realised on the sale of receivables of HUF 4.1 billion from Búzakalász 66 Felcsút Kft in the pro forma financial statements for the period ended 30 June 2018.

Subsequent to the conclusion of significant transactions, revenues, operating profits, and profit after tax and overall profitability increased in the industrial production segment.

In 2017, financial results improved due to the sale of options by Wamsler SE for HUF 9000 million.

13.7 Agriculture and Food Industry segment

Agriculture and Food Industry segment profit and loss

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Revenues from sales			1.673	594	530	4.745
Capitalised own performance			187	81	85	2.063
Material expenses			-1.278	-507	-477	-6.065
Gross profit	**0**	**0**	**582**	**168**	**138**	**743**
Other operating income			203	44	33	249
Other operating expenses			-442	-175	-398	-2.237
EBITDA	**0**	**0**	**343**	**37**	**-227**	**-1.245**
Depreciation and impairment			-128	-140	-59	-102
Operating profit	**0**	**0**	**215**	**-103**	**-286**	**-1.347**
Negative goodwill			466			0
Financial results			-7	-24	-1	-191
Income taxes			-155	-37	13	113
Profit after tax	**0**	**0**	**519**	**-164**	**-274**	**-1.425**
Gross margin	*n/a*	*n/a*	*35%*	*28%*	*26%*	*16%*
Operating margin	*n/a*	*n/a*	*13%*	*-17%*	*-54%*	*-28%*

Other operating expenses include personnel expenses in the annual and interim financial statements and agree with „other operating expenses" in those statements.

Results of the agiculture and food industry segment for 2017 represent the results of the sales in 2015 and repurchase in 2017 of Csabatáj Zrt. The Issuer decided to sell 74.18% holding in Csabatáj Zrt in 2015 however the price was not paid. The repurchase came into effect on 31 January 2017 when 74.18% of the investments was transferred back to the Issuer. On repurchase of Csbatáj Zrt. the Issuer recognised HUF 466 million negative goodwill which increased consolidted results in 2017.

In line with the new acquisitions and capital contributions revenues and operating profits show significant increase in the pro forma financial statements for the period ended 30 June 2018. Revenues increased significantly with the acquisition of KALL Ingredients Kft and its subsidiaries and VIRESOL Kft. In addition to the increase of material expenses, the increase of personnel expenses affected the increase of other operating expenses.

13.8 Energy segment

Energy segment profit and loss

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Revenues from sales					0	34.378
Capitalised own performance					0	622
Material expenses					0	-23.643
Gross profit	**0**	**0**	**0**	**0**	**0**	**11.357**
Other operating income					0	3.474
Other operating expenses					0	-17.501
EBITDA	**0**	**0**	**0**	**0**	**0**	**-2.670**
Depreciation and impairment					0	-4.445
Operating profit	**0**	**0**	**0**	**0**	**0**	**-7.115**
Negative goodwill						27.475
Financial results					0	686
Income taxes					0	-1.867
Profit after tax	**0**	**0**	**0**	**0**	**0**	**19.179**
Gross margin	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*33%*
Operating margin	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*-21%*

Other operating expenses include personnel expenses in the annual and interim financial statements and agree with „other operating expenses” in those statements.

The energy segment represents the Issuer’s new, determining segment in which Status Power Invest Kft and its subsidiaries, particularly Mátrai Erőmű Zrt. contribute to profits in the first half of 2018.

The acquisition of Status Power Invest Kft generated HUF 27.4 million negative goodwill increasinig profits in the newly established energy segment.

The company generated revenues of HUF 43 billion in the first six months of 2018 which was suplemeted with additional HUF 3.2 billion green and brown premium subsidies for biomass based electricity power genergation.

Matrai erőmű produces lignit but other sources of energy is purched on the market such as biomass, oil, and gas whose puchase cost increased material expenses. the most significant cost item of the company is CO_2, the CO_2 emission from electricity production. In the first half of 2018 the company returned HUF 5.1 billion worth of CO_2 quota recognised in other operating expenses.

The comapny incurred maintenence and operating expenses of HUF 3.5 billion, service costs of HUF 8.6 billion and material expenses of HUF 12.2 billion in the first six months of 2018. Matrai erőmű Zrt is the largest employer in the region. Employee costs presented under other operating expenses amounted to HUF 10.3 billion representing 2103 number of employees in the first six months of 2018.

13.9 Asset management segment

Asset management segment profit and loss

data in HUF thousang	**2015**	**2016**	**2017**	**2017 H1**	**2018 H1**	**2018 H1 Proforma**
Revenues from sales	139	148	145	74	64	79
Capitalised own performance	0	0	0	0	0	0
Material expenses	-75	-97	-159	-69	-76	-82
Gross profit	**64**	**51**	**-14**	**5**	**-12**	**-3**
Other operating income	6	159	527	90	0	0
Other operating expenses	-241	-126	-315	-46	-84	-84
EBITDA	**-171**	**84**	**198**	**49**	**-96**	**-87**
Depreciation and impairment	-91	-14	-28	-14	-13	-13
Operating profit	**-262**	**70**	**170**	**35**	**-109**	**-100**
Negative goodwill						0
Financial results	-1.065	-287	1.061	29	257	192
Income taxes	13	-77	-59	-5	-7	-8
Profit after tax	**-1.314**	**-294**	**1.172**	**59**	**141**	**84**
Gross margin	*46%*	*34%*	*-10%*	*7%*	*-19%*	*-4%*
Operating margin	*-188%*	*47%*	*117%*	*47%*	*-170%*	*-127%*

Other operating expenses include personnel expenses in the annual and interim financial statements and agree with „other operating expenses" in those statements.

The asset management segment comprises the Issuer, as holding comany, and other subsidiaries providing assets management services. No significant changes occurred at operating profit level in the segment over the years while individual events determine other income. In 2017, profits increased as a result income from assigned receivables and damages received. In 2015, financial losses were due to impairments recognised on financial instrument assets and, in 2017, profits were improved by HUF 1 billion as a result of the sales of Holiday Resort Kreischber-Murau GmbH, a subsidiary.

13.10 The Group's Income statement

data in million HUF	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Revenues	11.379	15.315	42.552	17.404	20.882	74.843
Capitalised own performance	-396	-115	291	1.254	963	3.761
Other operating income	373	453	3.096	709	152	6.616
Material expenses	-7.251	-8.748	-22.622	-9.612	-12.730	-58.574
Personnel expenses	-2.889	-4.629	-12.297	-6.048	-6.275	-15.781
Impairment	-563	-532	-200	-90	-6	0
Other operating expenses	-1.313	-1.934	-3.423	-1.539	-1.305	-12.298
EBITDA	**-660**	**-190**	**7.397**	**2.078**	**1.681**	**-1.433**
Depreciation and amortisation	-665	-747	-1.672	-790	-795	-4.968
EBIT	**-1.325**	**-937**	**5.725**	**1.288**	**886**	**-6.401**
Negative goodwill	0	165	466	0	0	27.475
Financial income	84	105	1.014	1.212	321	8.026
Financial expenses	-430	-493	-672	-402	-906	-1.142
Shares in investments recognised with the equity method	0	0	63	0	0	0
Profit before tax	**-1.671**	**-1.160**	**6.596**	**2.098**	**301**	**27.958**
Income tax	-93	228	-695	-4	-181	-1.716
Profit from continued activities	**-1.764**	**-932**	**5.901**	**2.094**	**120**	**26.242**
Profit from discontinued activities	**-513**	**0**	**0**	**0**	**0**	**0**
Profit for the year	**-2.277**	**-932**	**5.901**	**2.094**	**120**	**26.242**
Other comprehensive income	-23	739	9	0	48	48
Total comprehensive income	**-2.300**	**-193**	**5.910**	**2.094**	**168**	**26.290**
Attributable to non-controlling interest	**48**	**32**	**128**	**42**	**-16**	**-3.616**
Attributable to parent	**-2.348**	**-225**	**5.782**	**2.052**	**184**	**29.906**
Operating margin	***-12%***	***-6%***	***13%***	***7%***	***4%***	***-9%***

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

„Other operating income" for 2016 and 2017 does not agree tot he audited financial statements because in the audited financial statements Other operating income included the negative goodwill. For comparative purposes with 30 June 2018, the negative goodwill was presented separately.

The Group made losses in 2015 and 2016 but as a result of reorganisation and new startegy, losses decreased and evolved into considerable profit by 2017, achieving positive EBITDA.

The Group made HUF 120 million profit after tax for the first six months in 2018. Other comprehensive income of HUF 48 million related to foreign exchage translation differences from conversion of foreign subsidiary financial statements to HUF.

The profit and loss account, in the pro forma financial statements for the period ended 30 June 2018 present an assumption, in which profits indicate the new subsidiaries and the derecognition of the media portfolio sold on 15 November 2018.

All line items in the pro forma profit and loss account are important and show significant increases compared to actual data.

Below is a detailed analysis of the main line items in the profit and loss account.

13.10.1 Revenues from sales

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Heating equipment	9.312	9.083	8.544	2.552	2.223	2.223
Hotel services	755	785	150	150	0	0
Property rental	122	126	152	54	69	69
Construction	1.186	1.119	1.968	379	2.801	34.425
Publishing and press	0	3.443	26.109	12.690	11.789	0
Agriculture	0	0	1.151	594	174	174
Promotion	0	0	171	978	2.714	0
Iso sugar sales	0	0	0	0	0	539
Alcohol sales	0	0	0	0	0	2.330
Animal nutrition	0	0	0	0	0	1.253
Energy	0	0	0	0	0	32.214
Other products	0	0	0	0	0	491
Other revenues	5	759	4.307	8	1.111	1.125
Total revenues from sales	**11.379**	**15.315**	**42.552**	**17.404**	**20.882**	**74.843**

Source: Annual and interim IFRS consolidated financial statements and pro forma financial statements.

The Group's revenues at consolidated level increased dynamically from 2015 to 2017 due revenues generated from the new acquisitions, the madia portfolio in particular, in addition tot he revenues from existing activities. Revenues for the media portfolio, later being desposed of, doubled revenues compared to 2016 which was further increased by revenues from the repurchased agriculture company, Csbatáj Zrt in 2017. In the second half of 2017, the Issuer sold its subsidiary operating in the hotel service sector to KONZUM Nyrt., therefore no further revenues were expected from this activity in 2018.

In the pro forma financial statements for the period ended 30 June 2018, revenues increased to HUF 75 billion due to revenues generated from new acquisitions such as Mátrai Erőmű Zrt., Mészáros és Mészáros Kft., R-KORD Kft, and RM International Kft of which mainly construction businesses and energy segment contibuted HUF 31.6 billion HUF 32.2 billion, respectively. The disposal of the media portfolio reduced revenues by HUF 14.6 billion compared to actual data for the first six month in 2018.

Revenues in the pro forma financial statements for the first six month in 2018 include revenues of HUF 4.1 billion generated by KALL Ingredients Kft., a member of the agriculture and food industry segment, when still operating at low capacity and testing phase.

13.10.2 Other operating income

data in million HUF	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Gains from disposal of PPE and intangible assets	7	54	54	8	10	113
Grants received	16	51	247	86	28	3.296
Damages received	17	0	95	4	5	280
Rebates	2	16	64	19	18	41
Reversals of provision	92	9	655	382	43	2.607
Fair value appreciation of investment property	66	151	237	0	0	0
Reversal of impairments	0	89	387	56	0	0
Income from assets held for sale	0	2	0	0	0	0
Fines, penalties, penalty interest received	0	11	53	119	7	248
Taxes recovered	0	0	401	12	0	0
Assigned receivables	0	0	96	0	13	13
Other product sales	0	0	0	0	0	0
Other	172	71	807	24	28	17
Total other operating income	**373**	**453**	**3.096**	**709**	**152**	**6.616**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

„Other operating income" for 2016 and 2017 does not agree tot he audited financial statements because in the audited financial statements Other operating income included the negative goodwill. For comparative purposes with 30 June 2018, the negative goodwill was presented separately.

The most significant item under other operating income in the pro forma financial statements for the period ended 30 June 2018 is a HUF 3.3 billion grant received, in particular, the HUF 3.2 billion worth green and brown premium received to subsidise the production of biomass based electricity power in Mártai Erőmű Zrt.

The Group accounts for provisions on a gross basis which means that provisions are recognised as other operating expenses and the reversals of provisions are accounted for as other operating income.

13.10.3 Material type expenses

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Material expenses	3.523	6.483	9.087	5.284	4.736	18.520
Services used	1.525	1.044	6.681	3.109	4.495	28.689
Other services	111	91	366	130	196	1.568
Cost of goods sold	1.181	278	1.254	0	311	7.377
Cost of services sold	910	853	5.233	1.088	2.992	2.421
Total material type expenses	**7.251**	**8.748**	**22.622**	**9.612**	**12.730**	**58.574**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

Material type expenses increased dynamically in line with the increase of revenues from 2015 to 2017. Increases in services used and cost of services sold in 2017 were associated with the original acquisition cost of the media portfolio later being dispose of. Assumed material expenses presented in the pro forma financial statements for the period ended 30 June 2018 indicate significant increase compared to actual data due to the acquisitions of companies operating in the agriculture and food industry as well as energy segments. The increase of services used is related to HUF 20 billion attributable to subsidiaries operating in the industrial segment and HUF 6 billion attributable to subsidiaries operating in the energy segment. 82% of total cost of goods sold is attributable to sales of products in the energy segment.

13.10.4 Personnel expenses

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Salaries and wages	2.158	3.819	9.094	4.513	4.452	11.217
Personnel type expenses	239	238	1.061	479	810	1.984
Contributions	492	572	2.143	1.056	1.014	2.580
Total personnel expenses	**2.889**	**4.629**	**12.297**	**6.048**	**6.275**	**15.781**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

Personnel expenses increased significantly in line with the expansion of the Group. By the year end 2016, the media portfolio head count, later being disposed of, increased resulting in a paralel increase of personnel expenses. As a result of the changes encountered in 2018, the total headcount reached 4.000 of which 53% was attributable to the energy segment. Based on the pro forma data the headcount recreased by 1.268 due tot he disposal of the media portfolio in Novemebr 2018.

	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Head count	789	1.960	1.668	2.045	2.016	3.954

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

13.10.5 Impairment

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Reversal of impairment	-1	-3	0	0	0	0
Recognition of impairment	564	535	200	90	6	0
Total impairment	**563**	**532**	**200**	**90**	**6**	**0**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

Impairment relates to the impairment of trade accounts receivable and inventories for the Group.As a result of the disposal of the media portfolio, HUf 6 million impairment was derecognised in 2018.

13.10.6 Other operating expenses

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Losses on sale of PPE and intangible assets	7	24	10	11	27	104
Current taxes	155	282	1.571	638	973	1.357
Penalty interest paid	1	0	0	1	2	2
Impairment loss on receivables	0	7	96	72	1	0
Fines, penalties and damages paid	52	10	155	127	20	39
Obsolescence	13	4	64	0	1	1
Losses from translation of foreign receivables and payables	2	0	0	0	0	0
Impairment of assets	725	0	324	0	11	11
Fair value fall in investment property	116	32	49	0	0	0
Tax penalty	0	1	0	0	0	0
Transferes	0	1	10	2	10	0
Rebates given	0	7	0	0	0	2
Provisions recognised	0	215	634	6	0	775
Grants given	0	11	20	2	1	136
Loss on sale of receivable	0	0	177	0	0	4.129
CO2 quota utilisation	0	0	0	0	0	5.107
Other	241	1.342	313	678	259	634
Other operating expenses	**1.313**	**1.934**	**3.423**	**1.539**	**1.305**	**12.298**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

Other operating expenses increased significantly in 2017 which can be explained by the HUF 1.5 billion local tax related tot he media portfolio acquired in late 2016. Results for 2017 and for the first six months of 2018 are similar because the media portfolio generted extra seasonal profits in the second half of the year. Other operating expenses presented in the pro forma financial statements for the period ende 30 June 2018 are significantly higher that actual data for the same period due to the energy segment that returned CO_2 quota worth HUF 5.1 billion. Also, losses on sales of receivables made by the construction companies, acquired in 2018, were presented under other operating expenses.

13.10.7 Nagative goodwill

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Pannon Lapok Társasága Kft.	0	62	0	0	0	0
Primus Népszabadság Média Képviseleti Kft.	0	27	0	0	0	0
Show Plus Kft.	0	14	0	0	0	0
DMH Magyarország Kft.	0	46	0	0	0	0
Maraton Lapcsoport Kft.	0	17	0	0	0	0
Csabatáj Zrt.	0	0	466	0	0	0
Status Power Invest Kft.	0	0	0	0	0	27.475
Total negative goodwill	**0**	**165**	**466**	**0**	**0**	**27.475**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

The most significant item under negative goodwill is the negative goodwill recognised on acquisition of Status Power Invest Kft. in the energy segement. Details ont he calculation of negative goodwill is presented in the pro forma financial statements.

13.10.8 Financial income

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Interest income	5	1	65	43	11	180
Dividends received	0	22	28	583	101	1
Gain on sale of investment	0	0	765	32	0	0
Gain on sale of OPUS PRESS Zrt.	0	0	0	0	0	6.575
Foreign exchange gain	79	81	156	552	209	1.270
Total financial income	**84**	**105**	**1.014**	**1.212**	**321**	**8.026**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

Financial income includes interest received and foreign exchage gains as well as gains on sale of subsidiaries. In 2017, gain on sale of Holiday Resort Kreischberg-Murau GmbH increased financial income, whereas the gain on sale of the media portfolio (OPUS PRESS Zrt and its subsidiaries) increased financial income in the pro forma financial statements for the period ended 30 June 2018.

13.10.9 Financial expenses

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Interest expense	151	334	479	369	299	310
Impairment of securities and investments	194	93	26	1	0	280
Foreign exchange losses	85	66	167	32	608	552
Total financial expenses	**430**	**493**	**672**	**402**	**906**	**1.142**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

Financial expenses present interest expense and foreign exchage losses. Impairment related to the loss of HUF 280 million relised on the sale of B+T Management Kft in the industrial production segment.

13.10.10 Results of investments accounted for under the equity method

data in HUF million	2015	2016	2017	2017 H1	2018 H1	2018 H1 Proforma
Unitreasury Kft.	0	0	-1	0	0	0
KPRIA Magyarország Zrt.	0	0	-2	0	0	0
Takarékinfo Zrt.	0	0	66	0	0	0
Total	**0**	**0**	**63**	**0**	**0**	**0**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

No material even has occurred over the periods.

13.11 Assets

13.11.1 Assets

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Property, plant and equipment	5.934	10.089	11.772	11.430	199.504
Intangible asstes	438	5.807	5.845	5.795	563
Goodwill	3	173	126	126	67.332
Investment property	1.335	5.926	2.111	2.113	2.113
Financial investments	3	1.589	5.532	5.707	955
Loans given	310	279	267	260	7.360
Deferred tax assets	50	238	231	183	448
Investments	0	0	1.727	1.926	2.554
Open contracts	0	0	0	0	101.299
Total non-current asstes	**8.073**	**24.101**	**27.611**	**27.540**	**382.128**

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Inventories	2.782	3.673	3.762	4.774	19.753
Biological assets	0	0	250	144	144
Current income tax receivable	3	143	15	14	6
Trade accounts receivable	1.410	4.640	8.890	5.526	18.306
Receivable from construction contracts	33	70	196	112	10.787
Other receivable	2.364	2.903	2.206	3.766	28.289
Cash and cash equivalents	1.699	2.386	5.139	8.507	94.065
Assets held for sales	0	0	0	0	0
Total current assets	**8.291**	**13.815**	**20.458**	**22.843**	**171.350**
Total assets	**16.364**	**37.916**	**48.069**	**50.383**	**553.478**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

The consolidated balance sheet clearly indicates that the Group's balance sheet total increased over the years. The balance sheet total increased form HUF 16 billion in 2015 to HUF 50 billion by 30 June 2018. Non-current assets represented approximately 50% of assets primarily due to plant, property and equipment. Three main subsidiaries contribute to the Group's property, plant and equipment at 30 June 2018 being Csabatáj Zrt. (agriculture and food industry segment) with 18%; media portfolio with 59%, and Wamsler SE (industrial production segment) with 20%. Property, plant and equipment presented in the pro forma financial statements as at 30 June 2018 represent a significant increase form HUF 11 billion to HUF 200 billion. The increase was offset by a HUF 7 billion decrease due to the disposal of the media portfolio and its associated assets and, at the same time, additional increase of approx. HUF 112 billionin property, plant and equipment took place with the acquisitions in the energy segment, particularly Mátrai Erőmű Zrt. The contributions of VIRESOL Kft. and Mészáros és Mészáros Kft. and R-KORD Kft. into the Group resulted in additional increased in property, plant and equipment by HUF 22 billion and HUF 3 billion, respectively.

With the expansion of the Group into the media portfolio in 2016, intagible assets increased by HUF 6 billion related to brand names, primarily. Intangible assets therefore reoresent mainly brand names acquired in late 2016 then derecognised in the pro forma financial statements at 30 June 2018.

The Group presents investment property under non-current assets. The Group selected the fair value model in measuring investment property, applying income and cost plus margin based approaches, as well as observable market indicatives. Investment property is appraised by independent appraiser on an individual basis. The decrease in investment property was due to the sale of Holiday Resort Kreischberg-Murau GmbH in 2017.

To other factors affecting the increase of non-current assets are goodwill and the value of identified contracts on consolidation. Goodwill related mainly to the acquisition of two companies, namely KAAL Ingredients Kft generated HUF 37 billion and VIRESOL Kft. generated HUF 27 billion of goodwill, respectively. The fair value adjustment to identified assets in the subsidiaries according to IFRS 3 contributed to te increase of assets in the pro forma financial statements at 30 June 2018. Accordingly, in case of the construction companies (Mészáros és Mészáros kft., R-KORD Kft., RM International Kft.) PricewaterhouseCoopers Magyarország Kft. identified and quantified signed construction contracts anticipated to generate future cash flows in the subsidiaries. The Issuer on initial consolidation allocated the identified assets and the present value of future cash flow asociated with these assets were recognised at HUF 101 billion as assets. The Issuer subsequently depreciates the contracts in alignment with their cash flow generating pattern, agains profit and loss.

13.11.2 Goodwill

data in HUF million	**2015**	**2016**	**2017**	**2018 H1**	**2018 H1 Proforma**
SZ és K 2005. Kft.	2	2	2	2	2
EURO GENERÁL Zrt.	1	1	1	1	1
Mediaworks Hungary Zrt.	0	170	123	123	0
Mészáros és Mészáros Kft.	0	0	0	0	1.278
R-KORD Kft.	0	0	0	0	2.137
KALL Ingredients Kft.	0	0	0	0	37.231
VIRESOL Kft.	0	0	0	0	26.650
KALL Ingredients Trading Kft.	0	0	0	0	31
TTKP Energiaszolgáltató Kft.	0	0	0	0	2
Total goodwill	**3**	**173**	**126**	**126**	**67.332**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer.

The Group presents access consideration that could not be allocated to identified assets as goodwill, in line with the Transactions presented in Section 13.1 in the pro forma financial statements. Goodwill comprise of two major items including HUF 37.231 million associated with the acquisition of 100% stake in KALL Ingredients Kft and HUF 26.650 million associated with the acquisition of 51% stake in VIRESOL Kft. Goodwill in Mediaworks Hungary Zrt was derecognised when OPUS PRESS Zrt was sold.

13.11.3 Financial investments

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Equity shares	0	148	0	0	0
Bonds	0	1.441	3.101	3.286	0
Other securities	3	0	2.431	2.421	0
Loan given to Bau-Produkt 2002 Kft.	0	0	0	0	37
Loan given to Marlera-Istria Kft.	0	0	0	0	4
Loan given to Wellnesshotel Építő Kft.	0	0	0	0	604
Loan given to Vivienvíz Kft.	0	0	0	0	152
Other loans given	0	0	0	0	158
Total financial investments	**3**	**1.589**	**5.532**	**5.707**	**955**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

In 2017, OPUS PRESS Zrt, the former subsidiary of the Group repurchased own bonds issued in 2016 for HUF 3 billion presented under non-current assets.

Investment coupons owned and bonds repurched by OPUS PRESS Zrt. and its subsidiaries were presented under financial investments and when the media portfolio was disposed the above investments were derecognised. Loans given by companies operating in the industrial production segment (Mészáros és Mészáros Kft., R-KORD Kft.) increased the financial investment portfolio in the balance sheet line.

13.11.4 Loans given

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Loans to (MŰSOR-HANG Zrt.)	310	279	267	260	260
Loans to (Unitreasury Kft.)	0	0	0	0	4.257
Status Energy Magántőkealap investment coupon	0	0	0	0	2.843
Total loans given	**310**	**279**	**267**	**260**	**7.360**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

The term of the loan given to Unitreasury Kft. is 10 years with central bank interest rate + 1.5%.

13.11.5 Investments in associates

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Újházi Tyúk Kft.	0	0	4	4	4
Magyar Tojás Kft.	0	0	11	11	11
Lapker Zrt.	0	0	36	36	0
Kiadói Vagyonkezelő Zrt.	0	0	83	83	0
Takarékinfo Zrt.	0	0	492	492	492
STATUS Capital Zrt.	0	0	1.100	1.100	1.100
4iG Nyrt.	0	0	0	200	200
Konzum PE Magántőkealap	0	0	0	0	106
Primus Capital Zrt.	0	0	0	0	160
Rail-Via International Sofia	0	0	0	0	48
Unitreasury Kft.	0	0	0	0	2
Other	0	0	1	0	431
Total investments in associates	**0**	**0**	**1.727**	**1.926**	**2.554**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

In 2017, the Group invested in further entities (Takarékinfo Zrt. and KPRIA Zrt.) increasing the investments in associates by HUF 2 billion. The Group recognised investments in Takarékinfo Zrt and STATUS Capital Zrt., as associates. The Group accounts for associates using the equity method where the carrying value of the investment equals the initial cost adjusted by post acquisition earnings attributable to the parent and potential Because impairment.

Because of the disposal of the media portfolio as presented in the pro forma financial statements for the period ended 30 June 2018, Lapkern Zrt. and Kiadó vagyonkezelő Zrt. were derecognised.

13.11.6 Inventories

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Raw materials	441	1.028	1.345	1.461	13.839
Work in process	500	544	794	668	2.394
Finished goods	1.164	1.011	1.049	1.930	2.808
Merchandise	677	1.090	574	715	712
Total inventories	**2.782**	**3.673**	**3.762**	**4.774**	**19.753**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Inventories in companies in the industrial production segment (Wamsler SE) represented 79% of the Group’s inventories from 2015 to 2017. The increase in inventories in the pro forma financial statement for the period ended 30 June 2018 is attributable to the enegry segment (mainly Mátrai Erőmű Zrt.) by HUF 8.6 billion and the agriculture and food industry segment (Mészáros és Mészáros Kft., R-KORD Kft.) by HUF 3.3 billion. The increase in raw materials by 3.3 billion compared to actual data at 30 June 2018 was due to the activities of companies operating in the construction segment.

13.11.7 Biological assets

data in HUF million	**2015**	**2016**	**2017**	**2018 H1**	**2018 H1 Proforma**
Poultry	0	0	48	38	38
Laying hens	0	0	202	106	106
Biológiai eszközök összesen	**0**	**0**	**250**	**144**	**144**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Biological assets relate to Csabatáj Zrt. operating in the agriculture and food industry segment.

13.11.8 Trade accounts receivable

data in HUF million	**2015**	**2016**	**2017**	**2018 H1**	**2018 H1 Proforma**
Trade accounts receivable	1.437	4.984	9.190	5.815	18.326
Impairment	-27	-344	-300	-289	-20
Total trade accounts receivable	**1.410**	**4.640**	**8.890**	**5.526**	**18.306**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

The increase of trade accounts receivable at 31 Decemebr 2017 was mainly due to the increased seasonal turnover in the media portfolio(later being disposed of) during 2017 resulting in balances amounting to HUF 9 billion for the period end. The increased trade accounts receivable in the pro forma financial statements was mainly due to the sale of the media portfolio for HUF 9.890 million which was slightly compensated by the derecognised amounts of trade accounts receivable sold with the media portfolio. Trade accounts receivable in the energy segment increased balances by HUF 5.5 billion in the pro forma financial statements.

13.11.9 Receivables from construction contracts

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Receivables from construction contracts	33	70	196	112	10.787
Total	**33**	**70**	**196**	**112**	**10.787**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Receivables from construction contracts for period end 2015, 2016, 2017, and actual for the first six months of 2018 relate to EURO GENERAL Zrt. Increase in the pro forma financial statements is due to the subsidiaries operating in the industrial production segment presenting receivables from construction contracts based on percentage of completion, assuming these subsidiaries had already been members of the Group from 1 January 2018.

13.11.10 Other receivables

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Advances to capital investment supplier	0	11	542	911	3.645
Advances for inventories	23	15	38	149	4.761
Advances for services	23	14	42	459	762
Accrued income	11	250	386	375	1.408
Other prepaid expenses	11	107	0	0	23
Payroll receivable	4	14	9	21	24
Taxes receivable	82	360	606	309	2.317
Receivable from municipalities	9	52	48	11	358
Loans given	4	18	103	75	9.154
Receivable from sale of investments	2.000	1.332	0	0	0
Overpaid payables	0	64	23	14	14
Caution money paid	0	113	176	160	619
Grants given	0	0	50	0	0
Deposits	0	0	0	0	313
Other	197	553	183	1.282	4.891
Total other receivables	**2.364**	**2.903**	**2.206**	**3.766**	**28.289**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Other receivables in 2015 and 2016 represent mainly receivables from sale of former investments in subsidiaries operating in the agriculture segment (Csabatáj Zrt., Hidashát Zrt., Muráti Zrt., Hidas-Vét Kft., Hungarotojás Kft.). The increase of advances to capital investment suppliers in the pro porma financial statements at 30 June 2018 was due to such receivables of HUF 2.7 billion in VIRESOL Kft and KALL Ingredients Kft. The HUF 9 billion balance representing loans given was repaid in October 2018.

13.11.11 Cash and cash equivalents

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Cash (HUF)	10	15	17	13	27
Cash (EUR)	12	6	2	228	237
Bank (HUF)	135	1.030	4.547	7.943	32.079
Bank (EUR)	1.516	1.312	571	323	4.229
Restricted cash	26	23	2	0	9.541
Short term deposits	0	0	0	0	47.952
Total cash and cash equivalents	**1.699**	**2.386**	**5.139**	**8.507**	**94.065**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Bank accounts represent significant amounts in cash and cash equivalents due to the increase of revenues in the Group. The increase of cash and cash equivalents in the pro forma financial statements at 30 June 2018 is attributable to the increase of HUF 11 billion in subsidiaries operating in the enegry segment (mainly Mátrai Erőmű Zrt.) and the increase of advances received for construction projects of HUF 71 billion in subsidiaries operating in the industrial production segment (Mészáros és Mészáros, R-KORD Kft.). Cash and cash equivalents amount to HUF 94 billion in the pro forma financial statements representing 55% of total current assets. The significant increase in cash and cash equivalents is due to the advances received for construction projects recognised as short term liabilities. Short term deposits belong to subsidiaries operating in the industrial production segment with one month maturity.

The management of the Group beleives that the HUF 94.065 million of cash balance at 30 June 2018 is adequate to manage the Group's operations.

13.12 Equity and liabilities

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Share capital	7.898	7.898	8.081	8.132	13.410
Treasury shares	-135	-135	-406	-406	-406
Capital reserves	7.012	7.012	9.098	10.360	132.734
Reserves	0	749	0	0	0
Retained earnings	-4.426	-7.622	-8.585	-2.815	-2.815
Profit for the year	-2.325	-964	5.771	135	29.858
Translation difference	79	70	22	70	70
Equity attributable to parent	**8.103**	**7.008**	**13.981**	**15.476**	**172.851**
Non-controlling interest	168	205	1.000	933	111.989
Total equity	**8.271**	**7.213**	**14.981**	**16.409**	**284.840**
Long term borrowings	2.862	12.731	9.771	9.363	56.496
Government grants	0	0	0	0	0
Bond liabilities	0	6.220	6.203	6.572	0

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Other long term liabilities	6	5	39	45	8.997
Provisions	98	2.322	2.441	2.189	18.085
Long term lease liabilities	0	0	33	33	0
Deferred tax liabilities	98	300	378	390	6.808
Total non-current liabilities	**3.064**	**21.578**	**18.865**	**18.592**	**90.386**
Current borrowings	3.078	1.794	1.973	2.410	12.892
Trade accounts payable and other payables	1.903	7.283	12.077	12.871	165.321
Short term lease liabilities	0	0	26	15	1
Current income tax	48	48	147	86	38
Current liabilities	**5.029**	**9.125**	**14.223**	**15.382**	**178.252**
Total equity and liabilities	**16.364**	**37.916**	**48.069**	**50.383**	**553.478**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Bond liabilities in 2016, 2017 and 30 June 2018 related to bonds issued by OPUS PRESS Zrt. The bonds mature on 13 April 2019. In relation to the sale of OPUS PRESS Zrt. in November 2018, bond liabilities were derecognised in the pro forma financial statements.

13.12.1 Non-controlling interest

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
EURO GENERÁL Zrt.	118	146	269	272	272
Körösi Ingatlan Kft.	44	44	36	36	36
Wamsler Bioenergy GmbH	1	2	0	0	0
Wamsler Haus- und Küchentechnik GmbH	5	7	1	1	1
Dunaújvárosi Szuperinfó Kft.	0	5	3	3	0
Népszabadság Zrt.	0	1	8	8	0
Csabatáj Zrt.	0	0	681	611	611
OPIMA Kft.	0	0	0	0	0
Wamsler SE	0	0	2	2	2
Mészáros & Mészáros Kft.	0	0	0	0	22.503
R-KORD Kft.	0	0	0	0	14.563
VIRESOL Kft.	0	0	0	0	18
Mátrai Erőmű Zrt.	0	0	0	0	57.766
Mátrai Erőmű Központi Karbantartó Kft.	0	0	0	0	454
Rotary Mátra Kútfúró és Karbantartó Kft.	0	0	0	0	89

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Bükkábrányi Fotovoltaikus Erőmű Projekt Kft.	0	0	0	0	0
Mátra Energy Holding Zrt.	0	0	0	0	-2.578
Vasútautomatika Kft.	0	0	0	0	161
Mészáros Építőipari Holding Zrt.	0	0	0	0	2
RM International Kft.	0	0	0	0	18.224
Status Power Invest Kft.	0	0	0	0	-135
Total non-controlling interest	**168**	**205**	**1.000**	**933**	**111.989**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

In case of fully consolidated subsidiaries, equity attributable to owners other than the parent is recognised under non-controlling interest by the Group.

13.12.2 Long term borrowings

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
CIB Bank Zrt. (OPUS GLOBAL Nyrt.)	590	528	0	0	0
Raika (Holiday Resort GmbH)	60	0	0	0	0
CIB Bank Zrt. (Holiday Resort GmbH)	2.190	1.976	0	0	0
K&H Bank Zrt. (Csabatáj Zrt.)	22	7	130	130	130
MKB Bank Zrt. (Mediaworks Hungary Zrt.)	0	7.069	5.839	5.224	0
Other (Révay 10 Kft.)	0	41	547	569	569
Raiffeisen Bank Zrt. (Wamsler SE)	0	3.110	3.101	3.286	3.286
Other (Csabatáj Zrt.)	0	0	152	152	152
Other (Kőrösi Ingatlan Zrt)	0	0	2	2	2
MKB Bank Zrt. (VIRESOL Kft.)	0	0	0	0	4.680
Eximbank Zrt. (VIRESOL Kft)	0	0	0	0	4.674
MKB Bank Zrt. (KALL Ingredients Kft.)	0	0	0	0	10.380
Eximbank Zrt. (KALL Ingredients Kft.)	0	0	0	0	24.784
Takarékbank Zrt. (Status Power Invest Kft.)	0	0	0	0	7.839
Total long term borrowings	**2.862**	**12.731**	**9.771**	**9.363**	**56.496**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Non-current liabilities have increased significantly over the past 3 years. The HUF 3 billion of non-current liabilities outsanding in 2015 increased to nearly HUF 22 billion in 2016. The increase is due to three events. First, OPUS PRESS Zrt., a member of the madia portfolio, later being disposed of, issued bonds of HUF 6 billion. Second, Mediaworks Hungary Kft, also part of the media portfolio, borrowed HUF 7 billion long term loan from MKB Bank. Third, Wamsler SE a member of the industrual production segment also borrowed long term loan of HUF 3 billion in 2016, contributing to the increase of non-current liabilities.

The assumed position in the pro forma financial statements for the period ended 30 June 2018, show that non-current liabilities increased significantly to HUF 90 billion compared to actual HUF 18 billion. The increase related to the companies acquired in the transactions bringing in long term loan liabilities at an amount of HUF 47 billion as well as liabilities related to decommissioning costs of mines and power plants amounting HUF 17 billion (see Section 13.1). Other non-current liabilities represented borrowings received from parties other than financial institutions which increased to HUF 9 billion with the acquisition of the new companies (KALL Ingredients and VIRESOL Kft.).

13.12.3 Cuurent borrowings

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
CIB Bank Zrt. (OPUS GLOBAL Nyrt.)	51	58	0	0	0
CIB Bank Zrt. (Holiday Resort GmbH)	175	174	0	0	0
K&H Bank Zrt. (Csabatáj Zrt.)	15	15	22	8	8
MKB Bank Zrt. – Eximbank Zrt. (Wamsler SE)	1.049	0	0	0	0
MKB Bank Zrt. HUF (Wamsler SE)	465	0	0	0	0
CITI Bank Zrt. EUR (Wamsler SE)	939	0	0	0	0
CITI Bank Zrt. folyószámlahitel (Wamsler SE)	384	0	0	0	0
Other (EURO GENERÁL Zrt)	0	1	37	1.174	1.174
MKB Bank Zrt. (Mediaworks Hungary Zrt.)	0	1.287	1.229	1.228	0
Other (Mediaworks Hungary Zrt)	0	26	685	0	0
Raiffeisen Bank Zrt. forgóeszköz hitel (Wamsler SE)	0	233	0	0	0
MKB Bank Zrt. (VIRESOL Kft.)	0	0	0	0	874
MKB Bank Zrt. (KALL Ingredients Kft.)	0	0	0	0	8.216
Eximbank Zrt. (KALL Ingredients Kft.)	0	0	0	0	10
MKB Bank Zrt. (R-KORD Kft.)	0	0	0	0	1.800
Other (Status Power Invest Kft.)	0	0	0	0	810
Total current borrowings	**3.078**	**1.794**	**1.973**	**2.410**	**12.892**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

13.12.3.1 Details of significant existing loan agreements

Wamsler SE signed a new loan agreement with Raiffeisen Bank Zrt on 5 July 2016. Under the 5-year term Warmsler has the option to use the facility upto an amount of EUR 12 million and start the repayment of the principal in year 4. Wamsler SE has not yet used the facility. The facility matures on 31 July 2021 with EURIBOR + 1.7% interest rate.

Révay 10 Kft. signed a loan agreement with FHB Bank on 22 March 2017. The loan matures on 31 December 2026 with fixed interest rate of 3.6%.

The MKB Bank Zrt. loan to Mediaworls Hungary Kft matures in 2023 with fixed interest rate of 3%. Pledge on the assets of Mediaworks Goup represent the collateral of the loan. With the diisposal of the media portfolio, te loans to Mediaworks Hungary Zrt. were derecognised in the pro forma financial statements.

The pro forma balance sheet of the Group includes the following loans and borrowings under the assumption if the acquisitions presented in the Prospectus had taken place on 1 January 2018:

- MKB Bank and Exim Bank syndicated loan to VIRESOL Kft in August 2017, maturing on 31 December 2025. Repayments of the loan begin on 31 March 2020 with interest due quarterly. Collaterals of the loan represent mortgage on properts, pledges on receivables and assets, as well as garantee from owners.

- MKB Bank and Exim Bank syndicated loan to KALL Ingredients Kft in 2018, maturing on 31 December 2030. Collaterals of the loan represent mortgage on property and inventory, pledges on receivables, assets, and trade marks, as well as endorser.

- Takarékbank Zrt. loan to Status Power Invest Kft to finance the acquisition of 55.05% interest in Mátrai Erőmű Holding Zrt received on 25 April 2018. The loan matures on 20 June 2019 with three-month BUBOR + 1% interest rate. Collaterals of the loan represent caution cash paid and pledge on securities.

- MKB Bank Zrt. liquidity loan of HUF 1.8 billion to R-KORD Kft maturing on 3 September 2019 with one-month BUBOR + 2% interest rate.

13.12.4 Other long term loans

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Other financial liabilities	6	5	39	45	506
Talentis Group Zrt.	0	0	0	0	5
TRIGO Kft.	0	0	0	0	389
Unitreasury Kft.	0	0	0	0	4.189
KALL Ingredients Kft. former owner (person)	0	0	0	0	33
Duna Aszfalt Kft.	0	0	0	0	3.875
Other long term loans	**6**	**5**	**39**	**45**	**8.997**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Other financial liabilities finance divers range of assets. The increase in other financial liabilities in the pro forma financial statements was due to the acquisition of VIRESOL Kft. and KAAL INgredients Kft.

Other long term liabilities include the loan from Unitreasury Kft to KAAL Ingredients Kft, where the earlier was one of the former owners of the later. The loan matures on 31 December 2023 with 12-moth BUBR + 1.5% interest rate.

The loan received by VIRESOL Kft from Duna Aszfalt Kft, one of the owners, contributed tot he increase of other long term loans in the pro forma financial statements. The loan matures on 6 June 2027 with central bank interest rate + 3.5%.

13.12.5 Provisions

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Other provisions	62	1.943	662	2.136	428
Litigation	34	374	1.746	18	18
Warraty provision	2	5	33	35	814
Decomissioning costs	0	0	0	0	16.825
Total provisions	**98**	**2.322**	**2.441**	**2.189**	**18.085**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Other provisions and litigation provisions relate mainly to Madiaworks Hungary Zrt. and its case with the competition office (GVH). Mediaworks Hungary Kft and Pannon Lapok Társaság Kft merged in 31 October 2017, at the time as two independent parties were both involved in the case and appealed. In 2017, the court initiated a new trial an the competition office (GVH) reimbersed the previously paid penalty, however, the verdict is not been finalise but if considered final the former owner will be entitled tot he reimbursed penalty amount. The provision was derecognised in the pro forma financial statements, as the media portfolio was disposed.

Actual warrany provisions related to Wamsler SE where provision is based on 0.0015% of sales revenues. The incease of provisions in the pro forma financial statements is attributable to the warrany and performace provisions recognised in subsidiaries (Mészáros és Mészáros Kft., R-KORD Kft.), operating in the industrial production segment.

Mátrai Erőmű Zrt. the newly joint member in the energy segment is exposed to two significant envirnmental obligations. One is realted to the retirement obligation of the power plant on cessation of electricity production, and the other is related to site restoration after explotation of mine resources end. The provision for both events amount to HUF 16.8 billion. Management beleives that the provisions cover the anticipated cost at nominal value.

13.12.6 Trade accounts and other payables

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Trade accounts payable HUF	329	1.948	2.631	526	16.010
Trade accounts payable EUR	570	544	690	574	5.626
Trade accounts payable other	0	0	6	2	392
Total trade accounts payable	**899**	**2.492**	**3.327**	**1.102**	**22.028**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Current liabilities develped in line with the Group's operations in which trade accounts and other payables represent the main items. Current liabilities increased significantly in the pro forma financial statements compared to the actual data from HUF 15 billion to HUF 178 billion. The increase in mainly attributable to the construction companies

(Mészáros és Mészáros Kft., R-KORD Kft., RM International Kft.) acquired, in which advances from project customers amount to HUF 109 billion.

Also, current liabilities increased as a result of existing liabilities in companies contributed and acquired (KALL Ingredients Kft., VIRESOL Kft.) of which the short term loan to KALL Ingredients Kft amounted to HUF 8 billion.

data in HUF million	**2015**	**2016**	**2017**	**2018 H1**	**2018 H1 Proforma**
Advances from customers	144	857	2.607	5.976	108.984
Taxes and custom payable	133	892	1.008	1.529	151
Payables to municipalities	1	4	0	102	3
Payroll liability	115	216	121	144	255
Accrued income liability	0	1.337	1.135	1.028	2.905
Accrued expenses	432	949	1.047	1.331	1.081
Deferred income	81	0	120	575	12.079
Customers with credit balance	4	26	27	11	0
Caution received	24	56	24	25	26
Lease liability	1	14	32	32	31
Other current liabilities	69	440	2	1.016	7.888
Liabilities to owners	0	0	1.313	0	0
Borrowing from Konzum PE	0	0	1.314	0	0
STPI acquisition cost	0	0	0	0	9.890
Total other current liabilities	**1.004**	**4.791**	**8.750**	**11.769**	**143.293**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

The significant inrease of advances from customers in the pro forma financial statements is attributable to the liabilities associated with the construction contracts concluded in the construction companies (Mészáros és Mészáros Kft., R-KORD Kft., RM International Kft.), as part of the industrial production segment. Deferred income includes deferred government grants of which 93% is attributable to KALL Ingredients Kft.

13.13 Statement of Cash Flows

Consolidated Statement of Cash Flows	**2015**	**2016**	**2017**	**2017 H1**	**2018 H1**
Cash flows from operating activities					
Profit after tax	-2.184	-1.160	6.593	2.098	301
Other comprehensive income after tax	-23	813	16	0	48
Adjusting items:					
Depreciation and amortisation	665	747	1.672	790	795
Impairment and reversals of impairment	757	532	200	532	6
Change in provisions	-137	355	119	-524	-252
Revaluation of investment property	50	-225	-268	0	0
Gain on sale of PPE	722	-33	-54	-33	0
Dividends received	0	-43	-28	-43	-101
Interest paid	0	372	479	372	299
Interst received	0	-22	-65	-22	-11
Change in working capital:					
Change in trade accounts and other receivables	497	1.321	-3.882	2.988	1.882

Consolidated Statement of Cash Flows	2015	2016	2017	2017 H1	2018 H1
Change in other current assets	335	-220	116	-1.163	-905
Change in trade accounts payable	-932	-870	5.277	-1.192	791
Change in other current liabilities and accruals	168	-36	-421	-708	6
Income tax paid	-32	-439	-388	378	-182
Net cash flows from operating activities	**-114**	**1092**	**9.366**	**3.473**	**2.677**
Cash flows from investment activities					
Dividends received	0	43	28	43	101
Acquisition of PPE and intangible assets	-457	-472	-2.233	-273	-405
Proceeds from sales of PPE and intangible assets	0	53	54	53	0
Investments in financial assets	7	-1.555	-5.459	1.311	-367
Sale of subsidiary	878	0	1.770	0	0
Acquisition of subsidiary	0	-3.806	-1.249	-2.499	0
Net cash flows from investment activities	**428**	**-5737**	**-7.089**	**-1.365**	**-671**
Cash flows from financing activities					
Issue of shares	0	0	2.269	0	1.313
Change in capital subsidies	-14	0	0	0	0
Borrowings and loans received	76	0	0	0	19
Borrowings and loans repaid	-248	-537	-1.091	-690	0
Borrowings and loans given	77	0	0	0	0
Long term liabilities to owner and other	-117	0	0	0	0
Dividends paid	0	0	0	0	-52
Interest paid	0	-372	-479	-372	-299
Interest received	0	22	65	22	11
Purchases and sales of own shares	0	0	-271	0	0
Proceeds from bond issuance	0	6.220	-18	0	369
Net cash flows from financing activities	**-226**	**5333**	**475**	**-1.040**	**1.361**
Net change in cash and cash equivalents	88	688	2.752	1.068	3.367
Cash and cash equivalent at the begining of the year	1.609	1.699	2.386	2.386	5.139
Cash and cash equivalents at the end of the year	**1699**	**2386**	**5.139**	**3.453**	**8.507**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

13.14 Working capital

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Inventories	2.782	3.673	3.762	4.774	19.753
Receivables	3.807	7.613	11.292	9.404	57.382
Current liabilities	1.903	7.283	12.077	12.871	165.321
Working capital	**4.686**	**4.003**	**2.977**	**1.307**	**-88.186**
Cash and cash equivalents	**1.699**	**2.386**	**5.139**	**8.507**	**94.065**

Overall, working capital represents positive amounts each year.

Advances from customers represent a significant amount within current liabilities, as a component of working capital in the pro forma financial statements.

Working capital corresponds to the requirements of the Issuer.

13.15 Capital structure

data in HUF million	2015	2016	2017	2018 H1	2018 H1 Proforma
Share capital	7.898	7.898	8.081	8.132	13.410
Treasury shares	-135	-135	-406	-406	-406
Capital reserves	7.012	7.012	9.098	10.360	132.734
Reserves	0	749	0	0	0
Retained earnings	-4.426	-7.622	-8.585	-2.815	-2.815
Profit for the year	-2.325	-964	5.771	135	29.858
Translation differences	79	70	22	70	70
Equity attributable to parent	**8.103**	**7.008**	**13.981**	**15.476**	**172.851**
Non-controlling interest	168	205	1.000	933	111.989
Total equity	**8.271**	**7.213**	**14.981**	**16.409**	**284.840**
Total liabilities	**8.093**	**30.703**	**33.088**	**33.974**	**268.638**
Total liabilities/ Total equity and liabilities	**49%**	**81%**	**69%**	**67%**	**49%**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

Liabilities in the Group decrease significantly after 2015 reaching a stable, approximate 70% in 2017 and 2018. The relative decrease of liabilities was due to the Issuer's capital increases, and the expantion of the Group that associated with favourable profitability which increased equity through retained earnings. In 2017, non-controlling interest related to the acquisition of Csabatáj Zrt. also contributed to the increase of equity.

The equity increased in the periods under review and in 2017, the equity reached 181% of the equity in 2015. The increase iS primarily due to the capital increases and the improved profitability of the Group. In 2018, further capital increase took place increasing the amount of equity to HUF 16 billion. The equity in the pro forma financial statements at 30 June 2018 amoount to HUF 285 billion of which non-controlling interest represent HUF 112 billion.The equity presented in the pro forma financial statements increased significantly based on the transactions described in Section 13.1 of this Prospectus where capital contributions in kind increased the share capital and capital reserves. Profits in the pro forma financial statements for the period ended 30 June 2018 increased significantly compared to actual data of which profits attributable tot he parent amounted HUF 30 billion.

The capital structure of the Group changed significantly in the pro forma balance sheet at 30 June 2018 when the relative portion of total liabilities to total equity and liabilities improved to 49%. The amount of equity increased as a result of the capital contributions in kind and the fair value of the new subsidiary's equity attributable to non-controlling interest as presented in Section 13.1 of this Prospectus. The Group's profit of HUF 29.9 billion in the pro forma financial statements is mainly attributable to the aquisition of subsidiaries in the energy segment that generated a one-off negative goodwill.

The relative increase of liabilities in the pro forma financial statements was more significant than the relative increase of equity. The increase of liabilities is attributable to advances from customers, provisions associated with the minig activities in Mártai Erőmű Zrt., and the increase in borrowings. In addition to the transactions in the pro forma financial statements, other transactions that occurred subsequent to 30 June 2018 are summarised in Section 13.17 of this Prospectus.

On completion of this Prospectus, no advers changes have occurred in the Group's capital structure after 30 June 2018.

13.16 Investments

The table below outlines the investments undertaken by the Group from 1 January 2015 to 30 June 2018:

data in HUF million	2015	2016	2017	2017 H1	2018 H1
Acquisition of property, plant and equipment, and intangible assets	457	472	2.233	273	405
Gains from sales of PPE and intangible assets	0	-53	-54	-53	0
Acquisition of financial investments	-7	1.555	5.459	-1.311	367
Sales of subsidiaries	-878	0	-1.770	0	0
Acquisition of subsidiaries	0	3.806	1.249	2.499	0
Total investments	**-428**	**5.780**	**7.117**	**1.408**	**772**

Source: Consolidated IFRS annual,semi-annual and pro forma financial statements of the Issuer

The Group has undertaken significant investments from 1 January 2015 to 30 June 2018. In 2016, investments in the media protfolio, later being disposed of, in 217 investments in coupons and in Csabatáj Zrt contributed to the increase. In 2017, the Group sold Holiday Resort Kreischberg-Murau GmbH, a subsidiary.

13.17 Significant event after 30 June 2018

Consolidated audited financial statements for the Group are available up to the period ended 30 June 2018. The following paragraphs summarise events that accurred after 30 June 2018.

13.17.1 Transactions after reporting date in the Proforma Financial Statements

13.17.1.1 Capital increases

(a) Decision of capital increase on 31 July 2018 – KALL Ingredients Kft.

On 31 July 2018 the Board of Directors granted consent in resolution 30-32/2018 (VII.31.) to increase the private capital of the Issuer to HUF 9.639.776.150 by 60.293.208 new previously issued „A" series registered, dematerialised ordinary shares at HUF 25 par each at HUF 611 issue price. The increased capital amounted to HUF 9.639.776.150 consisting of 385.591.046 ordinary shares at HUF 25 par each.

Capital increase of HUF 1.507.330.200 was non-cash consideration contribution in kind. The valuation of the capital contribution in kind was performed by PricewaterhouseCoopers Magyarország Kft.

In exchange for the capital contribution, KONZUM PE Magántőkealap is eligible to 42.205.246 ordinary share at HUF 25 par amounting HUF 1.055.131.150 and Unitreasury Kft is eligible to 18.087.962 ordinary shares at HUF 25 par amounting HUF 452.199.050.

As a result of the capital increase, the Issuer became the sole owner of KAAL Ingredients Kft.

(b) Decision of private capital increase on 14 September 2018– VIRESOL Kft.

On 14 September 2018 the Board of Directors granted consent in resolution 37-38/2018 (IX.14.) to increase the private capital of the Issuer to HUF 10.731.595.850 by 43.672.788 new previously issued „A" series registered, dematerialised ordinary shares at HUF 25 par each at HUF 611 issue price. The increased capital amounted to HUF 10.731.595.850 consisting of 429.263.834 ordinary shares at HUF 25 par each.

Capital increase of HUF 1.091.819.700 was non-cash consideration, contribution in kind. The valuation of the capital contribution in kind was performed by EQUILOR Corporate Advisory Zrt.

In exchange for the capital contribution, Talentis Group Zrt. is eligible to 43.672.788 ordinary share at HUF 25 par amounting HUF 1.091.819.700.

As a result of the capital increase, the Issuer practiced significant influence over VIRESOL Kft.

(c) Decision of private capital increase on 15 November 2018 and related receivables – R-KORD Kft. és Mészáros és Mészáros Kft.

On 15 November 2018 the Board of Directors granted consent in resolution 58-60/2018 (XI.15.) to increase the private capital of the Issuer to HUF 13.409.611.900 by 107.120.642 new previously issued „A" series registered, dematerialised ordinary shares at HUF 25 par each of which 9.314.820 oridinary shares at HUF 469 issue price and 97.805.822 ordinary shares ate HUF 611 issue price.

The increased capital amounted to HUF 13.409.611.900 consisting of 536.384.476 ordinary shares at HUF 25 par each.

The total capital increase of HUF 1.091.819.700 was non-cash consideration, contribution in kind.

The valuation of the capital contribution in kind from KONZUM PE Magántőkealap was performed by BDO Magyarország Kft.

The valuation of the capital contribution in kind from Mészáros Lőrinc and Mészárosné Kelemen Beatrix Csilla was performed by PricewaterhouseCoopers Magyarország Kft.

As a result of the capital increase, the Issuer practiced significant influence over Mészáros és Mészáros Kft. and R-KORD Kft.

13.17.2 Transactions

13.17.2.1 The Issuer (buyer) and STATUS ENERGY Magántőkealap (seller) signed an agreement on 15 November 2018 to buy 55.05% of investment in Status Power Invest Kft. The sales price of the investment was HUF 9.890

million. The transaction concluded on 10 December 2018 resulting in ownership in Status Power Invest Kft and its majority owned subsidiaries.

13.17.2.2 The Issuer (seller) and Talentis Group Zrt. (buyer) signed an agreement on 15 November 2018 to sell 100% of the share capital of OPUS PRESS Zrt. representing 20 ordinary shares at HUF 1.000.000 par each. The sales price of the shares was HUF 7.357.102.952. Th e transaction concluded on 10 December 2018 resulting in the disposal of the media segment.

In paralel with the agreement disclosed in this paragraph, the Issuer assigned receivables from OPUS PRESS Zrt to Talentis Group Zrt. for a consideration of HUF 2.532.897.048.

13.17.3 Subsequent events not disclosed in the pro forma financial statements:

13.17.3.1 The pro forma financial statements present payables outstanding in KALL Ingredients Kft. to its former owner TRIGO Kft. TRIGO Kft. assigned the receivables from KALL Ingredients Kft to KONZUM PE Magántőkealap on 13 July 2018 when KALL Ingredients Kft was sold. KONZUM PE contributed the receivable to the Issuer based on the decision of the Board on 15 Novemebr 2018.

Subsequently, on 30 November 2018, with the contribution of receivable claimed from KALL Ingedients Kft, the Issuer increased the share capital of KALL Ingredients Kft from EUR 323.468 to EUR 5.800.000 and placed EUR 8.076.396 into capital reserve of KALL Ingredients Kft.

13.17.3.2 The HUF 9 billion loan to private individual presented in the pro forma financial statements for the first six months was repaid in October 2018.

13.17.3.3 Based on the decision of the General Meeting in September 2018, Mátrai Erőmű Zrt sold its solar power plant to MVM Hungarowind Kft on 19 December 2018. According tot he agreement, Mátrai Erőmű Zrt. continues to operate and maintain the 16 megawatt solar power plant in future and pay rent for the use of the site, transformators and cables. Since the Hungarian Office for Energy and Utility Regulations provided the necessary permissions, the transaction could be concluded.

14. ADMINISTRATIVE, COURT AND ARBITRATION COURT PROCEDURES

In the past 12 months, there were no government, court or arbitration court proceedings that may have had a significant impact on the financial position or profitability of the Group and the Group is not aware of any government, court or arbitration court proceedings that may have a significant impact on the financial position or profitability of the Group.

15. TAX LIABILITIES RELATED TO INCOME FROM SHARES

15.1 Introduction

This summary is based on the Hungarian tax legislation and regulations effective at the time when this Prospectus is signed. The Issuer informs the investors that as it is also explained in the chapter of the Prospectus dedicated to risk factors, the tax regulations in Hungary are amended relatively often and even unfavourable modifications may be made following the publication of this Prospectus.

This summary does not provide a general overview of all tax regulations required for making a decision on investing into, or holding or subsequent sale of, the shares, it only provides information on the fundamental Hungarian tax consequences and therefore potential investors are advised to thoroughly review the tax regulations and consult with an expert if necessary before deciding to invest. [10]

15.2 Most important tax regulations applicable to resident private individual investors

15.2.1 General provisions

Resident private individuals holding shares are liable for income tax payable for their exchange rate gain and dividend, according to the applicable provisions of Act CXVII of 1995 on Personal Income Tax.

15.2.2 Capital gain

Pursuant to Section 67(1) of the PIT Act income from capital gains realised is proceeds received upon the transfer of securities (not including lending arrangements), less the purchase price of the securities and any incidental costs associated with the acquisition of the securities. Any portion of the said profit that is to be treated as part of some other type of income in accordance with this Act shall not be considered as a capital gain. The rate of personal income tax payable on income from capital gains is 15%.

The income from the proceeds shall be established on the date of the contract for the transfer of securities. If a private individual acquired the ownership right to transferred securities through a lending arrangement, then the income shall be established for the date when the securities are returned or, if the contract is terminated without the return of the securities (which also includes the expiry of the time limit), the for the date of cessation of the contract.

The tax liability on income established as indicated above occurs on the date when the proceeds are received. If the proceeds are received in a number of instalments, then it must be assumed that the private individual receives the income on a pro rata basis reflecting the ratio of the instalment within the total expected proceeds.

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[10] The main effective legal regulations and conventions effective at the time of the publication of this Prospectus:
- Act CXVII of 1995 on Personal Income Tax
- Act LXXXI of 1996 on Corporate Tax and Dividend Tax
- Act LXVII of 1998 on Healthcare Contribution
- Act CL of 2017 on the Rules of Taxation
- Act LII of 2018 on Social Contribution Tax
- international tax conventions on avoiding double taxation

The payer establishes the income from the proceeds, the tax under the title of the income and the tax advance on the basis of the acquisition value and auxiliary cost data available or established or certified by the private individual at the time of the payment and declares and pays it in accordance with the provisions of the Taxation Act. If the income does not originate from a payer, the private individual assesses the tax in a declaration prepared without any involvement of the tax authority and pays it by the deadline for the submission of the declaration. In the tax declaration the private individual may apply a portion of the amount spent for the acquisition on the securities and the auxiliary costs associated with the securities that were disregarded by the payer during the establishment of the income when they establish their total income from capital gain earned during the fiscal year or during the self-correction of their tax declarations.

Until 31.12.2018, private individuals must pay 14% health care contribution on the amount of their capital gains pursuant to Act LXVII of 1998 on Healthcare Contribution until the aggregated amount of the healthcare contribution paid for the private individual, the health service contribution and the health contribution calculated in the current year reaches the limit specified by law (HUF 450,000 in 2018). Act LXVI of 1998 lost effect on 31 December 2018.

Following the changes in the tax laws and regulations, from 1 January 2019, private individuals must pay 19.5% social contribution on their income from capital gain pursuant to Act LII of 2018 on Social Contribution Tax until the private individual's income listed in specific sections of that Act reaches twenty four times the minimum wage effective in the year in the course of the current year. The extra-wage benefits, certain other benefits and income from preferential interest rates is not included in that limit. The payable tax equals the tax calculated on the tax base at the tax rate effective at the time of the payment less the tax allowances available for the person liable for the payment of tax pursuant to the provisions of the law.

15.2.3 Income from controlled capital market transactions

Pursuant to Section 67/A(1) of the PIT Act income from controlled capital market transactions shall mean the profit realized on controlled capital market transaction(s) the private individual has made during the tax year - including the capital market transactions covered by the provisions of this Section at the private individual's choice - (not including interest income, or if income from long-term investments has to be established based on the transaction), and received in money from all such transactions (total profit realized on transactions) that is in excess of the total losses the investment service provider has charged to the private individual in connection with a given transaction or transactions, and paid during the tax year (total loss realized on transactions).

Losses on controlled capital market transactions shall include the sum of total loss realized on transactions that is in excess of the total profit realized on transactions.

Consequently, the profits and losses of capital market transactions are aggregated and their balance is the taxable income earned in the fiscal year.

If a private individual made a loss on controlled capital market transactions in the fiscal year and/or in the previous year and/or within two years prior to the fiscal year and indicates that loss in the annual tax declaration, they are entitled to tax compensation which may be indicated in the tax declaration as tax paid. The top limit of tax compensation is the tax on the income from controlled capital market transactions declared in the fiscal year and in the preceding two years.

15.2.4 Controlled capital market transaction

A controlled capital market transaction is a transaction made with or with the involvement of an investment service provider for financial instrument specified by law (other than privately issued securities), not classified as a swap.

Pursuant to the PIT Act and the Taxation Act, investment service providers who are payers supply data to the national tax authority on the basis of the income earned by private individuals in their transactions during the fiscal year based on the documents issued by them (execution certificates) by 31 January of the subsequent year, indicating the name and tax identification number of the private individual. The investment service provider has no tax (tax advance) deduction obligation in relation to controlled capital market transactions.

The private individual assesses the income and the tax on the basis of the documents issued by the investment service provider for the controlled capital market transaction(s) (execution certificates) and their own records, by also applying the rules pertaining to capital gains and declares it in the declaration for the fiscal year and pay the tax by the deadline for the submission of the declaration.

If a private individual made a loss on controlled capital market transaction in the fiscal year and/or in the previous year and/or in two years prior to the fiscal year, it must be indicated in the tax declaration for the year in which the loss incurred, in which case the private individual is eligible for tax compensation which may be stated in the tax declaration as tax paid as specified below:

The tax compensation equals the loss made on controlled capital market transactions declared in the fiscal year and/or in the preceding two years multiplied by the tax rate effective at the time of the declaration, less any tax compensation already applied in the tax declaration for either of the two years prior to the fiscal year due to loss made on capital market transactions or not more than the amount established according to the paragraph below.

The amount indicated in the previous paragraph is the tax on the income from controlled capital market transactions, declared in the fiscal year and/or in the preceding two years, less the tax compensation already applied due to losses made on controlled capital market transactions and stated in a tax declaration for either of the two years prior to the fiscal year.

Contrary to the above, in the case of the transfer of securities in a capital market transaction, a portion of par value of the securities, but no more than the portion of the proceeds that does not qualify as income at the transferor private individual pursuant to subparagraph (b) and, with the exception of cases referred to in Paragraph (5), subparagraphs (c) and (d)- of Section 77/A (2) of the PIT Act, less the amount spent on the acquisition of the securities and the auxiliary costs associated with the securities also qualifies as capital gain.

The personal income tax rate has been 15% since 2016.

No other contribution is payable on income earned on shares sold in stock exchange transactions.

15.2.5 Dividend

Pursuant to Section 66 (1) of the PIT Act, all revenues of private individuals received as dividends or dividend advance shall be considered income.

For the purposes of the PIT Act, the profit after tax for the fiscal year established pursuant to Accounting Act and ordered to be distributed by the business association to its private individual members and profit share approved from the profit after tax for the fiscal year plus the disposable profit reserve; the interest on interest bearing shares and the return of venture capital fund units also qualify as dividend. Income classified as dividend according to the legislation of a foreign state shall also qualify as dividend.

Interim dividend is any income received during the fiscal year on the basis of the projected dividend for the fiscal year.

The payer establishes the tax at the time of the payment and declares and pays it in compliance with the provisions of the Act on the Rules of Taxation. If there is no payer, the tax is established by the private individual and is paid by the 12th day of the first month of the quarter that follows the quarter of the payment. The interim dividend and its tax must be stated among the additional information in the tax declaration for the year of the payment, any approved and paid dividend, deducted and paid tax must be declared in the tax declaration for the year in which the financial statements approving the dividend are approved, by recognising the tax deducted and paid from the interim dividend as tax.

The personal income tax rate has been 15 per cent since 2016.

Until 31.12.2018, private individuals must pay 14% health care contribution on the amount of their capital gains pursuant to Act LXVII of 1998 on Healthcare Contribution until the aggregated amount of the healthcare contribution paid for the private individual, the health service contribution and the health contribution calculated in the current year reaches the limit specified by law (HUF 450,000 in 2018). Act LXVI of 1998 lost effect on 31 December 2018.

Following the changes in the tax laws and regulations, from 1 January 2019, private individuals must pay 19.5% social contribution on their income from dividend pursuant to Act LII of 2018 on Social Contribution Tax until the private individual’s income listed in specific sections of that Act reaches twenty four times the minimum wage effective in the year in the course of the current year. The extra-wage benefits, certain other benefits and income from preferential interest rates is not included in that limit. The payable tax equals the tax calculated on the tax base at the tax rate effective at the time of the payment less the tax allowances available for the person liable for the payment of tax pursuant to the provisions of the law.

15.3 Taxation of foreign private individuals

15.3.1 General provisions

Pursuant to the PIT Act the tax liability of foreign nationals is limited. It pertains exclusively to their income of domestic origin as per the place of the gainful activity or income that is otherwise taxed, on the basis of an international treaty or an agreement of reciprocity, in Hungary (limited tax liability).

When establishing the tax liability of non-residents, the provisions of international conventions and reciprocity must also be taken into account. If any international convention promulgated in an act or a government decree or the principle of reciprocity are contrary to the provisions of the PIT Act, then the provisions of the convention or the rules of reciprocity shall be applied. When reciprocity is applied, it may not result in any tax liability for the taxpayer additional to what is specified in the law.

A private individual is a non-resident when they are not taxable in the domestic territory pursuant to Section 3 (2) of the PIT Act. As an example, a non-Hungarian citizen who stays in Hungary for at least 183 days in a particular calendar year, or has a permanent domicile only in Hungary or whose centre of vital interests is in Hungary or whose place of habitual residence is in Hungary, are residents. A Hungarian citizen is always resident unless an international convention provides otherwise.

15.3.2 Capital gain

When defining the place of income generation, the PIT Act does not specify income from capital gain and therefore, in the case of any income from capital gain, the state in which the private individual is resident, must be considered the place of origin of the income.

15.3.3 Dividend

Pursuant to Section 66(1) (a) of the PIT Act dividend is a share provided to the private individual from the business association's taxed profit established in accordance with the Accounting Act that is available from the current year and has been ordered for distribution by the business association, or from the taxed profit supplemented by available profit reserves from the current year.

Pursuant to the PIT Act, in the case of dividend the place of origin of the income is the state in which the legal entity or other organisation obliged to pay dividend is resident. In the case of legal entities established in Hungary, the place of origin of the income is in the domestic territory and therefore the provisions of the PIT Act must be applied.

15.3.4 International conventions on double taxation

Non-resident private individuals may request a tax residency certificate from the state in which they pay tax as a resident taxpayer prior to the dividend payment. Residency abroad may be certified by the English-language copy, professional Hungarian translation of the English-language copy of the document issued by a foreign tax authority or a copy thereof. Tax residency shall be certified in each fiscal year prior to the payment even if it has not changed since proof of it was last provided. If a private individual cannot certify tax residency by the date of the payment, a written declaration on tax residency may also be accepted.

Pursuant to Annex 7 of the Act on Personal Income Tax the payer shall deduct tax at the rate stated in the convention if a non-resident private individual submits the certificates indicated in the referred annex by the date of the payment.

No tax shall be deducted, declared and paid on an income that is exempt from taxation under an international convention, and if the non-resident private individual verifies their tax residency.

If there is no tax residency certificate or declaration, the payer shall deduct 15% personal income tax. In that case, if the tax deducted is higher than the tax rate to be applied by virtue of an international convention, the non-resident person concerned may submit an application for refund to the state tax authority, with a certificate from the payer and a certificate of domicile attached.

15.4 Taxation of domestic companies

15.4.1 General provisions

The tax liability related to any income earned from resident companies, foreign entities controlled from Hungary or Hungarian business sites of foreign entities are governed by the provisions of the Taxation Act. Each company which is established in Hungary is a resident company.

Companies holding properties are subject to different rules, but such rules do not apply to taxpayers listed on recognised stock exchanges even if otherwise they comply with the respective definition.

15.4.2 Capital gain

There is no specific regulation for capital gain in the taxation of companies. Any capital gain as part of the income from the business activities of a resident company is included in the corporate tax base of the company. The corporate tax base equals the profit before taxation, amended by reductions and increments, special items, adjustments due to associated companies, items for the avoidance of double taxation and other adjustments applied due to transitional provisions.

The corporate tax rate is 9% of the positive tax base.

The capital gain of Hungarian branch offices is governed by the same rules as applicable to resident companies.

15.4.3 Dividend

Pursuant to Section 7 (1) g) of the Taxation Act, income recognised by the taxpayer in the fiscal year under the title of received (earned) dividend and profit share is exempt from taxation, with the exception of income recognised as a result of dividend and profit share received (earned) from controlled foreign companies, providing that it was previously not recognised as an item reducing the profit before taxation.

The amount recognised by a taxpayer under the title of dividend among the revenues from financial transactions pursuant to the Accounting Act and the corresponding amount recognised by taxpayers preparing their annual financial statements and closing their books according to IFRS is considered dividend, providing that the company establishing the dividend does not recognise that amount (including the managed assets) as an expense charged to its profit before taxation.

15.4.4 Notified holding

15.4.5 With the concept of notified holding, the Taxation Act allows taxpayers to reduce their profit before taxation by the capital gain obtained during the sale of any holding in a legal entity established on the basis of domestic legislation and in foreign entities (with the exception of controlled foreign companies).

The tax base may be reduced in relation to any notified holding if

(a) the party acquiring the holding (business quota buyer) is subject to corporate tax,

(b) the taxpayer acquires the holding in a domestic legal entity or foreign entity and notifies the tax authority about it within 75 days from the acquisition,

(c) the taxpayer (also including the taxpayer's legal predecessor) records the holding among its assets at least for one year prior to the sale,

(d) business quota acquired in controlled foreign companies may not be notified holdings.

In view of the provisions of Section 8 (1) mb) of the Taxation Act, if a taxpayer recognises any impairment on the notified holding or any loss due to its derecognition under any title and incurs a loss on the sale, the corporate tax base must be increased by such expenditure.

15.5 Taxation of companies established abroad

15.5.1 Capital gain

Pursuant to the Taxation Act, a foreign person is a non-resident taxpayer if they pursue business activities at a business site in the domestic territory providing that they cannot be deemed a resident taxpayer on the basis of the place of their business management ('foreign entrepreneur'). The tax liability of foreign entrepreneurs apply to income earned from business activities pursued at a business site in the domestic territory.

If the foreign person does not have a business site in Hungary or the capital gain is not associated with the business site, then no corporate tax is payable on the capital gain in Hungary. If the capital gain relates to a business site of the foreign entrepreneur in the domestic territory, then the capital gain is part of the corporate tax base.

15.5.2 Dividend

The dividend tax was terminated in relation to non-resident companies in Hungary on 1 January 2006. However, if a company is a controlled foreign company, then the

Hungarian private individual beneficial owner has a taxable income in the domestic territory in the year when dividend is distributed.

If the received dividend is associated with the Hungarian business site of the foreign company, then it will earn an income and deductions may be applied from the tax base under the same terms and conditions as applicable to a Hungarian resident company.

15.6 Financial transaction levy

15.6.1 Each payment is subject to financial transaction levy, payable by the financial institution making the credit transfer. The levy is based on the amount with which the payment service provider debits the payer's account. The rate of the levy is 0.3% and no more than HUF 6,000 by credit transfer.

15.7 Responsibility of the Issuer in relation to the deduction of the capital gain tax

15.7.1 The Issuer does not take any responsibility for the deduction of the capital gain tax

16. ADDITIONAL INFORMATION

The Issuer's Shares are presented in Clause 5 'Shares' of the Prospectus.

16.1 Basic information on corporate law

16.1.1 The Issuer's objectives

The Articles of Association do not contain any part that presents the objectives of the Issuer.

16.1.2 The General Meeting

The supreme body of the Issuer is the General Meeting composed of the totality of shareholders. The shareholders shall exercise jointly at the General Meeting all their rights that relate to the Issuer's matters.

The following shall belong to the exclusive competence of the General Meeting:

(a) decisions on the establishment and amendment of the Articles of Association unless the Civil Code or the Articles of Association provide otherwise;

(b) decisions on the reduction of the share capital unless the Civil Code or the Articles of Association provide otherwise;

(c) changing the rights attached to certain series of shares and transforming the categories or classes of shares;

(d) decisions on transforming, merging and splitting the Issuer and dissolving it with no legal successor;

(e) decisions on the increase of the share capital unless the Civil Code or the Articles of Association or the General Meeting provide otherwise;

(f) election, recall (dismissal) and establishment of the remuneration of the members of the Board of Directors, Supervisory Board, the Audit Committee and the auditor;

(g) approval of the annual report prepared pursuant to the Accounting Act, decision on the appropriation of the profit after taxation;

(h) approval of the responsible corporate governance report;

(i) decision, unless provided otherwise by the Civil Code and the Articles of Association, on the issue of convertible bonds and bonds with subscription rights,

(j) decision on the proposal of the admission to the Stock Exchange or withdrawal from the Stock Exchange of the Issuer's shares of the same share type, constituting one series of shares;

(k) decision on changing the form (private, public) of operation of the Issuer;

(l) decisions on the payment of interim dividend unless the Civil Code or the Articles of Association provide otherwise;

(m) decision on the exclusion of exercising pre-emptive rights in subscription, and on the authorisation of the Board of Directors to limit or exclude any pre-emptive right in subscription;

(n) decision on the authorisation of the Board of Directors to increase the share capital, or issue bonds;

(o) decision on all issues which are assigned to the exclusive competence of the General Meeting by the Civil code or the Articles of Association; and

(p) all matters that belong to the derivative competence of the General Meeting, including especially those that the Board submits to the General Meeting.

The Issuer holds an annual General Meeting by 30 April of each financial year.

The annual General Meeting is convened by the Board of Directors. The venue, time and agenda of the General Meeting are determined by the Board of Directors.

The Board of Directors is entitled and, upon the request of the eligible parties referred to in the provisions of the Civil Code and the Articles of Association, must convene an extraordinary General Meeting. The General Meeting must be convened in an Announcement published on the Issuer's website at least 30 days prior to the date of the meeting.

If a shareholder intends to exercise the shareholder rights, the securities account managing bank issues an ownership certificate about the dematerialised securities. The ownership certificate shall indicate the Issuer and the type of the shares, the number of the shares, the securities account managing institution and its official signature, the name (company name) and address (registered office) of the shareholder. The ownership certificate issued to permit its holder to exercise the right to attend the company's General Meeting shall remain valid until the date of the General Meeting, including the second General Meeting if reconvened. The ownership certificate must contain that it was issued by the securities account manager for exercising the shareholder rights at the particular General Meeting because following the issue of the ownership certificate no change may be recorded on the particular securities in the securities account without the simultaneous withdrawal of the ownership certificate or it must indicate a reference to the blockage of the securities account until the date of the General Meeting.

A shareholder may exercise the right to attend the General Meeting and vote there if they have been registered in the Issuer's book of shares by 18.00 of the 2nd working day prior to the General Meeting. Shareholders may attend the General Meeting only in person or through a proxy.

There is no need for an ownership certificate if the Board of Directors has decided on the identification of the shareholder.

The General Meeting has a quorum when shareholders representing more than 50 percent of the voting shares or their representatives authorised in a public document or in a private document fully acceptable as proof are present. The proxy authorisation granted to the shareholder's representative is only for one occasion but its effect also applies to the continuation of any suspended General Meeting and to General Meetings, reconvened due to lack of forum. The withdrawal of the proxy authorisation shall only be effective towards the Company if it is presented to the Chairman of the General Meeting prior to the opening of the General Meeting or, when the proxy authorisation relates to voting on one particular agenda item, prior to the start of the discussion on that agenda item. The provisions relating to the granting of the proxy authorisation shall be applied to its withdrawal. Executive officers, supervisory board members and the auditor may not function as a representative of a shareholder.

The General Meeting decides on the mode of voting at the General Meeting in accordance with the proposal of the Board of Directors.

Unless shareholders representing at least one tenth of the share capital propose otherwise, the General Meeting shall adopt its resolutions with an open vote and with simple majority unless the applicable laws and regulations and the Articles of Association provide otherwise.

16.1.3 The Board of Directors

The Board of Directors is the managing body of the Issuer. The Board of Directors represents the Issuer in courts and in front of other authorities and towards third parties.

The Board of Directors proceeds as a body, in accordance with its Rules of Procedure. The Board of Directors shall have the right to establish its own rules of procedure.

The Board of Directors consists of at least 3 and no more than 7 natural person members. Unless it is provided otherwise, its members are elected by the General Meeting for a term of 5 years. The Board of Directors elects its chairman and vice chairman (chairmen) from its own members. In the event of being impeded, the vice chairman shall substitute the chairman. Unless a General Meeting resolution provides otherwise, the Board of Directors functions as a 5-member body. When some members of the Board of Directors are changed or new members are added to the Board of Directors, the mandate of the new members shall be for the same term as the original mandate of the members of the Board of Directors. The members of the Board of Directors can be recalled at any time or re-elected after the expiry of their mandates.

The Board of Directors:

(a) is responsible for all decisions adopted by it and in the competence delegated by it in relation to the operation of the Issuer;

(b) decides on the increase of the share capital based on a resolution of the General Meeting granting authorisation for it. Such authorisation also grants the right and obligation to the Board of Directors to adopt decisions on the increase of the share capital, also including any necessary modification in the Articles of Association;

(c) controls the financial management of the Issuer and determines the business and development concept for the Issuer;

(d) establishes the Code of Organisation and Operation of the Issuer;

(e) exercises the employer’s rights towards the Chief Executive Officer and other executive officers or the Issuer;

(f) arranges for the preparation of the balance sheet and statement of assets of the Issuer, submits to the General Meeting the financial statements prepared according to the Accounting Act and the responsible corporate governance report and makes a proposal for the distribution of the profit;

(g) discloses the financial statements of the Issuer and submits them to the Court of Registration; in relation to the publicly issued shares of the Issuer, it fulfils the notification obligation of the Company defined in the Capital Market Act;

(h) arranges for the regular keeping of the business books the book of shares of the Issuer;

(i) prepares a report, at least once a year, to the General Meeting on the management, assets and liabilities and business policy of the Issuer;

(j) decides on any new borrowing and commitment when the debt portfolio of the Issuer, also including the assumed commitments, exceeds 10% of the Issuer's equity according to the latest audited financial statements. This provision does not apply to borrowing or commitments as a result of which the Company's liabilities do not increase;

(k) decides on the sale of any asset, right or title or other participation in the Issuer if its book value exceeds 10% of the Issuer's equity according to the latest audited financial statements;

(l) decides on the foundation of a company or co-operative, or the acquisition of a business quota or participation in another company if its book value exceeds 10% of the Issuer's equity according to the latest audited financial statements;

(m) decides on the increase or replenishment of the fixed assets of the Issuer (capital investments) if the respective book value exceeds 10% of the Issuer's equity according to the latest audited financial statements;

(n) decides on the sale or leasing the properties or other tangible assets of the Issuer if the respective book value exceeds 10% of the Issuer's equity according to the latest audited financial statements;

(o) decides on the issue of securities with the exception of the issue of securities falling within the scope of the General Meeting, defining also the method of issue, the rights associated with the securities, the term of the securities and the conditions of its redemption;

(p) decides on all issues and performs all the tasks that are rendered into the scope of competence or sets as a task of the Board of Directors by the Civil Code, the Articles of Association and the General Meeting;

(q) shall have the right to establish or terminate statuses in the operative management of the Issuer (e.g., Chief Executive Officer), to elect, recall and establish the remuneration of the individuals holding the statuses and to exercise the employer's rights.

The Board of Directors has its meetings as and when necessary. The meetings are convened by the Chairman of the Board of Directors. Any member of the Board of

Directors may request a meeting of the Board of Directors in writing, by specifying the reasons and the objective of the meeting simultaneously.

The meeting of the Board of Directors shall have a quorum if more than half of the members are present. Resolutions of the Board of Directors shall be adopted by a simple majority of votes. In the case of a tied vote the proposal must be considered rejected. The Board of Directors adopts its resolutions on the exercise of employer's rights with a 2/3 majority decision.

The members of the Board of Directors shall exercise particular care in their actions, as generally expected of persons in such positions. They are liable for any damage caused to the Issuer through the violation of their obligations through their own fault according to the provisions of the civil law. Members of the Board of Directors who did not take part in the decision or voted against the resolution shall not be liable for it. The liability of an executive officer cannot be excluded or limited in relation to any deliberately caused damage. In other cases, the liability of an executive officer applies to damage that could be foreseen at the time of the establishment of their position if they assumed any unreasonable risk on behalf of the Issuer that exceeds the degree of natural risk assumption involved in market operation. The degree of compensation equals the amount of the loss occurring in the existing assets of the Issuer and cannot exceed the total of the yearly income of the executive officer who needs to pay compensation. Executive officers supporting the measure or resolution that causes the damage shall have joint and several liability for the payment of the compensation.

16.1.4 The Chief Executive Officer

The Chief Executive Officer is responsible for the operative management of the Issuer. The Chief Executive Officer may sign individually on behalf of the Issuer.

16.1.5 The Supervisory Board

In order to control the management and protect the interests of the Issuer and the shareholders, the General Meeting elects a Supervisory Board of at least 3 members. The minimum 3 members of the Supervisory Board must be independent individuals as defined in Section 3:287 of the Ptk. Unless the General Meeting provides otherwise, the mandate of the members of the Supervisory Board is for 5 years. If for any reason a new member of the Supervisory Board is elected during the term of mandate of the Supervisory Board, the mandate shall be for the same term as defined when the original Supervisory Board was elected.

The Supervisory Board shall establish its rules of procedure itself.

The Supervisory Board is obliged to examine the proposals to be put before the General Meeting and to present its position on such proposals at the meeting of the decision making body. The Chairman of the Supervisory Board shall be invited to the meetings of the Board of Directors.

The Supervisory Board may inspect the Issuer's documents, accounting records and books, may request information from the executive officers and legal entity employees, and audit the Issuer's payment account, cash at hand, securities and goods as well as contracts and agreements, or have them audited by an expert.

Members of the Supervisory Board shall be held liable for damages caused to the Issuer resulting from their omission of supervisory responsibilities in accordance with the provisions on liability for damages for loss caused by improper performance of an obligation.

16.1.6 Presentation of the rights, preferential rights and limitations associated with the categories of shares.

All shares issued by the Issuer are 'A'-series registered, dematerialised ordinary shares of HUF 25 nominal value each. The ordinary shares of the Issuer represent identical shareholder rights. The shares are equal and none of them grants any advantage in exercising the shareholder rights.

16.1.7 A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.

With regard to changes in the rights the shareholders, the Articles of Association does not contain stricter conditions than those specified by law.

16.1.8 A brief description of any provision of the Issuer's Articles of Association or bylaws that would have an effect of delaying, deferring or preventing a change in control of the Issuer.

The Issuer's Articles of Association or bylaws do not contain any provision that would have an effect of delaying, deferring or preventing a change in control of the Issuer.

16.1.9 An indication of the Articles of Association or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.

Compared to the thresholds defined in the legislation, the Articles of Association do not contain any further threshold above which shareholder ownership must be disclosed.

16.1.10 A description of the conditions imposed by the Articles of Association or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.

The provisions of the Articles of Association governing changes in the capital do not contain conditions that are more stringent than is required in the Civil Code.

16.2 Information from third parties

The Issuer did not employ an expert in the compilation of the data and information included in the Prospectus.

The Issuer has reproduced all information sourced from third parties in the Prospectus and as far as the Issuer is aware no facts have been omitted which would render the information inaccurate or misleading.

Sources of information: information available publicly.

16.3 Auditor’s reports

The Issuer’s

(a) consolidated audited Annual Report of its financial year as at 31 December 2016 prepared according to IFRS;

(b) consolidated audited Annual Report of its financial year as at 31 December 2017 prepared according to IFRS;

(c) consolidated audited Semi-Annual Report as at 30 June 2018 prepared according to IFRS; and

(d) Pro Forma Financial Statement prepared as at 30 June 2018

are in Annexes 1-4 of the Prospectus.

A declaration of the independent auditor stating that the reports indicated above reflect a true and fair view for the purposes of the registration document is included in Annexes 1-4 of the Prospectus.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The Issuer's effective Articles of Association and the Issuer's Announcement can be viewed in an electronic format on the Issuer's website. (www.opusglobal.hu).

The Issuer's

(a) consolidated audited Annual Report of its financial year as at 31 December 2016 prepared according to IFRS;

(b) consolidated audited Annual Report of its financial year as at 31 December 2017 prepared according to IFRS;

(c) consolidated audited Semi-Annual Report as at 30 June 2018 prepared according to IFRS; and

(d) Pro Forma Financial Statement prepared as at 30 June 2018

constitute Annexes 1-4 of the Prospectus.

18. LIST OF CROSS REFERENCES

In order to make assist the orientation of investors and capital market actors, the table below provides a detailed summary indicating the part of the Prospectus that contains the mandatory components specified in the Regulation.

The 'Regulation' column of the tables below contain a list of the mandatory components required under Annexes I-III of the Regulation (with word by word quotation from the Regulation); the 'Respective part of the Prospectus' columns of the table contain the cross references based on which the particular information can be found in this Prospectus (chapter and clauses).

Annex I of the Regulation ('Minimum disclosure requirements of the registration document for shares')

	Regulation	Respective part of the Prospectus
1.	**RESPONSIBLE PERSONS**	
1.1.	All persons responsible for the information given in the registration document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	3
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect important conclusions drawn from it.	3
2.	**STATUTORY AUDITORS**	
2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	4.2
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	-

3.	**SELECTED FINANCIAL INFORMATION**	
3.1.	Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.	13 and reports attached as Annexes 1-3
	The selected historical financial information must provide the key figures that summarise the financial condition of the issuer.	13 and reports attached as Annexes 1-3
3.2.	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year shall also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.	13 and Annex 3
4.	**RISK FACTORS**	
	Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed 'Risk Factors'.	2
5.	**THE ISSUER**	
5.1.	History and Development of the Issuer	6
5.1.1.	The legal and commercial name of the issuer.	4.1
5.1.2.	The place of registration of the Issuer and its registration number;	4.1
5.1.3.	The date of incorporation and the length of life of the Issuer, except where indefinite;	4.1
5.1.4.	The domicile and legal form of the Issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	4.1
5.1.5.	The important events in the development of the Issuer's business.	4.4, 6, 12 and 13
5.2.	Investments	
5.2.1.	A description (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the registration document.	4.3 and 6
5.2.2.	A description of the issuer's principal investments that are currently in progress, including the distribution of these investments geographically (home and abroad) and the method of financing (internal or external);	6

5.2.3	Information concerning the issuer's principal future investments on which its board of directors have already made firm commitments.	-
6.	**THE BUSINESS ACTIVITY**	
6.1.	Principal activities	4.1 and 4.3
6.1.1.	Presentation of the Issuer's core activities and the related key factors, and the main types of products sold and/or services provided, in each financial year covered by the historical financial information; and	6
6.1.2.	indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development.	6 and 7
6.2.	The most important markets	6
	Presentation of the Issuer's most important competitive markets, including the total turnover broken down to scope of activity and their distribution by geographical markets, in each fiscal year covered by the former financial information.	6
6.3.	Where the information given pursuant to items 6.1. and 6.2. has been influenced by extraordinary factors, mention that fact.	-
6.4.	If material to the issuer's business or profitability, disclose summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	7
6.5.	The basis for any statements made by the issuer regarding its competitive position.	6 and 13
7.	**ORGANISATIONAL STRUCTURE**	
7.1.	If the Issuer is the member of a group, brief presentation of the group and the Issuer's position within the group.	4.3
7.2.	List of the Issuer's major subsidiaries, including the subsidiaries' name, the country of registration or registered office, participation in the ownership rights and the voting right, if it is not identical with the former.	4.3
8	**TANGIBLE ASSETS**	
8.1.	Information regarding any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon.	6
8.2.	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.	7.2
9.	**OPERATING AND FINANCIAL REVIEW**	

9.1.	Financial position To the extent not covered elsewhere in the registration document, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.	13
9.2.	Business profit/loss	
9.2.1.	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.	4.4, 6 and 13
9.2.2.	Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	13.10 and 13.13
9.2.3.	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	2 and 6
10.	**CAPITAL RESOURCES**	
10.1.	Information concerning the issuer's capital resources (both short and long term).	13.12 and 13.14
10.2.	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows;	13.13
10.3.	Information on the borrowing requirements and funding structure of the issuer.	13.12
10.4.	Information on any limitation of the use of the capital resources which directly or indirectly significantly influences or may influence the Issuer's business activity.	-
10.5.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3 and 8.1.	-

11.	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES**	
	Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and development activities.	7
12.	**TRENDS**	
12.1.	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.	6
12.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	2 and 6
13.	**PROFIT FORECASTS OR ESTIMATES**	
	If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information items 13.1 and 13.2.	-
13.1.	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.	-
	There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.	-
13.2.	A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer. Where financial information relates to the previous financial year and only contains non-misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements: (a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information; (b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements; (c) this financial information has not been audited.	-

13.3.	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information	-
13.4.	If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.	-
14.	**MANAGEMENT, CONTROLLING AND SUPERVISORY BODIES AND EMPLOYEES IN LEADING POSITIONS**	
14.1.	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer: *a)* members of the management, controlling and supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital; (c) founders, if the issuer has been established for fewer than five years; (d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer’s business. The nature of any family relationship between any of those persons. In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person’s relevant management expertise and experience and the following information: (a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous 5 years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies; (b) any convictions in relation to fraudulent offences for at least the previous 5 years; (c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous 5 years; (d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or	8

	supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous 5 years. If there is no such information to be disclosed, a statement to that effect is to be made.	
14.2.	Incompatibility of the management, controlling and supervisory bodies and the employees in leading positions Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 14.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management. Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities.	8.8
15.	**REMUNERATION AND BENEFITS** In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 14.1.	
15.1.	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person. This information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country or when the issuer has already publicly disclosed that information.	8.4 and 8.9
15.2.	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.	-

16.	**BOARD PRACTICES** In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 14.1:	
16.1.	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	8
16.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.	8
16.3.	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	8.5
16.4.	A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	8.10
17.	**EMPLOYEES**	
17.1.	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	9
17.2.	Share ownership and share options	
	Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1. provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	8
17.3.	Description of any arrangements for involving the employees in the capital of the issuer.	9.2
18.	**MAIN SHAREHOLDERS**	
18.1.	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an	10

	appropriate negative statement.	
18.2.	Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.	10
18.3.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	10
18.4.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	10
19.	**RELATED PARTY TRANSACTIONS**	
	Details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002), that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable. If such standards do not apply to the issuer the following information must be disclosed: (a) the nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arms length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding. (b) The amount or the percentage to which related party transactions form part of the turnover of the issuer.	12 and reports attached as Annexes 1-3
20.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES**	
20.1.	Former financial information Audited historical financial information covering the last financial year (or such shorter period that the issuer has been in operation), and the audit report for each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for Community Issuers. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted	13 and reports attached as Annexes 1-3

	pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements. The last two years audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited. If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least: *a)* balance sheet; *b)* income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and dividend distributions to owners; *d)* cash-flow statement; (e) accounting policies and explanatory notes The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.	

20.2.	Pro forma financial information In the case of a significant gross change, a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of pro forma financial information. This pro forma financial information is to be presented as set out in Annex II and must include the information indicated therein. Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.	13 and Annex 4
20.3.	Financial statements If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the registration document.	13 and reports attached as Annexes 1-3
20.4.	Control of the financial information of former years	
20.4.1.	Declaration on the control of the financial information of former years A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	16.3 and reports attached as Annexes 1-3
20.4.2.	An indication of other information in the registration document which has been audited by the auditors.	-
20.4.3.	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.	-
20.5.	Date of the latest financial information	13 and reports attached as Annexes 1-3
20.5.1.	The last year of audited financial information may not be older than:	
	(a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;	

	(b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	
20.6.	Interim and other financial information	
20.6.1.	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	13 and Annex 3
20.6.2.	If the registration document is dated more than 9 months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first 6 months of the financial year. The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.	13 and Annex 3
20.7.	Dividend policy A description of the issuer's policy on dividend distributions and any restrictions thereon.	 13.13
20.7.1.	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	13.2
20.8.	Court and arbitration court procedures Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	12
20.9.	Significant changes in the Issuer's financial or commercial position A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	4.4 and 13
21.	**ADDITIONAL INFORMATION**	
21.1.	Share capital	5.1

	The following information as of the date of the most recent balance sheet included in the historical financial information:	
21.1.1.	The amount of issued capital, and for each class of share capital: (a) the number of shares authorised; (b) the number of shares issued and fully paid and issued but not fully paid; (c) the par value per share, or that the shares have no par value; and (d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10 % of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.	5.1
21.1.2.	If there are shares not representing capital, state the number and main characteristics of such shares.	-
21.1.3.	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	5.2
21.1.4.	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	5.1
21.1.5.	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	-
21.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	5.3 and 5.4
21.1.7.	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	5.4
21.2.	Memorandum and Articles of Association	
21.2.1.	A description of the issuer’s objects and purposes and where they can be found in the memorandum and articles of association.	16.1
21.2.2.	A summary of any provisions of the issuer’s articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.	16.1
21.2.3.	A description of the rights, preferences and restrictions attaching to each class of the existing shares.	5.1
21.2.4.	A description of what action is necessary to change the rights of holders	16.1.7

	of the shares, indicating where the conditions are more significant than is required by law.	
21.2.5.	A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.	16.1.2
21.2.6.	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	16.1.8
21.2.7.	An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.	16.1.9
21.2.8.	A description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.	16.1.10
22.	**MATERIAL CONTRACTS** A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the 2 years immediately preceding publication of the registration document. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	11
23.	**INFORMATION FROM THIRD PARTIES, EXPERT'S STATEMENT AND DECLARATION IN INTEREST**	
23.1.	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the registration document.	16.2
23.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information. In addition, the source of information must be indicated.	16.2
24.	**DOCUMENTS ON DISPLAY**	

	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected: *a)* the Issuer's Deed of Foundation and Articles of Association; (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document; (c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the 2 financial years preceding the publication of the registration document. An indication of where the documents on display may be inspected, by physical or electronic means.	17
25.	**PRESENTATION OF PARTICIPATIONS**	
	Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	4.3

Annex II. of the Regulation ('Module of the pro forma financial information')

It is in Annex 4 of the Prospectus.

Annex III of the Regulation ('Minimum disclosure requirements for the share securities note')

	Regulation	Respective part of the Prospectus
1.	**RESPONSIBLE PERSONS**	
1.1.	All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	3
1.2.	A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its important conclusions.	3
2.	**RISK FACTORS**	
	Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed 'Risk Factors'.	2
3.	**ESSENTIAL INFORMATION**	
3.1.	Declaration on the working capital Statement by the issuer that, in its opinion, the working capital is sufficient for the issuer's present requirements or, if not, how it proposes to provide the additional working capital needed.	13.14
3.2.	Capitalisation and indebtedness A statement of capitalisation and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the document. Indebtedness also includes indirect and contingent indebtedness.	13.15
3.3.	Interest of natural and legal persons involved in the issue/offer A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the	-

	nature of the interest.	
3.4.	Reasons for the offer and use of proceeds Reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed. Details must be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.	-
4.	**INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING**.	
4.1.	A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (international security identification number) or other such security identification code.	5.1
4.2.	Legislation under which the securities have been created.	5.1.2
4.3.	An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.	5.1
4.4.	Currency of the issue	5.1
4.5.	A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights. - Dividend rights: - fixed date(s) of the origination of the entitlement, — time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates, — dividend restrictions and procedures for non-resident holders, — rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments - Voting rights. — Pre-emption rights in offers for subscription of securities of the same class.	5.1

	— Right to share in the issuer's profits. — Rights to share in any surplus in the event of liquidation. - Provisions relating to redemption. - Conversion conditions	
4.6.	In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.	-
4.7.	In the case of new issues, the expected date of the issue of the securities.	-
4.8.	Description of the limitations relating to the free transferability of the securities	5.1.9
4.9.	Indication of the existence of any mandatory takeover bids/or squeeze-out and sell-out rules in relation to the shares.	5.1.10
4.10.	Indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.	-
4.11.	In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought: - information on taxes on the income from the depository receipts withheld at source; - indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.	15
5.	**TERMS AND CONDITIONS OF THE OFFER**	
5.1.	Conditions, offer statistics, expected timetable and action required to apply for the offer	-
5.1.1.	Conditions to which the offer is subject.	-
5.1.2.	Total amount of the issue/offer, distinguishing the securities offered for sale and those offered for subscription; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer.	-
5.1.3.	The time period, including any possible amendments, during which the offer will be open and description of the application process.	-

5.1.4.	An indication of when, and under which circumstances, the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	-
5.1.5.	A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	-
5.1.6.	Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest).	-
5.1.7.	An indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.	-
5.1.8.	Method and deadline of paying for and transferring the securities.	-
5.1.9.	A full description of the manner and date in which results of the offer are to be made public.	-
5.1.10.	The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.	-
5.2.	Trading plan and allocation	-
5.2.1.	The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.	-
5.2.2.	To the extent known to the issuer, an indication of whether major shareholders or members of the issuer's management, supervisory or administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.	-
5.2.3.	Information before allocation: a) the division into tranches of the offer including the institutional, retail and issuer's employee tranches and any other tranches; b) the conditions under which the clawback may be used, the maximum size of such claw back and any applicable minimum percentages for individual tranches; c) the allotment method or methods to be used for the retail and issuer's employee tranche in the event of an over-subscription of these tranches; d) a description of any pre-determined preferential treatment to be accorded to certain classes of investors or certain affinity groups (including friends and family programmes) in the allotment, the	- - - - -

	percentage of the offer reserved for such preferential treatment and the criteria for inclusion in such classes or groups. e) whether the treatment of subscriptions or bids to subscribe in the allotment may be determined on the basis of which firm they are made through or by; f) a target minimum individual allotment if any within the retail tranche; g) the conditions for the closing of the offer as well as the date on which the offer may be closed at the earliest; h) whether or not multiple subscriptions are admitted, and where they are not, how any multiple subscriptions will be handled.	 - - - -
5.2.4.	Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.	-
5.2.5.	Over-allotment and 'green shoe': a) he existence and size of any over-allotment facility and/or 'green shoe'. b) The existence period of the over-allotment facility and/or 'green shoe'. c) any conditions for the use of the over-allotment facility or exercise of the 'green shoe'.	- - - -
5.3.	Pricing	-
5.3.1.	The offer price When the price is not known or when there is not an established and/or liquid market for the securities, indicate the method for determination of the offer price, including who has set the criteria or is formally responsible for its determination. Indication of the amount of any expenses and taxes specifically charged to the subscriber or purchaser.	-
5.3.2.	Publication of the offer price	-
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn, indication of the basis for the issue price if the issue is for cash, together with the reasons for and beneficiaries of such restriction or withdrawal.	-
5.3.4.	Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year, or which they have the right to acquire, include a comparison of the public contribution in the	-

	proposed public offer and the effective cash contributions of such persons.	
5.4.	Placing and underwriting	-
5.4.1.	Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extend known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.	-
5.4.2.	Names and addresses of the paying agents and the deposit managers in each country.	-
5.4.3.	Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Main features of the agreements, also including quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.	-
5.4.4.	When the underwriting agreement has been or will be reached.	-
6.	**LISTING ON THE STOCK EXCHANGE AND RULES RELATING TO TRADING**	
6.1.	An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.	4.5
6.2.	All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	4.5
6.3.	If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate.	-
6.4.	Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.	-

6.5.	Stabilisation: where an issuer or a selling shareholder has granted an over-allotment option or it is otherwise proposed that price stabilising activities may be entered into in connection with an offer:	-
6.5.1.	The fact that stabilisation may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time.	-
6.5.2.	The beginning and the end of the period during which stabilisation may occur.	-
6.5.3.	The identity of the stabilisation manager for each relevant jurisdiction unless this is not known at the time of publication,	-
6.5.4.	The fact that stabilisation transactions may result in a market price that is higher than would otherwise prevail.	-
7.	**SECURITIES HOLDERS INTENDING TO SELL**	
7.1.	Name and business address of the person or entity offering to sell the securities, the nature of any position office or other material relationship that the selling persons has had within the past three years with the issuer or any of its predecessors or affiliates.	-
7.2.	The number and class of securities being offered by each of the selling security holders.	-
7.3.	Agreements for fixing The parties involved. Contents and exceptions of the agreement. The fixing period.	- - - -
8	**EXPENSE OF THE ISSUE/OFFER**	
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	-

9.	**DILUTION**	
9.1.	The amount and percentage of immediate dilution resulting from the offer.	-
9.2.	In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.	-
10.	**ADDITIONAL INFORMATION**	
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	-
10.2.	An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.	-
10.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Securities Note.	16.2
10.4.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information. The source of information must also be identified.	16.2

19. TERMS AND DEFINITIONS INCLUDED THE PROSPECTUS

4iG Nyrt.	4iG Nyilvánosan Működő Részvénytársaság (registered office: 1037 Budapest, Montevideo u 8.; company registration number: Cg.01-10-044993)
Articles of Association	the Issuer's Articles of Association
General Business Regulations	General Business Regulations of the Budapest Stock Exchange
Rules of Taxation Act (RoTA)	Act CL of 2017 on the Rules of Taxation
Transformation Act	Act CLXXVI of 2013 on the Transformation, Merger, Demerger of Certain Legal Persons
Audit Committee	the Audit Committee of the Issuer
B+T Management Kft.	B+T Management Korlátolt Felelősségű Társaság (registered office: 2053 Herceghalom, Zsámbéki út 16.; company registration number: Cg.13-09-184745)
BDO Magyarország Könyvvizsgáló Kft.	BDO Magyarország Könyvvizsgáló Korlátolt Felelősségű Társaság (registgered office: 1103 Budapest, Kőér utca 2/A. Bldg. C.; company registration number: Cg.01-09-867785)
Merger	planned merger of the Issuer and KONZUM Nyrt. presented in Seciton 4.6 through the integration of KONZUM Nyrt. into the Issuer, as a result of which the Issuer will become the general legal successor of KONZUM Nyrt.
BSE or Budapest Stock Exchange	Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság (registered office: 1054 Budapest, Szabadság tér 7. 'Platina' (Platinum) Tower. Bldg. I. 4th floor; company registration number Cg. 01-10-044764)
Listed Shares	325,297,838 'A'-series registered dematerialised ordinary shares of the Issuer of HUF 25 i.e., twenty-five forints nominal value each, admitted to BÉT (ISIN ID: HU0000110226)
Budapest Bank	a BUDAPEST Hitel- és Fejlesztési Bank Zártkörűen Működő Részvénytársaság (registered office: 1138 Budapest, Váci út 193.; company registration number: 01-10-041037)
Group	The Issuer and its subsidiaries as indicated in the figure in Section4.3

Csabatáj Zrt. or Csabatáj	Csabatáj Mezőgazdasági Zártkörűen Működő Részvénytársaság (registered office: 5601 Békéscsaba, Felsőnyomás 243.; company registration number: Cg.04-10-001575)
EQUILOR Corporate Advisory Zrt.	EQUILOR Corporate Advisory Zárkörűen Működő Részvénytársaság (registered office: 1037 Budapest, Montevideo utca 2. Bldg. C..; company registration number: Cg.01-10-049336)
EU ETS	EU Emissions Trading System
Annual Report	The Issuer’s consolidated audited annual financial statements prepared for the end of one financial year in accordance with the International Financing Reporting Standards (IFRS)
EXIM Bank	Magyar Export-Import Bank Zártkörűen Működő Részvénytársaság (registered office: 1065 Budapest, Nagymező u 46-48.; company registration number: Cg.01-10-042594)
Semi-Annual Report	the Issuer’s consolidated, audited semi-annual report prepared for the six-month period ending on 30 June 2018 in accordance with the International Financing Reporting Standards (IFRS) containing comparable data of 30 June 2017
Supervisory Board	the Issuer’s Supervisory Board
Board of Directors	the Issuer’s Board of Directors
KALL Ingredients Kft. or KALL Ingredients	KALL Ingredients Kereskedelmi Korlátolt Felelősségű Társaság (registered office: 5211 Tiszapüspöki, Fehértó part 1.; company registration number: Cg.16-09-016853)
Issuer or OPUS or OPUS GLOBAL Nyrt.	OPUS GLOBAL Nyilvánosan Működő Részvénytársaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: Cg.01-10-042533)
Konzum Befektetési Alapkezelő Zrt.	Konzum Befektetési Alapkezelő Zártkörűen Működő Részvénytársaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: Cg.01-10-045654)
KONZUM MANAGEMENT Kft.	KONZUM MANAGEMENT Korlátolt Felelősségű Társaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: Cg.01-09-913725)

KONZUM Nyrt.	KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: Cg.01-10-049323)
KONZUM PE Private Capital Fund	KONZUM PE Private Capital Fund (registration number: 6122-44)
General Meeting	the Issuer's General Meeting
KPRIA Zrt.	KPRIA Magyarország Zártkörűen Működő Részvénytársaság (registered office: 1026 Budapest, Riadó utca 1-3.; company registration number: Cg.01-10-048608)
Mészáros Építőipari Holding Zrt.	Mészáros Építőipari Holding Zártkörűen Működő Részvénytársaság (registered office: 8086 Felcsút, Fő utca 65.; company registration number: Cg.07-10-001511)
Mészáros és Mészáros Kft.	Mészáros és Mészáros Ipari, Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság (registered office: 8086 Felcsút, 0311/5.hrsz.; company registration number: Cg.07-09-007959)
MFB Bank	MFB Magyar Fejlesztési Bank Zártkörűen Működő Részvénytársaság (registered office: 1051 Budapest, Nádor u. 31.; company registration number: Cg.01-10-041712)
MKB Bank	MKB Bank Zrt. (registered office: 1056 Budapest, Váci u. 38.; company registration number: Cg.01-10-040952)
MNB	Magyar Nemzeti Bank (National Bank of Hungary)
MSCI	MSCI Inc. (registered office: 7 World Trade Center 250 Greenwich Street, New York, NY 10007, United States of America)
HAS	Hungarian Accounting Standards
Labour Code	Act I of 2012 on the Labour Code;
OPUS Group	the Group and funds managed by STATUS Capital, and their subsidiaries
OPUS PRESS Zrt.	OPUS PRESS Zártkörűen Működő Részvénytársaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: Cg.01-10-048787)
PricewaterhouseCoopers	PricewaterhouseCoopers Magyarország Korlátolt

Magyarország Kft.	Felelősségű Társaság (registered office: 1055 Budapest, Bajcsy-Zsilinszky út 78.; company registration number: Cg.01-09-961102)
Pro forma or Pro Forma Financial Statement	pro forma financial information prepared by the Issuer for 30 June 2018 pursuant to Annex II of Commission Regulation No 809/2004/EC implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements
Ptk.	Act V of 2013 on the Civil Code
Shares	the Issuer's Listed Shares and the New Shares
R-KORD Kft. or R-KORD	R-KORD Építőipari Korlátolt Felelősségű Társaság (registered office: 8086 Felcsút, Fő utca 221.; company registration number: Cg.07-09-024757)
STATUS Capital Zrt.	STATUS Capital Kockázati Tőkealap-kezelő Zártkörűen Működő Részvénytársaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: Cg.01-10-049602)
STATUS Energy Private Equity Fund	Status Energy Private Equity Fund (registered office: 1062 Budapest, Andrássy út 59.; ID no: 1793000804)
STATUS MPE Private Equity Fund	STATUS MPE Private Equity Fund (registered office: 1062 Budapest, Andrássy út 59.; ID no: 1793000803)
Status Power Invest Kft.	Status Power Invest Korlátolt Felelősségű Társaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: Cg.01-09-306027)
PIT Act	Act CXVII of 1995 on Personal Income Tax
Accounting Act	Act C of 2000 on Accounting
Takarékbank Zrt.	Magyar Takarékszövetkezeti Bank Zártkörűen Működő Részvénytársaság (registered office: 1122 Budapest, Pethényi köz 10.; company registration number: Cg.01-10-041206)
Takarékinfó Zrt.	Takarékinfo Központi Adatfeldolgozó Zártkörűen Működő Részvénytársaság (registered office: 1027 Budapest, Kapás utca 11-15.; company registration number: Cg.01-10-043224)

Talentis Group Zrt.	Talentis Group Beruházás-szervező Zártkörűen Működő Részvénytársaság (registered office: 2053 Herceghalom, Zsámbéki út 16.; company registration number: Cg.13-10-041257)
Corporate Tax Act	Act LXXXI of 1996 on Corporate Tax and Dividend Tax
Listing on the Stock Exchange	admission of the Issuer's New Shares in the 'Premium' Category at the Budapest Stock Exchange
Capital Market Act	Act CXX of 2001 on Capital Markets
New Shares	211,086,638 'A'-series registered dematerialised ordinary shares of the Issuer of HUF 25, i.e., twenty-five forints nominal value each, to be admitted to BÉT (ISIN ID: HU0000163498)
Unitreasury Kft.	Unitreasury Korlátolt Felelősségű Társaság (registered office: 2053 Herceghalom, Zsámbéki út 16.; company registration number: Cg.13-09-188791)
VIRESOL Kft. or VIRESOL	VIRESOL Keményítő-és Alapanyaggyártó és Forgalmazó Korlátolt Felelősségű Társaság (registered office: 3271 Visonta, topographic lot number: 0158/5; company registration number: Cg.10-09-036117)
Wamsler Group	Wamsler SE Háztartástechnikai Európai Részvénytársaság and its subsidiaries
Wamsler SE vagy Wamsler	Wamsler SE Háztartástechnikai Európai Részvénytársaság (registered office: 3100 Salgótarján, Rákóczi út 53-55.; company registration number: Cg.12-20-000001)

OPIMUS GROUP
THE TRADITION OF VALUE

ANNUAL REPORT OF OPIMUS GROUP Public Limited Liability Company
for the year 2016
(IFRS, CONSOLIDATED, AUDITED)

02.05.2017

The consolidated data of OPIMUS GROUP Public Limited Liability Company for the year 2016 are data based on the report approved by the Board of Directors and the Audit Committee.
We have compiled the financial report of OPIMUS GROUP Nyrt. (hereinafter: OPIMUS, Company, Holding) as of 31.12.2016 according to the individual and IFRS-compliant financial statements, as of 31 December 2016, of group members involved in consolidation, according to the International Financial Reporting Standards (IFRS), adopted by the European Union.
As its core activity, OPIMUS GROUP Nyrt. performs asset management functions. The purpose of consolidation is the joint presentation of data applying to the entire company.
The entities to be involved in consolidation are defined by the chief executive officer of the Company.

As of 31.12.2016, the following companies are involved in consolidation:

Name of the company	Ownership ratio	Country	registered capital (thHUF)	Scope of activities
OBRA Kft.	100%	Hungary	50,000	Asset management
Révay 10 Kft.	100%	Hungary	385,000	Rental of real property
Holiday Resort Kreischberg-Murau GmbH	100%	Austria	EUR 1,060 th	Hotel operation
EURO GENERÁL Zrt.	50%	Hungary	120,000	Construction industry
KÖRÖSI INGATLAN Kft.	50%	Hungary	3,000	Real estate utilization
OPIMA Kft.	78.38%	Hungary	3,000	Production, distribution of goods
SZ és K 2005. Kft.	100%	Hungary	30,000	Real estate utilization
Wamsler SE	99.93%	Hungary	EUR 10,000 th	Manufacturing of household appliances
Wamsler Haus- und Küchentechnik GmbH	99.93%	Germany	EUR 2,556 th	Trade in appliances
Wamsler Bioenergy GmbH	99.93%	Germany	EUR 25 th	Trade in appliances
OPIMUS PRESS Zrt.	100%	Hungary	20,000	Other information service
PRINTIMUS Kft.	100%	Hungary	3,000	Advertising agency activities
Mediaworks Hungary Zrt.	100%	Hungary	102,500	Publication of daily newspapers
Magyar Előfizetői Kft.	100%	Hungary	501,000	Asset management (holding)
MédiaLOG Zrt.	100%	Hungary	104,000	Other service supplementing transport
NÉPSZABADSÁG Zrt.	99%	Hungary	1,302,000	Lease and operation of freehold or leasehold property
PANNON LAPOK TÁRSASÁGA Kft.	100%	Hungary	1,020,100	Media advertising
PRIMUS Népszabadság Média Képviseleti Kft.	100%	Hungary	3,100	Advertising agency activities
SHOW PLUS Kft.	100%	Hungary	3,000	Publication of journals, periodicals
DMH Magyarország Kft.	100%	Hungary	10,000	Advertising agency activities
Dunaújvárosi Szuperinfó Kft.	75%	Hungary	3,000	Publication of journals, periodicals
FEHÉRVÁR INFO Kft.	100%	Hungary	5,000	Publication of journals, periodicals
Maraton Lapcsoport Kft.	100%	Hungary	15,000	Publication of journals, periodicals

During the period since 1 January 2016, the following companies have been involved in consolidation for the year 2016: OPIMUS PRESS Zrt., PRINTIMUS Kft., Mediaworks Hungary Zrt., Magyar Előfizetői Kft., MédiaLOG Zrt., NÉPSZABADSÁG Zrt., PANNON LAPOK TÁRSASÁGA Kft., PRIMUS Népszabadság Média Képviseleti Kft., SHOW PLUS Kft., DMH Magyarország Kft., Dunaújvárosi Szuperinfó Kft., FEHÉRVÁR INFÓ Kft. and Maraton Lapcsoport Kft.

I. Activities and operations of OPIMUS GROUP Nyrt.

1.1. Activities of OPIMUS GROUP Nyrt. Company Group

From a business point of view, the activities of the Group in the year 2016 can be broken down into 6 main segments, as listed below:

- Media activity
- Heavy industry
- Hotel industry
- Construction industry
- Facility management
- Other

With regard to its economic power, within the other segment asset management activity has been reported. The values of reports by segment include the items that can be assigned directly to the given segment.

It is the breakdown according to these business segments that the Group prepares the information of the segment for the management.

1.2. Presentation of the Group Members

Wamsler SE European Public Limited Liability Company

As the legal successor of Foundry and Stove Factory of Salgótarján, Wamsler SE, merged from 1992 with Wamsler GmbH of Germany (Munich), has been manufacturing household baking, cooking and heating appliances for over 100 years (since 1894).

The company is the largest "stove factory" of Central Europe, owned 100% by Hungarian shareholders. The Company exports the majority of its products, primarily to the German, Austrian, Dutch and Scandinavian markets, but it also has a significant share in the Hungarian market.

Wamsler Group operates in one of the manufacturing industries, the industry of the production and distribution of durable consumer goods, and within that, in the production of stoves, fireplaces and heating apparatuses. Typically, in the European market, owing to the weather conditions of the recent periods, manifest in the increase of average temperature, the drop of oil prices and the high inventories accumulated at the traders, the total demand for the products of our industry decreased compared to the usual level. The impacts of the world market are felt in this scope as well, with increasing intensity (e.g. the impact of lower quality, but cheaper Chinese products).

Members of Wamsler group: (Wamsler SE, Wamsler HKT GmbH and Wamsler Bioenergy GmbH)

Having a significant impact on the business activities of the Holding, Wamsler SE replaced its earlier loan contracts, amended by technical extensions by a disbursement as of 5 July 2016, and concluded with Raiffeisen Bank Zrt. a new, long-term loan contract with better conditions, which also provides the background for the future developments of the subsidiary. In the framework of the agreement with a term of 5 years, Wamsler SE has the option of drawing down a credit facility of 12 million euros, under which the bank provides a grace time of 3 years for the repayment of the capital.

The primary aim of the management is to continue improving the effectiveness and efficiency of the manufacturing of its products and to ensure the safe future of the employees in these regions with adverse job market opportunities.

Holiday Resort Kreischberg-Murau GmbH
The Company operates a four-star hotel with 91 rooms in the centre of the ski slopes, directly in front of the central ski elevator. The central ski lift of the ski slopes with 4 seats is only a few steps away from the hotel. The hotel is located 4.7 km from the center of Murau.
The construction of the hotel was completed in 2008 and it was opened for the guests on 4 December 2008. The hotel complies with the international standard of 4-star hotels. The gross built-upon area of the hotel is 8,526 m2.
From 1 December 2016 the Company has utilized the four-star Resort Hotel under an agreement of operation. The Company performs no activity other than this rental.
OBRA Ingatlankezelő Kft.
Révay 10 Kft., the one-person owner of OBRA Kft, owns the monumental building located at 10 Révay Street. OBRA Kft. deals with asset management only, it generates no revenue from real estate operating activity.
The Company reduced its registered capital to HUF 50,000,000, registered as of 3 October 2016.
Révay 10 Ingatlanfejlesztési Kft.
Révay Office Building, which is owned by Révay 10 Kft., is located in District VI, between Saint Stephen's Cathedral and the Opera. As a result of the development of the neighborhood, the building located at 10 Révay Street was fully renewed in 1992, the former inner courtyard with a circular corridor is now an air-conditioned atrium with natural lighting.
The core activity of the Ltd. is rental of real property, it generates its revenues from the utilization of the property located in its seat.
The occupancy of Révay Office Building has been far above the Budapest average for several years, since occupancy has stood above 95% year by year. On 31.12.2016 the vacancy rate is only 4%, which is much better than the national average.
On 22 March 2017, a loan contract was concluded between Révay 10 Kft. and FHB Bank, which replaced an earlier CIB loan contract that was restructured in 2013. The new financing structure terminated the debtor status of the parent company and Révay 10 Kft. is obliged to repay the loan.

EURO GENERÁL Építő és Szolgáltató Zrt.

Being owned 50% by the company, EURO GENERAL Zrt., which has its registered office in Győr, has various construction industrial works in its main scope of activity, especially the turnkey construction of residential houses, office buildings, condominiums buildings, as well as the construction of canalization works, parking lots, traffic hubs and junctions with traffic lights.

KŐRÖSI INGATLAN Ingatlanhasznosító és Szolgáltató Kft.
Being 100% owned by EURO GENERÁL Zrt., KŐRÖSI INGATLAN Kft. does not perform any construction activities at present, it has no employees and did not generate any revenues in 2016.

SZ és K 2005. Ingatlanhasznosító Kft.

SZ és K 2005. Kft., a company owned 100% by the Holding, deals with real estate utilization. It performs the asset-management tasks related to the property in Eger and owned by the Company, it searches for favourable utilization opportunities for the property in cooperation with the Holding. In the period under examination the Company only generated revenues from the rental of part of the property.

OPIMA Kft.
OPIMA Kft., is a subsidiary of OPIMUS GROUP Nyrt. with the direct share of 51.4%, by which OPIMA Kft. intended to strengthen the operations of Wamsler SE in 2014. According to the plans, it was going to support the manufacturing and distribution of fireproof products, however, since several construction industrial trading houses left Hungary, there was no major expansion in distribution within Hungary. By the share of 27% of Wamsler SE, OPIMUS company group holds a total of 78.4% of the business shares in OPIMA Kft. The company did not generate any sales revenue in the reporting period.

OPIMUS PRESS Zrt
On 16 March 2016 OPIMUS PRESS Zrt., the company owned 100% by the parent company was established, which strengthens the coordination of the communication activities of the holding, furthermore, manages investments in the media market. The subsidiary made a private placement of bonds in the face value of 20 million euros, the purpose of which was to involve capital for the funding of the acquisition. The maturity of the bond is three years.
On 17 October 2016 the Company concluded an agreement on the transfer of shares, for the purpose of the acquisition of Mediaworks Hungary Zrt., for which the Hungarian Competition Authority (GVH) granted permission on 25 October 2016, thus OPIMUS PRESS Zrt. purchased 100% of the shares of Mediaworks Hungary Zrt. By the acquisition of Mediaworks Hungary Zrt., Pannon Lapok Társasága Kft. and the subsidiaries, which are the property of the company, also became members of OPIMUS Group, which means that a new segment, media portfolio was added to the Holding Group.

Mediaworks Hungary Zrt.
With its well-known and popular daily newspapers, Nemzeti Sport, Világgazdaság, 12 regional daily papers, portfolio of women's and gastro magazines, digital media products and over 1000 employees, the company group has become one of the largest media enterprises of Hungary. The company group has state-of-the-art printing houses for daily newspapers in Budapest and Veszprém, and is the owner of one of the largest leaflet distributing enterprises in Hungary. 8 county daily newspapers are directly published by Mediaworks Hungary Zrt., and indirectly, through PLT, 4 additional county daily papers belong to the portfolio.
Online and digital services, the relevant provision of information, services, partners, digital solutions customizable to advertising customers all constitute part of the portfolio.
Mediaworks considers digital developments a priority, the company plans on digital solutions to play a significant role in its future. In addition to sports and gastro contents, the development of digital contents in the rest of the market segments is also an aim of the Company.
By the acquisition of Mediaworks Hungary Zrt., the following companies were added to the scope of consolidation:

Magyar Előfizetői Kft.
It is the direct owner of MediaLOG Zrt. and did not perform any significant activity in the reporting period.

MédiaLOG Zrt.
It was established in 2006 and currently operates as a subsidiary of Magyar Előfizetői Kft. Its main activity is the distribution of newspapers among subscribers, which is partly performed with the involvement of subcontractors.

Népszabadság Zrt.
It is owned 99.8% by Mediaworks Hungary Zrt. and currently does not perform any significant activity.

Primus Kft.
It is the 100% subsidiary of Mediaworks Hungary Zrt. Its area of operation is utilization of the real property owned by it, by rental.

Pannon Lapok Társasága

It is the 100%-owned subsidiary of Mediaworks Hungary Zrt., since Mediaworks Hungary Zrt. purchased Pannon Lapok Társasága Kft. (PLT) on 30 September 2016, with the permission of the National Media and Infocommunications Authority NMHH (NMHH) and the Hungarian Competition Authority (GVH). Pannon Lapok Társasága Kiadói Kft. (PLT) is the second largest regional media enterprise in Hungary, second only to its parent company. Direct subsidiaries of PLT:

Maraton Lapcsoport-Multivízió Kiadói Kft.

Maraton Lapcsoport-Multivízió Kiadói Kft. is a 100% subsidiary of Pannon Lapok Társasága (PLT). Its main activity is the publication of free weekly papers in Veszprém, Zala, Vas and Fejér, as well as the publication of local government's papers and local newspapers.

DMH Magyarország Lapterjesztő Kft.

DMH Magyarország Lapterjesztő Kft. is the 100% subsidiary of PLT. Its core activity is the national level distribution of leaflets and flyers.

Show Plus Lapkiadó és Marketing-kommunikációs Kft.

Show Plus Kft. is also a 100% owned subsidiary of PLT. The core activity of the company is the publication of advertising weekly newspapers.

Dunaújvárosi Szuperinfó Kft.

75% of Dunaújvárosi Szuperinfó Kft. is owned by PLT. The enterprise is the publisher of the advertising paper Dunaújvárosi Szuperinfó.

Fehérvár Infó Kft.

Fehérvár Infó Kft. is also a 100% owned subsidiary of PLT. The core activity of the company is the publication of advertising weekly newspapers.

PRINTIMUS Kft.

In order to coordinate the advertising activities of the media portfolio managed by it, in November 2016 OPIMUS PRESS Zrt. established PRINTIMUS Kft., which is owned by it 100%. In the period under examination the newly established company did not perform any productive activities.

1.3. Operations of OPIMUS GROUP Nyrt. Company Group

In respect of 31.12.2016, at consolidated level the Company Group closed the fiscal year with a balance sheet total of HUF 37,916 million and an after tax earnings of HUF -932 million.

The report contains a detailed analysis of those consolidated data regarding which the change exceeds 20%, furthermore, in those cases that may include substantial information.

According to the accounting policy of the Company, the financial data of newly added companies are consolidated from 31 October 2016, that way, by the acquisition of Mediaworks Hungary Zrt., only the results of the operations of these media portfolio for the last two months of the year 2016 had an impact on the consolidated financial figures of OPIMUS Group.

In the consolidated figures for 2016, the rearrangement of the center of gravity among subsidiaries can be observed once again, since the newly added media group has more significant impact on the performance of the entire company group, by virtue of its mere economic size.

From a business point of view, in the year 2016 one of the most important segments of the Group is still the heavy industry division, furthermore, the media portfolio that was only added now, compared to these, the hospitality industry, construction industry and real estate utilization are less significant.

Analysis of the profit and loss statement

On a consolidated level, in the year 2016 the company group generated after tax earnings of HUF -932 million. The profit/loss of business activities was HUF -772 million, and the profit/loss of financial activities HUF -389 million.

In the analysis of the profit and loss statements, in consideration of the distorting effect of the composition of the consolidation group, we consider the same period of the previous year as the base period (2015).

Operating revenues totalled HUF 15,818 million, which increased by HUF 4,462 million, i.e. by 39% compared to the previous year. 58% of the revenues was generated by the heavy industrial segment, 28% by the activities of the newly acquired media companies in November and December 2016. The contribution of construction industry is 7% and that of the hotel is 5%.

The value of *other operating revenues* totalled HUF 619 million, which increased by 66% and exceeded the figure of the base year by HUF 246 million. 32% of these revenues were generated in heavy industry, 41% in the media and 17% in other segments including the parent company.

The value of *own performance capitalized* totalled HUF -115 million, which means a decrease of 71% compared to 2015, and which derives from the inventory management of Wamsler SE.

If we consider the cost side of the operations of the entire group, at the end of the year 2016 (HUF 16,590 million) there is an increase of 31% (i.e. by HUF 3,909 million) compared to the base period, which increase clearly derives from the growth of the company group.

The highest ratio of *operating costs* is constituted in 2016 only by material type expenditures with a ratio of 53%, as opposed to 57% registered in the base period (HUF 8,748 million), the largest part of which, i.e. 56%, was registered at Wamsler Group. The further 28% was generated at the media group, 11% in construction industry, and a mere 3% is attributed to the hotel.

Personnel type expenditures represent 28% within operating costs, as opposed to 23% registered in the base year. Compared to the base, this means an increase of 60% (HUF 1,739 million). Within personnel expenditures, wage costs total HUF 3,819, other personnel type expenditures amount to HUF 238 million and the value of wage taxes total HUF 572 million.

In the reporting year *depreciation* totals HUF 747 million, which shows an increase of 12% compared to the base year.
Other operating costs and expenditures show a value of HUF 1,934 million, which is HUF 621 million higher than in the base year, 81% of this value was registered at the Wamsler Group and only 12% in the media segment.

thousand HUF

	2015 Q1-Q4	2016 Q1-Q4	difference year/year	change year/year
Operating cost	12,681,222	16,589,834	3,908,612	31%
material type expenditure	7,251,387	8,748,218	1,496,831	21%
staff expenditures	2,889,362	4,628,531	1,739,169	60%
depreciation	664,598	746,621	82,023	12%
impairment	562,802	532,334	-30,468	-5%
other expenditures	1,313,073	1,934,130	621,057	47%

58% of *all operating costs* are absorbed by Wamsler Group, 30% by the media, 7% by the construction industry and a further 4% by the hotel. The segment of other activities only absorbs 1%, and this includes the headquarters of the holding.

The *operating profit/loss* totalled HUF -772 million in 2016, thus losses decreased by 42%, i.e. by HUF 553 million compared to HUF -1,325 million in the base period. By this, the EBITDA indicator of the corporate group also grew significantly, by HUF 635 million, which is thus 96% better than the value of the base period.
In the reporting year, the value of financial revenues (HUF -105 million) increased by 25%, the value of the financial expenditures by 15% (HUF 493 million), however, the loss on financial transactions still increased by HUF 42 million (i.e. by 12%).
The consolidated *after tax earnings* of the Company Group was HUF -932 million, as compared to HUF -2,277 million in the base year, which means an improvement of 59% in profitability.

<u>Analysis of the Balance Sheet</u>
In the assessment of the balance sheet we consider 31.12.2015 as the base.

OPIMUS Company group closed the year 2016 with a *balance sheet total* of HUF 37,916 million on consolidated level, which means a more than two-fold increase compared to the end of 2015. Once again, the most important explanation of growth is the involvement of companies acquired by the purchase of Mediawork Hungary Zrt. in the scope of consolidation, which significantly rearranged the center of gravity within the Holding.

Non-current assets (HUF 24,102 M) represent 64% within total assets, and the value of current assets is HUF 13,814 million, which amounts to 36% of the main balance sheet group.

Within the group of *non-current assets*, property, plant and equipment constitutes HUF

10,089 million, which has gone up by 70%, while intangible assets total HUF 5,807 million, which also shows a significant increase compared to the base and almost 93% of it was registered in the media portfolio.

The value of *goodwill* is HUF 173 million, which increased as a result of capital consolidation, once again as a result of the inclusion of the media portfolio.

The value of *investment properties* is HUF 5,926 million, which is an increase of almost four and a half times over, primarily caused by the reclassification of the Austrian hotel. The cause of the reclassification is that from 1 December 2016 the four-star hotel has been utilized in the form of operation.

The value of *non-current financial assets* is HUF 1,589 million, 50% of which was registered with the media and 43% with the parent company assigned to the category of other segments.

The amount of *loans lent* is HUF 279 million, which has not changed significantly (3%) compared to the base period.

Within *current assets*, the value of inventories was HUF 3,673 million, which shows an increase of 32% (HUF 891 million) compared to the end of last year. 76% of the value of inventories is constituted by the heavy industry segment, 22% by the media and 2% by the construction industry segment.

Within inventories, *materials* constitute 28% (HUF 1,028 million), *work in progress, semi finished inventories* constitute 15% (HUF 544 million). The value of finished products total HUF 1,011 million (27%), while the value of goods total HUF 1,090 million (30%).

Of the components of receivables the following should be highlighted: trade receivables total HUF 4,640 million, which shows a higher than triple increase. In the distribution of trade receivables the highest ratio is registered in the media segment (63%), while in the heavy industrial segment it is 31%.

The value of *other receivables* is HUF 2,903 million, the largest part of which (57%) is related to the purchase price receivable of Csabatáj Zrt. Until 31 December 2016 no payment had been made on the shares of Csabatáj Zrt. As per the resolution of the Board of Directors, the repurchase took effect as of 31 January 2017, thus as of the end of the year 2016 it will still registered as other receivable.

The value of *monetary assets and monetary asset equivalents* is HUF 2,386 million, which shows an increase of 40% compared to the value of the base period. The components are: cash desk HUF 20 million, bank account 2,366 million.

On the liability side, the total amount of *shareholder's equity* is HUF 7,213 million, a decrease of 13% compared to the base period, which is a consequence of the increase of accumulated negative earnings.

The value of *liabilities* is HUF 30,703 million, as opposed to HUF 8,093 million at the end of last year, 72% of which was contributed by the media, 17% by the heavy industry and 8% by the hotel industry segment. The other segment only constituted 2%.

If we observe the distribution within liabilities, it can be seen that while as of the end of the year 2015, 38% of the liabilities of the company group were long-term and 62% were short-term, on 31.12.2016 long-term liabilities constituted 70% and short-term ones 30%.

59% of non-current liabilities are constituted by credits and loans (HUF 12,731 thousand), the ratio of which was 93% in the base year. These are mainly related to the media segment and in a smaller part, to the financing of Wamsler SE. In the reporting year debts related to the bond issue by OPIMUS PRESS Zrt. constituted 29% of all non-current liabilities.

The value of provisions is HUF 2,322 million, which is 24 times the base value. 76% of all provisions were also registered in the media segment and 23% in heavy industry.

The value of current liabilities (HUF 9,124 million) attained a growth of 81%; within this main group, accounts payable amount to HUF 2,492 million, the overwhelming majority of which is once again registered in the media segment, secondarily, it is the liability of the heavy industrial segment.

1.4. Presentation of the employment policy of the Company:

The headquarters of the company group, as well as the business performance and success of the individual companies, are built on the controlling management to a large extent. The development of the strategy, the implementation of capital investments, the development and supervision of operating processes, the retention of the customers highly depend on the skills and attitudes of these experiences professionals. The company group makes efforts to retain these key professionals by offering competitive conditions, but there is no guarantee that it could not lose one or more experienced professionals.

The Company basically sources its labour force by employees having a legal relationship of employment with the Company, in consideration of the rules of the labour market and the basic principles of equal opportunities.

By the acquisition of Mediaworks Hungary Zrt., Pannon Lapok Társasága Kft. and the subsidiaries, which are the property of the company, also became members of OPIMUS Group, by which the number of employees of the Holding Group increased by almost two and a half times over. The weights of the segments heavily impacted the figures of the entire scope of business operations of the Company, which is clearly reflected in the development of personnel type expenditures.

The following table summarizes the breakdown of the headcount of employees between the parent company and the members of the Group:

Headcount	2015 Q4	2016 Q4	change year/year
OPIMUS GROUP Nyrt.	6	6	0%
Révay 10 Kft.	2	2	0%
OBRA Kft.	0	0	0%
OPIMA Kft.	0	0	0%
SZ és K 2005. Kft.	0	0	0%
EURO GENERÁL Zrt.	13	13	0%
Kőrösi Ingatlan Kft.	0	0	0%
Wamsler SE	739	762	3%
Holiday Resort Kreisberg-Murau GmbH	29	0	-100%
OPIMUS PRESS Zrt.		0	-
PRINTIMUS Kft.		0	-
Mediaworks Group		1177	-
Total	**789**	**1960**	**148%**

Compared to the year 2015, in consideration of the headcount of employees, our heavy industrial company that had played a leading role earlier now only employs 39% of the employees of the entire group (in 2015 this was as high as 74%). As of the end of 2016, the media portfolio already dominates 60% of the employee headcount, while construction industry only has 1%.

Considering the entire year, the highest employee turnover was registered in Wamsler Group, however, as a result of wage increases and employee retention programs, at the end of the year an increase of 3% was registered.
Personnel type expenditures represent 27% within operating costs, as opposed to 23% registered in the base year. Compared to the base, this means an increase of 60% (HUF 1,739 million). Within personnel expenditures, wage costs total HUF 3,819, other personnel type expenditures amount to HUF 238 million and the value of wage taxes total HUF 572 million. 57% of all personnel type expenditures are recognized by the heavy industrial and 35% by the media segment, which is no surprise given the employee headcount figures. 5% is registered in the hotel segment and only 1% in the other and construction industrial segments, respectively.

II. Business events, outlooks

2.1. Events, changes affecting the registered capital

The annual ordinary repeated General Meeting of our Company held on 29 April 2016 authorized the Board of Directors to raise the registered capital up to HUF 20,000,000,000, for a definite term of 5 years.
In the year 2016 there was no change affecting the registered capital.

2.2. Organizational and personal changes

Our Company decided on the relocation of the seat of the Company in its repeated extraordinary General Meeting held on 11 January 2016. The seat of the Company is: 1065 Budapest, Révay utca 10.
In 2016 a significant change occurred in the management of the Company. The members of the Board of Directors resigned from their offices, László Bunkoczi on 22 February 2016, the rest of the members of the Board of Directors as of 29 April 2016, including their offices held in the Audit Committee.
From 11 June 2013 until 29 April 2016 the Board of Directors of the Company had 5 members. Members:

- Csaba Hudek Chairman of the Board of Directors
- László Bunkoczi (independent) (resigned on 22 February 2016)
- László Végh
- József Mészáros (independent)
- József Spanyol (independent)

From 11 June 2013 until 29 April 2016 the Audit Committee of the Company had the following members:

- László Bunkoczi (resigned on 22 February 2016)
- József Mészáros
- József Spanyol

On the General Meeting held on 29 April 2016, with regard to the resignation of the members of the Board of Directors, members were elected in the Board of Directors, according to the following:
From 29 April 2016 the Board of Directors of the Company also had 5 members. Members:
Csaba Hudek Chairman of the Board of Directors
Dr. Éva Mária Bálint (independent)
Dr. András László Malasics (independent)
Gábor Mátrai (independent)
Ferenc Nyuli

With regard to the resignation of the members of the Board of Directors, including their offices held in the Audit Committee, on the General Meeting held on 29 April 2016 members of the Audit Committee were also elected:
Members of the Audit Committee of the Company from 29 April 2016:
Dr. Éva Mária Bálint (independent)
Dr. András László Malasics (independent)
Gábor Mátrai (independent)

For the fiscal year of 2017, concerning the organization of the Company it is submitted to the Ordinary General Meeting of the year 2017 for approval that the Board of Directors should be extended to 7 members. With regard to that, members of the Board of Directors resigned from their offices - including their offices held in the Audit Committee - effective as of the ordinary General Meeting for the year 2017, with the exception of Dr. András Malasics, who resigned as of 31 March 2017.

2.3. Changes in the ownership structure

Based on the shareholder's ledger, the ownership structure is illustrated by charts RS2 and RS3 in the Annex.

According to the reports received on 13 March 2017, further share acquisitions could take place, conditional upon the authorization of the Hungarian Competition Authority (GVH) and the National Bank of Hungary. Prior to the proceeding of the authorities, on 14 March 2017 a report was received by the Company on the submission of a public purchase offer. The purchase offer was addressed to each shareholder of the Company and was aimed at the purchase of the OPIMUS common stock. Based on the purchase offer, the proposed price for the individual shares, payable as the consideration of the shares, was HUF 45.38.

Our Company published the opinion of the Board of Directors on the purchase offer on 30 March 2017, on the already known publication portals.

After obtaining permission, on 24 April 2017, the obligatory purchase offer approved by MNB was sent to the Company and was published with immediate effect.

2.4. Events of liaising with the stock market

We publish the events, news communicated by the Company since the start of the reporting period until the date of publication of the annual report in the table titled Communications, published during the period, contained in the Annex.

III. Declaration

OPIMUS GROUP Public Limited Liability Company (1065 Budapest, Révay u.10., (hereinafter: Company) declares that the annual report for the year 2016, prepared by the company based on the applicable accounting requirements and complied according to the best knowledge of the Company, gives a true and reliable picture of the assets, liabilities, financial situation, profit and loss of the issuing companies and those involved in consolidation, furthermore, the management report gives a reliable picture on the situation, development and performance of the issuing companies and those involved in consolidation, presenting the major risks and factors of uncertainty.

Furthermore, it declares that the Company publishes the company governance declaration defined in Article 95/B paragraph (1) of Act C of 2000 on Accounting, with the contents defined in paragraph (2), in the Responsible Corporate Governance Report prepared according to Article 312 of the Civil Code, on the website of Budapest Stock Exchange.

Csaba Hudek
chairman - chief executive officer
OPIMUS GROUP Nyrt.

ANNEXES

ANNEX 1: DATA SHEETS RELATED TO FINANCIAL STATEMENTS

PK1. General information on the financial figures

Audited Yes / No
Consolidated: Yes / No
Accounting principles: Hungarian / IFRS (accepted by the EU) / other

PK2. Companies involved in the scope of consolidation

Name of the company	Ownership ratio	Country	Scope of activities
OBRA Kft.	100%	Hungary	Asset management
Révay 10 Kft.	100%	Hungary	Rental of real property
Holiday Resort Kreischberg-Murau GmbH	100%	Austria	Hotel operation
EURO GENERAL Zrt.	50%	Hungary	Construction industry
KÖRÖSI INGATLAN Kft.	50%	Hungary	Real estate utilization
OPIMA Kft.	78.38%	Hungary	Production, distribution of goods
SZ és K 2005. Kft.	100%	Hungary	Real estate utilization
Wamsler SE	99.93%	Hungary	Manufacturing of household appliances
Wamsler Haus- und Küchentechnik GmbH	99.93%	Germany	Trade in appliances
Wamsler Bioenergy GmbH	99.93%	Germany	Trade in appliances
OPIMUS PRESS Zrt.	100%	Hungary	Other information service
PRINTIMUS Kft.	100%	Hungary	Advertising agency activities
Mediaworks Hungary Zrt.	100%	Hungary	Publication of daily newspapers
Magyar Előfizetői Kft.	100%	Hungary	Asset management (holding)
MédiaLOG Zrt.	100%	Hungary	Other service supplementing transport
NÉPSZABADSÁG Zrt.	99%	Hungary	Lease and operation of freehold or leasehold property
PANNON LAPOK TÁRSASÁGA Kft.	100%	Hungary	Media advertising
PRIMUS Népszabadság Média Képviseleti Kft.	100%	Hungary	Advertising agency activities
SHOW PLUS Kft.	100%	Hungary	Publication of journals, periodicals
DMH Magyarország Kft.	100%	Hungary	Advertising agency activities
Dunaújvárosi Szuperinfó Kft.	75%	Hungary	Publication of journals, periodicals
FEHÉRVÁR INFO Kft.	100%	Hungary	Publication of journals, periodicals
Maraton Lapcsoport Kft.	100%	Hungary	Publication of journals, periodicals

PK3. Consolidated balance sheet	Note	2016	2015
Name (data in thousand HUF)			
ASSETS			
Non-current assets			
Real property, machines, equipment	3.2	10,089,123	5,933,710
Intangible assets	3.3	5,807,421	437,811
Goodwill	3.4	173,070	2,756
Investment properties	3.5	5,925,607	1,335,270
Non-current financial assets	3.6	1,588,936	2,955
Loans lent	3.6	279,352	310,093
Deferred tax receivables		238,113	50,250
Total non-current assets		24,101,622	8,072,845
Current assets			
Inventories	3.7	3,673,165	2,782,178
Corporation tax receivable for the relevant year	3.8	143,370	2,916
Trade receivables	3.9	4,639,821	1,409,788
Trade receivables from investment contracts	3.9	69,534	33,124
Other receivables	3.10	2,902,730	2,363,593
Monetary assets and equivalents	3.11	2,385,585	1,699,185
Total current assets		13,814,205	8,290,784
ASSETS TOTAL		37,915,827	16,363,629
LIABILITIES AND SHAREHOLDER'S EQUITY			
Shareholder's equity			
Registered capital	3.12	7,897,759	7,897,759
Repurchased treasury shares		- 135,108	-135,108
Capital reserve	3.13	7,012,149	7,012,149
Reserves	3.13	748,767	0
Accumulated profit	3.14	- 8,585,285	-6,751,429
Revaluation difference	3.13	69,773	79,452
Total equity for shareholders of the parent company		7,008,055	8,102,823
Share of external owners	3.15	204,923	167,855
Total shareholder's equity		7,212,978	8,270,678
Liabilities			
Non-current liabilities			
Loans and credits	3.16	12,731,263	2,861,584
Debts from bond issue	3.17	6,220,400	0
Other non-current liabilities	3.18	5,133	5,661
Provisions	3.19	2,322,083	98,435
Deferred tax liabilities	3.20	299,570	97,931
Total non-current liabilities		21,578,449	3,063,611
Current liabilities			
Loans and credits	3.16	1,793,671	3,078,337
Accounts payable and other liabilities	3.21, 3.22	7,282,983	1,902,812
Corporation tax liability for the reporting year	3.6	47,746	48,191
Total current liabilities		9,124,400	5,029,340
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		37,915,827	16,363,629

PK.4. Consolidated profit and loss statement

Name (data in thousand HUF)	Notes:	2016	2015
Sales revenue	3.23, 3.24	15,314,717	11,379,150
Value of own performance capitalized	3.25	- 115,143	-395,830
Other operating revenues	3.26	618,644	373,009
Total operating revenues		15,818,218	11,365,329
Material type expenditures	3.27	8,748,218	7,251,387
Personnel expenditures	3.28	4,628,531	2,889,362
Depreciation	3.2, 3.3	746,621	664,598
Impairment	3.29	532,334	562,802
Other operating costs and expenditures	3.30	1,934,130	1,313,073
Total operating expenses		16,589,834	12,681,222
Net operating income		- 771,616	-1,324,893
Revenues of financial transactions	3.31	104,590	83,736
Expenditures of financial transactions	3.31	493,312	430,395
Profit/Loss of financial transactions		- 388,722	-346,659
Pre-tax earnings		- 1,160,338	-1,671,552
Deferred tax	3.32	- 238,258	61,155
Corporation tax expenditures	3.32	9,873	31,529
Earnings of the period from continuous activity		-931,953	-1,764,236
Profit/loss from discontinued activity		0	-512,741
Profit after tax		-931,953	-2,276,977
Profit available for distribution - Parent company	3.33	-963,711	-2,325,341
Profit available for distribution - Non-controlling interests **Other comprehensive income**		31,758	48,364
FX difference of the conversion of foreign interests		-9,713	-22,533
Profit on real estate revaluation		748,767	0
Total other comprehensive income		**739,054**	**-22,533**
Total comprehensive income for the period		**- 192,899**	**-2,299,510**
Total comprehensive profit to be distributed - Parent company		-224,623	-2,347,624
Total comprehensive profit to be distributed - Non-controlling interests		31,724	48,350

PK5. Consolidated cash flow statement	31.12.2016
Data in HUF thousand	
Cash flow from operating activities	
Pre-tax earnings	- 1,160,338
Changes in other comprehensive earnings without tax	813,108
Adjustments:	
Depreciation and amortization	746,621
Recognized impairment and its reversal	532,334
Changes in provisions	355,201
Revaluation of investment properties	-225,217
Profit realized on the sale of property, plants and equipment	- 33,379
Dividends received	- 42,589
Interests paid	372,476
Interest received	- 22,301
Changes in operating capital	
Changes in trade and other receivables	1,320,837
Changes in (other) current assets	- 220,217
Change in accounts payable	- 870,201
Other short-term liabilities and accruals	- 36,274
Corporation tax paid	- 439,413
Net cash flow from operating activities	**1,090,648**
Cash flow from investment activities	
Dividends received	42,589
Purchase of fixed assets and intangible assets	- 472,147
Revenue should sale of fixed assets and intangible assets	53,062
Acquisition of non-current financial assets	- 1,555,240
Acquisition of subsidiary	- 3,806,157
Net cash flow from investment activities	**- 5,737,893**
Cash flow from financing activities	
Issue of shares	
Borrowing of credits and loans	
Repayment of credits and loans	- 536,580
Divided payment	-
Interests paid	- 372,476
Interest received	22,301
Revenues from bond placement	6,220,400
Net cash flow from financing activities	**5,333,645**
Net changes of cash and cash-type items	686,400
Balance of cash and cash-type items at the beginning of the year	1,699,185
Balance of cash and cash-type items at the end of the year	**2,385,585**

PRESENTATION OF CHANGES OF CONSOLIDATED SHAREHOLDER'S EQUITY

	For owners of the capital of the Company							Share of external owners			Total shareholder's equity
	Registered capital	Capital reserve	Treasury shares	Reserves	Accumulated earnings	Other accumulated comprehensive profit	Total	Accumulated earnings	Other accumulated comprehensive profit	Total	
Balance 31.12.2014 modified	7,897,759	7,012,149	-135,108	0	-4,428,044	101,971	10,448,727	648,874	50	648,924	11,097,651
Revaluation							0			0	0
Earnings of the period					-1,812,600	-22,519	-1,835,119	48,364	-14	48,350	-1,786,769
Earnings of discontinued agricultural activity					-512,741		-512,741			0	-512,741
Phylaxia Dolgozói Kft. terminated by dissolution							0	-512		-512	-512
Holiday Resort Kreischberg-Murau GmbH reversal of deferred tax					1,956		1,956				1,956
Balance 31.12.2015	7,897,759	7,012,149	-135,108	0	-6,751,429	79,452	8,102,823	167,819	36	167,855	8,270,678
Earnings of the period				748,767	-963,711	-9,679	-224,623	31,758	-34	31,724	-192,899
Acquisition of Mediaworks Hungary Company Group					-870,145		-870,145	5,344		5,344	-864,801
Balance 31.12.2016	7,897,759	7,012,149	-135,108	748,767	-8,585,285	69,773	7,008,055	204,921	2	204,923	7,212,978

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED ACCORDING TO IFRS, ADOPTED BY THE EU (31 DECEMBER 2016)

1. GENERAL BACKGROUND

1.1. Legal status and type of activity

The legal predecessor of OPIMUS GROUP Nyrt. was established in 1912 with the name of Phylaxia Szérumtermelő Rt. Over 100 years old, the Company has been operating continuously since its establishment. In January 1998 an initial public offering took place. The shares of the Company are listed in Category "B" of shares in the Budapest Stock Exchange.

From September 2008 the business name of the company was changed to PHYLAXIA 1912. Holding Nyrt., then from 11 June 2013 to OPIMUS GROUP Nyrt.

The seat of the Company is: 1054 Budapest, Akadémia u. 7-9. until 10 January 2016,
1065 Budapest, Révay u. 10. from 11 January 2016.

The subsidiaries belonging to the scope of consolidation of the company belong to the following segments: media activity, heavy industry, real estate management, hotel industry, construction industry and other activities.

Name of the company	Country	Scope of activities	Classification	Ownership ratio 2016	2015
OPIMA Kft.	Hungary	Asset management	L	78.38%	78.38%
SZ és K 2005. Kft.	Hungary	Real estate utilization	L	100%	100%
EURO GENERÁL Zrt.	Hungary	Construction industry	L	50%	50%
Kőrösi Ingatlan Kft.	Hungary	Real estate utilization	L	50%	50%
OBRA Kft.	Hungary	Rental of real property	L	100%	100%
Révay 10 Kft.	Hungary	Rental of real property	L	100%	100%
Wamsler SE	Hungary	Manufacturing of household appliances	L	99.93%	99.93%
WHKT GmbH	Germany	Trade in appliances	L	99.93%	99.93%
Wamsler Bioenergy GmbH	Germany	Trade in appliances	L	99.93%	99.93%
Holiday Resort Kreisberg- Murau GmbH	Austria	Hotel operation	L	100%	100%
OPIMUS PRESS Zrt.	Hungary	Other information service	L	100.00%	-
PRINTIMUS Kft.	Hungary	Advertising agency activities	L	100.00%	-
Mediaworks Hungary Zrt.	Hungary	5813 '08 Publication of daily newspapers	L	100.00%	-
Magyar Előfizetői Kft.	Hungary	Asset management (holding)	L	100.00%	-
MédiaLOG Zrt.	Hungary	Other service supplementing transport	L	100.00%	
NÉPSZABADSÁG Zrt.	Hungary	Lease and operation of freehold or leasehold property	L	99.00%	
PANNON LAPOK TÁRSASÁGA Kft.	Hungary	Media advertising	L	100.00%	-
PRIMUS	Hungary	Advertising agency	L	100.00%	-

Népszabadság Média Képviseleti Kft.		activities			
SHOW PLUS Kft.	Hungary	Publication of journals, periodicals	L	100.00%	-
DMH Magyarország Kft.	Hungary	Advertising agency activities	L	100.00%	-
Dunaújvárosi Szuperinfó Kft.	Hungary	Publication of journals, periodicals	L	75.00%	-
FEHÉRVÁR INFÓ Kft.	Hungary	Publication of journals, periodicals	L	100.00%	-
Maraton Lapcsoport Kft.	Hungary	Publication of journals, periodicals	L	100.00%	-

*L: fully involved

In the fiscal year of 2015 the following companies were removed from the scope of consolidation:
As of 21 December 2015, OPIMUS GROUP Nyrt. sold its shareholdings in Csabatáj Zrt. and MURÁTÓ Zrt., by which Hidasháti Zrt., HIDAS-VÉT Kft. and Hungarotojás Kft. were also removed from the scope of consolidation.
In the fiscal year of 2016 the following companies were involved in the scope of consolidation:
During the period since 1 January 2016, the following companies have been involved in consolidation: OPIMUS PRESS Zrt., PRINTIMUS Kft., Mediaworks Hungary Zrt., Magyar Előfizetői Kft., MédiaLOG Zrt., NÉPSZABADSÁG Zrt., PANNON LAPOK TÁRSASÁGA Kft., PRIMUS Népszabadság Média Képviseleti Kft., SHOW PLUS Kft., DMH Magyarország Kft., Dunaújvárosi Szuperinfó Kft., FEHÉRVÁR INFÓ Kft. and Maraton Lapcsoport Kft.

The consolidated financial statements prepared with the cut-off date of 31 December 2016 and applying to the year ending on that date include the Company and its subsidiaries (hereinafter collectively as: "Group", separately as "entities belonging to the Group").

1.2. Name and address of the person who signed the annual report:

Csaba Hudek, Szentendre, Barackos út 5. B. ép.

1.3. Members of the Board of Directors:

From 29 April 2016
chairman: Csaba Hudek Chairman of the Board of Directors
members: Dr. Éva Mária Bálint (independent)
Ferenc Nyuli
Dr. András Malasics (independent) (resigned his office as of 31.03.2017)
Gábor Mátrai (independent)

1.4. Members of the Audit Committee:

From 29 April 2016
Dr. András Malasics (resigned from his office as of 31.03.2017)
Dr. Éva Mária Bálint Gábor Mátrai

1.5. Auditor of the company:

ALPINE Gazdasági Tanácsadó és Könyvvizsgáló Kft. (Registration number: 01-09-068660; registered office: 1026 Budapest, Pasaréti u. 59.; membership number in the chamber: 001145) IFRS certification number: IFRS000109. The person responsible for auditing: Gabriella Forgács, chamber membership number: 003228; IFRS certification number: IFRS000106).

1.6. Personal details of the person with IFRS certificate, responsible for the management and direction of tasks subject to the scope of accounting service:

a) name: Judit Szentimrey
b) address: 1188 Budapest, Tiszavirág u. 53/a.
c) registration number: 196131

1.7. The legal office acting as the legal representative of the Company:

Nadray Legal Office, 1055 Budapest, Falk Miksa utca 3.

1.8. The basis of balance sheet preparation

The basis of the preparation of the consolidated annual report is the International Financial Reporting Standards, as adopted by the European Union (hereinafter: "IFRS"). The IFRS standards are announced and promulgated in the form of regulation in the Official Gazette of

the European Union (EU). IFRS are constituted by the standards and interpretations formulated by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC).
The Consolidated annual report was compiled according to the principle of historical value, with the exception of certain financial instruments, investment properties and biological assets, which are represented in the balance sheet at market value. The Group has prepared its Consolidated annual report in Hungarian forints (thousand). The accounting, financial and other records of the Subsidiaries are maintained according to the valid local laws and accounting regulations. The Group modifies the reports sent by the members, prepared according to the local accounting standards, in order to comply with IFRS.
The preparation of the report according to IFRS requires the making of critical accounting estimates and executive decisions in the application of the accounting policy of the Group, which have an impact on the amount of assets, liabilities, revenues and expenditures represented in the financial reports. The actual results may differ from these estimates.
The estimates and the underlying assumptions are being constantly revised. The amendments of accounting estimates are represented in the period of the amendments of the estimates and in the future periods affected by these amendments. Those areas that require high-level decisions and that are especially complex, furthermore, those assumptions and estimates that are qualified as significant for the Consolidated annual report are included in Note 3.
The fiscal year is the same as the calendar year.

1.9. Changes in Accounting Policy

We talk about changes in Accounting Policy, if:

- The change is supported by legal regulation or a decision of the body that creates the accounting standards,
- The change of the accounting policy provides more relevant and more reliable information on the financial situation, performance and cash flow of an enterprise,
- The enterprise adapts a new standard that requires the application of an accounting policy that is different than the one applied earlier,
- The enterprise decides on shifting from a method of accounting recognition permitted by IFRS to another, also permitted by IFRS.

If it is impossible to fully adopt the change, then the amendment may be waived.
Owing to the uncertainties inherent in the business activities of the company group, several items of the financial reports cannot be measured accurately, they can only be estimated.
The reasonable application of estimates is an important part of the preparation of financial statements and must not impair their reliability. However, it may become necessary to review the estimate, if changes affecting the circumstances constituting the basis of the estimate have occurred, or a review is justified by new information or additional experiences. Therefore, by its very nature, the review of an estimate does not apply to earlier periods and is not considered the correction of an error.
The enterprise has to publish the nature and amount of changes in accounting estimates affecting the reporting period or expected to affect future periods, with the exception of impacts on future periods in the case they are impossible to estimate in advance.
Until the date of the issue of the financial report the following standards and interpretations have been issued, these have not yet taken effect. The Group plans to adopt the standards as they become effective:
IFRS 9 – Financial Instruments: classification and measurement (effective from 1 January 2018)
The standard introduces new requirements regarding the classification, measurement and impairment of financial assets and financial liabilities. The application of the IFRS 9 standard

is expected to have an impact on the qualification and measurement of the financial assets of the Group, however, it is not expected to influence the classification and measurement of financial liabilities. The Group will assess the impact of the modification.

IFRS 15 Recognition of revenues from contracts with customers (effective from 1 January 2018)

On 28 May 2014 IASB issued a new standard on the recognition of revenues from contracts with customers. Application of this new revenue standard will become obligatory for companies applying IFRS in the case of the reporting periods starting on or after 1 January 2018.

This new standard will replace the current regulation of IAS 18 Revenues and IAS 11 Construction contracts in the recognition of revenues. According to the new standards, the enterprises will apply a "five-step model" in order to determine when and in what amount they should represent the revenue. According to the model, the revenue must be represented in such a manner that it should express the exchange of the "promised" product or service in the amount to which the entity expects to be entitled. The Group will assess the impact of the modification.

IFRS 16 Leasing (effective from 1 January 2019)

On 13 January 2016 IASB issued a new standard on the recognition leasing. Application of this new leasing standard will become obligatory for companies applying IFRS in the case of the reporting periods starting on 1 January 2019 or after that date. The new standard will replace the current regulation of IAS 17 Leasing standard and will fundamentally change the regime of recognition of operating leases applied so far. The Group will assess the impact of the modification.

In 2015 the Group applies all the IFRS standards valid as of 1 January 2015, including changes and interpretations that are relevant for the operation of the Group.

<u>*Standards and amendments issued by IASB and not yet approved by the EU*</u>

The IFRS standards currently also accepted by the EU are not different than the rules accepted by IASB, with the exception of the following standards and the modifications of the existing standards and changes in their interpretation, which were not yet accepted by the EU at the time of the publication of the financial statements (the dates provided below are the dates of full-scale application of the given IFRS standard).

IFRS 14 "Regulatory deferral accounts" standard (effective from 1 January 2016)

The European Commission made the decision that it would not apply the process of approval to the current interim standard, it will wait for the final standard. As a result, this standard does not and will not have any impact on accounting recognition.

IFRS 16 "Leases" standard (effective from 1 January 2019)

The Leases standard specifies how an IFRS reporter will recognise, measure, present and disclose leases, both for the "lessor" and the "lessee".

Under the decision of IASB, the application of the IFRS 16 Leases standard will become obligatory for all entities. Early application is permitted, if the entity already applies the IFRS 15 - Recognition of revenue from contracts with customers, on or before the date of the first application of this Standard. The purpose of the standard about to be introduced is the assurance of the full-scale representation of assets and liabilities deriving from lease contracts.

The IFRS 16 - Leases standard will invalidate, after its implementation, the IAS 17 - Leases standards and the related interpretations (IFRIC 4).

The modifications of IFRS 2 "Share-based payments" standard - Classification and measurement of share-based payment transactions (effective from 1 January 2018)

The modifications define the requirements applying to the accounting settlement of the following:

- impact of conditions of achievement or non-achievement on share-based payments settled in cash;
- recognition of the net settlement of share-based payment transactions related to the obligations of withholding tax;
- accounting recognition of the conversion of share-based payment transactions settled into share-based payment transactions paid in equity instruments.

Since the Group has no share-based payments, no impact is expected because of this modification.

Amendment of the IFRS 10 "Consolidated financial statements" and IAS 28 "Investment in associates and joint ventures" standards - Sale or contribution of assets between an investor and its associate or joint venture (valid from 1 January 2016).

This amendment resolves an existing contradiction between IFRS 10 and IAS 28 (2011) requirements, concerning sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that the entire profit or loss has to be recognized if the contributed assets comply with the definition of business combination.

Partial profit or loss must be recognized when assets not classified as business combination are contributed. This project was postponed for an indefinite term, as well as the adoption of the standard. The Group does not expect any major impact by the proposed amendment in the case of adoption.

Clarification of the IFRS 15 standard "Revenue from contracts with customers" - problems that occurred in alignment with TRG (effective from 1 January 2018).

The purpose of the project is the clarification of certain issues concerning revenue recognition of IFRS 15 standard guidance TRG (Transition Resource Group).

Amendments of the IAS 7 "Statement of cash flows" standard - initiative related to the presentation of supplementary information (valid from 1 January 2017).

This standard includes the initiative related to the presentation of Supplementary information. The purpose of the amendments is the clarification of IAS 7, in order to enable users of financial statements to obtain more detailed information on the financial activity of the unit. According to the amendments, the entity has to publish supplementary information, which enables the users of financial statements to interpret changes in obligations arising from financial activities, including changes occurring with or without movement of funds.

Amendments of the IAS 12 standard "Income taxes" –Recognition of deferred tax assets for unrealised losses (effective from 1 January 2017)

These amendments clarify the methodology of the accounting recognition of deferred tax, related to tax instruments measured at fair market value. The IAS 12 standard defines the conditions of the presentation and measurement of deferred tax assets and claims. The issued amendments clarify the conditions of the presentation of deferred tax assets related to unrealized losses.

IAS 40 Amendments of investment property - Reclassification of investment properties (effective from 1 January 2018)

IASB modified the standard, under which classification from or into investment property may only be performed if a change occurred in the use of the property.
Amendment of certain standards “Further development of IFRS standards (in the years between 2012 and 2014)” - as a result of the IFRS Development Project amendments were made concerning the individual standards (IFRS 1, IFRS 12 and IAS 28), in order to terminate the inconsistencies and to verify the explanations.

IFRIC 22 interpretation “Foreign currency transactions and advance consideration” (effective from 1 January 2018)
This interpretation clarifies the accounting recognition of transactions in which advance consideration was paid in a foreign currency. Under this rule, the relevant advance must not be revalued as part of the year-end revaluation.

2. MAJOR ACCOUNTING PRINCIPLES

2.1. The basis of consolidation

The consolidated annual report contains the financial reports of companies directly or indirectly controlled by the Parent company (subsidiaries). Subsidiaries are considered entities controlled by the group pursuant to the IFRS 10 standard.
The IFRS 10 standard applies to consolidated financial statements. This regulation requires the management of the company to assess which of their investments are considered controlled companies and which are considered investment companies. Subsidiaries classified as controlled entities are subject to full consolidation. Those subsidiaries that are considered investment companies must be presented at fair value.
As the parent company, OPIMUS GROUP Nyrt. is not considered an investment company.

Subsidiaries

Subsidiaries, i.e. those companies in which the company group holds over 50% of the votes or controls their financial and operating policies in any other way, are subject to consolidation.

When it is determined whether the company group controls another entity or not, the currently exercisable and convertible potential voting rights and their impacts are taken into account.

Subsidiaries are consolidated from the date when the company group acquires control, and upon the termination of control they are removed from the scope of consolidation. This date may be any time during the year as well, i.e. the exact date of acquisition or the exact date of sale.

The consolidated report may contain the operating results of the subsidiaries starting from the date when the acquisition was completed, i.e. after control over the purchased subsidiary actually passed on to the buyer, therefore in such a case the profit and loss statement of the subsidiary must be split between the two periods.

The purchase of a subsidiary is recognized according to the accounting process of acquisition. The acquisition cost includes the fair value of the transferred assets, the newly issued treasury shares and the assumed obligations as of the date of acquisition. The value additional to the fair value of net asset value of the company and its contingent obligations is recognized as goodwill. The cost of acquisition is the fair value of the assets paid by the acquirer, issued shares or shouldered obligations as of the date of acquisition. That part of the costs of acquisition debt exceeds the share in the net assets of the acquired company assessed at fair value, is recognized as goodwill.

If the shareholding of the company group in the net assets of the acquired company valued at fair value exceeds the costs of acquisition ("negative goodwill"), then first the company group performs the identification of the purchased assets, liabilities and contingent liabilities and the assessment of the fair value of these, and redefines the cost of the business combination. If the cost of the acquisition is lower than the fair value of the net asset portfolio of the acquired subsidiary, then we recognize the outstanding balance in the profit and loss statement in the category of revenues of financial transactions.

The transactions, balances and unrealized profits, losses generated on transactions between member companies of the company group are screened out. The accounts payable, accounts receivable, accruals and deferrals and the provisions of companies subject to consolidation with one another must be screened out.

The harmonization of the accounting policies of the subsidiaries was completed in order to ensure the application of a uniform accounting policy within the Group.

2.2. The basis of the preparation of the statement

The international consolidated statements of the company group are prepared according to the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). The consolidated annual report is in harmony with Article 10 of the Hungarian accounting law. Every IFRS rule issued by IASB, effective at the time of the preparation of the consolidated annual report, also applied by the company group is applied according to the decision of the European Union and the European Commission. Therefore the consolidated annual report is prepared according to the same principles by which the European Union applies the IFRS rules.

The report was prepared based on the principle of historical value, with the exception of those cases where IFRS requires the application of a different principle of valuation than provided in the accounting policy.

The company group maintains its accounting records and prepares its reports in accordance with the provisions of the Hungarian Accounting Law (Act C of 2000). The reporting currency of the company group is the Hungarian forint. Unless indicated otherwise, in the consolidated report all amounts are in thousand forints.

In certain cases the Hungarian accounting regulations depart from the internationally acknowledged (IFRS) regulations. In order to ensure that the international consolidated report is in harmony with the International Financial Reporting Standards, certain modifications had to be made in the Hungarian consolidated report of the Group For the company to document the differences and connections between the reports prepared according to the Hungarian regulation and the IFRS reports, the tables presented in Chapter 4 are completed.

2.2.1. Transactions in foreign currency

The functional currency of the parent company and the reporting currency of the Group is the Hungarian forint. The financial reports of the company group were prepared in Hungarian forint (HUF), rounded up to the next value of one thousand, unless indicated otherwise. The consolidated financial statements were prepared in Hungarian forint, which is the currency of presentation of the Group.

Initially, foreign currency transactions not denominated in forint are recognized at the exchange rate valid on the day of the completion of such transactions. Those non-monetary assets whose acquisition or production costs are incurred in foreign currency are recognized at the FX rate valid at the time of the individual acquisitions or when the related items are recognized among the assets. Receivables and liabilities denominated in a foreign currency are translated into forint at the FX rate valid on the balance sheet cut-off date. The resultant

FX rate differences are recognized in the profit and loss statement on financial revenues or expenditures.
When settlements occurring in a foreign currency are translated into Hungarian forint, the official MNB FX rate valid on the day of the transaction is used. In the end of the year the foreign currency assets and liabilities held on the balance sheet cut-off date are revalued at the official exchange rate published by MNB.
A realized FX rate difference is created upon the completion of the transactions, provided that the FX rate upon the date of addition and that upon the date of completion are different from each other. The resultant FX gain or FX loss is recognized in the profit and loss statement. At the end of the year, when the existing foreign currency items are revalued, the unrealized FX difference is recognized.
The Groups owns some foreign subsidiaries that prepare their financial reports in the relevant local currency. The following method is used for the translation of these financial reports into Hungarian forint. The items included in the balance sheet are translated using the FX rate published by the National Bank of Hungary as of the cut-off date - with the exception of shareholder's equity, which we translate using the historical FX rate - while the items of the profit and loss statement are translated at the annual average FX rate. Every difference arising from changes of the FX rate is recognized directly in consolidated shareholder's equity (as accumulated revaluation adjustment). If the company group sells part of a foreign operation or the entire operation, then the FX rate difference recognized in capital until the date of the sale is recognized in the profit and loss statement through the profit or loss of the sale.

2.2.2. Financial instruments

Financial assets include mainly monetary assets, receivables from customers, other loans and receivables, as well as derivative and non-derivative financial assets held for trading.
Financial liabilities usually derive from the need to repay money and other financial assets. These mainly include bonds and other securitized obligations, accounts payable, liabilities to banks and associated companies, financial leasing liabilities and derivative financial liabilities.

Financial assets

The company group assigns its financial assets to the following categories:

(a) financial assets valued at fair value against profit or loss,
(b) loans and receivables,
(c) financial assets held for resale,
(d) investments to be held until maturity.

Classification depends on what was the aim of the company group by acquiring the relevant financial asset. At the time of purchase, the management defines the classification of financial assets. The recognition (purchase) and derecognition (sale) of financial assets take place on the date when the company group commits to acquire or sell the asset. We recognize every investment valued at fair value against profit or loss, increased by the transaction cost. Investments valued at fair value against profit or loss are recognized at fair value, while transaction costs are recognized in the profit and loss statement.
If a receivable is classified as uncollectible, it is written off against the profit and loss statement. If amounts written off earlier are still recovered, then they will also be recognized against the profit and loss statement.
If in a later period the losses caused by impairment decrease, and the decrease can be objectively assigned to an event that occurred after the recognition of impairment (for example, an improvement in the credit-rating of the debtor), then the loss caused by the impairment recognized earlier must be reversed by amending the impairment account.
As a result of this reversal, the book value of the asset must not exceed the depreciated

historical value that would be valid at the time of the reversal, if the reversal had not been recognized earlier. The amount of reversed losses must be recognized in the profit and loss statement.

Financial assets are removed from the books if the entitlement to cash flow deriving from the given investment has expired or has been transferred, and the company group also transferred the significant risks and benefits related to ownership.

The valuation category of "financial assets measured at fair value against profit or loss" includes the following financial assets:

- Financial assets that fall into this category as financial assets valued at fair value against the profit or loss, according to the so-called fair value option, in accordance with the IAS 39 standard.
- Financial assets that have been acquired basically for resale, immediately or in the near future, and therefore are classified as "held for trading".
- Derivative financial instruments that belong to the "held for trading" category.

Assets belonging to this category are recognized among current assets.

Financial assets valued at fair value against profit or loss will remain recognized in the books at fair value after the first recognition. Any profit or loss arising from changes of the fair value of financial assets valued at fair value against profit or loss will be recognized in the year when these occur, in the profit and loss statement.

Loans and receivables are such non-derivative financial assets that generate fixed or definable payments and are not listed in an active market. Loans and receivables are recognized among current assets (receivables), except if any of these matures within 12 months following the balance sheet cut-off date. These latter are recognized among non-current assets.

Loans and receivables are recorded in the books at fair value, and later on they are valued at a depreciated historical cost using the effective interest rate method.

Financial instruments available for sale include those non-derivative financial assets which are classified as such by the company group or have not been assigned to another category. Financial instruments available for sale are recorded among non-current financial assets, unless the management intends to sell the investment within 12 months following the balance sheet cut-off date. In this case they are represented among current assets.

The company group values financial instruments available for sale at fair market value, both upon and after initial recognition. Any changes in the fair value of securities recognized amount financial instruments available for sale is recognized in equity. When securities recognized as assets available for sale are sold, the accumulated fair value change recognized in equity earlier is represented in the profit and loss statement.

On each balance sheet cut-off date the company group surveys whether there is any objective evidence for the need to recognize impairment on a financial asset. There is objective evidence for impairment as an outcome of events that took place after the acquisition of the asset, and the events that caused this loss had an impact on the estimated future cash flow of the financial asset or a group of financial assets, and the value of this impact can be estimated reliably.

The valuation category of "investments to be held until maturity" contains such non-derivative financial assets providing fixed or definable payments and a fixed maturity that the Group positively intends and is able to hold until maturity. The depreciated historical value is the book value minus repayments, which must be adjusted by the positive or negative difference between the initial value and the value upon maturity, furthermore, by any impairment. The depreciated historical value must be determined by using the effective interest rate method. The efficient interest rate (internal rate of interest) is the rate that discounts the expected future cash flows of the financial instrument to the net book value of the financial asset at the time of acquisition.

2.2.3. Financial liabilities

The company group applies to methods for the valuation of financial liabilities:

- financial liabilities recognized at depreciated historical value,
- financial liabilities valued at fair value against profit or loss.

The category of "financial liabilities recognized at depreciated historical value" contains all financial liabilities that have not been assigned to the "financial liabilities valued at fair value against profit or loss" category.

Loans and credits are recognized at the time of initial recognition at their fair value minus transaction costs. In subsequent periods they are recognized at the depreciated historical value defined by the effective interest rate method. The company group recognizes the effective interest during the term of the loan in the profit and loss statement.

The company group recognizes accounts payable and other liabilities (including deferrals) at fair value at the time of initial recognition. In subsequent periods they are recognized at the depreciated historical value defined by the effective interest rate method. The book value of accounts payable and other liabilities is close to their fair value, owing to their short maturities, and therefore represents their fair value well.

The company group assigns all derivative products to the valuation category of "valued at fair value against profit or loss." Derivative products are valued at the time of initial recognition at the fair value valid on the date when the contract is concluded, and the fair value is also used in subsequent revaluations. The company group does not apply hedge accounting to its derivative financial instruments, therefore it recognizes all of its profits and losses in the profit and loss statement.

The fair value of derivative financial instruments is recognized among other short- or long-term financial assets or liabilities.

Pursuant to the IAS 39 standard, the company group considers only those contracts as derivative products that are to be separated from the underlying agreement and are embedded, that are concluded neither in the functional currency of a party to the contract, nor in a foreign currency widely applied in the business environment of contracts on the purchase and sale of non-financial items (e.g. a relatively stable, liquid foreign currency, that is widely applied in local business transactions and in foreign trade). The company group considers the euro as a foreign currency that is widely used in the area of operation of the company group.

According to the requirements of IFRS, derivative products are initially recognized in the balance sheet at their fair value at the time of acquisition. Derivative products are measured at their fair value after initial recognition.

2.2.4. Inventories

The historical value of inventories includes the cost of purchase, costs of conversion, as well as those costs that are incurred in order for the inventories to be placed in their current location and current condition.

In the balance sheet purchased inventories are presented at their average procurement value minus impairment plus the reversal of recognized impairment, self-produced stocks are recognized at their actual production cost minus impairment plus the reversal of recognized impairment.

Inventories are recognized at the lower of their historical cost minus any impairment recognized on unnecessary or idle inventories or at their net realisable value.

2.2.5. Investment properties

A property is recognized as an investment property if the entity holds it in order to realize revenues from rent or from increase in value, or from both, and not for subsequent sale or for the purpose of production of goods, provision of services or administrative activities.

When investment properties are recognized for the first time, they are measured at historical value. After initial recognition, the fair market value of investment properties is determined with the involvement of an independent appraiser. These properties are recognized at fair value at the end of each reporting period, and the generated differences are presented in the comprehensive income statement. The initial historical value includes all costs incurred in the acquisition of the given property.

Investment properties are derecognized at the time of sale, or if they are no longer used and the sale is not expected to produce a return. Any profit or loss arising from the derecognition of the property is recognized in the profit or loss of the reporting period, in the period of the derecognition of the property.

2.2.6. Property, plant and equipment

Property, plant and equipment are recognized at their historical value, minus accumulated depreciation and impairment.

The historical cost of a particular item of property, plant and equipment includes the acquisition price minus discounts and rebates, including import customs charges and any non-reclaimable taxes, furthermore, any direct costs that were incurred by the transport of the asset to its place of operation, or by commissioning in a way considered desirable by the management. The estimated costs of the dismounting, removal of the asset and the recovery of the premises also constitute part of historical value, if a provision is allowed to be made according to the rules of the IAS 37 standard.

The depreciation of property, plant and equipment is calculated by the straight-line method. The procurement value of assets is written off starting from the date of commissioning, over the useful lives of the assets. The company group constantly reviews the useful lives and residual values.

The Group applies the following depreciation rates by the straight-line method, by asset group:

Buildings	1-3%
Machines, equipment	5-20%
Vehicles	20 %
Other assets	12.5-25%

The company group recognizes out of budget depreciation on those property, plants and equipment concerning which the net book value of the assets is not expected to be recovered based on their future income-generating capabilities. The company group prepares the necessary calculations based on the appropriate discounting of the long-term future cash flow plans.

2.2.7. Intangible assets

The company group recognizes intangible assets at their historical value minus accumulated depreciation and impairment. The company group capitalizes any purchased computer software at the value determined on the basis of costs related to acquisition and commissioning, on which it recognizes depreciation over the expected useful life. The company group recognizes any costs related to the development and maintenance of computer software as costs at the time when they are incurred.

The Group applies the following depreciation rates by the straight-line method, by asset group:

Rights of asset value (only those related to real property)	2%-20%
Other rights of asset value (distribution right)	6%-20%
Intellectual products, software	20%-33%

2.2.8. Goodwill

Goodwill is defined as the positive difference between the historical value and fair market value of identifiable net assets of an acquired subsidiary, related company or company under joint management on the date of acquisition. Goodwill is not depreciated, but the company group revises each year whether there are any signs that the book value is not likely to be recovered. Goodwill is represented at historical value minus any impairment.

2.2.9 . Value of research, experimental development

Research costs are recognized as expenditures as they are incurred. Development costs incurred on individual projects can be carried forward if their future return can be considered appropriately proven.

After initial recognition, the historical value model must be applied to development costs, under which the asset must be recognized at historical value minus impairment. No depreciation may be charged on costs incurred in the development stage. The book value of development costs is reviewed annually for impairment, when the asset has not yet been brought into service, or more frequently, if during the reporting year there are indications that the book value will not be recouped.

The Group determines the depreciation of capitalized R+D assets subject to individually assessed conditions. The depreciation period starts on the date when the asset is ready for use. We use the straight line method to recognize depreciation.

2.2.10. Impairment on property, plant and equipment and intangible assets

The company group recognizes out of budget depreciation on those property, plants and equipment concerning which the net book value of the assets is not expected to be recovered based on their future income-generating capabilities. The company group prepares the necessary calculations based on the appropriate discounting of the long-term future cash flow plans.

In the case of assets on which the company group records depreciation, in each case when the change of certain events or circumstances indicates that their book value would not be recovered, it will assess whether impairment has occurred. The rate of impairment is the difference between the book value and the recoverable amount of the asset.

2.2.11. Provisions

Provisions are formed if the company group has current obligations (mandatory under the law or presumed) owing to an event in the past, and it is likely that an outflow of resources embodying economic benefits will become necessary in order to fulfill the obligation, furthermore, the amount of the obligation can be estimated reliably. Upon balance sheet preparation the provisions are reviewed in view of the best current estimate.

The amount represented as a provision is the best estimate of the expenditures necessary for the settlement of the existing obligation as of the balance sheet cut-off date, in consideration of the risks and uncertainties that characterize the obligation. If the cash flow that is expected to be necessary for the settlement of the existing obligation is used for the assessment of the provisions, then the book value of the provision will be the present value of this cash flow.

If another party is expected to refund some or all of the expenditures necessary for the settlement of the provision, the receivable may be represented as an asset if it is substantially certain that the economic unit will receive the refund and the amount of the receivable can be measured reliably.

The existing obligations arising from adverse contracts are represented as provisions. The Group will consider a contract adverse if the inevitable costs of the fulfillment of the obligations existing under the contract exceed the economic benefits that are likely to be collected under the contract.

2.2.12. Registered capital, Reserves and Treasury shares

Ordinary shares are recognized as an element of own equity.

The value of the reserves represented in the consolidated annual report is not identical with the amount of reserves that may be paid to the shareholders. The individual annual report of OPIMUS GROUP Nyrt., not prepared according to the Hungarian accounting law is used to define the amount of the dividends.

The conversion reserve includes the conversion differences created in the consolidation of foreign enterprises.
When the company or a subsidiary of the company purchases the shares of the company, the paid consideration and all related costs will reduce the shareholder's equity on the line of "treasury shares", until the shares are withdrawn or resold.

2.2.13. Revenues

The revenues of the company grew primarily because of services provided to its customers and other third parties, and from the sale of goods. The company group represents revenues from services and the sale of goods at a value reduced by value added tax and discounts (after screening out inter-company transactions), if it is possible to define the amount of the revenue reliably.

2.2.14. Investment contracts

The revenue deriving from investment contracts recognized for the given period is determined according to the level of completion. The value of works completed until the cut-off date is represented as sales revenue, which is identical with the part of the value of the entire contract proportionate with the level of completion. The level of completion is the work actually completed, divided by the total work to be completed.
The Group represents gross amounts not billed, but billable according to the investment completed until the cut-off date as investment contracts in progress.
The costs include all costs that may be associated with the project directly, as well as the eligible part of the indirect costs incurred. Investment contracts in progress are represented on the trade receivables arising from Investment contracts line.

2.2.15. Income taxes

The local business tax and the innovation contribution cannot be assigned to income taxes, they are represented among other expenditures.

Corporation tax

The corporation tax is payable to the tax authorities of the country of the operating sites of members of the company group. The basis of tax payment is the pre-tax earnings of the accounting profit, adjusted by the tax base increasing and decreasing items. The methods of calculation of tax rates and tax base in the case of the member companies of the company group vary according to the different rules of the respective countries.

2.2.16. Earnings per share

The basic value of earnings per share is calculated by dividing the annual earnings projected on the shareholders of the company group by the weighted average number of ordinary shares in circulation in the relevant year. The diluted earnings-per-share is calculated, in addition to ordinary shares, in consideration of the weighted average number of share options causing the dilution.

2.2.17. Leasing

In order to determine whether a particular transaction is considered leasing or includes leasing, the essence of the agreement must be assessed at the beginning of the transaction, i.e. it must be taken into account whether the fulfillment of the agreement depends on the use of a specific asset or assets, furthermore, on whether the right of use of the asset is transferred pursuant to the agreement.
In the case of financial lease, during which all risks and benefits related to the ownership of a particular assets are transferred, at the start of leasing the lower of the fair value of the assets and the net present value of leasing payments must be represented separately for each asset and liability. Upon first recognition the asset and the related liabilities must be capitalized. When the asset is put to use, depreciation must be recognized at the user, by defining the useful life of the asset and the method of depreciation.
Liabilities must be broken up into short-term and long-term liabilities in the presentation in

the balance sheet.
Financial expenditures are recognized directly against revenues. The depreciation of assets under lease represented in the balance sheet is recognized over the estimated useful life of the asset.
Those leasing transactions where the risks and benefits related to the ownership of the assets remain with the lessor, are considered operating lease. Payments related to operating lease are represented as expenses in the profit and loss statement, they are recognized by using the straight-line method over the term of the lease.

2.2.18. Deferred tax

Corporation tax is defined according to the regulations of the Hungarian tax law. Deferred taxes are recognized, using the method of balance sheet obligation, for temporary differences between the book value of assets and liabilities represented in the consolidated report and the amounts are presented for the purposes of corporation tax liabilities.
The company group calculates the amount of deferred tax using such tax rates mandated by law and valid on the balance sheet cut-off date that are expected to be applicable at the time of the implementation of the claim for deferred tax and the settlement of the deferred tax liability.
Deferred tax claims are recognized to such an extent to which it can be presumed that in the future there will be such taxable profit (or reversible deferred tax liability) against which the deferred tax claim can be implemented.
The company group also recognizes deferred tax on the temporary differences in shareholdings in subsidiaries, related companies and companies under joint management.
Under the liability method, deferred taxes are recognized on the balance sheet cut-off date regarding the temporary differences between the tax base of assets and liabilities on the one hand and their registered value for reporting purposes on the other hand. The method of the recognition of deferred taxes on a balance sheet basis is based on the recognition of accumulated differences. Accordingly, the company group prepares its balance sheets for taxation and accounting purposes and it has to assess the difference between these two from the aspect of deferred taxes.
The main purpose of the calculation of deferred taxes is counterbalancing the tax effects of the temporary earnings and the tax differences. Accordingly, in the calculation of deferred taxes not only the temporary differences between the tax law and the accounting law must be taken into account, deferred tax must also be calculated for the differences between reports prepared according to the Hungarian accounting law and reports on which IFRS amendments have already been made.
In the case of the balance sheet-based approach, if the value of an asset according to the tax balance sheet exceeds its book value represented in the accounting balance sheet, then it will have a deferred tax claim impact. Such cases occur not only in the case of impairment recognized on trade receivables, but also when the amount of accounting depreciation exceeds the amount of depreciation allowed under the tax law, if we recognize further impairment on inventories, or if we recognize out of budget depreciation on property, plant and equipment and intangible assets.
Deferred tax claims are recognized in the case of deductible temporary differences and in the case of accrued but unused tax claims or tax losses, to such an extent that it is likely that in the future such taxable profits will be generated against which it will be possible to apply these temporary differences or unused tax claims or tax losses:
The recorded value of deferred tax claims is assessed on every balance sheet cut-off date, and it is reduced to such an extent that it is unlikely that sufficient taxable profit will be generated for its partial or full application.

The amounts of deferred tax receivables and tax liabilities are determined by applying the tax rates under the tax laws valid upon the collection of the claim or the settlement of the liability - i.e. the laws that took effect on or after the balance sheet cut-off date.

2.2.19. Events after the cut-off date

Those events occurring after the end of the reporting period that provide supplementary information on the conditions of the Group at the end of the reporting period (adjusting items) have been represented in the report. Those events occurring after the reporting period that do not modify the data of the report are presented in the explanatory notes, if they are significant.

2.2.20. Discontinued activities

If the Group decides on the discontinuation of a particular activity, because the given subsidiary is sold. The performance or loss of the reporting period that can be associated with the discontinued activity is separately presented in the comprehensive profit and loss statement. If the Group considers an activity discontinued, then the data applying to a previous period and presenting the comprehensive income position of the Group must also be represented as if the given activity had been considered discontinued at that time as well.
In the preparation of the consolidated financial statements of the group for the year 2015, of the sold business shares the figures of Csabatáj Zrt., Hungarotojás Kft., Hidasháti Zrt., MURÁTÓ Zrt., and HIDAS-VÉT Kft., are treated as discontinued activities.

2.2.21. Off balance sheet items

Off balance sheet liabilities are not included in the balance sheet and profit and loss statement constituting part of the consolidated annual report, unless they were created in business combinations. These are represented in the notes, unless the probability of the outflow of resources embodying economic benefits is distant, minimal. Off balance sheet receivables are not included in the balance sheet and profit and loss statement constituting part of the consolidated annual report, but if there is a likelihood for the inflow of economic benefits, then these are represented in the Explanatory Notes.

2.3. Factors of uncertainty and accounting estimates

In the application of the Accounting Policy presented in section 2 of the Explanatory Notes, estimates and assumptions must be applied in order to determine the value of certain assets and liabilities as of a given date, which cannot be clearly determined from any other source. The process of estimating contains decisions based on the latest available information and the relevant factors. These estimates are based on the best knowledge of the management on current events, however, the actual results may be different.
The estimates are constantly updated. Impacts of changes in accounting estimates are to be recognized in the period of the change, if the change only affects the given period, or in the period of the change and in future periods, if the change affects both of these periods. The main areas of estimating uncertainty and critical decisions made in the field of application of the accounting policy, which have the most significant impact on the amounts represented in the Consolidated financial statements, are the following:

- Definition of the useful life of property, plant and equipment and intangible assets with a finite useful life.
- Definition of the impairment of property, plant and equipment and intangible assets
- Sale of investment properties and other properties
- Definition of the level of completion in the case of capital investment contracts
- Definition of the value of biological assets
- The content of environmental obligations, quantification and occurrence in time of environmental obligations
- Tax benefits in the future, or the realization of profits constituting an appropriate tax base,

against which deferred tax assets may be realized

- Outcome of certain litigated cases
- Impairment recognized on uncollectible and doubtful receivables
- Formation of provisions for warranty obligations

3. NOTES RELATED TO ITEMS OF FINANCIAL STATEMENTS

(All data are defined in thousand HUF, unless specifically provided otherwise in a note)

3.1. Details of business combinations, subsidiaries newly involved in 2016

Name of the company	Country	Scope of activities	Ownership ratio 2016	2015
OPIMUS PRESS Zrt.	Hungary	Other information service	100.00%	-
PRINTIMUS Kft.	Hungary	Advertising agency activities	100.00%	-
Mediaworks Hungary Zrt.	Hungary	5813 '08 Publication of daily newspapers	100.00%	-
Magyar Előfizetői Kft.	Hungary	Asset management (holding)	100.00%	-
MédiaLOG Zrt.	Hungary	Other service supplementing transport	100.00%	-
NÉPSZABADSÁG Zrt.	Hungary	Lease and operation of freehold or leasehold property	99.00%	
PANNON LAPOK TÁRSASÁGA Kft.	Hungary	Media advertising	100.00%	-
PRIMUS Népszabadság Média Képviseleti Kft.	Hungary	Advertising agency activities	100.00%	-
SHOW PLUS Kft.	Hungary	Publication of journals, periodicals	100.00%	-
DMH Magyarország Kft.	Hungary	Advertising agency activities	100.00%	-
Dunaújvárosi Szuperinfő Kft.	Hungary	Publication of journals, periodicals	75.00%	-
FEHÉRVÁR INFÓ Kft.	Hungary	Publication of journals, periodicals	100.00%	-
Maraton Lapcsoport Kft.	Hungary	Publication of journals, periodicals	100.00%	-

Name of the company	Ownership ratio	Obtained net asset value	Adjusted obtained shareholding	NCI	Goodwill	Badwill	Impairment of goodwill
OPIMUS PRESS Zrt.	100.00%	20,000	20,000				
PRINTIMUS Kft.	100.00%	3,000	3,000				
Mediaworks Hungary Zrt.	100.00%	3,469,000	3,566,282		310,282		139,968
Magyar Előfizetői Kft.	100.00%		29,533		29,533		29,533
MédiaLOG Zrt.	100.00%		53,000		53,000		53,000
NÉPSZABADSÁG Zrt.	99.00%	61,000	635,034	610	574,644		574,644
PANNON LAPOK TÁRSASÁGA Kft.	100.00%	2,146,000	2,084,423			61,577	
PRIMUS Népszabadság Média Képviseleti Kft.	100.00%	758,000	659,118			26,882	
SHOW PLUS Kft.	100.00%	17,000	3,000			14,000	
DMH Magyarország Kft.	100.00%	56,000	10,000			46,000	
Dunaújvárosi Szuperinfő Kft.	75.00%	19,000	80,574	4,750	66,324		66,324
FEHÉRVÁR INFÓ Kft.	100.00%	84,000	107,000		23,000		23,000
Maraton Lapcsoport Kft.	100.00%		20,000			17,000	
Total:		6,610,000	7,270,964	5,360	1,056,783	165,459	886,469

Instant impairment against retained earnings HUF 886,469 thousand

Total goodwill: 170,314

Total badwill: 165,459

3.2. Real property, machines, equipment

The following table shows the changes that occurred in the net value of property, plant and equipment in the fiscal years of 2016 and 2015:

		Real properties	Technical machine and equipment	Other equipment and fittings	Investments	Total
		th HUF	th HUF	th HUF	th HUF	th HUF
	Additions and capitalization	65,254	88,573	64,364	0	218,191
	Depreciation continued activity	234,559	192,938	82,966	0	510,463
	Depreciation discontinued activity	0	0	0	0	0
	Impairment	0	0	0	0	0
changes	Sales	2,326,927	2,934,018	240,855	70,101	5,571,901
in 2015	Depreciation, addition, removal	-59,647	-1,417,083	-140,467	0	-1,617,197
	Re-classification	0	0	0	4,062	4,062
	Value adjustment	-17,453	-10	-3,493	0	-20,956
31.12.2015	Gross value	6,175,675	3,433,572	1,221,696	26,932	10,857,875
Closing	Accumulated depreciation and impairment	1,478,096	2,680,940	765,129	0	4,924,165
balance	Net value	4,697,579	752,632	456,567	26,932	5,933,710
	Additions and capitalization	62,348	151,853	62,595	198,545	475,341
	New Company Group gross addition (Médiaworks Group)	4,989,946	9,507,122	2,598,508	83,788	17,179,364
	Depreciation continued activity	145,190	326,390	134,053	0	605,633
	New Company Group depreciation addition (Médiaworks Group)	1,074,590	6,323,764	2,004,578	0	9,402,932
Changes in 2016	Depreciation discontinued activity	0	0	0	0	0
	Impairment	-73,169	0	0	0	-73,169
	Sales	634	21,259	442,689	0	464,582
	Depreciation, addition, removal	-181	-18,819	-346,785	113,272	-252,513
	Re-classification	-4,167,668	0	0	0	-4,167,668
	Value adjustment	814,037	-3,195	1,392	0	812,234
31.12.2016	Gross value	7,873,704	13,074,485	3,438,718	195,993 0	24,582,900
Closing	Accumulated depreciation and impairment	2,624,526	9,312,275	2,556,975		14,493,776
balance	Net value	5,249,178	3,762,210	881,742	195,993	10,089,123

3.3. *Intangible assets*

The following table summarizes the changes occurring in the value of intangible assets in the fiscal years of 2016 and 2015:

		Research development	Rights of asset value	Other	Total
		th HUF	th HUF	th HUF	th HUF
Changes in 2015	Increases	231,563	6,991	267	238,821
	Depreciation continued activity	116,550	36,518	1,067	154,135
	Depreciation discontinued activity		0	0	0
	Out of budget dep.		60,384	0	60,384
	Sales		0	257	257
	Depreciation, addition, removal	38,932	-324	-10,319	28,289
	Reclassifications and other movement	-62,108	-908	-13,010	-76,026
31.12.2015 Closing balance	Gross value	898,757	981,558	0	1,880,315
	Accumulated depreciation and impairment	535,389	907,115	0	1,442,504
	Net value	363,368	74,443	0	437,811
Changes in 2016	Increases	75,362	46,543	3,406	125,311
	New Company Group gross addition (Médiaworks Group)			1,849,658	1,849,658
	Depreciation continued activity	100,812	27,426	12,750	140,988
	New Company Group depreciation addition (Médiaworks Group)			1,692,791	1,692,791
	Depreciation discontinued activity		0	0	0
	Impairment		536,600	0	536,600
	Sales		22,789	56,407	79,196
	Depreciation, addition, removal		-22,789	-56,275	-79,064
	Reclassifications and other movement		-424	0	-424
31.12.2016 Closing balance	Gross value	974,119	7,777,301	1,796,657	10,548,077
	Accumulated depreciation and impairment	636,201	2,455	1,649,266	4,740,656
	Net value	337,918	5,322,112	147,391	5,807,421

At the end of the reporting year, the value of the intangible assets of the group was HUF 5,807,421 thousand. Intangible assets constitute 24% of the total amount of non-current assets.

A significant part of intangible assets are constituted by the brands owned by MediaWorks Hungary Zrt. and Pannon Lapok Társasága Kft.

Mediaworks Hungary Zrt. and Pannon Lapok Társasága Kiadói Kft. own the brands of twelve county and national level newspapers and magazines.

3.4. Goodwill

The following table shows the goodwill created at the time of the acquisition after the recognition of impairment. We have assigned the goodwill to those income-generating units that were it occurred in the business combination.

	2016	2015
SZ és K 2005. Kft.	1,670	1,670
EURO GENERÁL Zrt.	1,086	1,086
Mediaworks Hungary Zrt.	170,314	0
Total	173,070	2,756

3.5. Investment properties

	2016	revaluation	2015
A-8861 St. Georgen ob Murau, Kreischberg 2, Austria (Holiday Resort GmbH)	4,167,668	0	-
Aba, outskirts, lot number 0442/30 (OPIMUS GROUP Nyrt.)	390,000	0	-
Eger, Szövetkezet út 1. (SZ és K 2005. Kft.)	96,900	4,900	92,000
Tamási, Szabadság u. 94. (OPIMUS GROUP Nyrt.)	87,000	3,880	83,120
Budapest, Révay u. 10. (Révay 10 Kft.)	1,100,200	54,050	1,046,150
Gárdony, Határ street, lot number: 7830/29 (Kőrösi Ingatlan Kft.)	83,839	-30,161	114,000
Total	5,925,607	32,669	1,335,270

In the consolidated financial statements of the Group the value of investment properties in the balance sheet was HUF 5,925,607 thousand on 31 December 2016. The above balance sheet value reflects the estimated fair value of investment properties, which was determined by an independent external appraiser hired by the Group.

In the year 2016 the Austrian hotel with its seat in Murau was reassigned to investment properties owing to the change in the method of its utilization since 1 December 2016, furthermore, the industrial property in Aba, owned by the parent company, was added as a new element.

Pursuant to the agreement between the Company and CIB Bank Zrt, dated 23 August 2013, as the parent company, OPIMUS GROUP Nyrt. shouldered the depths of its subsidiaries, namely Révay 10 Kft. and OBRA Kft. arising from their loan agreements concluded with CIB Zrt., and by this amendment it became a party to the credit facility agreements as a debtor. The collateral of this loan is the property in Révay Street. On 22 March 2017, a mortgage-based loan contract was concluded between Révay 10 Kft. and FHB Bank, which replaced the CIB loan contract, presented above, which was restructured in 2013. The new financing structure terminated the debtor status of the parent company and Révay 10 Kft. is obliged to repay the loan.

3.6. Non-current financial assets, loans granted

The net values of other non-current assets of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
Loans lent	279,352	310,093
N-Gene Inc.	0	0
Shareholding	148,160	0
Other securities	1,440,776	2,955
Total	1,868,288	313,048

Other securities include the value of the 27 bonds repurchased by OPIMUS PRESS Zrt. to an extent of 58%. A further 39% is owned by the media portfolio.

From 2012 the Company has held a shareholding of 4.63% in N-Gene Inc. While retaining our shareholding, in the year 2015 we considered it justified to recognize an impairment of 100% on our N-Gene investment. In 2016 we saw no reason to reverse the impairment on the shareholding.

3.7. Inventories

The balances of the inventories of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
Materials	1,028,277	440,717
Unfinished and semi-finished products	543,612	500,311
Finished goods	1,011,386	1,163,928
Goods	1,089,890	677,222
Total	3,673,165	2,782,178

The book value does not exceed the net realizable value.

3.8. Corporation tax in the reporting year

	Corporation tax receivable		Corporation tax liability	
	2016	2015	2016	2015
EURO GENERÁL Zrt.	0	0	518	313
Holiday Resort Kreischberg-Murau GmbH	0	0	0	3,127
Opima Kft.	533	537	0	0
OPIMUS GROUP Nyrt.	0	0	0	83
Révay 10 Kft.	0	0	150	192
Wamsler Haus- und Küchentechnik GmbH	0	0	45,331	44,476
Wamsler Bioenergy GmbH	0	0	0	0
Wamsler SE	0	1,839	0	0
OPIMUS PRESS Zrt.	0	0	889	0
OBRA Kft.	258	265	0	0
Mediaworks Hungary Zrt	136,077	0	0	0
Magyar Előfizetői Kft.	543	0	0	0
MédiaLOG Zrt.	2,496	0	0	0
NÉPSZABADSÁG Zrt.	0	0	585	0
PANNON LAPOK TÁRSASÁGA Kft.	1,104	0	0	0
PRIMUS Népszabadság Média Képviseleti Kft.	0	0	181	0
SHOW PLUS Kft.	252	0	0	0
DMH Magyarország Kft.	0	0	0	0
Dunaújvárosi Szuperinfő Kft.	0	0	92	0

FEHÉRVÁR INFÓ Kft.	956	0	0	0
Maraton Lapcsoport Kft.	1,110	0	0	0
SZ és K 2005. Kft.	41	275	0	0
Total:	143,370	2,916	47,746	48,191

	2016	2015
Tax receivable in the reporting year	143,370	2,916
Tax liability in the reporting year	47,746	48,191
Total	95,624	-45,275

3.9. Trade receivables

The balances of trade receivables of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
Trade receivables	4,983,820	1,437,101
Trade receivables from investment contracts	69,534	33,124
Impairment formed on doubtful receivables	- 343,999	- 27,313
Total	4,709,355	1,442,912
Average term of trade receivables	111	46

Trade receivables arising from investment contracts are recognized at the construction industry segment, according to the level of completion.

3.10. Other receivables

The balances of other accounts receivable of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
Advances paid to investment suppliers	11,040	0
Advances on inventory	14,746	23,417
Advances paid on services	13,912	23,367
Accrued revenues and costs	249,683	11,158
Other costs paid in advance	107,388	11,483
Claims from employees	13,979	4,006
Tax receivables	360,143	82,350
Receivables from local governments	52,350	8,888
Supports	0	0
Loans lent	18,200	4,000
Overpayment to suppliers	64,353	0
Security deposit and guarantee receivables	113,096	0
Receivables arising from the sale of shareholding	1,331,800	0
Other receivables	552,040	2,194,924
Total	2,902,730	2,363,593

The line of prepaid expenses and accrued revenues typically includes those items that will only be recognized among costs in the next period, simultaneously with the actual incurrence or collection.

3.11. Monetary assets and equivalents

The balances of cash and cash equivalents of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
Cash (HUF)	14,878	9,840
Cash (EUR)	6,276	12,082
Bank deposits HUF	1,029,662	135,175
Bank deposits (EUR)	1,311,508	1,516,510
Monetary assets of restricted use	23,261	25,578
Terms deposits with short maturities	0	0
Total	2,385,585	1,699,185

3.12. Registered capital

The composition of the registered capital is: (Data in HUF)

	31 December 2016		31 December 2015	
	Number of pieces	Face value	Number of pieces	Face value
	315,910,361	25	315,910,361	25
Balance of registered capital	315,910,361	7,897,759,025	315,910,361	7,897,759,025
Treasury shares owned by the Group	5,404,333	135,108,325	5,404,333	135,108,325
Shares in circulation	310,506,028	7,762,650,700	310,506,028	7,762,650,700

The Company only has ordinary shares, the face value of which is HUF 25 per share.
The holders of the ordinary shares are entitled to one vote per share in the general meeting of the Company.

3.13. Capital elements

	2016	2015
Capital reserve	7,012,149	7,012,149
Revaluation reserve	69,773	79,452
Valuation reserve	748,767	0

3.14. Accumulated profit

Accumulated profit	
Balance 31.12.2014	-4,428,044
Profit/loss for the reporting period of the year 2015	-1,812,600
Earnings of discontinued agricultural activity	-512,741
Holiday Resort Kreischberg-Murau GmbH deferred tax	1,956
Balance 31.12.2015	-6,751,429

Balance 31.12.2015	-6,751,429
Profit/loss for the reporting period of the year 2016	-963,711
Acquisition of Médiaworks Hungary company group	-870,145
Balance 31.12.2016	-8,585,285

Dividends

In the year 2016 the Group paid no dividend

On the balance sheet cut-off date there was no dividend approved by a resolution but not paid.

3.15. Shareholdings of external owners

	2016	2015
EURO GENERÁL Zrt.	146,541	117,421
Kőrösi Ingatlan Kft.	44,115	44,115
Dunaújvárosi Szuperinfó Kft.	4,750	0
NÉPSZABADSÁG Zrt.	610	0
Wamsler Bioenergy GmbH	1,748	1,188
Wamsler Haus- und Küchentechnik GmbH	7,159	5,131
Shareholdings not authorizing their holders for control in total, of that, other comprehensive accumulated profit for external	204,923	167,855
owners	2	36
Wamsler Bioenergy GmbH	0	1
Wamsler Haus- und Küchentechnik GmbH	2	35

3.16. Credits and loans

The existing credits and loans are the following:

2016

Financial Institution	Credit types	Securities	Balance 31.12.2016	Currency	Balance THUF	Of that, long-term th HUF	Of that, short-term th HUF
OPIMUS GROUP Nyrt.							
CIB	credit	real estate	1,884,897	EUR	586,241	528,466	57,775
Holiday Resort GmbH CIB	credit	real estate	6,913,778	EUR	2,150,321	1,976,150	174,171
EURO GENERÁL Zrt. K&H Bank	credit	real estate	21,820	th HUF	21,820	7,276	14,544
Other credits and loans	credit + loan		746	th HUF	746		746
Mediaworks Hungary Zrt.							
MKB	credit	real+movable property	8,354,752	th HUF	8,354,752	7,068,120	1,286,632
Other credits and loans			67,589	th HUF	67,589	41,060	26,529
Wamsler SE Raiffeisen foreign currency credit	credit	real+movable property	10,000,000	EUR	3,110,200	3,110,200	0
Raiffeisen current asset credit	credit	real+movable property	750,000	EUR	233,265	0	233,265
Long-term loans total						12,731,263	
Short-term credits total							1,793,671

Financial Institution	Credit types	Securities	Balance 31.12.2015	Currency	Balance THUF	Of that, long-term th HUF	Of that, short-term th HUF
OPIMUS GROUP Nyrt.							
CIB	credit	real estate	2,046,462	EUR	640,788	590,199	50,589
Csabatáj Zrt.	Loan		40,000	th HUF	40,000	0	40,000
Holiday Resort GmbH							
Raika	credit		191,085	EUR	59,833	59,833	
CIB	credit	real estate	7,553,277	EUR	2,365,080	2,189,733	175,347
EURO GENERÁL Zrt.							
K&H Bank	credit	real estate	36,364	th HUF	36,364	21,820	14,544
Wamsler SE							
MKB Exim	credit	real+movable property	3,350,000	EUR	1,048,954	0	1,048,954
MKB HUF	credit	real+movable property	100,000	th HUF	115,149	0	115,149
MKB HUF	credit	real+movable property	420,000	th HUF	310,000	0	310,000
CITI EUR	credit	real+movable property	1,000,000	EUR	939,360	0	939,360
CITI overdraft	overdraft		1,752,233	EUR	384,394	0	384,394
CITI overdraft	overdraft	real+movable property	224,132,590	HUF	0	0	0
MKB overdraft	overdraft	real+movable property	48,804,295	HUF	0	0	0

Long-term loans total	**2,861,584**	
Total short term loans and credits		**3,078,337**

The loan stock of the Group was EUR 14,524,934 at the end of the reporting year. Loans constitute 47% of the total amount of liabilities.

Wamsler SE replaced its earlier loan contracts, amended by technical extensions by a disbursement as of 5 July 2016, and concluded with Raiffeisen Bank Zrt. a new, long-term loan contract with better conditions, which also provides the background for the future developments of the subsidiary. In the framework of the agreement with a term of 5 years, Wamsler SE has the option of drawing down a credit facility of 12 million euros, under which the bank provides a grace time of 3 years for the repayment of the capital.

On 22 March 2017, a loan contract was concluded between Révay 10 Kft. and FHB Bank, which replaced an earlier CIB loan contract that was restructured in 2013. The new financing structure terminated the debtor status of the parent company and Révay 10 Kft. is obliged to repay the loan.

Simultaneously with the acquisition of PLT, MKB Bank refinanced the loan borrowed earlier by Mediaworks Hungary Zrt. from FHB Bank, under a loan contract concluded with MKB Bank. As collateral for this loan, there is a mortgage on the assets of Mediaworks Group.

Breach of credit covenants

No such event occurred in the reporting period.

3.17. Debts from bond issue

	2016	2015
OPIMUS PRESS Zrt.	6,220,400	0
Total	6,220,400	0

OPIMUS PRESS Zrt. conducted a private bond issue of a face value of EUR 20,000,000, the process of subscription was concluded successfully on 12 April 2016, KELER Zrt. originated the securities on 14 April 2016.

The aim of the issue of the bonds was to involve capital resources for the funding of the company acquisition. The scope, number, industrial focus of the special purpose vehicles, furthermore, the amount of assets permitted to be invested in one enterprise and the conditions of investment are defined by the Issuer on an ongoing basis. The security of the bond issue is the guarantee of the parent company given to the buyer of the bond.

• Face value and currency of the bond:	EUR 100,000.0000
• Number of bonds:	200
• Total face value of the bond:	EUR 20,000,000
• Date of issue (value date of the first issue):	14 April 2016
• Maturity date:	13 April 2019
• Term of the bond:	3 years (14 April 2016 to 13 April 2019)
• Method of interest-bearing	variable
• Interest rate:	12-month EURIBOR + 2.5%
• Date(s) of interest payment:	13.04.2017, 13.04.2018, 13.04.2019
• Method of interest calculation:	valid 12-month EURIBOR+2.5%;

At the end of the year 2016, OPIMUS RESS Zrt. repurchased 27 bonds, the interests of the bonds for the first year have been paid out.

3.18. Other non-current liabilities

Other non-current liabilities of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
WHKT GmbH	3,563	3,563
EURO GENERÁL Zrt.	0	528
Kőrösi Ingatlan Kft.	1,570	1,570
Total	5,133	5,661

3.19. Provisions for anticipated liabilities

The provisions of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
Other provisions	1,942,721	62,339
Formed for litigated cases	373,915	34,096
Formed for warranty obligations	5,447	2,000
Total	2,322,083	98,435

	2016	2015
OPIMUS GROUP Nyrt.	22,212	4,752
Mediaworks Hungary Zrt.	1,769,390	-
Wamsler Haus- und Küchentechnik GmbH	328,165	42,339
Wamsler Bioenergy GmbH	9,204	-
Wamsler SE	193,112	51,344
Total	2,322,083	98,435

The value of provisions is HUF 2,322 million, which is almost 24 times the base value. 76% of all provisions were also registered in the media segment and 23% in heavy industry.
In 2016 Mediaworks Hungary Zrt. increased its provision formed in order to cover staff payments owing to dismissal of persons by termination. Provisions were formed to cover the value of litigated matters related to the past activities of one of the legal predecessors of Mediaworks Hungary Zrt.
Pannon Lapok Társasága Zrt. has to form provisions arising from a competition law procedure of the former years.
Wamsler Haus und Küchentechnik GmbH defines the provision as a percentage value projected on the sales revenue of the last two months of the year.
At Wamsler SE the basis of the formation of provisions is 1.5 per mille of the domestic sales revenue.
The heavy industry segment formed provisions to cover environmental obligations and owing to workplace accidents.
In the case of the parent company a provision was formed for an audit of the tax authority that has been dragging on for several years. The process is still in progress, however, if there is a condemning final decision, a fine may have to be paid.

3.20. Deferred tax

The balance of deferred tax represented in the consolidated financial statement and recognized in earnings consisted of the following items on 31 December 2016 and 2015:

	Tax receivables	Tax liability
31 December 2015	50,250	97,931
31 December 2016	238,113	299,570

3.21. Accounts payable

The following table shows the distribution of consolidated accounts payable as of 31 December 2016 and 2015:

	2016	2015
Accounts payable HUF	1,948,090	329,012
Accounts payable EUR	543,736	569,989
	2,491,826	899,001

	2016	2015
Accounts payable HUF	78%	37%
Accounts payable EUR	22%	63%
Total thHUF	2,491,826	899,001

3.22. Other current liabilities

Other current liabilities of the Group on 31 December 2016 and 2015 were the following:

	2016	2015
Advances received from customers	856,675	143,503
Payable taxes and customs duties (with the exception of taxes on income)	892,098	132,904
Liabilities to local governments	3,548	905
Liabilities to employees	215,573	115,497
Accrued revenues	1,337,349	0
Accrual of costs	949,215	432,244
Deferred revenues	0	80,919
Customers with credit balance	26,011	4,162
Security deposit	56,432	23,988
Leasing	13,786	1,021
Other current liabilities	440,471	24,193
Total	4,791,158	959,336

The line of liabilities to employees contains the Income settlement account and uncollected remuneration.

3.23. Net sales

	2016	2015
Revenue from the sale of fireplaces, stoves and hearths	9,082,592	9,311,647
Revenues from hotel services	785,114	754,516
Revenue from rental of real property	126,091	122,242
Sale revenue from works in the construction industry	1,118,505	1,186,052
Sales revenue from newspaper publication, printing house activities	3,442,997	0
Other	759,418	4,693
Total	15,314,717	11,379,150

3.24. Distribution of revenue according to geographic regions

The activities of the Group are the following, according to main geographical segments:

	2016	2015
Hungary (domestic)	6,280,694	2,396,795
Germany	5,483,668	6,511,503
Austria	1,365,295	732,990
Other	2,185,060	1,737,862
Total	15,314,717	11,379,150

The most important countries belonging to the Other category are the following: United Kingdom, Netherlands, Poland, France, Czech Republic, Italy, Slovakia, Romania, Ukraine, Latvia, Sweden, Slovenia, Denmark.

3.25. Value of own performance capitalised

	2016	2015
EURO GENERÁL Zrt.	19,159	37,033
Körösi Ingatlan Kft.	1,580	0
Mediaworks Hungary Zrt.	915	0
Wamsler SE	-136,797	-432,863
Total	-115,143	-395,830

The line of Wamsler SE contains changes in the volume of own-produced stocks of the subsidiaries.

3.26. Other operating revenues

	2016	2015
Revenue from sale of Property, plant and equipment and intangible assets	54,078	7,261
Supports received	50,544	16,366
Damage compensations	313	17,374
Discounts received subsequently	15,730	1,731
Reversed impairment, out of budget depreciation and its reversal	89,142	0
Utilization of provisions	8,752	91,921
Revaluation of investment properties	151,031	66,300
Revenues from assets held for sale	2,223	0
Amount of fines, penalties, demurrage and default interests received	10,593	0
Badwill	165,459	0
Extraordinary revenue	0	30,583
Other	70,779	141,473
Total	618,644	373,009

3.27. Material type expenditures

	2016	2015
Material expense	6,482,985	3,523,402
Value of services used	1,043,505	1,525,259
Value of other services	90,913	111,370
Cost of goods sold	277,790	1,181,325
Value of (referred) services sold	853,025	910,031
Total	8,748,218	7,251,387

Within material costs, input materials are the most significant, their share is 89%, energy costs represent 7% and component parts 2%.

3.28. Personnel expenditures

	2016	2015
Wage cost	3,818,819	2,158,343
Other payroll expenses	237,668	238,791
Dues on wages	572,044	492,228
Total	4,628,531	2,889,362

	2016	2015	change
total closing headcount	1,960	789	148%

57% of all personnel type expenditures are recognized by the heavy industrial and 35% by the media segment, which is no surprise given the employee headcount figures. 5% is registered in the hotel segment and only 1% in the other and construction industrial segments, respectively.

3.29. Impairment

	2016	2015
Reversed impairment	3,092	1,023
Recognized impairment	535,426	563,825
Total	532,334	562,802

	2016	2015
Impairment of inventories	0	63,809
Impairment on receivables	-4,256	65,905
Brand impairment	536,600	0
Impairment on goodwill	0	433,088
Total	532,344	562,802

3.30. Other operating costs and expenditures

	2016	2015
Loss from sale of Property, plant and equipment and intangible assets	19,683	7,487
Taxes and contributions	281,643	154,857
Payable default interest	302	1,124
Write-off of unenforceable claims	7,331	50
Fines, penalties, demobilization fees and indemnification paid	9,597	51,524
Late performance penalty	711	0
Derecognition, change of classification	719	0
Spoilage	3,887	13,329
Discounts allowed	6,911	0
Formation of provisions	214,520	0
Expenditure of the exchange rate difference between accounts payable and receivable	0	2,273
Extraordinary expenditures	0	16,294
Out of budget depreciation	0	725,384
Revaluation of investment properties	31,741	116,203
Impairment recognized on inventories	5,310	0
Support	10,783	0
Intangible assets and fixed assets missing, destroyed, derecognized	717	0
Book value of property, plants and equipment sold	3,896	0
Other	1,336,379	224,548
Total	1,934,130	1,313,073

3.31. Profit / loss on financial transactions

	2016	2015
Received dividend and profit sharing	22,301	0
Interest revenues	1,390	4,649
Net FX gains of foreign currency items without forward currency transactions	0	0
Earnings from the sale of shareholdings	0	0
Other financial revenues	80,899	79,087
Earnings from the sale of subsidiaries	0	0
Revenues of financial transactions, total	104,590	83,736
Interest expenditures	333,770	151,406
Net FX losses of foreign currency items without forward currency transactions	0	
Impairment of participations, securities	93,076	194,328
FX losses on non-current financial assets		0
Other financial expenditures	66,466	84,661
Total expenditures of financial transactions	493,312	430,395
Net profit or net loss on financial transactions	-388,722	-346,659

3.32. Taxes on profit or loss

The Group treats Corporation tax as a tax on profit or loss.

The rates payable by the Company on profit or loss are the following in the individual years:

	2016	2015
Corporation tax in Hungary	10%	10%
Corporation tax Germany	15%	15%
Corporation tax Austria	25%	25%

According to the laws valid on the cut-off date, in Hungary the corporation tax rate of the Company is 19%, 10% for the amount of a positive tax base not exceeding HUF 500 million, in Austria it is 25% and in Germany 15%. In 2017, according to the amended law, the corporation tax rate is 9%.

Within the deadline defined in the related rules of law, the tax authority may audit the books at any time, and may impose additional taxes, increased by penalty or default interest. The management is not aware of any circumstance that would incur any material liabilities for the group under this heading.

Numerical alignment between corporation tax calculated based on the accounting profit for the reporting year, furthermore, between the applicable tax rate and the average effective tax rate:

	Hungary	Austria	Germany	Total
Pre-tax earnings	-5,003,926	68,644	3,774,943	-1,160,339
Expected corporation tax calculated with the corporation tax rate of the Company	-500,393	17,161	566,241	83,010
Tax base adjustment	269,563	35,655	-434,561	-129,344
Adjusted pre-tax earnings	-230,830	52,816	131,680	-46,334
Corporation tax	-23,083	13,204	19,752	9,873

The recognition of negative corporation tax in Hungary derives from the outstanding balance between the tax liability of the media portfolio estimated at the time of first recognition and the actual tax liability at the end of the year.

Deferred tax is calculated as follows:

	Receivables	Liability
Opening deferred tax	39,264	97,931
Change in deferred tax receivables	58,688	-
Change in deferred tax liabilities	-	-179,570
Mediaworks Hungary Zrt. acquisition cost	167,673	334,668
OCI	-27,513	46,541
Total change	198,849	201,639
Closing deferred tax	238,113	299,570

	2016	2015
Corporation tax expenditures in the reporting year	9,873	31,529
Deferred tax expenditures	-238,258	61,155
Profit tax	-228,385	92,684

3.33. Earnings per share (EPS)

	2016	2015
Earnings for the shareholders of the Parent Company	-963,711	-2,325,341
Number of shares*	310,506,028	310,506,028
Earnings per share (HUF)	-3.1	-7.5
Diluted earnings per share (HUF)	-3.1	-7.5
Earnings per share from continuous activity (HUF)	-3.1	-5.8
Diluted earnings per share continuous activity (HUF)	-3.1	-5.8
Earnings per share from discontinued activity	0.0	-1.7
Diluted earnings per share from discontinued activity	0.0	-1.7

* At the end of the year 2016 there were 315,910,361 shares, reduced by the OPIMUS shares held by Wamsler SE this number is 5,404,333 shares and their weighted average.
The average number of ordinary shares was determined by the calculation of a weighted arithmetic average.
The diluted earnings per share is identical with the undiluted earnings per share.

5. Segment Information

Operating profit includes earnings deriving from sales to third parties and to other segments. The internal transfer prices are based on the current fair market prices. The segment earnings also include the earnings of fully consolidated subsidiaries belonging to the given division. From a business aspect, the Group can be divided up into the following segments in 2016: Media Segment, Heavy Industry, Cultural Industry, Construction Industry, Real Estate Management and Other. In the year 2015 the agricultural segment was removed from the portfolio of the Group.
It is the breakdown according to these business segments that the Group prepares the information of the segment for the management.
The values of reports by segment include the items that can be assigned directly to the given segment.

SEGMENT	Heavy industry		Hotel industry		Construction industry		Real estate management		Media activity	Other		Transfer between segments	Total	
FISCAL YEAR	2016	2015	2016	2015	2016	2015	2016	2015	2016 2015	2016	2015	2016 2015	2016	2015
Sales to customers outside the Group	9,082,592	9,311,647	785,114	754,516	1,118,505	1,186,052	126,091	113,684	3,442,997	759,418	13,251		15,314,717	11,379,150
Sales between segments							6,968		16,000	3,540	2,640	-26,508 -2,640	0	0
Total net sales		9,311,647		754,516		1,186,052		113,684			15,891	-2,640	0	11,379,150
Impairment recognized against earnings	0	263,811		528				323,603	532,444		63,776		532,444	651,718
Reversal of impairment recognized against earnings		1,023		0	110	0		0			0		110	1,023
Formation of provisions	141,768	0	0	0	0	0	0	0	50,540	22,212	0		214,520	0
Utilization of provisions	0	85,858	0	1,549	0	0	0	0	4,000	4,752	514		8,752	91,921
Operating profit	-419,879	-863,906	114,349	31,550	36,137	95,735	106,276	-383,418	-563,199	-45,300	-204,854		-771,616	-1,324,893
Interest received	791	0	6	6	129	493	2	12	460	2	8,864		1,390	9,375
Paid (payable) interests	68,987	71,211	45,711	56,581	1,016	1,181	0	0	198,464	19,592	79,153		333,770	208,126
Profit / loss on financial transactions	-57,024	-179,141	-45,705	-57,337	-1,455	-1,967	6,474	-22,871	-270,208	-20,804	-85,343		-388,722	-346,659
Pre-tax earnings	-476,904	-1,043,047	68,644	-25,787	34,682	93,768	112,750	-406,289	-833,406	-66,104	-290,197		-1,160,338	-1,671,552
Corporation tax	19,752	29,802	13,204	-1,490	2,800	1,230	881	1,655	-26,893	129	332		9,873	31,529
Profit after tax	-387,024	-1,149,874	63,110	-22,778	23,144	91,543	54,366	-398,241	-603,692	-81,857	-284,886	0	-931,953	-1,764,236
Property, plant and equipment, net	2,121,001	2,133,908	154,514	3,712,899	18,590	21,850	52,328	57,091	7,655,521	87,169	7,962		10,089,123	5,933,710
Investment properties	0	0	4,167,668	0	83,839	114,000	1,197,100	1,138,150	0	477,000	83,120		5,925,607	1,335,270
Intangible assets, net	347,696	381,862	48,390	55,351	425	460	0	0	5,384,915	25,995	138		5,807,421	437,811
Inventories	2,773,678	2,684,633	0	9,523	107,056	87,897	0	125	792,431	0	0		3,673,165	2,782,178
Trade receivables, net	1,441,352	1,261,960	133,958	40,488	107,558	102,848	465	1,515	2,955,523	965	2,977		4,639,821	1,409,788
Assets not allocated to segment													7,780,690	4,464,872
Total assets	6,683,727	6,462,363	4,504,530	3,818,261	317,468	327,055	1,249,893	1,196,881	16,788,390	591,129	94,197	0	37,915,827	16,363,629
Accounts payable	757,152	755,325	5,396	44,747	135,779	94,384	3,421	1,756	1,582,777	7,300	2,789		2,491,825	802,861
Liability not allocated to segment													28,211,024	7,290,090
Total liabilities	757,152	755,325	5,396	44,747	135,779	94,384	3,421	1,756	1,582,777	7,300	2,789	0	30,702,849	8,092,951
Other segment-related information														
Depreciation	415,178	485,659	133,906	143,134	4,366	5,449	8,699	8,634	179,214	5,258	21,722		746,621	650,515

6. Management of risks

The assets of the Group include monetary assets, securities, receivables from customers and other receivables, furthermore, other assets – with the exception of taxes. The liabilities of the Group include loans and credits, accounts payable to suppliers and other accounts payable, with the exception of taxes and profit or loss deriving from evaluation of financial liabilities to fair value.

The Group is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This chapter presents the above risks of the Group, the aims of the Group, its policies, the measurement of processes and risk management, as well as the management capital of the Group. The Board of Directors is generally liable for matters related to the establishment, supervision and risk management of the Group.

The aim of the risk management policy of the Group is to screen out and assess the risks that the Group has to face, furthermore, and to set the appropriate controls and supervise the risks. The risk management policy and system is reviewed so that it can reflect the changed market conditions and the activities of the Group.

(a) Credit risk

Credit risk expresses the risk that the debtor or partner will not fulfill its contractual obligations, which will in turn result in a financial loss for the Group. The financial assets exposed to credit risk may be long-term or short-term placements, receivables from customers and other receivables. The book value of financial assets show the maximum risk exposure.

The following table shows the exposure of the Group to credit risk on 31 December 2016 and on 31 December 2015.

	31 December 2016	31 December 2015
Trade receivables	4,639,821	1,409,788
Investment contracts	69,534	33,124
Other receivables	2,902,730	2,363,593
Securities	1,437,895	0
Other loans lent permanently	279,352	310,093
Total	9,329,332	4,116,598

The following table shows the measure of indebtedness of the group on 31 December 2016:

		2016	2015
Ratio of the debt stock	Non-current liabilities X100 Non-current liabilities + Shareholder's equity	75.6%	27.4%
Ratio of shareholder's equity	Shareholder's equity X100 Non-current liabilities + Shareholder's equity	24.4%	72.6%
Debt coverage ratio	Receivables Current liabilities	0.85	0.76
Level of indebtedness	Liabilities ---------------------- X100 Total assets	81.0%	62.8%
Customer turnover speed	Customer X 365 -------------- Net sales	111	46

The increase of the ratio of the Debt stock compared to the data of the base year shows a significant increase in the year 2016, which was caused, on the one hand, by the involvement of external capital by the OPIMUS Group related to the acquisition of the media portfolio, on the other hand, by the existing loan stock of the acquired media portfolio.

(b) Capital management

It is the policy of the Group to preserve its registered capital, which is sufficient for ensuring that the trust of the investors and the creditors will sustain the future development of the Group. The Board of Directors exercises its best effort in maintaining the policy that the Group will only accept higher exposure arising from lending if higher returns are expected, based on the advantages and safety provided by the strong capital position.

The capital structure of the Group consists of the net debt component and the own equity of the Group (this latter includes the registered capital, reserves and the shareholdings of non-controlling owners).

In managing its capital, the Group exercises is best efforts to ensure that members of the Group are able to continue their activities and at the same time maximize return on investment for the owners, by setting the optimal balance between loan capital and own equity. The Group also monitors whether the capital structure of its member companies complies with the local regulations.

At the end of the reporting period the debt component was the following:

		31 December 2016	31 December 2015
Credits, loans	15	14,524,934	5,939,919
Less: Cash and cash equivalents	10	2,385,585	1,699,185
Net debt stock		12,139,349	4,240,734
Shareholder's equity		7,212,978	8,270,678
Net shareholder's equity		-4,926,371	4,029,944

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The aim of liquidity management is to provide sufficient resources for meeting the obligations as they fall due.

The management of liquidity risk

It is the approach of the Group to liquidity management that as much as possible it should always provide appropriate liquidity for meeting its obligations as they fall due, both under ordinary and strained circumstances, without incurring unacceptable losses or jeopardizing the reputation of the Group.

The Group requires its business units to maintain a strong liquidity position and to manage the liquidity profile of their assets, liabilities and contingent liabilities in such a manner that they ensure balanced cash flows and meeting the obligations as they fall due.

	2016	2015
Liquidity indicator $\frac{\text{Current assets}}{\text{Current liabilities}}$	1.51	1.65
Quick ratio $\frac{\text{Current assets - Inventory}}{\text{Current liabilities}}$	1.11	1.10

(d) Management of capital risks

The shareholder’s equity of the Group is constituted by registered capital and accumulated earnings. The registered capital (subscribed capital) of the Group consists of ordinary shares that bear the same membership rights. The accumulated earnings is made up of the sum of the retained earnings and the earnings for the relevant period of the Group.

The following table shows the capital structure of the Group (the own equity - liabilities to outsiders ratio for the shareholders of the parent company):

	2016	2015
Share of external owners	204,923	167,855
Non-current liabilities	21,578,449	3,063,611
Current liabilities	9,124,400	5,029,340
Liabilities	30,702,847	8,092,951
Equity for shares of the parent company	7,008,055	8,102,823

(e) Market risk

Owing to its activities, the Group is primarily exposed to financial risks arising from movements of foreign currency exchange rates and interest rates. There has been no change in the exposure of the Group to market risks and in the way the Group manages and assesses the risks.

Exchange rate risks

The sources of foreign currency risks are, on the one hand, the foreign currency positions of the Group and the foreign currency transactions that serve to cover these, on the other hand, other foreign currency transactions concluded by the financial division.

The Group has applied the following exchange rate expressed in HUF:

Currency	Average FX rate		Spot rate on the cut-off date	
	2016	2015	2016	2015
1 EUR =	311.48	309.836	311.02	313.12
1 USD =	281.44	279.46	293.69	286.663

In its operations, the Group concludes certain transactions in foreign currency. Because of this, it is exposed to FX risks.

Sensitivity analysis

The Group has determined that its earnings primarily depend significantly on two key variables of financial nature: interest risk and foreign currency risk. It has performed the sensitivity analyses for these key variables. The Group mainly tries to mitigate its interest risks by creating term deposits from its disposable monetary assets. The Group does not conclude exchange rate hedging transactions.

In the sensitivity analyses we have analyzed the exposure to EUR, with regard to the fact that exposure in US dollar is negligible.

Result of interest sensitivity analysis (as percentage of interest change) For continuing activity:

	31 December 2016	31 December 2015
Loans lent	279,352	310,093
Long-term credits	12,731,263	2,861,584
Short-term credits	1,793,671	3,078,337
Interests received	608	4,649
Interests paid	372,476	151,406
Net interest	-371,868	-146,757

0.5%		
Change in interests received	1,397	1,550
Change in interests paid	72,625	29,700
Net interest change	-71,228	-28,149
Net interest change (%)	19%	19%
1%		
Change in interests received	2,794	3,101
Change in interests paid	145,249	59,399
Net interest change	-142,456	-56,298
Net interest change (%)	38%	38%
2%		
Change in interests received	2,794	3,101
Change in interests paid	290,499	118,798
Net interest change	-287,705	-115,697
Net interest change (%)	77%	79%
-0.5%		
Change in interests received	-1,397	-1,550
Change in interests paid	-72,625	-29,700
Net interest change	71,228	28,149
Net interest change (%)	-19%	-19%
-1%		
Change in interests received	-2,794	-3,101
Change in interests paid	-145,249	-59,399
Net interest change	142,456	56,298
Net interest change (%)	-38%	-38%
-2%		
Change in interests received	-5,587	-6,202
Change in interests paid	-290,499	-118,798
Net interest change	284,912	112,597
Net interest change (%)	-77%	-77%

With actual interests	31 December 2016	31 December 2015
Pre-tax earnings - without interest expenditures	-788,460	-1,596,607
Net interest expenditures	-371,878	-158,189
Pre-tax earnings	-1,160,338	-1,754,796
1%		
Pre-tax earnings - without interest expenditures	-788,460	-1,596,607
Net interest expenditures	-375,597	-159,771
Pre-tax earnings	-1,164,057	-1,756,378
Changes in pre-tax earnings	-3,719	-1,582
Changes in pre-tax earnings (%)	-0.320%	-0.090%
5%		
Pre-tax earnings - without interest expenditures	-788,460	-1,596,607
Net interest expenditures	-390,472	-9,491
Pre-tax earnings	-1,178,932	-1,762,705
Changes in pre-tax earnings	-18,594	-7,909
Changes in pre-tax earnings (%)	-1.602%	-0.451%
10%		
Pre-tax earnings - without interest expenditures	-788,460	-1,596,607
Net interest expenditures	-409,066	-23,728
Pre-tax earnings	-1,197,526	-1,770,615
Changes in pre-tax earnings	-37,188	-15,819
Changes in pre-tax earnings (%)	-3.205%	-0.901%
-1%		
Pre-tax earnings - without interest expenditures	-788,460	-1,596,607
Net interest expenditures	-368,159	-14,237
Pre-tax earnings	-1,156,619	-1,753,214
Changes in pre-tax earnings	3,719	1,582
Changes in pre-tax earnings (%)	0.320%	0.090%
-5%		
Pre-tax earnings - without interest expenditures	-788,460	-1,596,607
Net interest expenditures	-353,284	9,491
Pre-tax earnings	-1,141,744	-1,746,887
Changes in pre-tax earnings	18,594	7,909
Changes in pre-tax earnings (%)	1.602%	0.451%
-10%		
Pre-tax earnings - without interest expenditures	-788,460	-1,596,607
Net interest expenditures	-334,690	23,728
Pre-tax earnings	-1,123,150	-1,738,977
Changes in pre-tax earnings	37,188	15,819
Changes in pre-tax earnings (%)	3.20%	0.90%

Result of foreign currency change sensitivity analysis (as percentage of FX rate change):

With current FX rates	31 December 2016	31 December 2015
Foreign currency assets	4,504,752	2,795,189
Foreign currency liabilities	12,844,162	6,008,398
Net asset portfolio	-8,339,410	-3,213,209
1%		
Foreign currency assets	4,549,800	2,823,141
Foreign currency liabilities	12,972,604	6,068,482
Net asset portfolio	-8,422,804	-3,245,341
Change in the net asset portfolio	-83,394	-32,132
Change in the net asset portfolio (%)	1.000%	1.000%
5%		
Foreign currency assets	4,729,990	2,934,948
Foreign currency liabilities	13,486,370	6,308,818
Net asset portfolio	-8,756,381	-3,373,869
Change in the net asset portfolio	-416,971	-160,660
Change in the net asset portfolio (%)	5.000%	5.000%
10%		
Foreign currency assets	4,955,227	3,074,708
Foreign currency liabilities	14,128,578	6,609,238
Net asset portfolio	-9,173,351	-3,534,530
Change in the net asset portfolio	-833,941	-321,321
Change in the net asset portfolio (%)	10.000%	10.000%
-1%		
Foreign currency assets	4,459,704	2,767,237
Foreign currency liabilities	12,715,720	5,948,314
Net asset portfolio	-8,256,016	-3,181,077
Change in the net asset portfolio	83,394	32,132
Change in the net asset portfolio (%)	-1.000%	-1.000%
-5%		
Foreign currency assets	4,279,514	2,655,430
Foreign currency liabilities	12,201,954	5,707,978
Net asset portfolio	-7,922,440	-3,052,549
Change in the net asset portfolio	416,971	160,660
Change in the net asset portfolio (%)	-5.000%	-5.000%
-10%		
Foreign currency assets	4,054,277	2,515,670
Foreign currency liabilities	11,559,746	5,407,558
Net asset portfolio	-7,505,469	-2,891,888
Change in the net asset portfolio	833,941	321,321
Change in the net asset portfolio (%)	-10.000%	-10.000%

7. Financial instruments

The financial instruments contained in the balance sheet are constituted by investments, other non-current assets, trade receivables, other current assets, monetary assets, short and long term loans, other long-term liabilities, accounts payable and other liabilities. The financial assets and liabilities listed below are provided at net book value.

	31.12.2016	31.12.2015
Monetary assets and equivalents	2,385,585	1,699,185
Loans lent	279,352	310,093
Trade receivables	4,709,355	1,442,912
Other financial assets	3,046,100	2,366,509
Total of loans and receivables	8,034,807	4,119,514
Loans	14,524,934	5,939,921
Debts from bond issue	6,220,400	0
Other long–term financial liabilities	2,327,216	148,572
Accounts payable	1,788,597	899,001
Other financial liabilities and derivative transactions	5,494,386	959,336
Total of other financial liabilities	30,355,533	7,946,830

8. Transactions with associated companies

Transactions and balances between the Company and its subsidiaries – which are associated companies of the Company - have been screened out in consolidation and are not presented in this section. Loans lent to subsidiaries contain both short- and long-term loans.
All other transactions have been concluded by applying arm's length prices between independent parties.

9. Remuneration of the Board of Directors and the Audit Committee

Transactions related to the Board of Directors
Members of the Board of Directors received the following benefits:

	2016	2015
Short-term benefits (honorarium, bonus)	8,000,000	0
Total	8,000,000	0

Members of the Audit Committee received the following benefits:

	2016	2015
Short-term benefits (honorarium, bonus)	2,400,000	0
Total	2,400,000	0

The Group did not lend any loan to members of the management. Balance of loans lent to members of the Board of Directors:

	2016	2015
Loans lent to members of the Board of Directors	0	0
Interests of loans lent to members of the Board of Directors	0	0
Total	0	0

10. Events after the balance sheet cut-off date

The Board of Directors decided on the sale of its shareholding of 74.18% held in Csabatáj Zrt. and 86.25% held in MURÁTÓ Zrt. as of the end of 2015, however, the payment regarding the shares in Csabatáj Zrt. was not made. After assessing the collaterals, on its meeting held on 24 January 2017, the Board of Directors decided on a repurchase at the same purchase price as the selling price, also demanding the payable interests and compensation for its damages caused by the frustrated transaction. The repurchase took effect as of 31 January 2017, as a result, the title to 74.18% of the shares of Csabatáj Zrt. passed to OPIMUS GROUP Nyrt.

According to the reports received on 13 March 2017, further share acquisitions could take place, conditional upon the authorization of the Hungarian Competition Authority (GVH) and the National Bank of Hungary. Prior to the proceeding of the authorities, on 14 March 2017 a report was received by the Company on the submission of a public purchase offer. The purchase offer was addressed to each shareholder of the Company and was aimed at the purchase of the OPIMUS common stock. Based on the purchase offer, the proposed price for the individual shares, payable as the consideration of the shares, was HUF 45.38. Our Company published the opinion of the Board of Directors on the purchase offer on 30 March 2017, on the already known publication portals.

After obtaining permission, on 24 April 2017, the obligatory purchase offer approved by MNB was sent to the Company and was published with immediate effect.

The obligation of OPIMUS GROUP Nyrt. as the parent company, created as a result of the restructuring (debt shouldering) that took place in 2013 arising from the CIB loan contract, was terminated by the contract conclusion on 22 March 2017. FHB Bank entered the loan scheme related to Révay Office Building as a new funder, and Révay 10 Kft. is the debtor. The Company is the cash guarantor for the repayment of the loan.

As of March 31 March 2017, Dr. András Malasics resigned his office. The rest of the members of the Board of Directors resigned their offices with the effect of the ordinary General shareholders meeting of the year 2017.

Owing to the above factors, it is the responsibility of the ordinary general shareholders meeting for the year 2016 on the persons of the new members of the management.

11. Authorization of the publication of the financial reports

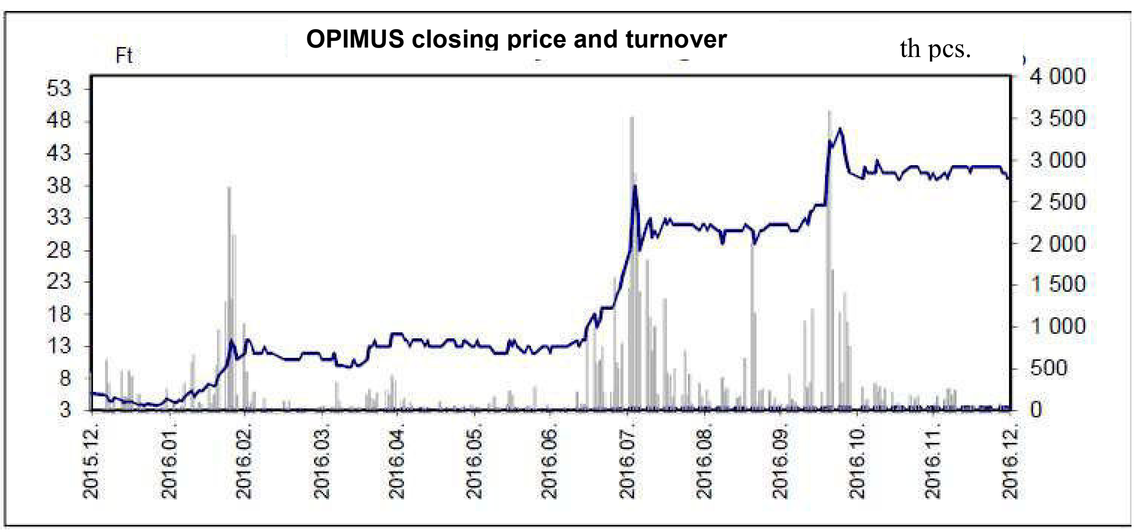
The Board of Directors of the Group approved the publication of the financial statements in this form, by its resolution dated 2 May 2017 18/2017.(05.02.).

ANNEX 2: SHARE STRUCTURE, THE CIRCLE OF OWNERS

At the time of the preparation of the annual report, the registered capital of OPIMUS GROUP Nyrt. is constituted by 315,910,361 common shares, each with a face value of HUF 25. The ordinary shares exist in dematerialized form and they are listed among category "B" shares of Budapest Stock Exchange, under the ID of HU0000110226 ISIN. Name of the share: OPIMUS common share. Name: OPIM

Information on the share	31.12.2015	31.12.2016	change year/year
Closing price (HUF)	5.7	39	584%
Number of shares (pcs)	315,910,361	315,910,361	0%
Market capitalization (HUFbn)	1.8	12.3	583%

* Number of shares listed in the stock exchange



The price of the OPIMUS share increased from HUF 5.5/share at the beginning of the year two HUF 39/share by 31.12.2016, and at the time of the publication of the submitted report it was HUF 50/share.

RS2. Development of the quantity of treasury shares (share) concerning the listed

series: (on the day of the acceptance of the report):

	Shareholding	
	pcs	%
At Company level	-	-
Subsidiaries: Wamsler SE	5,404,333	1.71
Csabatáj Zrt.	12,500,000	3.96
Total	17,904,333	5.67

Companies involved in consolidation.

The parent company does not have any treasury shares. The free float is 55.05%.

RS3. Enumeration, presentation of owners with a share exceeding 5%

At the time of the acceptance of the report, the following shareholders held shares exceeding 5% in the Company, based on the reports and the shareholder's ledger, projected on the shares originated and listed on the Stock exchange:

Name	Depository	Quantity (pcs)	Share (%)
Lőrinc Mészáros	no	53,388,851	16.90
KONZUM PE Private Capital Fund	no	44,227,451	14.00
STATUS Capital Befektetési Zrt.	no	26,478,385	8.38

RS4 Securities structure of the Issuer

The registered capital of the Issuer	HUF 7,897,759,025
Method of production of the security	dematerialized
Type of the security	common stock
Type of share	registered
Face value	HUF 25
Year when the security was listed on the Stock exchange	1998
Series and number	„A”
List of rights attached to the security	full rights

ANNEX 3: ORGANIZATIONAL, OPERATING DATA

TSZ1. General company details

Business name of the company:	OPIMUS GROUP Public Limited Liability Company
Short name of the Company:	OPIMUS GROUP Nyrt.
Registration number of the Company:	Company Court of the Court of Budapest Registration number: 01-10-042533, Hungary
Address of the company:	1065 Budapest, Révay u. 10.
Telephone:	(36-1) 433-07-00
Fax:	(36-1) 433-07-03
E-mail address of the company:	info@opimus. com
Registered web site of the Company:	www.opimus.com
Registered capital of the Company:	HUF 7,897,759,025
Date of the Articles of Association of the Company:	29 April 2016
Term of the operation of the company:	indefinite
Fiscal year of the company:	the same as the calendar year, and lasts from 1 January to 31 December
Activities of the company:	Core activity: 6420'08 Asset management (holding)
Members of the Board of Directors: *	Csaba Hudek
	Ferenc Nyuli
	Dr. Éva Mária Bálint
Members of the Audit Committee:*	Dr. András Malasics
	Gábor Mátrai
	Dr. Éva Mária Bálint
	Dr. András Malasics
	Gábor Mátrai

* Dr. András Malasics, a member of the Board of Directors, resigned his office as of 31 March 2017, the rest of the members of the Board of Directors resigned their offices with the effect of the Ordinary General Meeting.

TSZ 2. Shares held by executive officers, employees of strategic importance
The following table shows the executive officers and employees of strategic importance of the Company:

Type	Name	Position	Start of mandate:	End of mandate *	Owned treasury share
ITT	Csaba Hudek	chairman	11.06.2013	11.06.2018	-
SP	Csaba Hudek	general chief executive officer	23.08.2011		-
ITT	Ferenc Nyuli	member	29.04.2016	11.06.2018	-
ITT	Dr. Éva Mária Bálint	member	29.04.2016	11.06.2018	-
ITT	Dr. András Malasics	member	29.04.2016	11.06.2018	-
ITT	Gábor Mátrai	member	29.04.2016	11.06.2018	-

ITT: member of the Board of Directors
SP: employee of strategic importance
* Dr. András Malasics, a member of the Board of Directors, resigned his office as of 31 March 2017, the rest of the members of the Board of Directors resigned their offices with the effect of the Ordinary General Meeting.

The auditor of the Company:
ALPINE Gazdasági Tanácsadó és Könyvvizsgáló Kft. (registration number: 01-09-068660; registered office: 1026 Budapest, Pasaréti u. 59.; membership number in the chamber: 001145) IFRS certification number: IFRS000109 The person responsible for auditing: Gabriella Forgács, chamber membership number: 003228; IFRS certification number: IFRS000106).
Information on publication:
We keep the shareholders and all interested persons updated on any events, actions affecting the Holding Group, on the website of the Budapest Stock Exchange (the list of issuers is available under the title of OPIMUS GROUP Nyrt. Publications, on the website of www.kozzetetelek.hu and on the website of the Company, on the following link: hirdetmeny.opimus.com.

Summary of the resolutions of the General Meeting of the Company held in the year 2016:

Number	Subject, short contents
1/2016. (I.11.)	Acceptance of changes of the seat of the Company and related to that, acceptance of the amendment of the Articles of Association
2/2016. (I.11.)	Decision on the rejection of the placement of the shares of Wamsler SE in security deposit
3/2016. (IV.29.)	acceptance of the report for the year 2015
4/2016. (IV.29.)	acceptance of the consolidated report for the year 2015
5/2016. (IV.29.)	Acceptance of the Annual Report for the year 2015
6/2016. (IV.29.)	Acceptance of the Responsible Corporate Governance Report
7/2016. (IV.29.)	Acknowledgment of the resignation of members of the Board of Directors and of the Audit Committee
8/2016. (IV.29.)	Assessment of the work of the Board of Directors
9/2016. (IV.29.)	Election of a Member of the Board of Directors (Ferenc Nyuli)
10/2016. (IV.29.)	Election of a Member of the Board of Directors (Dr. András Malasics)
11/2016. (IV.29.)	Election of a Member of the Board of Directors (Gábor Mátrai)
12/2016. (IV.29.)	Election of a Member of the Board of Directors (Dr. Éva Mária Bálint)
13/2016. (IV.29.)	Decision on the remuneration of members of the Board of Directors
14/2016. (IV.29.)	Election of a Member of the Audit Committee (Dr. András Malasics)
15/2016. (IV.29.)	Election of a Member of the Audit Committee (Gábor Mátrai)
16/2016. (IV.29.)	Election of a Member of the Audit Committee (Dr. Éva Mária Bálint)
17/2016. (IV.29.)	Decision on the remuneration of members of the Audit Committee
18/2016. (IV.29.)	Election of the auditor, decision on the remuneration of the auditor
19/2016. (IV.29.)	Granting authorization to the Board of Directors for the increase of the registered capital

Information published in the period:

04.01.2016	Information on the amount of the registered capital and the number of voting rights
11.01.2016	Resolutions of the General Meeting
01.02.2016	Information on the amount of the registered capital and the number of voting rights
25.02.2016	Shareholder’s announcement
26.02.2016	Information regarding the website
01.03.2016	Information on the amount of the registered capital and the number of voting rights
17.03.2016	Information regarding company foundation
18.03.2016	Invitation for the General Assembly
29.03.2016	Proposals for the General Meeting
01.04.2016	Information on the amount of the registered capital and the number of voting rights
11.04.2016	The valid Articles of Association of the Company
11.04.2016	Information on recording the change of seat in the company register
15.04.2016	Report to OPIMUS GROUP Nyrt. on the General Meeting
15.04.2016	Information regarding OPIMUS PRESS Zrt.
29.04.2016	Resolutions of the General Meeting
29.04.2016	Annual Report
29.04.2016	Responsible Corporate Governance Report
02.05.2016	Information on the amount of the registered capital and the number of voting rights
06.05.2016	Information on executive officers of the Company
19.05.2016	Summary report
19.05.2016	Management Report
01.06.2016	Information on the amount of the registered capital and the number of voting rights
02.06.2016	Information on the registration of changes affecting the Articles of Association
02.06.2016	The valid Articles of Association of OPIMUS GROUP Nyrt.
29.06.2016	Information regarding Wamsler SE
30.06.2016	Information on the amount of the registered capital and the number of voting rights
01.08.2016	Information on the amount of the registered capital and the number of voting rights
08.08.2016	Information on employees of strategic importance
24.08.2016.	Semi-annual report
01.09.2016.	Information on the amount of the registered capital and the number of voting rights
03.10.2016	Information on the amount of the registered capital and the number of voting rights
25.10.2016	Information on the additional of shares by OPIMUS PRESS Zrt.
02.11.2016	Information on the amount of the registered capital and the number of voting rights
18.11.2016	Interim report of the management
01.12.2016	Information on the amount of the registered capital and the number of voting rights

01.12.2016	Information regarding Holiday Resort GmbH
08.12.2016	Information on the establishment of PRINTIMUS Kft.
12.12.2016	Information on the media portfolio of OPIMUS PRESS Zrt.
02.01.2017	Information on the amount of the registered capital and the number of voting rights
31.01.2017	Information on company acquisition
01.02.2017	Information on the amount of the registered capital and the number of voting rights
23.02.2017	Shareholder’s announcement
27.02.2017	Shareholder’s announcement
01.03.2017	Information on the amount of the registered capital and the number of voting rights
03.03.2017	Shareholder’s announcement
08.03.2017	Corrective information
13.03.2017	Shareholder’s announcement
13.03.2017	Shareholder’s announcement
13.03.2017	Extraordinary announcement
13.03.2017	Extraordinary announcement
13.03.2017	Extraordinary announcement
13.03.2017	Obligatory public purchase offer for the shares of OPIMUS GROUP Nyrt.
20.03.2017	Invitation for the General Assembly
28.03.2017	Information on the amendment of the items of the agenda of the General Meeting
30.03.2017	Assessment of the purchase offer by the Board of Directors
30.03.2017	Proposals for the General Meeting
03.04.2017	Information on the amount of the registered capital and the number of voting rights
18.04.2017	Report to OPIMUS GROUP Nyrt. on the General Meeting
04.24.2017	The authorized obligatory public purchase offer

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Independent Auditor's Report

to the Shareholders of OPUS Global Nyrt.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of OPUS Global Nyrt. and its subsidiaries (the „Group") for the year 2017 which comprise the consolidated balance sheet as at December 31, 2017 (which shows a total assets of **HUF 48 070 992 thousands**) and the related consolidated statement of comprehensive income (which shows a net profit for the year of **HUF 5 907 553 thousands**), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and consolidated notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of OPUS Global Nyrt. and its subsidiaries as at December 31, 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (the „EU IFRS"), and the consolidated financial statements were prepared in all material respects in accordance with the provisions of the effective Hungarian Act C of 2000 on Accounting (hereinafter: "the Accounting Act") relevant to the entities preparing consolidated financial statements in accordance with EU IFRS.

Basis for the opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing ("HNSA") and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

We are independent of the Company in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board (IEASBA Code of Ethics) and we also comply with further ethical requirements set out in Rules and Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other issues

The Company's consolidated financial statements for 2016 were audited by Alpine Könyvvizsgáló Kft, who issued an unqualified audit opinion in the auditor's report dated on 2 May 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Revenue recognition Refer to Notes 2.2.14., 3.23. és 3.24. in the consolidated financial statements Revenue is an important measure used to evaluate the performance of the Group. As a consequence, it needs to be ensured that the revenue in the consolidated financial statements is real, accurate and refers to the current year. Revenue from sales transactions is recognized as of the performance date based on the terms of the delivery contracts. .	Our audit procedures supporting the revenue recognition included testing of controls as well as substantive audit procedures as follows. We have performed review of the sales process relating to the components generating significant revenues, during which we have assessed the risks in the certain processes, the existence of relating controls, and tested the operating effectiveness control procedures relevant to our audit. Existence and accuracy of sales revenue have been tested on a sample basis and the items selected have been reconciled to source documents. We have tested the last revenue invoices before and the first ones after the balance sheet date of 31 December 2017 evaluating whether they were recorded in the correct period. Also, we have tested the credit notes issued after the above balance sheet date in order to ensure that they did not refer to sales revenue recognized in the financial year of 2017. We have tested manual journal entries regarding revenues in order to identify unusual items outside of the normal course of business and reviewed the audit evidences supporting the items selected. We have checked the appropriate compliance with relevant financial reporting standards, accounting records and disclosures. Based on our procedures we have not identified material misstatements.

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Key Audit Matter	*How our audit addressed the Key Audit Matter*
Valuation of investment properties Refer to Notes 2.2.6, 3.5. and 3.26. in the consolidated financial statements	
Value of investment properties in the consolidated financial statements of the Group amounts to Thousand HUF 2,111,389 as of 31 December 2017. Above balance sheet value reflects the estimated fair value of the investment properties determined by an independent external valuation expert engaged by the Group. As a consequence of the fair value adjustment, a revaluation gain of HUF 237,066 thousands has been recorded as other operating income. The valuation is dependent on certain assumptions regarding factors influencing the value of properties, which bear uncertainty, thus the value of investment properties may change in parallel with the change of influencing factors.	Our audit procedures regarding the valuation of investment properties were as follows. We have evaluated the independent external valuer's professional competence, capabilities, objectivity. We have assessed the methodologies and the appropriateness of the key assumptions used by the valuer based on our knowledge of the property industry. We have checked the accuracy and relevance of input data used for determining the balance sheet value of investment properties and checked the accuracy of the fair value adjustments by recalculating them. We have checked the appropriate compliance with relevant financial reporting standards, accounting records and disclosures. Based on our procedures we have not identified material misstatements.
Valuation of intangible assets Refer to Notes 2.2.8. and 3.3 in the consolidated financial statements	
Value of intangible assets in the consolidated financial statements of the Group amounts to Thousand HUF 5,844,969 as of the end of current year. Intangible assets represent 21% of total assets therefore we qualified this area as key audit matter. Significant part of intangible assets' balance sheet value consists of brand value owned by Mediaworks Hungary Zrt.	Our audit procedures regarding the valuation of intangible assets were as follows. We have evaluated the independent external valuer's professional competence, capabilities, objectivity. We have assessed the methodologies and the appropriateness of the key assumptions used by the valuer and the validity of forecasts prepared by the management. We have checked the appropriate compliance with relevant financial reporting standards, accounting records and disclosures. Based on our procedures we have not identified material misstatements.

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Key Audit Matter	*How our audit addressed the Key Audit Matter*
Loans payable Refer to Notes 2.2.3. and 3.16 in the consolidated financial statements Loans payable by the Group amounted to Thousand HUF 11,743,555 as at 2017 year-end, out of which long-term part was Thousand HUF 9,770,771 and short-term part amounted to Thousand HUF 1,972,784 Loans represents 35% of the total liabilities, therefore we qualified this area as key audit matter.	Our audit procedures regarding the loans payable were as follows. We have obtained confirmation letters form the loan provider financial institutions. We have agreed the presented liabilities and loan movements with the underlying loan contracts and loan covenants have been also reviewed. We have also checked the interest expenditures for completeness and the reclassification of the short-term payables due within one year. We have also reviewed the classifications in the financial statements. We have checked the appropriate compliance with relevant financial reporting standards, accounting records and disclosures. Based on our procedures we have not identified material misstatements.
Notes payable Refer to Notes 2.2.3. and 3.17 in the consolidated financial statements Promissory note payable by the Group amounted to Thousand HUF 6,202,800 as at 31 December 2017. The remaining duration of the note is 2 years, interests payable annually on 13 April.	Our audit procedures regarding the notes payable were as follows. We have reviewed the amount of the yearly redemption, recording of interest expense due for the period and the year-end foreign exchange revaluation of notes payable liability. We have checked the appropriate compliance with relevant financial reporting standards, accounting records and disclosures. Based on our procedures we have not identified material misstatements.

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Other information: the business report

The other information comprises the consolidated business report of OPUS Global Nyrt and its subsidiaries for the year 2017. Management is responsible for the preparation of the consolidated business report in accordance with the provisions of the Accounting Act and other relevant regulations. Our opinion on the consolidated financial statements expressed in the "Opinion" section of our independent auditor's report does not cover the consolidated business report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the consolidated business report and, in doing so, consider whether the consolidated business report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that the consolidated business report is materially misstated we are required to report this fact and the nature of the misstatement.

Furthermore, in accordance with the Accounting Act, our responsibilities regarding the consolidated business report also include reviewing the consolidated business report to assess whether the consolidated business report was prepared in accordance with the relevant provisions of the Accounting Act and other regulations, if any, including the assessment whether the consolidated business report complies with the requirements of Section 95/B. (2) e) and f) of the Accounting Act. Furthermore, in accordance with the Accounting Act we shall make a statement whether the information referred to in Section 95/B. (2) a)-d), g) and h) and Section 95/C (2) a)-e) has been provided in the consolidated business report.

In our opinion, the consolidated business report of OPUS Global Nyrt. and its subsidiaries for 2017 corresponds to the consolidated financial statements of OPUS Global Nyrt. and its subsidiaries for 2017 and the relevant provisions of the Accounting Act in all material respects. The information referred to in Section 95/B. (2) a)-d), g) and h)) and Section 95/C (2) a)-e) of the Accounting Act has been provided. As there is no other regulation prescribing further requirements for the Group's consolidated business report, we do not express an opinion in this respect.

We are not aware of any other material inconsistency or material misstatement in the consolidated business report therefore we have nothing to report in this respect.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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The auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HNSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HNSAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis in the preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of OPUS Global Nyrt. by the General Meeting of Shareholders on 3 August 2017 and since then our engagement lasts without interruption.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of OPUS Global Nyrt., which we issued on 5 April 2018 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

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Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Group. In addition, there are no other non-audit services which were provided by us to the OPUS Global Nyrt. and its controlled undertakings and which have not been disclosed in the consolidated financial statements or in the consolidated business report.

The engagement partners on the audit resulting in this independent auditor's report are the signatories of the report.

Budapest, 6 April 2018

BDO Hungary Audit Ltd.
1103 Budapest, Kőér utca 2/A
Registration number: 002387

Ferenc Baumgartner
Managing Director

BDO Magyarország Könyvvizsgáló Kft.
Eng.szám:
Licence nr.:
002387

Péter Kékesi
Certified Auditor
Chamber registration No.:
007128

This is the translation of the original Hungarian statutory report. In case of any discrepancies, the original Hungarian version prevails.

OPUS GLOBAL Nyrt.

2017. ANNUAL REPORT

(IFRS, CONSOLIDATED)
audited

2018. 04.27.

OPUS GLOBAL Nyrt. 2017. annual consolidated report

1. CONSOLIDATED FINANCIAL DATA AND SHAREHOLDER INFORMATION

Financial Data thousand HUF	2016 Q1-Q4	2017 Q1-Q4	change year/year
Operating incomes	**15 818 218**	**46 403 674**	**30 585 456**
Capitalised own work	-115 143	290 600	405 743
Other incomes	618 644	3 561 308	2 942 664
Operating expenses	16 589 834	40 214 788	23 624 954
EBIT	**-771 616**	**6 188 886**	**6 960 502**
EBITDA	**-24 995**	**7 861 268**	**7 886 263**
Financial income	-388 723	404 527	793 250
Profit before tax	-1 160 339	6 593 413	7 753 752
Profit after tax	**-931 953**	**5 898 676**	**6 830 629**

Sheet data (closing) data, thousand forints	2016 Q4	2017 Q4	Difference	change year/year
Total balance sheet	**37 915 827**	**48 070 992**	**10 155 165**	**27%**
Fixed assets, investment property	16 014 730	13 883 487	**-2 131 243**	**-13%**
Invested financial assets	1 958 241	6 030 151	**4 071 910**	**208%**
Inventories	3 673 165	4 012 767	**339 602**	**9%**
Receivables	7 755 455	11 307 078	**3 551 623**	**46%**
Cash	2 385 585	5 139 423	**2 753 838**	**115%**
Equity	**7 212 978**	**14 980 515**	**7 767 537**	**108%**
Long term loans	21 578 449	18 865 060	**-2 713 389**	**-13%**
Short term loans	9 124 400	14 225 417	**5 101 017**	**56%**
Accounts and other	7 282 983	12 079 261	**4 796 278**	**66%**
Retained earnings	-8 585 285	-2 814 508	**5 770 777**	**-67%**
Share allocate to outsider owner	204 923	999 984	**795 061**	**388%**
Liabilities	30 702 849	33 090 477	**2 387 628**	**8%**

Share information	2016 Q1-Q4	2017 Q1-Q4	Változás év/év
Closing price (HUF)	39	700	1695%
Number of shares (pieces)	315 910 361	323 230 122	2%
Market capitalization (billion HUF)	12,3	226,3	1740%
EPS	-3,0	19,3	
BVPS	22,8	46,3	103%

* Pieces listed in the stock exchange

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2. FINANCIAL MANAGEMENT EVENTS, PROSPECTS

The coming growth of the OPUS group is planned through the acquisition of Central and Eastern European companies, that will fit the Group's investments in Hungary, and create opportunities for regional growth.

The Company's primal goal is to maximize the utilization of its existing portfolio and resources, to deliver better results. In addition, the renewed management of the OPUS performs an active role in the control of subsidiaries. Its also an essential premise to successfully run a holding, that such professionals must control its subsidiaries, who can actively connect to the operative management’s work, with their high level of industry expertise.

Currently, the OPUS Group has the most diversified portfolio on the Hungarian Stock Market scene. At the moment, its merge several successful companies of 6 different industries.

In 2017, the OPUS Group’s portfolio expanded with important investments, along its growth strategy:

Agricultural portfolio

- A new segment added to the OPUS Group's portfolio, with the repurchase of Csabatáj Zrt.’s 74,18% ownership at the beginning of the year. As the agricultural sector’s main pillar, the Csabatáj Zrt.’s entire management is determined by two main activities: the crop production with its related service activities, and the table egg production in the livestock farming sector. In the sector of crop production, the size of usable land, the quality and quantity of the feed produced, are the decisive factors.

- Unitreasury Kft. is also a part of the agricultural portfolio, in which the OPUS GLOBAL Nyrt acquired a 20% ownership in the first half of 2017, and with this indirectly became a 6% owner of KALL Ingredients Kft. The KALL Ingredients might mean a great economic potential in the next few years, because besides the isosugar production, food industry and pharmaceutical alcohol, cooking oil raw material, and GMO-free forage raw material shall also be produced.

Hotel industry

- In 2017, our hotel portfolio come to an end, with the sale of the four-stars hotel, which operated by the Austrian-based Holiday Resort Kreischberg-Murau GmbH. With this sale, due to the Hotel’s bank loans, reduced the level of corporate group’s consolidated liabilities with 6,8M EUR, thus improving the Company’s rate of financial exposure. Its financial management of 2017 is presented in our annual report, on the “discontinued operations” line.

Construction industry

- The EURO GENERÁL Zrt, registered seat: Győr, is owned by the Company in 50%, which has an outstanding performance in previous years also compared to the industry trend, and in 2017 been a part of further investment processes. The Company won public tenders as consortium in total of 4,5 billion HUF of construction and works carried out in 2017.

- In order to strengthen the portfolio, OPUS GLOBAL Nyrt. purchased a 40% share of KPRIA Magyarország Kft. from KONZUM Nyrt. on 17 May 2017. The main activity of KPRIA Magyarország Kft. is engineering, technical consultation and implementation.

Heavy Industry

Our heavy industry portfolio is represented by the 124 years old Wamsler-group, which to improve its further production efficiency and effectiveness, has signed a grant contract with the Ministry of National Economic for the implementation of the “Creating an Intelligent Manufacturing and Innovation Center, at Wamsler SE Részvénytársaság, to increase efficiency and competitiveness” project. The amount of this support was 1,7 billion HUF, in addition with a 50% self-assurance, which the Wamsler SE uses for implement a project that costs 3.6 billion HUF in total. Within the framework of this project, there take place for the reorganization of Wamsler SE's production processes, for production hall builds, production equipment modernization, and capacity expansion. the new production hall’s ceremonial transfer took place on march 27.

In the company's new 5400 square meter large hall, the goods will been produced by the latest technology.

Property management

– The Révay 10 kft. concluded a loan agreement with FHB Bank, which replaced the CIB loan agreement that had been restructured in 2013.

Media portfolio

– The OPIMUS PRESS Zrt.’s wholly-owned subsidiary, the Mediaworks Hungary Zrt., has increased its readership indexes in 2017, -with more than ninety media brands- offering national and regional coverage. Mediaworks group’s aim for this year is to rationalize its functioning by means of integrating its group member companies. It wishes to implement the integration of the 11-member group in three main areas, which have been chosen based on the fields of operation: newspaper publishing and printing activities, logistics and the portfolio of free newspapers. As a first step of it, from 31 October 2017, the PANNON LAPOK TÁRSASÁGA KIADÓI Kft., the PRIMUS Népszabadság Média Képviseleti Kft. and the Magyar Előfizetői Vagyonkezelő Kft. merges into Mediaworks Hungary Zrt, so from that date the Mediaworks Hungary Zrt became the only legal successor of all the merging companies named above.

– The Opimus Press Zrt. in October 2017, repurchased the half of the bonds (100 psc) that been issued in 2016 for corporate finance purposes, thus reducing the exposure of the Company and its future obligation arising out of bond issuance

– As the youngest member of the media portfolio, the PRINTIMUS Kft., (which been founded by the OPIMUS PRESS Zrt. in November 2016) under the terms of contracts which concluded in December 2017, in addition to the online magazines and the online mutations of daily newspapers published by Mediaworks, have exclusive sales rights over the online media platforms of Inform Média Lapkiadó Kft. and Lapcom Kiadó Zrt. The Company’s further aims are web content production, conference and event organization activities, and to implement solutions targeted to new markets. In December 2017, PRINTIMUS entered in a strategic partnership with AtMedia, the largest Hungarian TV sales house. The companies are expecting from this co-operation, to increase their online advertising revenue, and a more efficient and wider range of service for major advertisers and media companies. Printimus counting on the significant expansion of the online advertising market in the next few years and intends to help the expansion of supply of these kind of advertising surfaces, next to the traditional ones like tv, radio, and printed press.

Other portfolio (Asset management, Fund management, and IT data management)

- OPUS GLOBAL Nyrt. purchased 24.67% ownership of STATUS Capital Zrt. in July 2017. The capital funds which managed by the Company, have been acquired shares in companies with significant investment opportunities since right as they were founded, as the interests in Takarékinfó Központi Adatfeldolgozó Zrt., and in Diófa Alapkezelő Zrt..

- The OPUS GLOBAL Nyrt. performs its business activities in the field of information technology in July 2017 with the purchase of the Takarékinfó Központi Adatfeldolgozó Zrt.'s 24,87% ownership. The Takarékinfó Zrt. operates in IT activities and coordinates the development of the Single Information Technology System (Egységes Informatikai Rendszer, EIR) among the members of the Savings bank's integration.

3. STRATEGIC OBJECTIVES:

As the management of Opus group sees, the investor's confidence experienced over the past year, faithfully reflects the Company's current fundamentals and the growth potential ahead us. Last year, the Company was added to the CECE index of Vienna Stock Exchange and became a Premium member of BÉT also.

The Company starts the financial year of 2018, with stable balance sheet and excellent organic, acquisition and growth prospects Among our Company's strategic objectives, the further dynamic growth of the Group's long-term fundamentals is primary as also the optimization of existing asset items in the future. We continued to pay special attention to acquiring companies that can become cutting edge corporations of the Hungarian economy with their great growth potential and efficiency, while with these instruments, the Company can develop into a decisive industrial and productive Company of BÉT.

These strategic goals led to the further increase of OPUS GLOBAL Nyrt.'s equity, in accordance to the Directorate's decision, made in 14 February 2018. As a result of the process that will expectedly completed by the end of June; we will acquire directly and indirectly ownership with the apportion of business shares, in the Mészáros és Mészáros Kft., the R-Kord Kft., the VISONTA PROJEKT Kft., the KALL-Ingredients Kft., and in companies which belongs in Status Energy Magántőkealap's interests, just as in the GEOSOL Kft. and in the Mátrai Erőmű Zrt

As a result of the ongoing capital increases, which announced in February 2018, the Opus group will grow with other significant fundamentals, thus the equity capital of the Company will increase expectedly with a further 110-120 billion HUF.

The management's priority objective, is to increase the institutional investor's presence with the strengthening of our fundamentals, so with that weakening the Company's shares volatility, which strengthens the investor's confidence.

4. COMPANY'S GENERAL PRESENTATION

The consolidated data of OPUS GLOBAL Nyilvánosan Működő Részvénytársaság for the year of 2017, are based on the non audited annual reports which approved by the Directorate, the Supervisory Board and by the Audit Committee. We have prepared the 2017 annual report of OPUS GLOBAL Nyrt. (hereinafter: OPUS, Company, Holding) based on the 31st December 2017 individual and IFRS financial reports of Group Members who were involved into the consolidation, according to the International Financial Reporting Standards (IFRS) adopted by the European Union.

OPUS GLOBAL Nyrt. main activity is asset management. The aim of consolidation is to present the data relating to the whole of the Company jointly, because they might have different effects on the group compared to the data published in individual reports.
The chief executive officer of the Company decides which entity shall be involved in the consolidation.

THE FOLLOWING COMPANIES ARE INVOLVED IN CONSOLIDATION as of 31 DECEMBER 2017

Company name	Rating	Share %	Country	Activity range
Other				
OPUS GLOBAL Nyrt.	A	100,00%	Hungary	Activities of holding companies
Takarékinfo Zrt.	T	24,87%	Hungary	data and web hosting service
STATUS Capital Zrt.	T	24,67%	Hungary	Other activities auxiliary to financial services, except insurance and pension fundin
Asset management				
OBRA Kft.	L	100,00%	Hungary	Asset management
Révay 10 Kft.	L	100,00%	Hungary	Renting and operating of own or leased real estate
SZ és K 2005. Kft.	L	100,00%	Hungary	Real estate utilization
Hotel				
Holiday Resort Kreisberg-Murau GmbH	L	-	Austria	Hotel operation
Construction industry				
EURO GENERÁL Zrt.	L	50,00%	Hungary	Construction industry
KŐRÖSI INGATLAN Kft.	L	50,00%	Hungary	Real estate utilization
KPRIA Magyarország Kft.	T	40,00%	Hungary	Engineering
Agriculture				
Csabatáj Zrt.	L	74,18%	Hungary	MiXed farming
Unitreasury Kft.	T	20,00%	Hungary	Management consultancy activities
Heavy industry				
OPIMA Kft.	L	51,40%	Hungary	Production, distribution of goods
Wamsler SE	L	99,93%	Hungary	Manufacturing of household appliances
Wamsler Haus- und Küchentechnik GmbH	L	100,00%	Germany	Trade in appliances
Wamsler Bioenergy GmbH	L	100,00%	Germany	Trade in appliances
Media				
OPUS PRESS Zrt.	L	100,00%	Hungary	Other information service
PRINTIMUS Kft.	L	100,00%	Hungary	Advertising agencies
Mediaworks Hungary Zrt.	L	100,00%	Hungary	Napilapkiadás
MédiaLOG Zrt.	L	100,00%	Hungary	Other transportation support activities
"NÉPSZABADSÁG" Zrt.	L	99,00%	Hungary	Renting and operating of own or leased real estate
Dunaújvárosi Szuperinfó Kft.	L	75,00%	Hungary	Publishing of journals and periodicals
Maraton Lapcsoport Kft.	L	100,00%	Hungary	Publishing of journals and periodicals
DMH Magyarország Kft.	L	100,00%	Hungary	Advertising agencies

* L: Fully involved ; *T: Classified as associate; *A: Parent Company

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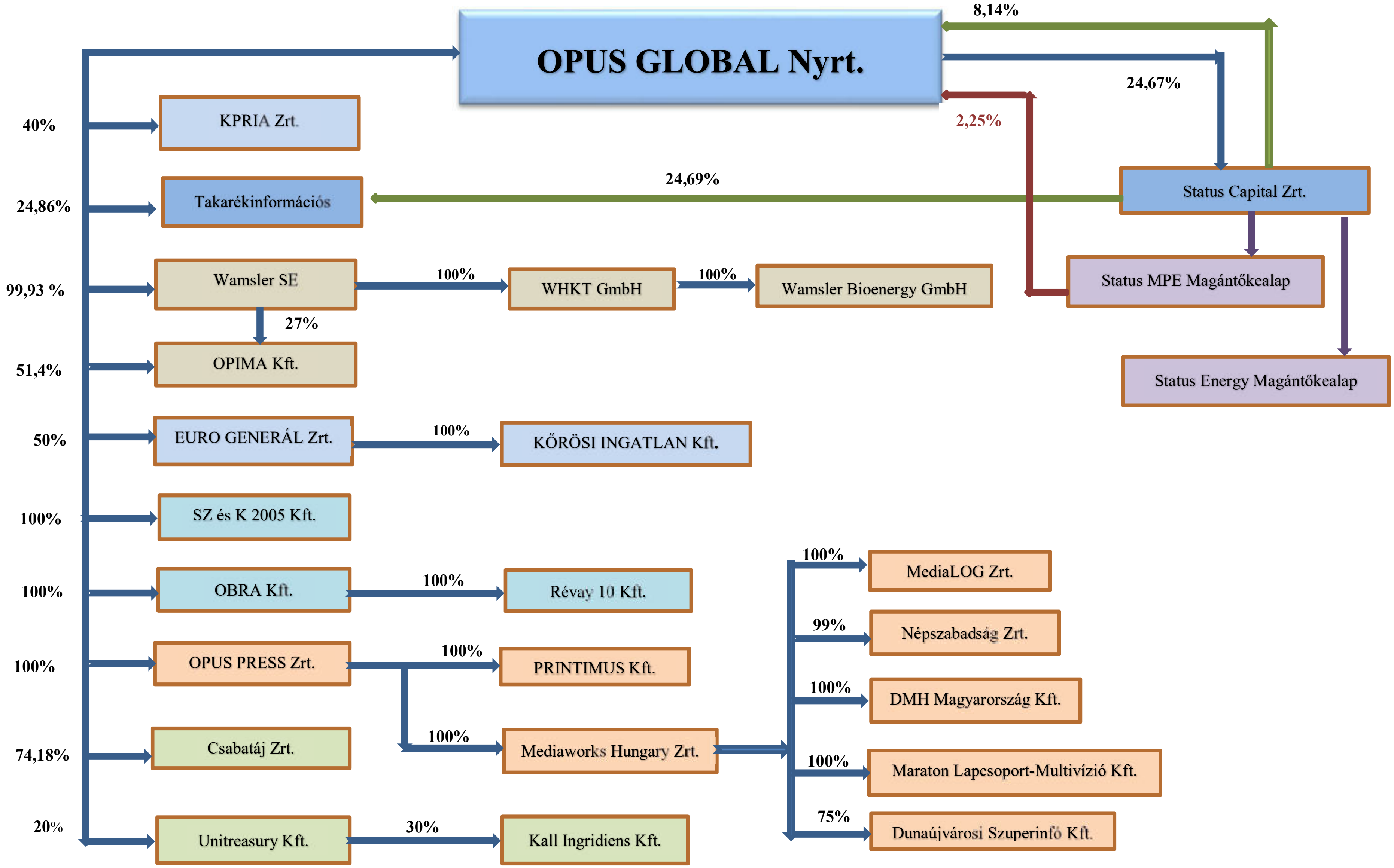
OPUS GLOBAL Nyrt.
8,14%
24,67%
2,25%
Status Capital Zrt.
24,69%
Status MPE Magántőkealap
Status Energy Magántőkealap
40%
KPRIA Zrt.
24,86%
Takarékinformációs
99,93 %
Wamsler SE
100%
WHKT GmbH
100%
Wamsler Bioenergy GmbH
27%
51,4%
OPIMA Kft.
50%
EURO GENERÁL Zrt.
100%
KŐRÖSI INGATLAN Kft.
100%
SZ és K 2005 Kft.
100%
OBRA Kft.
100%
Révay 10 Kft.
100%
OPUS PRESS Zrt.
100%
PRINTIMUS Kft.
100%
Mediaworks Hungary Zrt.
74,18%
Csabatáj Zrt.
20%
Unitreasury Kft.
30%
Kall Ingridiens Kft.
100%
MediaLOG Zrt.
99%
Népszabadság Zrt.
100%
DMH Magyarország Kft.
100%
Maraton Lapcsoport-Multivízió Kft.
75%
Dunaújvárosi Szuperinfó Kft.

5. PRESENTATION OF OPUS GLOBAL NYRT. GROUP'S FINANCIAL MANAGEMENT IN 2017

5.1. The OPUS GLOBAL NYRT. GROUP'S. activities

By the end of 2017, the group's business activities can be divided to 6 main segments, according to the following:

- Media activities
- Heavy Industry
- Agriculture
- Construction industry
- Property management
- Other

Within the "Other" segment, in view of its economic strength, only the asset management activities will be reported. The values of segmented reports include those items that can be directly attributed to the specific segment. The Group, based on this breakdown by business segments, make its information for the management.

5.2. General Economic Environment

In 2017. after more than four years, the Hungarian economy's increase continued. The GDP volume increased in greater measure than the EU average, with more than 4% compared to the previous year. On buyer site the development of economic performance was primary determined by inland factors, from these the actual consumption of households increased by 4%. The investments rate increased by 20%, which affected almost all of the national economy. On production site; the industry, the construction industry, and market-based services significantly increased, but the agriculture moderates the growth rate of economic performance.

In the EUR zone market surrounding Hungary, the investor sentiment reached the 10 years record, which shows that by the end of the year the economic environment in the eurozone stays remarkably good despite the BREXIT

In the EU the GDP volume increased by 2,3% averagely and within this, as the most important foreign trade partner of our country, Germany has a 2,1% increase. It can be stated, that the year of 2017, the world economy was moved on a stable and balanced growth path and compared with previous years, in 2017, none in the world's most dominant economic centers were recession.

5.3. Presentation of group members

Media portfolio

OPIMUS PRESS Zrt.

The OPIMUS PRESS Zrt. been founded on 16th March, 2016, in order to coordinate the holding's communication activities, and to find and manage further investments in this area. The 100% owned subsidiary, successfully implemented a 20.000.000 EUR worth bond issuance, on 12th April, 2016 to finance new investments. The nominal value of the 200 pcs bonds is 100.000 EUR by each, and their expiry is three years. The Company became the 100% owner of Mediaworks Hungary Zrt. on October 2016, following the issuing of the license of the Hungarian Competition Authority (GVH). By having purchased Mediaworks Hungary Zrt., OPUS Group acquired a new segment, the media portfolio. On 10th October, 2017 the OPUS GLOBAL Nyrt. granted a 7.350.000 € loan for OPIMUS PRESS Zrt., with that definite purpose to the OPIMUS PRESS Zrt. buy back additional 73 pieces of bonds. The Company owns the half of bonds by 31th December, 2017.

Mediaworks Hungary Zrt.

The Mediaworks Hungary Zrt. and its subsidiaries -with more than ninety media brands- offering national and regional coverage. The group has become one of the largest media companies of Hungary through its well-known and popular daily papers, Nemzeti Sport, Világgazdaság, 12 regional daily papers, its portfolio of women and gastronomic magazines, digital media products and more than 1000 employees. Online and digital services, the provisions of related information and services, and digital solutions tailored for partners and advertisers are also part of the portfolio. Mediaworks puts emphasis on digital development, in the future the Company intends to give a significant role for digital solutions within its activities. Besides sports and gastronomic content, its further aim is to develop market leader digital contents in other sectors as well. The group has Hungary's most state-of-the art daily paper printing machines, and also a major owner of Médialog Zrt., and DMHM Kft. The Company's activities run from the newspaper publishing and printing through distribution to digital media services.

Mediaworks group's aim for this year is to rationalize its functioning by means of integrating its group member companies. It wishes to implement the integration of the 11-member group in three main areas, which have been chosen based on the fields of operation: newspaper publishing and printing activities, logistics and the portfolio of free newspapers.

According to the integration plans, on 31th October, 2017 the PANNON LAPOK TÁRSASÁGA KIADÓI Kft., the PRIMUS Népszabadság Média Képviseleti Kft. and the Magyar Előfizetői Vagyonkezelő Kft. will merge in Mediaworks Hungary Zrt, so with effect from that date, the Mediaworks Hungary Zrt. became the legal successor of all the merging companies named above. Due to the subsidiaries merging process, a validation was necessary to define their fair value. As a result of the subsidiary integration, the subscribed capital and the equity of Mediaworks Hungary Zrt. are significantly increased, which also raised the market value of the subsidiaries.

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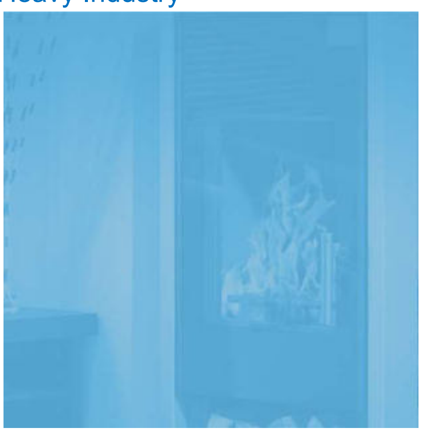
PRINTIMUS Kft.

In November 2016 the OPUS GLOBAL Nyrt.'s subsidiary, the OPIMUS PRESS Zrt. created the Company, in order to coordinate its media portfolio (Mediaworks Hungary Zrt.), and its other advertising surfaces and publication activities, which belongs to the management. As the OPIMUS PRESS Zrt.'s articles of association, under the contracts concluded in December 2017, the Printimus kft. In addition to the online magazines and the online mutations of daily newspapers published by Mediaworks, have exclusive sales rights over the online media platforms of Inform Média Lapkiadó Kft. and Lapcom Kiadó Zrt.

The Company's further aims are web content production, conference and event organization activities, and to implement solutions targeted to new markets. Printimus counting on the significant expansion of the online advertising market in the next few years and intends to help the expansion of supply of these kind of advertising surfaces, next to the traditional ones like tv, radio, and printed press.

In December 2017, PRINTIMUS entered in a strategic partnership with AtMedia, the largest Hungarian TV sales house. The companies are expecting from this co-operation, to increase their online advertising revenue, and a more efficient and wider range of service for major advertisers and media companies. The joint market operations of the two sales houses are justified by their ownership, since the Opus Global Nyrt. -which owns the 100% of Printimus- at the end of last year, also gained influence in Atmedia, through its fund management. Thanks to this agreement with Printmus, the Atmedia could be 4th-5th largest participant of the online advertising market.

Heavy Industry



Wamsler SE European Részvénytársaság

The Company is owned by OPUS GLOBAL Nyrt in 99,93% Wamsler SE, as the legal successor of Salgótarjáni Vasöntöde és Tűzhelygyár, by joining Wamsler GmbH of Germany (München) in 1992, has been manufacturing household ovens, cookers and heaters for over 100 years (since 1894). The Company is the largest "oven factory" in Central Europe, and it is in the 100% ownership of Hungarian private owners. Most of the products are exported, primarily to the German, Austrian, Dutch and Scandinavian market, but it has a significant share in the Hungarian market as well.

Wamsler Group functions in one of the production industries, in the industry of producing and selling durables, and within that it manufactures hearths, ovens and fireplaces.

Members of the Wamsler group: Wamsler SE, Wamsler HKT GmbH and Wamsler Bioenergy GmbH.

The primary goal of the management is to further improve the efficiency and effectiveness of product manufacturing, and to provide a secure vision for the future for the employees in a region which is disadvantageous in terms of employment possibilities.

To improve its further production efficiency and effectiveness, on 14th December, 2017, the Wamsler SE signed a grant contract with the Ministry of National Economic for the implementation of the "Creating an Intelligent Manufacturing and Innovation Center, at Wamsler SE Részvénytársaság, to increase efficiency and competitiveness" project. The amount of this support was 1,7 billion HUF, in addition with a 50% self-assurance, which the Wamsler SE uses for implement a project that costs 3.6 billion HUF in total. Within the framework of this project, there take place for the reorganization of Wamsler SE's production processes, for production hall builds, production equipment modernization, and capacity expansion.

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OPIMA Kft.

It is a subsidiary and in the direct ownership of OPUS GLOBAL Nyrt. in 51.4 %, which was intended to strengthen the business activities of Wamsler SE. According to the plans, it was supposed to support the manufacturing and distribution of fire-proof products, but the large expansion of domestic distribution did not take place, because several construction commercial houses moved out from Hungary.

By means of the business share of 27% of Wamsler SE, OPUS group holds 78.4% of ownership in OPIMA Kft. The Company did not have any revenue in the period under examination.

Agricultural portfolio

Csabatáj Zrt.

The main activity of the Company is the livestock farming and crop production, as basic agricultural activity, and other closely related agricultural services and trade activities. The main segment within the stock farming, is table egg production. The Directorate decided to sell the Csabatáj Zrt.'s 74,18% share in the end of 2015, however the payment was not performed. The Directorate - considering the guarantees- has decided to repurchase the Company at the same price as the selling price, demanding the refund of the interests and damages stem from the failed transaction. The repurchase entered into effect on 31 January 2017, and as a consequence, 74.18% of Csabatáj Zrt. became the property of Opus GLOBAL Nyrt.

Based on the Company valuation, which been made at the same time, with the repurchase of Csabatáj Zrt., an 465 million HUF worth badwill were accounted, which increases consolidated result of 2017.

Unitreasury Kft. Kall Ingredients Kft.

OPUS GLOBAL Nyrt. purchased 20% of Unitreasury Kft. in the first half of 2017, and by means of this, also acquired a 6% business share indirectly in KALL Ingredients Kft. The Company began its official operation on 30th October 2017, and expectedly will reach its full production capacity from 2018.

In this factory, whose implementation is a high priority investment from the perspective of national economy, about a 530 thousand tons of corn shall be processed annually. The production capacity of the factory shall be one of the largest in Europe: besides 250 thousand tons of isosugar, food industry and pharmaceutical alcohol, cooking oil raw material and GMO-free forage raw material shall be produced. The food industry raw materials produced in Tiszapüspöki are produced for export, in 70-75%. The factory provides 500 jobs directly, and a further 750 jobs indirectly in the area of Szolnok. The significance of this acquisition is that the EU's sugar market quota regulation will end, in October. The withdraw of the sugar quota and the expansion of domestic sugar industry provides good opportunity of investment and return circumstances for the Parent Company.

Opus Global labeled the Unitreasury Kft..-t, as an associate Company in 2017.

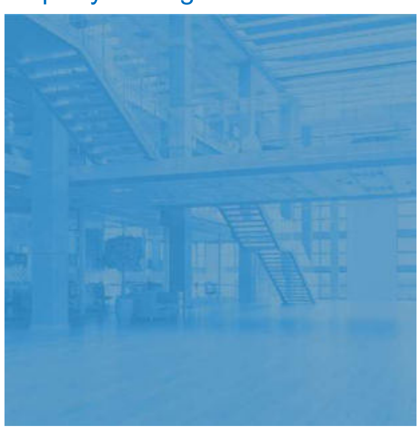
Construction industry

EURO GENERÁL Építő és Szolgáltató Zrt.
EURO GENERÁL Zrt, registered seat: Győr, is owned by the Company in 50% and its main activities include different construction works, especially the complete implementation of residential buildings, offices, condominiums, canals, parking lots, traffic crossings and traffic lights. The Company won public tenders in total of 2,8 billion HUF of carrying out construction and implementation works in 2017.
The EURO GENERÁL Zrt. – of the aspect of its business fees - selected as a winning bidder for a further 1.7 billion HUF, in the relevant in public tenders. The perform of works above, will take place with the cooperation of EURO GENERÁL Zrt. (50%) and its consortium partners.

KŐRÖSI INGATLAN Ingatlanhasznosító és Szolgáltató Kft.
KŐRÖSI INGATLAN Kft. is owned by EURO GENERÁL Zrt. in 100%, it does not perform any activities at the moment, also doesn't have any employees, nor have any revenue in 2017.

KPRIA Magyarország Kft.
The OPUS GLOBAL Nyrt. purchased a 40% share of the Company from KONZUM Nyrt. on 17th May 2017. The main activity of KPRIA Magyarország Kft. is engineering, technical consultation and implementation. Here also doesn't take a place of the Company's full consolidation, the results of 2017. are involved in the proportion of the owned percentage.

Property management



OBRA Ingatlankezelő Kft.
The heritage building located under Révay utca 10. is owned by Révay 10. Kft., which is in the sole ownership of OBRA Kft. OBRA Kft. performs asset management exclusively, it does not have any turnover from property management activities.

Révay 10 Ingatlanfejlesztési Kft.
Révay Office Building is located in district VI, between Szent István Bazilika and the Opera. The building located at Révay utca 10. was completely refurbished in 1992 during the development of the surrounding area, the inner courtyard surrounded by corridors was turned into an air-conditioned hall, illuminated by natural light. The main activity of the Révay Kft. is property lease and its turnover comes from the utilization of the real estate that is located at the address of its registered office. Its occupancy rate is above 95%.
On 22 March 2017, a loan agreement was concluded between Révay 10 Kft. and FHB Bank, which replaced the CIB loan agreement that had been restructured in 2013. By means of the new financing structure, the Parent Company was no longer a debtor, and Révay 10 Kft became the obligor who has to repay the loan.

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SZ és K 2005. Ingatlanhasznosító Kft.

SZ és K Kft. is a 100% subsidiary of the Holding, and it is in property management business.
The company performs the asset management tasks relating to the Company's real estate in Eger, and together with the Holding it seeks possible ways to use the real estate in an advantageous way.
In the period under inspection, the company only had revenues from the lease of part of the real estate.

Other portfolio

OPUS GLOBAL Nyrt. Parent Company - Asset management

The Parent Company has a history of 105 years, it is a member of the issuers of the Stock Exchange of Budapest since 1998. From 2009, after the Company's profile change, it deals with asset management, by virtue of the configured holding structure. In 2011, with the aim of streamlining and clearing the profile, the group been expanded with new companies, which are able to make profit. In 2017, the ownership and the management structure were both transformed, and another major portfolio expansion was realized, during which the expanded the company's investments with high value assets. The Company intends to manage its businesses productively on a long term, by maximizing the possibilities of using its already existing portfolios, properties and other resources. The holding plays an active role in the management of the companies in the portfolio, thus ensuring the high quality of value creation.

STATUS Capital Kockázati Tőkealap-kezelő Zrt.

OPUS GLOBAL Nyrt. purchased 24.67% ownership of STATUS Capital Zrt. in July 2017.
The „STATUS Capital Kockázati Tőkealap-kezelő Zrt." starts two private equity funds, the „STATUS MPE Magántőkealap" with 11,125 billion HUF subscribed capital, and the „STATUS Energy Magántőkealap" with 10 billion HUF subscribed capital. The company's equity funds, right after they get established, obtains interests in other businesses of significant investment opportunities. Among its investments, there is the 5,05% holding of Diófa Alapkezelő Zrt.'s subscribed capital, and the 5,13% of its voting rights, attached to the shares.
The STATUS Capital Tőkealap-kezelő Zrt., has an 8,14% ownership in OPUS GLOBAL Nyrt.
The OPUS GLOBALNyrt considers the company as an associate in 2017.

Takarékinfó Központi Adatfeldolgozó Zrt

The OPUS GLOBAL Nyrt. purchase a 24,87% share of the Takarékinfó Központi Adatfeldolgozó Zrt. in July of 2017. The Takarékinfó Zrt. operates in IT activities and coordinates the development of the Single Information Technology System (Egységes Informatikai Rendszer, EIR) among the members of the Savings bank's integration. Its main profile is the informatic and telecommunication support of the Savings banks sector, as also to operate their systems and to implement new developments. The company's services are cover the full range of financial institution's and banking applications.
The direct and indirect share of OPUS-group is 30.96%, considering that STATUS Capital Kockázati Tőkealap-kezelő Zrt. acquired a 24.69% share in Takarékinfó Központi Adatfeldolgozó Zrt.
In this report, doesn't take a place of Takarékinfó Központi Adatfeldolgozó Zrt .'s full consolidation, the Company's results of 2017 are involved in the proportion, as the owned percentage.

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Hotel portfolio (ceased in 2017)

Holiday Resort Kreischberg-Murau GmbH

The company located in Austria, joined in the corporate group's assets on April 2013 and owned a four-star hotel with 91-rooms in the center of Kreischberg ski tracks. The Company has been operating the four-star Resort Hotel under a management contract since 1st December 2016. The subsidiary does not perform any other activities above this.

The Directorate of OPUS GLOBAL Nyrt. decided to sell Holiday Resort Kreischberg-Murau GmbH in July 2017. The purchase price of the business share was set at 1.9 billion HUF, taking into consideration the current conditions of the market and the credit exposure, which amount considerably exceeds the book value of the investment, which is registered as permanent business share at 911 M HUF. The Parent Company shall be able to lose significant burdens because the Parent Company was burdened by a limited amount of joint and several guarantees arising from the current bank financing of Holiday GmbH, which shall be terminated because of the sale, and based on the bank loan of the hotel the consolidated liabilities of the group shall be significantly – by 6.8 million EUR - less, thus improving the rate of financial exposure following the sale.

With the sale of the company, the OPUS group’s hotel portfolio has ceased

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5.4. OPUS GLOBAL Nyrt. Corporate Group's financial management

In 2017, the Company Group closed the fiscal year at consolidated level, with **a balance sheet total of 48.070.992 thousand HUF and after-tax earnings of 5.898.676 thousand HUF. Distributable earnings attribute to Parent 5.770.777 thousand HUF**.

The report contains a detailed analysis of those consolidated data regarding which the change exceeds 20%, furthermore, in those cases that may include substantial information.

In 2017, the Csabatáj Zrt. was involved in the company's consolidation as subsidiary, so the 2016. year's basis data does not include the agricultural portfolio's financial indicators.

In 2017, among the share interests of OPUS GLOBAL Nyrt., are also included associated companies, which share's value have shown based on the company's book equity, using the equity method. The share after the profit/loss of the company group's jointly managed associates, is recognized in the Income Statement.

The following companies were included as an associate in the reporting period:

- From 2017.03.31: Unitreasury Kft.
- From 2017.05.31: KPRIA Zrt.
- From 2017.07.31: Takarékinfo Zrt., STATUS Capital Zrt.

Its a significant item at comparing the Company's financial data, that the Media portfolio is only added and consolidated from 31 October 2016, that way, only the results of the last two month's operations had an impact on the Group's consolidated financial basis. However, the Group's 2017 financial indicators have been influenced by the success of a full-year financial management for the media segment as also by the total agricultural portfolio. According to this, there is a clear weighting -shift among the portfolios, since the media segment has more influence over the whole Group's performance than any other due to its economic size in conclusion of above, from a business perspective.

In 2017, one of the most significant segment of OPUS, is its Media portfolio. The heavy industry still has a great role, as also the agricultural sector, beside which represents a minor importance the construction industry and the real estate utilization.

Analysis of comprehensive outturn

Financial Data thousand HUF	**2016** **Q1-Q4**	**2017** **Q1-Q4**	**Difference**
Operating incomes	**15 818 218**	**46 403 674**	**30 585 456**
Capitalized own performance	-115 143	290 600	405 743
Other incomes	618 644	3 561 308	2 942 664
Operating expenses	16 589 834	40 214 788	23 624 954
EBIT	**-771 616**	**6 188 886**	**6 960 502**
EBITDA	***-24 995***	***7 861 268***	***7 886 263***
Earning on financial transactions	-388 723	404 527	793 250
Earning before taxes	-1 160 339	6 593 413	7 753 752
Earning after taxes	**-931 953**	**5 898 676**	**6 830 629**

The corporate Group in 2017, produced on consolidated level, a 5.898.676 thousand HUF **Profit After Tax.**

The **EBIT** was 6.188.886 thousand HUF, and the Earning on financial transactions was 404.527 thousand HUF.

At the analysis of Income statements, considering the distortion effect of the consolidated group's composition, the same period of last year is considered as the basis (2016).

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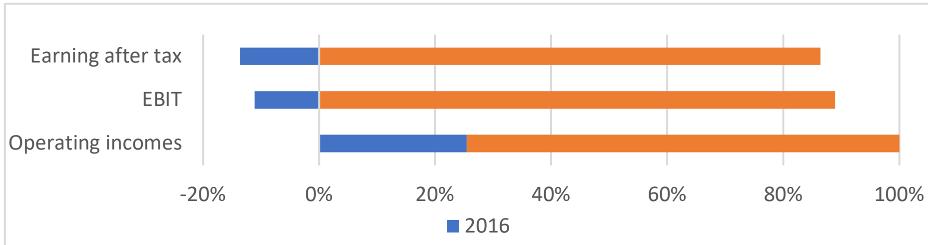
The **Total Operating Income** of the Group was 46.403.674 thousand HUF in 2017, which means nearly a three-fold increase compared to 2016. The amount of increase was 30.585.456 thousand HUF.

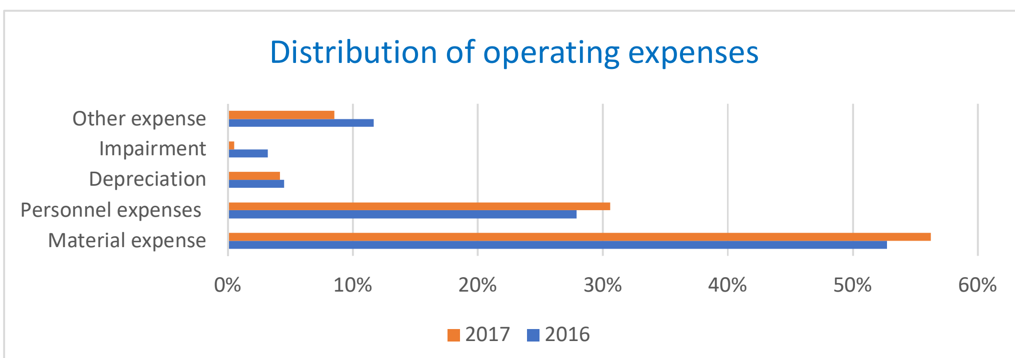


The Media segment produces the 77% of this outstanding income, compared to the last year's 28%, which change can be explained by the fact, that only just the last two month's results of our media portfolio's operations had an impact on the Group's basis indicators. The heavy industry rolled back to 2nd place and contributed 29% to earnings. The agricultural segment have 4%, and the construction segment have 5% share. The Hotel portfolio's results for the first two months were not significant, for 2017 only this period's result was consolidated.

The value of **Other Operating Revenues** totaled 3.561.308 thousand HUF, which increased by 2.942.664 thousand HUF and exceeded the figure of the base year (618.644 thousand HUF). Here been accounted the Csabatáj Zrt.'s 465.583 thousand HUF badwill volume related to its valuation on 2017.01.31. Among other operating income, the resolution of the Corporate Group's provisions comprises 18% of the total items.

The value of **Capitalized Own Performance** increased with 405.743 thousand HUF compared to the basis year, which derives from the inventory management of Wamsler SE and Csabtáj Zrt.

Examined the cost of the Group's overall financial management, as a result of the portfolio expansion, the amount of operating costs increased by more of its double



In 2017, the **Total Operating Cost** was 40.214.788thousand HUF, which largest proportion is still attributed to material expenses (56%), but in the proportions there is a 3% increase compared to the basis period

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data in thousand HUF	2016 Q1-Q4	2017 Q1-Q4	Difference	change year/year
Total operating expenses	**16 589 834**	**40 214 788**	**23 624 954**	**142%**
Material expense	8 748 218	22 621 954	13 873 736	159%
Personnel expenses	4 628 531	12 297 316	7 668 785	166%
Depreciation	746 621	1 672 382	925 761	124%
Impairment	532 334	199 803	-332 531	-62%
Other expense	1 934 130	3 423 333	1 489 203	77%

The amount of **Material Expenses** increased with 13.873.736 thousand HUF. In 2016. it was 8.748.218 thousand HUF, and increased to 22.621.954 thousand HUF on 2017. Its 72% was given by the Media portfolio, in the examined period, and 44% by the Heavy industry, compared by the 56% share in the last year. An other 6% generated in the Agricultural portfolio, while in Construction Industry segment a 7%. Within *Material Expenses*, the *material cost* owns 40%, and the *purchased services* owns 30%.

The rate of **Personnel expenses** is also increased from 28% to 31% within **Operating expenses.** Compared to the basis, its volume shows an almost a three-fold increase (more with 7.668.785 thousand HUF), which is also a resulted by the effect of the 2016 and 2017 consolidation's difference. Within Personnel expenses, wage cost is 9.094.102 thousand HUF, 1.060.692 thousand HUF other personnel expenses, and a 2.142.522 thousand HUF is the value of wage contributions.

At **Depreciation** a 1% decrease shown compared to 2016, from 5% to 4% of Operating expenses. In the current yaear its increased with 925.761 thousand HUF compared to basis, in the examined period 1.672.382 thousand HUF, which accounted by media in 68%, heavy industry in 23%, and by agricultural segment in 7%, that can explaind with the material assets they use for their operations.

The value of **Other Operating expenses** is 3.423.333 thousand HUF, with 1.489.203 thousand HUF more than in basis year, which value's 80% is at the media, 8% at the heavy industry, and 4% at the letting segment have been generated.

The ratios of **Total operating expenses** mostly appear in media (73%) due to the rearrangement of the portfolio's weighting, and just 33% in the heavy industry. A 6% owned by the Agricultural segment, and the Construction Industry owns 7% in the examined period.

The OPUS group reached an outstanding accomplishment in 2017.
The **EBIT** rate is 6.188.886 thousand HUF, against the 771.616 thousand HUF loss in the last year's same period. This means an increase of more than 7 billion HUF at OPUS group.

The **EBITDA** rate is 7.861.268 thousand HUF on consolidated level, which describes best, the effective management of the Group.

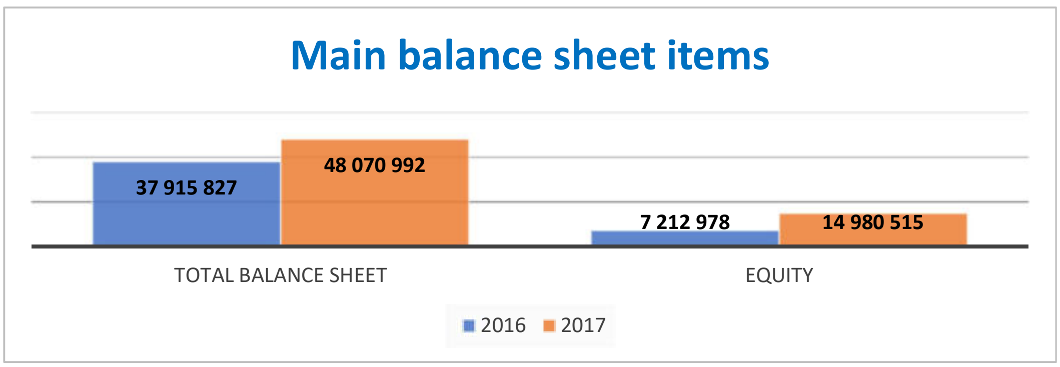
The **Financial income** increased significantly by the profit from the sale of the Austrian Holiday Resort GmbH. The financial revenue in the examined period was 404.527thousand HUF, which means a 793.250 thousand HUF decrease compared to 2016. Also here have been accounted the accrual-based accounts, that attributed to associate companies involved this year, which expanded the Earning on financial transactions by 63.229 thousand HUF.

Due to the succesful financial management of, the Corporate Group's **Earning After Tax** was 5.898.676 thousand HUF. This means a 6.830.629 thousand HUF increase of earning after tax, compared to the 931.953 loss of last year's same period.

Financial statement's analysis

Balance sheet data (closing) data in thousand HUF	2016 Q4	2017 Q4	Difference	Change year/year
Total balance sheet	**37 915 827**	**48 070 992**	**10 155 165**	**27%**
Fixed Assets, invested prop.	16 014 730	13 883 487	-2 131 243	-13%
Invested financial assets	1 958 241	6 030 151	**4 071 910**	**208%**
Inventory	3 673 165	4 012 767	339 602	9%
Receivables	7 755 455	11 307 078	3 551 623	46%
Cash	2 385 585	5 139 423	2 753 838	115%
Equity	**7 212 978**	**14 980 515**	**7 767 537**	**108%**
Long term loans	21 578 449	18 865 060	-2 713 389	-13%
Short term Loans	9 124 400	14 225 417	5 101 017	56%
Accounts and other	7 282 983	12 079 261	4 796 278	66%
Retained earnings with current year's	-8 585 285	-2 814 508	5 770 777	-67%
Share of outsider owners	204 923	999 984	795 061	388%
Liabilities	30 702 849	33 090 477	2 387 628	8%

At balance sheet analysis, we consider as basis 2016.12.31



The increase of the **Total Balance Sheet** is significantly influenced by the fact; that the Company Registry Courts' registration of share capital increase, which been decided on 12th December 2017, had only took place on 8th January 2018, so in the Parent Company's books, until the Company Registry Courts' registration, the defined 1.313.000 thousand HUF amount for the contribution, will increase the Asset side of the Accounts receivables row and the Resources side of Accounts and other receivables row, which item also exists during the consolidation.

The OPUS Group closes its consolidated-total balance sheet, with 48.070.992 thousand HUF on 2017.12.31, which increased by 10.155.165 thousand HUF (27%) compared to the balance averege of 2016.

The value of **Long Term Assets** (invested assets) reach an 15% (27.611.724 thousand HUF) increase, which represent 57% within the assets, in 2017; towards the 64% that reached in the basis year. In the invested assets, the property-devices-equipment is 11.772.098 thousand HUF, which shows an 15% increase and explained by the involvement of the agricultural portfolio.

The value of **Invested Assets** realized a significant, 64% decrease, which arised by the sale of subsidiary in July 2017, that operates the Austrian Hotel.

The **Intangibles** is 5.844.969 thousand HUF, which doesn't show significant change caompared the last year.

The value of **Non Current Financial Assets** is tripled comparing to basis period 5.532.481 thousand HUF. Here been recorded the value of shares that repurchased by OPUS PRESS Zrt., as well as the other securities owned by subsidiaries. With the repurchase of shares the exposure of the subsidiary and the future liability arising from the bond issue have also decreased.

The **Given Loans** value is 266.970 thousand HUF, which is a 4% decrease compared to the basis period.

The **Share Interest** show a notable expansion, what caused of the value of associated companies are recorded here.

Within **Assets**, the **Current Assets** value increased from the 36% in 2016 to 43% in the reporting period.

In **Current Assets**, the **Inventories** is 3.762.327 thousand HUF, which shows a minor, only 2% increase compared to the last year. The inventories' value is constituted by 77% of hevy industry, 19% of media, 6% of agricultural, and by 2% of construction industry segment

With the appearing of agricultural segment, the value of **Biological assets** (hen and pullet) been represented on a new balance sheet row, and represents 250.440 thousand HUF on 2017.12.31.

The **Receivables** is 11.307.078 thousand HUF, that shows an 46% increase. In the division of this, the media segment and the Parent Company represents the largest proportion.

The value of **Accounts and other receivables** represents the greatest, 78% ratio from components of receivables with 8.889.662 thousand HUF, which shows nearly a two-fold increase. The accounts receivable major part represented at media ant the Parent Company, and minorly in hevy industry segment.

Cash And Cash Equivalents' value is 5.139.423 thousand HUF, that shows nearly a two-fold increase compares to last year, from this, the payment in cashier is 18.776 thousand HUF, and in bank account is 5.118.666 thousand HUF.

On resources side, the **Equity** doubled, increased with total 7.767.537 thousand HUF compared to basis period. On 2017.12.31 it was 14.980.515 thousand HUF volt, towards the 7.212.978 thousand HUF in 2016.

The OPUS GLOBAL Nyrt, as Parent Company incresed its capital two times in 2017 Both times, equity capital increase will be carried out, during the contribution of the claims offsetting against the company. During the equity capital increase, the difference between the share's issuing value and the nominal value were transferred into the capital reserve.

The company's **Share Capital** grows with 182.994.025.- HUF during the capital increase which decided in 2017.10.24., the Company Registry Courts' registration been made on 2nd november 2017. After the registration, the subscribed capital has grown with 2,32%, and the **Capital Reserve** with 29,64% (2.086.132.- thousand HUF).

The company's decision of capital increase which is made on 2017.12.12, had only took place on 8th January 2018, so the equity data (Share capital, Capital reserve) for 2017.12.31, does not yet include this increment. The *Current year's earning* concluded from succesful financial management, in 2017 affected positively the forming of accumulated negative earning. Among the Equity's components, the book value of subsidiaries-owned shares (Csabatáj Zrt., Wamsler SE) is represented on **Repurchased Treasury Shares** row.

The **Liabiliites** value is 33.090.477 thousand HUF, shows a 8% (2.387.6286 thousand HUF) increase compared to the last year, which major part is given by the media, almost 20% by the heavy industry segment, and 8% by the Parent Company.

Observing the distribution within the liabilities, there is a shift. While the Group's liabilities at the end of 2016 were 70% long term and 30% short term, thus far on 2017.12.31 the long-term liabilities appear in 57% and the short-term in 43%.

In 2017, the **Liabilities** 35% consisted from **Credits and Loans** (11.743.555 thousand HUF), while in 2016 it was 47% (14.524.934 thousand HUH). In the examined period, the credits and loans decreased by 19% compared to the basis period, so this way significantly decreased the Parent Company's credit exposure, to which the extraction of the Austrian subidiary from conslidation also conributes.

In the current year, the debts related to the OPUS PRESS Zrt.'s bond issue, embody the 33% of long-term liabilities.

The **Provisions** is 2.440.686 thousand HUF, its increased compared to the 2.322.083 thousand HUF in 2016 with 5%. In the forming of provisions, the media segment have 73% and the hevay industry have 23%.

The **Short-Term Liabilities**' value is 14.225.417 thousand HUF, shows 56% increase, which primary appears on **Accounts and other liabilities** row This latter, an 66% increase shown, which caused by the previously mentioned item connected to the Capital increas on 2017.12.12, its increased the Accounts receivable and Accounts payable rows, and until the Company Registry Courts' registration, the equity increasing item is also registered here.

5.5. Representing the group's employment policy

The corporate group's business performance and success are based significantly on the management's leadership. The development of strategy, implement of investments, the planning and supervision of operational processes, as also the retention of customers is highly depending on the knowledge and attitude of these experienced professionals. The company seeks to keep these professionals by providing competitive conditions and further training opportunities, but there is no guarantee that one or more of its experienced professionals could not be lost.

The company's needs of workforce, basically ensured with workers in employment of the company, with regard of the labor market rules and the principles of equal opportunities.

With the purchase of Mediaworks Hungary Zrt, the Holding's employment amount is significantly increased, and givs the 50% of total manpower. The second largest employment amount belongs to the Heavy industry segment, with 43%, and after this comes the Agricultural portfolio, with 5%. The weight of the segments influenced the numbers of the groups total financial management, which is clearly appears in the development of personnel expenses.

The following board shows the distribution of employees between Parent Company and Group members:

Closing staff number	2016 Q4	2017 Q4	change year/year
OPUS GLOBAL Nyrt.	6	4	-33%
Révay 10 Kft.	2	1	-50%
OBRA Kft.	0	0	0%
OPIMA Kft.	0	0	0%
SZ és K 2005. Kft.	0	0	0%
EURO GENERÁL Zrt.	13	16	23%
Kőrösi Ingatlan Kft.	0	0	0%
Wamsler-csoport	762	722	-5%
OPUS PRESS Zrt.	0	0	0%
PRINTIMUS Kft.	0	0	0%
Mediaworks-csoport	1177	1183	1%
Csabatáj Zrt.	0	85	-
Holiday Resort Kreisberg-Murau GmbH	0	-	-%
Total	**1 960**	**2 011**	**3%**

Comparing to the basis year, there is still a significant fluctuation in Wamsler group's work basis, which unlikely tendency been attempted to reduce by the company's management with wage developments and labor conservation programs.

The rate of **Personnel Expenses** is also increased within the Operating expneses, which is a resulted by the effect of differences in consolidation on 2016 and 2017. In personnel expenses, the wage cost is 9.094.102 thousand HUF, the other personnel expenses is 1.060.692 thousand HUF, and the wage contributions is 2.142.522 thousand HUF.

The personnel expenses accounted in 73% by media, 23% by heavy industry, and 3% by Agricultural segment, which is not surprising considering the number of employees. By proportions, only 1%-1% appears in other segment, which includes the Parent Company and the construction industry segment.

6. MANAGEMENT EVENTS, PROSPECTS

6.1. Events of liaising with the stock market

The published events, and news between the reporting period's start and the annual report's publication date, are issued under the „Published during period" part of the Annex.

6.2. Events after balance-sheet date

The Directorate decided the increase of the OPUS GLOBAL Nyrt.'s capital in 2018. February 14, primary by making available business shares' non-cash contribution for the company, which event's implementation requires a prior realization of the published, detailed transaction. During the capital increase, new shares will be released on the private placement.
The nominal value of the new OPUS shares is registered on 611.- HUF according to the BÉT's closing price on 2018.02.13., regardless of when will the company implement the different parts of the transaction. The Directorate will decide on the number of OPUS shares to be issued as remuneration for the assets listed below as non-cash assets, simultaneously with the actual disposure of the capital increase.
The final date of implement the desired transactions in order to increase the company's share capital: 2018.06.30.

The company intends to take the following steps -not necessarily in the following order- in order to carry out the transaction:
The Directorate allow to

- The Mészáros és Mészáros Ipari, Kereskedelmi és Szolgáltató Kft.'s 51% business share shall be made available for the company as non-cash contribution
- The R - KORD Építőipari Kft.'s 51% business share shall be made available for the company as non-cash contribution
- The VISONTA PROJEKT Ipari és Szolgáltató Kft.'s 51% business share in total, shall be made available for the company as non-cash contribution.
- The KALL Ingredients Kereskedelmi Kft.'s 30% business share in total, shall be made available for the company as non-cash contribution
- The STATUS POWER INVEST Kft.'s 55,05% business share shall be made available for the company as non-cash contribution. As the result of the non-cash contribution under this point, the company gain a 20% indirect influence in the Mátrai Erőmű Zrt.
- The STATUS GEO Invest Kft.'s 51% business share shall be made available for the company as non-cash contribution. As the result of the non-cash contribution under this point, the company gain a 51% indirect influence in the GEOSOL Kft.

Due to the company's announcement in 2018.03.26, after the STATUS POWER INVEST Kft. fulfilled the requirements, increases its ownership ratio to 85% in Mátra Energy Holding Zrt., and with this the company acquires exclusive and complete control over the Matra power plant. After this, on June 20, 2019, will increase its ownership to 100% with buy through, in Mátra Energy Holding. After the acquisition, the STATUS POWER INVEST Kft. will became the only direct owner of the issued shares (72,665 %) of Mátrai Erőmű Zrt. With the first step to buyout the investors, accourdint to the capital increase above, the OPUS GLOBAL Nyrt will be the direct owner in 34% of Mátrai Erőmű Zrt., while on 20 july 2019 will became a 40% owner of it.

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7. BRIEF DESCRIPTION OF THE NON-FINANCIAL STATEMENTS

7.1. Briefing of business model

Till 2008, the company's main profile was the medicine production, and from 2009, after the company's profile change, deals with asset management, by virtue of the configured holding structure. In 2011, with the aim of streamlining and clearing the profile, the company has been expanded with new companies, with greater income producing ability. In 2017 both the ownership and management structure was transformed and another significant portfolio increasing was realized, during which its investments expanded with high value assets. Among the subsidiaries, currently there is a hearth- and stove- factory, a construction company, office letting and operating company, as also a newspaper publishing company. The company continuously expands the range of investments and a member of Budapest Stock Exchange since 1998.

Main element of our Corporate strategy is the responsible management of the business group's operations in the holding structure.

The company wish to carry out a long-term, effective financial management by a maximized utilization of the existing portfolios, real estates and resources, with keeping in mind the following:

- Transparent and effective operation;
- Find and integrate further investment opportunities;
- Increasing the own asset value;
- Involving institutional investors among the shareholders;
- A steady and sustainable increase of the company's shares exchange rate;
- Providing the dividend payments to our shareholders;
- To ensure a safe future, to our investors and employees;
- Creating a modern, European enterprise.

During all of these successful implementation, our main goal is the profit, but at the same time, to reach results which sustainable in longer term. besides the responsible business conduct, the issue of social utility is of the utmost importance as there are currently more than 2000 employees working in the Group. the coherence of social, environmental and economic components is essential for the Group. the conditions of the long-term success, is the environmental and social responsibility. The management focusing on n the approximation of the operating cultures of its subsidiaries in different sectors to achieve compliance with professional standards.

The Group does not have an ethical code, but the management is committed to developing a safe and healthy work environment.
Leaders and staff are also expected to respect each other, including the prohibition of discrimination and harassment.

7.2. Health and safety management system at workplace

At our company, employees sometimes works with dangerous substances. Under such circumstances, safety requires a particularly responsible behavior to that these hazards don’t become a significant risk.

Safety is determined by the equipment’s technical condition and the employees’ behavior. To this latter inhered the consciousness of the leadership and, of course, the employees ' proficiency too.

The OPUS group is committed to the continuous improving of company's safety performance, to achieve compliance with legal and other requirements, and considers as an important goal the prevention of workplace accidents and health damages. Its the managers task, to know the risks of the specific work place, and to organize and control the labor processes with accomplice to that.

At the Heavy Industry portfolio an integrated management system works that complied to the MSZ EN ISO 9001, MSZ EN ISO 14001, MSZ 28001 regulations. As a part of the integrated management system the audiaton happened at the following:

- MIR - Quality Management System,
- KIR - Environmental Management System,
- MEBIR - Occupational Health and Safety Management System

The systems audiation performed by TÜV Rheinland InterCert Kft., the next surveillance audit will be actual in 2018. july. According to the MSZ EN ISO 50001:2012 standard requirements, an Energy Management System also operates at the company.

At our Agricultural portfolio, the HACCP system been introduced due to the egg and feed production, a food safety risk management system, based on the broad sense of good manufacturing, distribution practice and good hygiene practice, that aimed preventing.

Due to the printing industry activity, the media segment also has the necessary and statutory qualification. Both the Budapest and Veszprém press has the ISO 9001 quality and ISO 14001 environmental certificate, and as well as meets the requirements of the energy certificate (ISO 50001).

7.3. Environment protection

In our group we handle with special responsibility the environmental tasks that related to activities, at our investments and developments, we try to apply such an available technique, that is the most appropriate to regulations of environmental protection. The group approbate a law-abiding attitude, fulfilling all the environmental and other related regulatory requirements.

In our agricultural sector, the manure management of the poultry farm has been solved, with the environmental investment under the reglulatory of ÚMVP. The controling wells allow to check the nitrate content of the groundwater.

Our heavy industry portfolio has an integrated environmental license (IPPC). The company’s environmental management system covers waste management, air quality protection, noise and vibration protection, and landscape and nature conservation. The environmental awareness, energy saving, already appears not just only in the products but the manufacturing processes also. The management takes great emphasis on the application of innovative, environment-friendly production technologies and waste recycling.

7.4. employment issues

The company's business performance and success are based significantly on the employee's proficiency, attitude and dedication. The company seeks to keep these professionals by providing competitive conditions and further training opportunities, but there is no guarantee that one or more of its experienced professionals could not be lost.

There is still a significant fluctuation in the employeemnet basis of our Heavy Industry segment which has difficulties already due to its regional location. This unlikely tendency been attempted to reduce by the company's management with wage developments and labor conservation program as well as with providing proper educational sites. The planned investment will provide a secure living of nearly 700 colleagues and could be an important milestone in the redevelopment and the stop of migration too.

Our agricultural portfolio is also affected by labor migration, to which reduction, and the ceasing of vacant jobs, if possible not only the mandatory minimum wage increases will be implemented, but with some additional costs, the management also plans to raise of wages. At the managing of headcount level, our subsidiary works jointly with the local employment office. Focusing on the bottleneck jobs, in the framework of a joint operation a poultry worker training starts, where the agriculture subsidiary provides the scene and professional help for the practical training.

7.5. Risks

The OPUS group handles and examines under the operational risk management the risks which related to environmental protection, employment, respecting human rights, fight against corruption and bribery. Under the term of Operational risk, we mean the possibility of losses arise from non-adequately formed, or wrongly ongoing business processes, men-made mistakes, non-adequately operation of systems, and as well as the arise from external environment. The specialty of Operational risk, is its present in each organizational unit, and the spectrum of possible risks is exrtremely wide. In order to reduce the Operational risk, the company prepares a report annualy, in which mapping the risk points, and handle the arised problems. The forward-looking statements of the annual report can include numerous risks and uncertainties, in addition to the detailed ones above and the actual results may materially differ from the forecasts.

7.6. Non-financial performance indicators

- The Directorate of OPUS GLOBAL Nyrt. held 9 meetings in 2017., with an 87% average participation rate.
- The Supervisory Board and Audit Committee held 6 meetings in 2017., with an 89% average participation rate.
- Compliance to the BÉT's Governance Report recommendations (yes/no rate): 93 yes and 57 no.

8. AUTHORIZATION OF THE FINANCIAL REPORT'S PUBLICATION

The publication of this financial statements in this right form, is authorized by the Directorate's decisions no.: 9/2018. (04.05.) and 10/2018. (04.05.), on 2018.04.05.

9. STATEMENT

OPUS GLOBAL Nyrt (1065 Budapest, Révay u.10., (hereinafter: Company) declares that the annual report for the year 2016, prepared by the company based on the applicable accounting requirements and complied according to the best knowledge of the Company, gives a true and reliable picture of the assets, liabilities, financial situation, profit and loss of the issuing companies, furthermore, the management report gives a reliable picture on the situation, development and performance of the issuing companies, presenting the major risks and factors of uncertainty.

Furthermore, it declares that the Company publishes the company governance declaration defined in Article 95/B paragraph (1) of Act C of 2000 on Accounting, with the contents defined in paragraph (2), in the Corporate Governance Report prepared according to Article 3:289 of the Civil Code, on the website of Budapest Stock Exchange.

Ódorné Angyal Zsuzsanna
Chief Executive Officer
OPUS GLOBAL Nyrt.

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ANNEXES

1. ANNEX NO.:1, INFORMATION PUBLISHED DURING THE PERIOD:

2017.01.02.	Number of voting rights at OPUS GLOBAL Plc. as of December 31, 2016
2017.01.31.	Information about Acquisition
2017.02.01.	Number of voting rights at OPUS GLOBAL Plc. as of January 31, 2017
2017.02.23.	Ownership announcement
2017.02.27.	Ownership announcement
2017.03.01.	Number of voting rights at OPUS GLOBAL Plc. as of February 28, 2017
2017.03.03.	BÉT CEO's decree of suspension
2017.03.03.	Ownership announcement
2017.03.03.	BÉT CEO's decree of suspension
2017.03.08.	Amendment briefing
2017.03.09.	BÉT CEO's decree of suspension
2017.03.13.	Ownership's announcement
2017.03.13.	Ownership's announcement
2017.03.13.	Unscheduled notification
2017.03.13.	Unscheduled notification
2017.03.13.	Unscheduled notification
2017.03.13.	OPIMUS GROUP Nyrt. stock's mandatory public bid
2017.03.20.	General assembly invitation
2017.03.28.	Information about the modifications of general assembly's items on the agenda
2017.03.30	Directorate's deliverance of purchasing offer
2017.03.30	General assembly proposal
2017.04.03.	Number of voting rights at OPUS GLOBAL Plc. as of March 31, 2017
2017.04.18.	Information about general assembly of OPIMUS GROUP Nyrt.
2017.05.02.	General assembly decree
2017.05.02.	Annual report
2017.05.02.	Corporate Governance report
2017.05.02.	Information about company's leading office-bearers
2017.05.02.	Number of voting rights at OPUS GLOBAL Plc. as of April 30, 2017
2017.05.12.	Amendment briefing
2017.05.18.	Information about acquisition
2017.05.22.	Summary report
2017.05.23.	Information about acquisition
2017.05.25.	Bylaw
2017.05.26.	Information about closure of purchasing offer
2017.06.01.	Number of voting rights at OPUS GLOBAL Plc. as of May 31, 2017
2017.06.06.	Information about adversary proceeding
2017.06.21.	Ownership announcement, proceed to GVH authorization
2017.06.29.	Information about merging of companies included in consolidation
2017.07.03.	Number of voting rights at OPUS GLOBAL Plc. as of June 30, 2017
2017.07.04.	Invitation of OPIMUS GROUP Nyrt. extraordinary general meeting
2017.07.04.	Information about amicable settlement
2017.07.13.	Proposals of general assembly
2017.07.19.	Information about selling of a subsidiary company
2017.07.21.	Information about acquisition

2017.07.24.	Information about acquisition
2017.07.31.	Information about changes in strategic employment
2017.08.01.	Number of voting rights at OPUS GLOBAL Plc. as of July 31, 2017
2017.08.02.	Information about the extraordinary general meeting's location
2017.08.03.	General assembly decree
2017.08.15.	Information about registry of articles of incorporation
2017.08.23.	Information about annulment of litigation
2017.09.01.	Number of voting rights at OPUS GLOBAL Plc. as of August 31, 2017
2017.09.01.	Information about change of investor's contact person
2017.09.05.	Information about company's leading owners
2017.09.12.	Information about the Company's shares classification in CECE-index
2017.09.29.	Semi-annual report
2017.09.29.	Information about apply of recon among Premium category
2017.10.02.	Information about OPUS shares qualification as „liquid stock"
2017.10.02.	Number of voting rights at OPUS GLOBAL Plc. as of September 30, 2017
2017.10.03.	Information about OPUS equity shares recon among Premium category
2017.10.05.	Opus semi-annual report amendment
2017.10.11.	Information about loan acquired
2017.10.17.	OPUS Half Yearly Report 2017F1
2017.10.24.	Information on the Decision on share capital increase.
2017.10.24.	Information about a subsidiary involved in consolidation
2017.10.26.	Information about a subsidiary took into consolidation
2017.10.30.	Information about participation
2017.10.30.	Information about the subsidiary involved in the consolidation
2017.11.02.	Information about participation
2017.11.02.	Number of voting rights at OPUS GLOBAL Plc. as of October 31, 2017
2017.11.02.	Articles of Association of OPUS GLOBAL Plc.
2017.11.28.	Information about participation
2017.11.30.	Number of voting rights at OPUS GLOBAL Plc. as of November 30, 2017
2017.12.01.	Information about the change in the percentage of shares
2017.12.01.	Ownership announcement
2017.12.04.	Information about the subsidiary involved in the consolidation
2017.12.06.	Information about participation
2017.12.12.	Information on the Decision on share capital increase.
2017.12.14.	Information about participation
2017.12.15.	Information about a subsidiary of a consolidation
2017.12.18.	Information about participation (iko)
2017.12.18.	Information about loan acquired
2017.12.20.	Information about market share
2017.12.21.	Information about a subsidiary of a consolidation
2017.12.30.	Corporate events calendar

2017 Consolidated Financial statements of OPUS GLOBAL Nyrt.

NO.:2 Annex: DATA SHEETS RELATED TO FINANCIAL STATEMENTS

PK1. GENERAL INFORMATION OF FINANCIAL DATA

Audited: Yes / No
Consolidated: Yes / No
Accounting principles: Hungarian / IFRS (EU accepted) / Other

PK3. Consolidated financial statement

Designation (figures in thousand HUF)	Notes	2017.12.31	2016.12.31
ASSETS			
Invested assets			
Property, devices and equipment	3.2	11 772 098	10 089 123
Intangibles	3.3	5 844 969	5 807 421
Goodwill	3.4	126 390	173 070
Investment property	3.5	2 111 389	5 925 607
Invested financial assets	3.6	5 532 481	1 440 776
Loans	3.6	266 970	279 352
Deferred tax assets	3.20	230 700	238 113
Shares	3.6	1 726 727	148 160
Right-of-use asset		-	-
Total Invested assets		**27 611 724**	**24 101 622**
Current assets			
Inventories	3.7	3 762 327	3 673 165
Biological assets	3.8	250 440	-
Current year Corporate tax payable	3.9	14 943	143 370
Accounts receivable	3.10	8 889 662	4 639 821
Accounts receivables from investment contracts	3.10	196 077	69 534
Other receivables	3.11	2 206 396	2 902 730
Cash and cash equivalents	3.12	5 139 423	2 385 585
Total current assets		**20 459 268**	**13 814 205**
Assets in total		**48 070 992**	**37 915 827**
RESOURCES			
Equity			
Share capital	3.13	8 080 753	7 897 759
Repurchased shares		- 405 879	- 135 108
Capital reserve	3.14	9 098 281	7 012 149
Reserves	3.14	-	748 767
Retained earnings		- 8 585 285	- 7 653 332
Current year's profit		5 770 777	- 931 953
Revaluation difference		21 884	69 773
Equity attributable to parent		**13 980 531**	**7 008 055**
Non-controlling share interest	3.15	999 984	204 923
Total equity		**14 980 515**	**7 212 978**
Long term liabilities			
Credits and loans	3.16	9 770 771	12 731 263
State aid		-	-
Debts arising from issuing bonds	3.17	6 202 800	6 220 400
Other long-term liabilities	3.18	38 879	5 133
Provisions	3.19	2 440 686	2 322 083
Finance Leasing debts		33 452	-
Deferred tax liabilities	3.20	378 472	299 570
Long term liabilities in total		**18 865 060**	**21 578 449**
Short term liabilities			
Short term Credits and loans	3.16	1 972 784	1 793 671
Accounts payables and other liabilities	3.21;3.22	12 079 261	7 282 983
Short term finance leasingliabilities	3.22	26 082	-
Corporate tax liability for the given year	3.9	147 290	47 746
Short term liabilities in total		**14 225 417**	**9 124 400**
EQUITY AND LIABILITIES IN TOTAL		**48 070 992**	**37 915 827**

PK4. Consolidated comprehensive income

Designation (figures in thousand HUF)	Megjegyzések	2017.12.31	2016.12.31
Revenue	3.23; 3.24	42 551 766	15 314 717
Value of capitalised own performance	3.25	290 600	- 115 143
Other operating income	3.26	3 561 308	618 644
Operating income in total		**46 403 674**	**15 818 218**
Material expenses	3.27	22 621 954	8 748 218
Personnel expenses	3.28	12 297 316	4 628 531
Depreciation	3.2	1 672 382	746 621
Impairment	3.29	199 803	532 334
Other expenses	3.30	3 423 333	1 934 130
Total operating costs		**40 214 788**	**16 589 834**
Earnings before Interest and Taxes (EBIT)		**6 188 886**	**- 771 616**
Profit or loss on financial transactions	3.31	1 013 691	104 590
Expanses of financial transactions	3.31	672 393	493 312
Share from equity method-accounted investments		63 229	-
Earning on financial transactions	3.31	404 527	- 388 722
Profit or loss before taxes		**6 593 413**	**- 1 160 338**
Deferred tax	3.32	257 597	- 238 258
Capital gains tax expense		437 140	9 873
Net result		**5 898 676**	**- 931 953**
Net Result Discontinued Operations		-	-
Profit or loss after taxes		**5 898 676**	**- 931 953**
Effect of Valuation		-	748 767
Effect of Exchange rate fluctuations		16 191	- 9 713
Effect of Deferred tax		- 7 314	-
Other comprehensive income		**8 877**	**739 054**
Total Comprehensive income		**5 907 553**	**- 192 899**
Adózott eredményből			
Anyavállalatra jutó		5 770 777	- 963 711
Nem ellenőrző részesedésre jutó		127 898	31 758
Profit or loss after taxes			
Parent Company		8 894	739 088
Non-controlling involvements		- 17	- 34
Comprehensive income			
Parent Company		5 779 671	- 224 623
Non-controlling involvements		127 881	31 724

K5. CONSOLDIATED EQUITY CAHANGES

Data in thousand HUF

	Registered capital	Repurchased Treasury shares	Capital Reserve	Reserves	Retained earnings	Current year's profit/earning	Revaluation difference	**Equity attributable to Parent company**	Non-controlling share interest	**Equity attributable to parent**
2016. december 31.	**7 897 759**	**- 135 108**	**7 012 149**	**748 767**	**- 7 621 574**	**- 963 711**	**69 773**	**7 008 055**	**204 923**	**7 212 978**
Earning reclassification					- 963 711	963 711		-		-
Current year's earning				- 7 314		5 770 777	16 208	5 779 671	127 881	5 907 553
Capital increase	182 994		2 086 132					2 269 126		2 269 126
Sbsidiary acquired								-	667 180	667 180
Subsidiary saled				- 741 453			- 64 097	- 805 550		- 805 550
Dividend								-		-
Increase/Decrease of repurchased shares		- 270 771						- 270 771		- 270 771
2017.12.31	**8 080 753**	**- 405 879**	**9 098 281**	**-**	**- 8 585 285**	**5 770 777**	**21 884**	**13 980 531**	**999 984**	**14 980 515**

PK6. Consolidated cash flow statement

Data in thousand HUF	2017.12.31	2016.12.31
Cash flow from operating activities		
Pre-tax earnings	6 593 413	- 1 160 339
Changes in other comprehensive earnings without tax	16 191	813 108
Adjustments:		
Depreciation and amortization	1 672 382	746 621
Recognized impairment and its reversal	199 803	532 334
Changes in provisions	118 603	355 201
Revaluation of investment properties	- 268 396	- 225 217
Profit realized on the sale of property, plants and equipment	- 53 565	- 33 379
Dividends received	- 27 906	- 42 589
Interests paid	478 716	372 476
Interest received	- 64 974	- 22 301
Changes in operating capital		
Changes in trade and other receivables	- 3 881 999	1 320 837
Changes in (other) current assets	116 003	- 220 217
Change in accounts payable	5 276 544	- 870 201
Other short-term liabilities and accruals	- 421 394	- 36 274
Corporate income tax paid	- 387 765	- 439 413
Net cash flow from operating activities	***9 365 656***	***1 090 647***
Cash flow from investment activities		
Dividends received	27 906	42 589
Purchase of fixed assets and intangible assets	- 2 232 736	- 472 147
Sale of fixed assets and intangible assets	53 888	53 062
Acquisition of non-current financial assets	- 5 459 250	- 1 555 240
Acquisition of subsidiary	1 770 422	-
Acquisition of subsidiary	- 1 248 515	- 3 806 156
Net cash flow from investment activities	***- 7 088 285***	***- 5 737 892***
Cash flow from financing activities		
Issue of shares	2 269 126	-
Borrowing of credits and loans	-	-
Repayment of credits and loans	- 1 090 546	- 536 580
Divided payment	-	-
Interests paid	- 478 716	- 372 476
Interest received	64 974	22 301
Acquisition/Sale of treasury shares	- 270 771	-
Revenues from bond placement	- 17 600	6 220 400
Net cash flow from financing activities	***476 467***	***5 333 645***
Net changes of cash and cash-type items	2 753 838	686 400
Balance of cash and cash-type items at the beginning of the year	2 385 585	1 699 185
Balance of cash and cash-type items at the end of the year	**5 139 423**	**2 385 585**

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, PREPARED IN ACCORDANCE WITH IFRS ACCEPTED BY THE EU (31 DECEMBER 2017)

1. GENERAL BACKGROUND

1.1. Legal status and nature of activity

The legal predecessor of OPUS GLOBAL Nyrt. was established in 1912 under the name of Phylaxia Szérumtermelő Rt. the more than 100 years old company, been operating continuously since its establishment. In January, 1998 the Company's shares are introduced on the Budapest Stock Exchange, and from 3rd October 2017, been listed in the Premium category.

From September 3rd august 2017 the name of the company was changed from OPIMUS GROUP Nyrt. to OPUS GLOBAL Nyrt.

Seat of the Company, from 11th January 2016: 1065 Budapest, Révay u. 10.

The Company's subsidiaries which included under its consoldiation, belongs to the following segments: Media, Heavy Industry, Asset Management, Construction industry, Agricultural and other activities.

COMPANIES INVOLVED TO CONSOLIDATION IN 2017					
Company name	Rating	Share %		Country	Activities
		2016	2017		
OBRA Kft.	L	100,00%	100,00%	Hungary	Asset management
Révay 10 Kft.	L	100,00%	100,00%	Hungary	Renting and operating of own or leased real estate
SZ és K 2005. Kft.	L	100,00%	100,00%	Hungary	Real estate utilization
Holiday Resort Kreisberg-Murau GmbH	L	100,00%	-	Austria	Hotel operation
EURO GENERÁL Zrt.	L	50,00%	50,00%	Hungary	Construction industry
KŐRÖSI INGATLAN Kft.	L	50,00%	50,00%	Hungary	Real estate utilization
KPRIA Magyarország Kft.	T	-	40,00%	Hungary	Engineering
Takarékinfo Zrt.	T	-	24,87%	Hungary	data and web hosting service
STATUS Capital Zrt.	T	-	24,67%	Hungary	Other activities auxiliary to financial services, except insurance and pension fundin
Csabatáj Zrt.	L	-	74,18%	Hungary	Mixed farming
Unitreasury Kft.	T	-	20,00%	Hungary	Management consultancy activities
OPIMA Kft.	L	51,40%	51,40%	Hungary	Production, distribution of goods
Wamsler SE	L	99,93%	99,93%	Hungary	Manufacturing of household appliances
Wamsler Haus- und Küchentechnik GmbH	L	100,00%	100,00%	Germany	Trade in appliances
Wamsler Bioenergy GmbH	L	100,00%	100,00%	Germany	Trade in appliances
OPIMUS PRESS Zrt.	L	100,00%	100,00%	Hungary	Other information service
PRINTIMUS Kft.	L	100,00%	100,00%	Hungary	Advertising agencies
Mediaworks Hungary Zrt.	L	100,00%	100,00%	Hungary	Napilapkiadás
MédiaLOG Zrt.	L	100,00%	100,00%	Hungary	Other transportation support activities
"NÉPSZABADSÁG" Zrt.	L	99,00%	99,00%	Hungary	Renting and operating of own or leased real estate
Dunaújvárosi Szuperinfó Kft.	L	75,00%	75,00%	Hungary	Publishing of journals and periodicals
Maraton Lapcsoport Kft.	L	100,00%	100,00%	Hungary	Publishing of journals and periodicals
DMH Magyarország Kft.	L	100,00%	-	Hungary	Advertising agencies
PANNON LAPOK TÁRSASÁGA Kft.	mergence	100,00%	-	Hungary	Médiareklám
PRIMUS Népszabadság Média Képviseleti Kft.	mergence	100,00%	-	Hungary	Reklámügynöki tevékenység
SHOW PLUS Kft.	mergence	100,00%	-	Hungary	Folyóirat, időszaki kiadvány kiadása
FEHÉRVÁR INFÓ Kft.	mergence	100,00%	-	Hungary	Folyóirat, időszaki kiadvány kiadása
Magyar Előfizetői Kft.	mergence	100,00%	-	Hungary	Vagyonkezelés

* L: Fully involved ; *T: Classified as associate

In 2016 the following companies been involved in consolidation: OPIMUS PRESS Zrt., PRINTIMUS Kft., Mediaworks Hungary Zrt., Magyar Előfizetői Kft., MédiaLOG Zrt., "NÉPSZABADSÁG" Zrt., PANNON LAPOK TÁRSASÁGA Kft., PRIMUS Népszabadság Média Képviseleti Kft., SHOW PLUS Kft., DMH Magyarország Kft., Dunaújvárosi Szuperinfó Kft., FEHÉRVÁR INFÓ Kft. and the Maraton Lapcsoport Kft.

In 2017 the following companies been involved in consolidation: Csabatáj Zrt., KPRIA Magyarország Zrt., Unitreasury Kft., STATUS Capital Kockázati Tőkealap-kezelő Zrt., Takarékinfo Központi Adatfeldolgozó Zrt.

In 2017 the following companies been excluded from consolidation:

- The Directorate of OPUS GLOBAL Nyrt. decided to sell 100% ownership of the Austrian, Holiday Resort Kreischberg-Murau GmbH on July, with this the Austrian company were excluded from consolidation.
- In the Media portfolio, after the merging in september 2017, the following companies been ceased as a separate entity: PANNON LAPOK TÁRSASÁGA KIADÓI Kft., PRIMUS Népszabadság Média Képviseleti Kft., Magyar Előfizetői Vagyonkezelő Kft., SHOW PLUS Kft., DMH Magyarország Kft., FEHÉRVÁR INFÓ Kft and the Magyar Előfizetői Kft.

The consolidated financial statements prepared by the record date of 2017.12.31, are including the company, its subsidiaries and associates (jointly: Group, or Corporate group).

1.2. Name and address of the person who signed the annual report:

Ódorné Angyal Zsuzsanna, Bag Jókai utca 44/a.

1.3. Members of the Directorate:

From 2016.04.29 to 2017.05.02.:

Chariman:	Hudek Csaba
Members:	Dr. Bálint Éva Mária (independent)
	Nyuli Ferenc
	Dr. Malasics András (independent) (resigned in 2017.03.31.)
	Mátrai Gábor (független)

From 2017.05.02.:

Chairman:	Mészáros Beatrix
Members:	Homlok-Mészáros Ágnes
	Dr. Gödör Éva Szilvia
	Jászai Gellért Zoltán
	Halmi Tamás

1.4. Members of the Audit Committe:

From 2016.04.29 to 2017.05.02.:

	Dr. Malasics András (REsigned wwith the day of 2017.03.31.)
	Dr. Bálint Éva Mária
	Mátrai Gábor

From 2017.05.02.:

Chairman:	Tima János
Members:	Dr. Egyedné Dr. Páricsi Orsolya
	Dr. Antal Kadosa Adorján

1.5. Members of the Supervisory Board:

From 2017.05.02.:
Chairman: Tima János
Members: Dr. Egyedné Dr. Páricsi Orsolya
Dr. Antal Kadosa Adorján

1.6. Auditor of the company:

BDO Magyarország Könyvvizsgáló Kft. (1103 Budapest, Kőér utca 2/A. C. dbg., registry no.:01-09-867785, tax number: 13682738-4-42) personally responsible auditor: Kékesi Péter, MKVK no.:002387.

1.7. Personal details of the person with IFRS certificate, responsible for the management and direction of tasks subject to the scope of accounting service:

a) name: Judit Szentimrey
b) address: 1188 Budapest, Tiszavirág u. 53/a.
c) registration number: 196131

1.8. The legal office acting as the legal representative of the Company:

Nadray Ügyvédi Iroda, 1055 Budapest, Falk Miksa utca 3.
Kertész és Társai Ügyvédi Iroda, 1137 Budapest, Budai Nagy Antal utca 3. I. em. 3.

1.9. The basis of balance sheet preparation:

The basis of the preparation of the consolidated annual report is the International Financial Reporting Standards, as adopted by the European Union (hereinafter: “IFRS”). The IFRS standards are announced and promulgated in the form of regulation in the Official Gazette of the European Union (EU). IFRS are constituted by the standards and interpretations formulated by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC).

The Consolidated annual report was compiled according to the principle of historical value, with the exception of certain financial instruments, investment properties and biological assets, which are represented in the balance sheet at market value. The company has prepared its Consolidated annual report in Hungarian forints (thousand). The accounting, financial and other records of the Subsidiaries are maintained according to the valid local laws and accounting regulations. The company modifies the reports sent by the members, prepared according to the local accounting standards, in order to comply with IFRS. The preparation of the report according to IFRS requires the making of critical accounting estimates and executive decisions in the application of the accounting policy of the company, which have an impact on the amount of assets, liabilities, revenues and expenditures represented in the financial reports. The actual results may differ from these estimates.

The estimates and the underlying assumptions are being constantly revised. The amendments of accounting estimates are represented in the period of the amendments of the estimates and in the future periods affected by these amendments. Those areas that require high-level decisions and that are especially complex, furthermore, those assumptions and estimates that are qualified as significant for the Consolidated annual report are included in Note 3.

The fiscal year is the same as the calendar year.

1.10. Changes in Accounting Policy

We talk about changes in Accounting Policy, if:

- The change is supported by legal regulation or a decision of the body that creates the accounting standards,
- The change of the accounting policy provides more relevant and more reliable information on the financial situation, performance and cash flow of an enterprise,
- The enterprise adapts a new standard that requires the application of an accounting policy that is different than the one applied earlier,
- The enterprise decides on shifting from a method of accounting recognition permitted by IFRS to another, also permitted by IFRS.

If it is impossible to fully adopt the change, then the amendment may be waived. Owing to the uncertainties inherent in the business activities of the company, several items of the financial reports cannot be measured accurately, they can only be estimated. The reasonable application of estimates is an important part of the preparation of financial statements and must not impair their reliability. However, it may become necessary to review the estimate, if changes affecting the circumstances constituting the basis of the estimate have occurred, or a review is justified by new information or additional experiences. Therefore, by its very nature, the review of an estimate does not apply to earlier periods and is not considered the correction of an error.

The enterprise has to publish the nature and amount of changes in accounting estimates affecting the reporting period or expected to affect future periods, with the exception of impacts on future periods in the case they are impossible to estimate in advance. The Parent Company prepares its Reviewal as the EU adopted IFRS standards form 2017.01.01, in accordance with the provisions of the Hungarian Accounting Law (Act C of 2000). 114/C §.

From 2017.01.01, the company also belongs under the current terms of Accounting law's 9/A §.

Date of transition to IFRS: 2016.01.01.

IFRS open balance sheet record date: 2016.01.01 (2015. 12.31)

During the set-up of IFRS opening balance sheet - and later, also on the periods presented in the financial statement with the 2017.12.31 record date also – the company applies accounting policies, fitting to IFRS 1, which are consistent with the legal IFRS in 2017.12.31.

Until the date of the issue of the financial report the following standards and interpretations have been issued, these have not yet taken effect. The company plans to adopt the standards as they become effective:

IFRS 9 – Financial Instruments: classification and measurement (effective from 1 January 2018)

The standard introduces new requirements regarding the classification, measurement and impairment of financial assets and financial liabilities. The application of the IFRS 9 standard is expected to have an impact on the qualification and measurement of the financial assets of the company, however, it is not expected to influence the classification and measurement of financial liabilities. The company will assess the impact of the modification.

IFRS 15 Recognition of revenues from contracts with customers (effective from 1 January 2018)

On 28 May 2014 IASB issued a new standard on the recognition of revenues from contracts with customers. Application of this new revenue standard will become obligatory for companies applying IFRS in the case of the reporting periods starting on or after 1 January 2018.

This new standard will replace the current regulation of IAS 18 Revenues and IAS 11 Construction contracts in the recognition of revenues. According to the new standards, the enterprises will apply a "five-step model" in order to determine when and in what amount they should represent the revenue. According to the model, the revenue must be represented in such a manner that it should express the exchange of the "promised" product or service in the amount to which the entity expects to be entitled. The company will assess the impact of the modification.

IFRS 16 Leasing (effective from 1 January 2019)
On 13 January 2016 IASB issued a new standard on the recognition leasing. Application of this new leasing standard will become obligatory for companies applying IFRS in the case of the reporting periods starting on 1 January 2019 or after that date. The new standard will replace the current regulation of IAS 17 Leasing standard and will fundamentally change the regime of recognition of operating leases applied so far. The company will assess the impact of the modification.

In 2015 the company applies all the IFRS standards valid as of 1 January 2015, including changes and interpretations that are relevant for the operation of the company.

Standards and amendments issued by IASB and not yet approved by the EU

The IFRS standards currently also accepted by the EU are not different than the rules accepted by IASB, with the exception of the following standards and the modifications of the existing standards and changes in their interpretation, which were not yet accepted by the EU at the time of the publication of the financial statements (the dates provided below are the dates of full-scale application of the given IFRS standard).

IFRS 14 "Regulatory deferral accounts" standard (effective from 1 January 2016)

The European Commission made the decision that it would not apply the process of approval to the current interim standard, it will wait for the final standard. As a result, this standard does not and will not have any impact on accounting recognition.

IFRS 16 "Leases" standard (effective from 1 January 2019)

The Leases standard specifies how an IFRS reporter will recognise, measure, present and disclose leases, both for the "lessor" and the "lessee".

Under the decision of IASB, the application of the IFRS 16 Leases standard will become obligatory for all entities. Early application is permitted, if the entity already applies the IFRS 15 - Recognition of revenue from contracts with customers, on or before the date of the first application of this Standard. The purpose of the standard about to be introduced is the assurance of the full-scale representation of assets and liabilities deriving from lease contracts.

The IFRS 16 - Leases standard will invalidate, after its implementation, the IAS 17 - Leases standards and the related interpretations (IFRIC 4).

The modifications of IFRS 2 "Share-based payments" standard - Classification and measurement of share-based payment transactions (effective from 1 January 2018)

The modifications define the requirements applying to the accounting settlement of the following:

- impact of conditions of achievement or non-achievement on share-based payments settled in cash;
- recognition of the net settlement of share-based payment transactions related to the obligations of withholding tax;
- accounting recognition of the conversion of share-based payment transactions settled into share-based payment transactions paid in equity instruments.
  Since the company has no share-based payments, no impact is expected because of this modification.

Amendment of the IFRS 10 "Consolidated financial statements" and IAS 28 "Investment in associates and joint ventures" standards - Sale or contribution of assets between an investor and its associate or joint venture (valid from 1 January 2016).
This amendment resolves an existing contradiction between IFRS 10 and IAS 28 (2011) requirements, concerning sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that the entire profit or loss has to be recognized if the contributed assets comply with the definition of business combination.

Partial profit or loss must be recognized when assets not classified as business combination are contributed. This project was postponed for an indefinite term, as well as the adoption of the standard. The company does not expect any major impact by the proposed amendment in the case of adoption.

Clarification of the IFRS 15 standard "Revenue from contracts with customers" - problems that occurred in alignment with TRG (effective from 1 January 2018).

The purpose of the project is the clarification of certain issues concerning revenue recognition of IFRS 15 standard guidance TRG (Transition Resource Group).

Amendments of the IAS 7 "Statement of cash flows" standard - initiative related to the presentation of supplementary information (valid from 1 January 2017).

This standard includes the initiative related to the presentation of Supplementary information. The purpose of the amendments is the clarification of IAS 7, in order to enable users of financial statements to obtain more detailed information on the financial activity of the unit. According to the amendments, the entity has to publish supplementary information, which enables the users of financial statements to interpret changes in obligations arising from financial activities, including changes occurring with or without movement of funds.

Amendments of the IAS 12 standard "Corporate taxes*" –Recognition of deferred tax assets for unrealized losses (effective from 1 January 2017)*
These amendments clarify the methodology of the accounting recognition of deferred tax, related to tax instruments measured at fair market value. The IAS 12 standard defines the conditions of the presentation and measurement of deferred tax assets and claims. The issued amendments clarify the conditions of the presentation of deferred tax assets related to unrealized losses.

IAS 40 Amendments of investment property - Reclassification of investment properties (effective from 1 January 2018)
IASB modified the standard, under which classification from or into investment property may only be performed if a change occurred in the use of the property.
Amendment of certain standards "Further development of IFRS standards (in the years between 2012 and 2014)" - as a result of the IFRS Development Project amendments were made concerning the individual standards (IFRS 1, IFRS 12 and IAS 28), in order to terminate the inconsistencies and to verify the explanations.

IFRIC 22 interpretation "Foreign currency transactions and advance consideration" (effective from 1 January 2018)
This interpretation clarifies the accounting recognition of transactions in which advance consideration was paid in a foreign currency. Under this rule, the relevant advance must not be revalued as part of the year-end revaluation.

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2. MAJOR ACCOUNTING PRINCIPLES

2.1. A konszolidáció alapja

The consolidated annual report contains the financial reports of companies directly or indirectly controlled by the Parent Company (subsidiaries). Subsidiaries are considered entities controlled by the group pursuant to the IFRS 10 standard.

The IFRS 10 standard applies to consolidated financial statements. This regulation requires the management of the company to assess which of their investments are considered controlled companies and which are considered investment companies. Subsidiaries classified as controlled entities are subject to full consolidation. Those subsidiaries that are considered investment companies must be presented at fair value.

Subsidiaries

Subsidiaries, i.e. those companies in which the company group holds over 50% of the votes or controls their financial and operating policies in any other way, are subject to consolidation.

When it is determined whether the company group controls another entity or not, the currently exercisable and convertible potential voting rights and their impacts are taken into account.

Subsidiaries are consolidated from the date when the company group acquires control, and upon the termination of control they are removed from the scope of consolidation. This date may be any time during the year as well, i.e. the exact date of acquisition or the exact date of sale.

The consolidated report may contain the operating results of the subsidiaries starting from the date when the acquisition was completed, i.e. after control over the purchased subsidiary actually passed on to the buyer, therefore in such a case the profit and loss statement of the subsidiary must be split between the two periods.

The purchase of a subsidiary is recognized according to the accounting process of acquisition. The acquisition cost includes the fair value of the transferred assets, the newly issued treasury shares and the assumed obligations as of the date of acquisition. The value additional to the fair value of net asset value of the company and its contingent obligations is recognized as goodwill. The cost of acquisition is the fair value of the assets paid by the acquirer, issued shares or shouldered obligations as of the date of acquisition. That part of the costs of acquisition debt exceeds the share in the net assets of the acquired company assessed at fair value, is recognized as goodwill.

If the shareholding of the company group in the net assets of the acquired company valued at fair value exceeds the costs of acquisition ("negative goodwill”), then first the company group performs the identification of the purchased assets, liabilities and contingent liabilities and the assessment of the fair value of these, and redefines the cost of the business combination. If the cost of the acquisition is lower than the fair value of the net asset portfolio of the acquired subsidiary, then we recognize the outstanding balance in the profit and loss statement in the category of revenues of financial transactions.

The transactions, balances and unrealized profits, losses generated on transactions between member companies of the company group are screened out. The accounts payable, accounts receivable, accruals and deferrals and the provisions of companies’ subject to consolidation with one another must be screened out.

The harmonization of the accounting policies of the subsidiaries was completed in order to ensure the application of a uniform accounting policy within the Group.

Associate and joint ventures

Associated companies are those companies which the group has voting rights between 20% and 50% or over which the Group has significant influence but which does not under its control. The consolidated report OPUS GLOBAL Nyrt. the share value in each case of the jointly controlled and associated undertakings used to be shown by, the firm's book equity basis, so as by using the equity method. Associate and joint ventures are accounted by equity method and get in the book by their historical cost. The Group's share interests in Associate and joint ventures includes the value of goodwill determined at acquisition, reduced with any cumulative impairment. The share of the profit or loss, from the group's associate and joint ventures after acquisition, is shown in the income statement. The accumulated value of movements after acquisition is accounted towards the book value of the investment. In that case if the Grup's share value from the Associate and joint ventures' loss, reaches or exceeds the total share value, the group only recognizes the loss exceeding the value of the share, if it has committed a legal or constructive obligation or made payments on behalf of the Associate and joint venture. The unrealised profit, between the Group and Associate and joint venture will be taken out to the extent of its share interest in the Associate and joint venture. The account policy of Associate and joint ventures will modify if necessary, to ensure the consistent accounting policy within the Group. If the Associate and joint venture simultaneously makes a consolidated report (as a Parent Company) and those datas are available, then the data of that shall be taken into account when evaluating the shareholding

2.2. The basis of the statement

The international consolidated statements of the company are prepared according to the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). The consolidated annual report is in harmony with Article 10 of the Hungarian accounting law. Every IFRS rule issued by IASB, effective at the time of the preparation of the consolidated annual report, also applied by the company is applied according to the decision of the European Union and the European Commission.

Therefore, the consolidated annual report is prepared according to the same principles by which the European Union applies the IFRS rules. The report was prepared based on the principle of historical value, with the exception of those cases where IFRS requires the application of a different principle of valuation than provided in the accounting policy. The company maintains its accounting records and prepares its reports in accordance with the provisions of the Hungarian Accounting Law (Act C of 2000). The reporting currency of the company is the Hungarian forint. Unless indicated otherwise, in the consolidated report all amounts are in thousand forints.

2.2.1. Transactions in foreign currency

The functional currency of the Parent Company and the reporting currency of the company is the Hungarian forint. The financial reports of the company were prepared in Hungarian forint (HUF), rounded up to the next value of one thousand, unless indicated otherwise. The consolidated financial statements were prepared in Hungarian forint, which is the currency of presentation of the company.
Initially, foreign currency transactions not denominated in forint are recognized at the exchange rate valid on the day of the completion of such transactions. Those non-monetary assets whose acquisition or production costs are incurred in foreign currency are recognized at the FX rate valid at the time of the individual acquisitions or when the related items are recognized among the assets. Receivables and liabilities denominated in a foreign currency are translated into forint at the FX rate valid on the balance

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sheet cut-off date. The resultant FX rate differences are recognized in the profit and loss statement on financial revenues or expenditures.
When settlements occurring in a foreign currency are translated into Hungarian forint, the official MNB FX rate valid on the day of the transaction is used. In the end of the year the foreign currency assets and liabilities held on the balance sheet cut-off date are revalued at the official exchange rate published by MNB.
A realized FX rate difference is created upon the completion of the transactions, provided that the FX rate upon the date of addition and that upon the date of completion are different from each other. The resultant FX gain or FX loss is recognized in the profit and loss statement. At the end of the year, when the existing foreign currency items are revalued, the unrealized FX difference is recognized.

2.2.2. Financial instruments

Financial assets include mainly monetary assets, receivables from customers, other loans and receivables, as well as derivative and non-derivative financial assets held for trading.
Financial liabilities usually derive from the need to repay money and other financial assets. These mainly include bonds and other securitized obligations, accounts payable, liabilities to banks and associated companies, financial leasing liabilities and derivative financial liabilities.

Financial assets

The company assigns its financial assets to the following categories:

- financial assets valued at fair value against profit or loss,
- loans and receivables,
- financial assets held for resale,
- investments to be held until maturity.

Classification depends on what was the aim of the company by acquiring the relevant financial asset. At the time of purchase, the management defines the classification of financial assets. The recognition (purchase) and derecognition (sale) of financial assets take place on the date when the company commits to acquire or sell the asset. We recognize every investment valued at fair value against profit or loss, increased by the transaction cost. Investments valued at fair value against profit or loss are recognized at fair value, while transaction costs are recognized in the profit and loss statement.

If a receivable is classified as uncollectible, it is written off against the profit and loss statement. If amounts written off earlier are still recovered, then they will also be recognized against the profit and loss statement.

If in a later period the losses caused by impairment decrease, and the decrease can be objectively assigned to an event that occurred after the recognition of impairment (for example, an improvement in the credit-rating of the debtor), then the loss caused by the impairment recognized earlier must be reversed by amending the impairment account. As a result of this reversal, the book value of the asset must not exceed the depreciated historical value that would be valid at the time of the reversal, if the reversal had not been recognized earlier. The amount of reversed losses must be recognized in the profit and loss statement.

Financial assets are removed from the books if the entitlement to cash flow deriving from the given investment has expired or has been transferred, and the company also transferred the significant risks and benefits related to ownership. The valuation category of “financial assets measured at fair value against profit or loss” includes the following financial assets:

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- Financial assets that fall into this category as financial assets valued at fair value against the profit or loss, according to the so-called fair value option, in accordance with the IAS 39 standard.
- Financial assets that have been acquired basically for resale, immediately or in the near future, and therefore are classified as “held for trading”.
- Derivative financial instruments that belong to the “held for trading” category.
- Assets belonging to this category are recognized among current assets.

Financial assets valued at fair value against profit or loss will remain recognized in the books at fair value after the first recognition. Any profit or loss arising from changes of the fair value of financial assets valued at fair value against profit or loss will be recognized in the year when these occur, in the profit and loss statement.

Loans and receivables are such non-derivative financial assets that generate fixed or definable payments and are not listed in an active market. Loans and receivables are recognized among current assets (receivables), except if any of these matures within 12 months following the balance sheet cut-off date. These latter are recognized among non-current assets.

Loans and receivables are recorded in the books at fair value, and later on they are valued at a depreciated historical cost using the effective interest rate method.

Financial instruments available for sale include those non-derivative financial assets which are classified as such by the company or have not been assigned to another category. Financial instruments available for sale are recorded among non-current financial assets, unless the management intends to sell the investment within 12 months following the balance sheet cut-off date. In this case they are represented among current assets.

The company values financial instruments available for sale at fair market value, both upon and after initial recognition. Any changes in the fair value of securities recognized amount financial instruments available for sale is recognized in equity. When securities recognized as assets available for sale are sold, the accumulated fair value change recognized in equity earlier is represented in the profit and loss statement.

On each balance sheet cut-off date the company surveys whether there is any objective evidence for the need to recognize impairment on a financial asset. There is objective evidence for impairment as an outcome of events that took place after the acquisition of the asset, and the events that caused this loss had an impact on the estimated future cash flow of the financial asset or a company of financial assets, and the value of this impact can be estimated reliably.

The valuation category of “investments to be held until maturity” contains such nonderivative financial assets providing fixed or definable payments and a fixed maturity that the company positively intends and is able to hold until maturity. The depreciated historical value is the book value minus repayments, which must be adjusted by the positive or negative difference between the initial value and the value upon maturity, furthermore, by any impairment. The depreciated historical value must be determined by using the effective interest rate method. The efficient interest rate (internal rate of interest) is the rate that discounts the expected future cash flows of the financial instrument to the net book value of the financial asset at the time of acquisition.

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2.2.3. Financial liabilities

The company applies to methods for the valuation of financial liabilities:

- financial liabilities recognized at depreciated historical value,
- financial liabilities valued at fair value against profit or loss.

The category of “financial liabilities recognized at depreciated historical value” contains all financial liabilities that have not been assigned to the “financial liabilities valued at fair value against profit or loss” category.

Loans and credits are recognized at the time of initial recognition at their fair value minus transaction costs. In subsequent periods they are recognized at the depreciated historical value defined by the effective interest rate method. The company recognizes the effective interest during the term of the loan in the profit and loss statement.

The company recognizes accounts payable and other liabilities (including deferrals) at fair value at the time of initial recognition. In subsequent periods they are recognized at the depreciated historical value defined by the effective interest rate method. The book value of accounts payable and other liabilities is close to their fair value, owing to their short maturities, and therefore represents their fair value well.

The company assigns all derivative products to the valuation category of “valued at fair value against profit or loss.” Derivative products are valued at the time of initial recognition at the fair value valid on the date when the contract is concluded, and the fair value is also used in subsequent revaluations. The company does not apply hedge accounting to its derivative financial instruments, therefore it recognizes all of its profits and losses in the profit and loss statement.

The fair value of derivative financial instruments is recognized among other short- or long-term financial assets or liabilities.

Pursuant to the IAS 39 standard, the company considers only those contracts as derivative products that are to be separated from the underlying agreement and are embedded, that are concluded neither in the functional currency of a party to the contract, nor in a foreign currency widely applied in the business environment of contracts on the purchase and sale of non-financial items (e.g. a relatively stable, liquid foreign currency, that is widely applied in local business transactions and in foreign trade). The company considers the euro as a foreign currency that is widely used in the area of operation of the company.

According to the requirements of IFRS, derivative products are initially recognized in the balance sheet at their fair value at the time of acquisition. Derivative products are measured at their fair value after initial recognition.

2.2.4. Inventories

The historical value of inventories includes the cost of purchase, costs of conversion, as well as those costs that are incurred in order for the inventories to be placed in their current location and current condition.

In the balance sheet purchased inventories are presented at their average procurement value minus impairment plus the reversal of recognized impairment, self-produced stocks are recognized at their actual production cost minus impairment plus the reversal of recognized impairment.

Inventories are recognized at the lower of their historical cost minus any impairment recognized on unnecessary or idle inventories or at their net realisable value.

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2.2.5. Biological assets

IAS 41 Agriculture sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell. An entity recognises a biological asset or agriculture produce only when the entity controls the asset as a result of past events, it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably.

There is a presumption that fair value can be measured reliably for a biological asset. However, that presumption can be rebutted only on initial recognition for a biological asset for which market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. In such a case, that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, an entity shall measure it at its fair value less costs to sell. Once a non-current biological asset meets the criteria to be classified as held for sale (or is included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, it is presumed that fair value can be measured reliably.

This IAS 41 standard is applied to agricultural produce, which is the harvested produc of the entity's biological assets, only at the point of harvest. Thereafter, IAS 2 Inventoriesor another applicable Standard is applied.

The biological assets are treated as a single unit, and are not subdivided as long term (non-currrent) or short term (current)

2.2.6. Investment properties

A property is recognized as an investment property if the entity holds it in order to realize revenues from rent or from increase in value, or from both, and not for subsequent sale or for the purpose of production of goods, provision of services or administrative activities.

When investment properties are recognized for the first time, they are measured at historical value. After initial recognition, the fair market value of investment properties is determined with the involvement of an independent appraiser. These properties are recognized at fair value at the end of each reporting period, and the generated differences are presented in the comprehensive income statement. The initial historical value includes all costs incurred in the acquisition of the given property.

Investment properties are derecognized at the time of sale, or if they are no longer used and the sale is not expected to produce a return. Any profit or loss arising from the derecognition of the property is recognized in the profit or loss of the reporting period, in the period of the derecognition of the property.

2.2.7. Devices, plant and equipment

Property, plant and equipment are recognized at their historical value, minus accumulated depreciation and impairment.

The historical cost of a particular item of property, plant and equipment includes the acquisition price minus discounts and rebates, including import customs charges and any non-reclaimable taxes, furthermore, any direct costs that were incurred by the transport of the asset to its place of operation, or by commissioning in a way considered desirable by the management. The estimated costs of the dismounting, removal of the asset and the recovery of the premises also constitute part of historical value, if a provision is allowed to be made according to the rules of the IAS 37 standard.

The depreciation of property, plant and equipment is calculated by the straight-line method. The procurement value of assets is written off starting from the date of commissioning, over the useful lives of the assets. The company constantly reviews the useful lives and residual values.

The company applies the following depreciation rates by the straight-line method, by asset group:

Buildings	1-3%
Machines, equipment	5-20%
Vehicles	20 %
Other assets	12.5-25%

The company recognizes out of budget depreciation on those property, plants and equipment concerning which the net book value of the assets is not expected to be recovered based on their future income-generating capabilities. The company prepares the necessary calculations based on the appropriate discounting of the long-term future cash flow plans.

2.2.8. Intangible assets

The company recognizes intangible assets at their historical value minus accumulated depreciation and impairment. The company capitalizes any purchased computer software at the value determined on the basis of costs related to acquisition and commissioning, on which it recognizes depreciation over the expected useful life. The company recognizes any costs related to the development and maintenance of computer software as costs at the time when they are incurred.

The company applies the following depreciation rates by the straight-line method, by asset group:

Rights of asset value (only those related to real property)	2%-20%
Other rights of asset value (distribution right)	6%-20%
Intellectual products, software	20%-33%

2.2.9. Goodwill

Goodwill is defined as the positive difference between the historical value and fair market value of identifiable net assets of an acquired subsidiary, related company or company under joint management on the date of acquisition. Goodwill is not depreciated, but the company group revises each year whether there are any signs that the book value is not likely to be recovered. Goodwill is represented at historical value minus any impairment.

2.2.10. Value of research, experimental development

Research costs are recognized as expenditures as they are incurred. Development costs incurred on individual projects can be carried forward if their future return can be considered appropriately proven.

After initial recognition, the historical value model must be applied to development costs, under which the asset must be recognized at historical value minus impairment. No depreciation may be charged on costs incurred in the development stage. The book value of development costs is reviewed annually for impairment, when the asset has not yet been brought into service, or more frequently, if during the reporting year there are indications that the book value will not be recouped.

The Group determines the depreciation of capitalized R+D assets subject to individually assessed conditions. The depreciation period starts on the date when the asset is ready for use. We use the straight line method to recognize depreciation.

2.2.11. Impairment on property, plant and equipment and intangible assets

The company recognizes out of budget depreciation on those property, plants and equipment concerning which the net book value of the assets is not expected to be recovered based on their future income-generating capabilities. The company prepares the necessary calculations based on the appropriate discounting of the long-term future cash flow plans.

In the case of assets on which the company records depreciation, in each case when the change of certain events or circumstances indicates that their book value would not be recovered, it will assess whether impairment has occurred. The rate of impairment is the difference between the book value and the recoverable amount of the asset.

2.2.12. Provisions

Provisions are formed if the company has current obligations (mandatory under the law or presumed) owing to an event in the past, and it is likely that an outflow of resources embodying economic benefits will become necessary in order to fulfill the obligation, furthermore, the amount of the obligation can be estimated reliably. Upon balance sheet preparation the provisions are reviewed in view of the best current estimate.

The amount represented as a provision is the best estimate of the expenditures necessary for the settlement of the existing obligation as of the balance sheet cut-off date, in consideration of the risks and uncertainties that characterize the obligation. If the cash flow that is expected to be necessary for the settlement of the existing obligation is used for the assessment of the provisions, then the book value of the provision will be the present value of this cash flow.

If another party is expected to refund some or all of the expenditures necessary for the settlement of the provision, the receivable may be represented as an asset if it is substantially certain that the economic unit will receive the refund and the amount of the receivable can be measured reliably.

The existing obligations arising from adverse contracts are represented as provisions. The company will consider a contract adverse if the inevitable costs of the fulfillment of the obligations existing under the contract exceed the economic benefits that are likely to be collected under the contract.

2.2.13. Registered capital, Reserves and Treasury shares

Treasury shares are recognized as an element of own equity.

The value of the reserves represented in the consolidated annual report is not identical with the amount of reserves that may be paid to the shareholders. The individual annual report of OPUS GLOBAL Nyrt., not prepared according to the Hungarian accounting law is used to define the amount of the dividends.

The conversion reserve includes the conversion differences created in the consolidation of foreign enterprises.

When the company or a subsidiary of the company purchases the shares of the company, the paid consideration and all related costs will reduce the shareholder's equity on the line of "treasury shares", until the shares are withdrawn or resold.

2.2.14. Revenues

The revenues of the company grew primarily because of services provided to its customers and other third parties, and from the sale of goods. The company represents revenues from services and the sale of goods at a value reduced by value added tax and discounts (after screening out inter-company transactions), if it is possible to define the amount of the revenue reliably.

2.2.15. Investment contracts

The revenue deriving from investment contracts recognized for the given period is determined according to the level of completion. The value of works completed until the cut-off date is represented as sales revenue, which is identical with the part of the value of the entire contract proportionate with the level of completion. The level of completion is the work actually completed, divided by the total work to be completed.

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The Group represents gross amounts not billed, but billable according to the investment completed until the cut-off date as investment contracts in progress.

The costs include all costs that may be associated with the project directly, as well as the eligible part of the indirect costs incurred. Investment contracts in progress are represented on the trade receivables arising from Investment contracts line.

2.2.16. Corporate income taxes

The local business tax and the innovation contribution cannot be assigned to corporate income taxes, they are represented among other expenditures.

Corporate tax

The corporation tax is payable to the tax authorities of the country of the operating sites of members of the company. The basis of tax payment is the pre-tax earnings of the accounting profit, adjusted by the tax base increasing and decreasing items.

2.2.17. Earnings per share

The basic value of earnings per share is calculated by dividing the annual earnings projected on the shareholders of the company group by the weighted average number of ordinary shares in circulation in the relevant year. The diluted earnings-per-share is calculated, in addition to ordinary shares, in consideration of the weighted average number of share options causing the dilution.

2.2.18. Leasing

In order to determine whether a particular transaction is considered leasing or includes leasing, the essence of the agreement must be assessed at the beginning of the transaction, i.e. it must be taken into account whether the fulfillment of the agreement depends on the use of a specific asset or assets, furthermore, on whether the right of use of the asset is transferred pursuant to the agreement.

In the case of financial lease, during which all risks and benefits related to the ownership of a particular assets are transferred, at the start of leasing the lower of the fair value of the assets and the net present value of leasing payments must be represented separately for each asset and liability. Upon first recognition the asset and the related liabilities must be capitalized. When the asset is put to use, depreciation must be recognized at the user, by defining the useful life of the asset and the method of depreciation.

Liabilities must be broken up into short-term and long-term liabilities in the presentation in the balance sheet.

Financial expenditures are recognized directly against revenues. The depreciation of assets under lease represented in the balance sheet is recognized over the estimated useful life of the asset.

Those leasing transactions where the risks and benefits related to the ownership of the assets remain with the lessor, are considered operating lease. Payments related to operating lease are represented as expenses in the profit and loss statement, they are recognized by using the straight-line method over the term of the lease.

2.2.19. Deferred tax

Corporation tax is defined according to the regulations of the Hungarian tax law. Deferred taxes are recognized, using the method of balance sheet obligation, for temporary differences between the book value of assets and liabilities represented in the consolidated report and the amounts are presented for the purposes of corporation tax liabilities.

The company calculates the amount of deferred tax using such tax rates mandated by law and valid on the balance sheet cut-off date that are expected to be applicable at the time of the implementation of the claim for deferred tax and the settlement of the deferred tax liability.

Deferred tax claims are recognized to such an extent to which it can be presumed that in the future there will be such taxable profit (or reversible deferred tax liability) against which the deferred tax claim can be implemented.

The company also recognizes deferred tax on the temporary differences in shareholdings in subsidiaries, related companies and companies under joint management.

Under the liability method, deferred taxes are recognized on the balance sheet cut-off date regarding the temporary differences between the tax base of assets and liabilities on the one hand and their registered value for reporting purposes on the other hand. The method of the recognition of deferred taxes on a balance sheet basis is based on the recognition of accumulated differences. Accordingly, the company prepares its balance sheets for taxation and accounting purposes and it has to assess the difference between these two from the aspect of deferred taxes.

The main purpose of the calculation of deferred taxes is counterbalancing the tax effects of the temporary earnings and the tax differences. Accordingly, in the calculation of deferred taxes not only the temporary differences between the tax law and the accounting law must be taken into account, deferred tax must also be calculated for the differences between reports prepared according to the Hungarian accounting law and reports on which IFRS amendments have already been made.

In the case of the balance sheet-based approach, if the value of an asset according to the tax balance sheet exceeds its book value represented in the accounting balance sheet, then it will have a deferred tax claim impact. Such cases occur not only in the case of impairment recognized on trade receivables, but also when the amount of accounting depreciation exceeds the amount of depreciation allowed under the tax law, if we recognize further impairment on inventories, or if we recognize out of budget depreciation on property, plant and equipment and intangible assets.

Deferred tax claims are recognized in the case of deductible temporary differences and in the case of accrued but unused tax claims or tax losses, to such an extent that it is likely that in the future such taxable profits will be generated against which it will be possible to apply these temporary differences or unused tax claims or tax losses:

The recorded value of deferred tax claims is assessed on every balance sheet cut-off date, and it is reduced to such an extent that it is unlikely that sufficient taxable profit will be generated for its partial or full application.

The amounts of deferred tax receivables and tax liabilities are determined by applying the tax rates under the tax laws valid upon the collection of the claim or the settlement of the liability - i.e. the laws that took effect on or after the balance sheet cut-off date.

2.2.20. Events after the cut-off date

Those events occurring after the end of the reporting period that provide supplementary information on the conditions of the company at the end of the reporting period (adjusting items) have been represented in the report. Those events occurring after the reporting period that do not modify the data of the report are presented in the explanatory notes, if they are significant.

2.2.21. Discontinued activities

If the Group decides on the discontinuation of a particular activity, because the given subsidiary is sold. The performance or loss of the reporting period that can be associated with the discontinued activity is separately presented in the comprehensive profit and loss statement. If the Group considers an activity discontinued, then the data applying to a previous period and presenting the comprehensive income position of the Group must also be represented as if the given activity had been considered discontinued at that time as well.

2.2.22. Off balance sheet items

Off balance sheet liabilities are not included in the balance sheet and profit and loss statement constituting part of the consolidated annual report, unless they were created in business combinations. These are represented in the notes, unless the probability of the outflow of resources embodying economic benefits is distant, minimal. Off balance sheet receivables are not included in the balance sheet and profit and loss statement constituting part of the consolidated annual report, but if there is a likelihood for the inflow of economic benefits, then these are represented in the Explanatory Notes.

2.3. Uncertainty factors and accounting estimates

In the application of the Accounting Policy presented in section 2 of the Explanatory Notes, estimates and assumptions must be applied in order to determine the value of certain assets and liabilities as of a given date, which cannot be clearly determined from any other source. The process of estimating contains decisions based on the latest available information and the relevant factors. These estimates are based on the best knowledge of the management on current events, however, the actual results may be different.

The estimates are constantly updated. Impacts of changes in accounting estimates are to be recognized in the period of the change, if the change only affects the given period, or in the period of the change and in future periods, if the change affects both of these periods.

The main areas of estimating uncertainty and critical decisions made in the field of application of the accounting policy, which have the most significant impact on the amounts represented in the Consolidated financial statements, are the following:

- Definition of the useful life of property, plant and equipment and intangible assets with a finite useful life.
- Definition of the impairment of property, plant and equipment and intangible assets
- Sale of investment properties and other properties
- Definition of the level of completion in the case of capital investment contracts
- Definition of the value of biological assets
- The content of environmental obligations, quantification and occurrence in time of environmental obligations
- Tax benefits in the future, or the realization of profits constituting an appropriate tax base, against which deferred tax assets may be realized
- Outcome of certain litigated cases
- Impairment recognized on uncollectible and doubtful receivables
- Formation of provisions for warranty obligations

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3. NOTES RELATED TO ITEMS OF FINANCIAL STATEMENTS

(All data are defined in thousand HUF, unless specifically provided otherwise in a note)

3.1. Details of business combinations, subsidiaries newly involved in 2017

Name of the company	Country	Range of activities	Ownership 2017	Ownership 2016
KPRIA Magyarország Kft.	Hungary	Engineering	40,00%	-
Takarékinfo Központi Adatfeldolgozó Zrt.	Hungary	Adatfeldolgozás web-hosting szolgáltatás	24,87%	-
STATUS Capital Kockázati Tőkaalap-kezelő Zrt.	Hungary	Other financial activities	24,67%	-
Csabatáj Zrt.	Hungary	Mixed farming	74,18%	-
Unitreasury Kft.	Hungary	Mixed farming	20,00%	-

Name of the company	Owned share %	Evaluation	Adjusted for Acquired Shares	NCI	Badwill
Csabatáj Zrt.	74,18%		1 451 800	680 757	- 465 583
KPRIA Magyarország Kft.	40,00%		2 000	-	-
Takarékinfo Zrt.	24,87%		426 500	-	-
Unitreasury Kft.	20,00%		600	-	-
STATUS Capital Zrt.	24,67%		1 100 000	-	-
Összesen:		**-**	**2 980 900**	**680 757**	**- 465 583**

Total goodwill:	**-**
Total badwill:	**- 465 583**

3.2. Property, devices, equipment

The following table shows the changes that occurred in the net value of property, plant and equipment in the fiscal years of 2017 and 2016:

Data in thousand HUF	Properties	Equipment, Devices	Tangible Asset and deposit	Total
Gross value				
2016.12.31	**7 326 557**	**15 829 153**	**195 993**	**23 351 703**
Changes in consolidation (increase)	1 492 902	1 377 184	9 204	2 879 290
Changes in consolidation (decrease)	-	-	-	-
Increase and reclassification	806 518	630 707	1 243 063	2 680 288
Impairment and reclassification	- 706 143	- 313 750	- 1 074 187	- 2 094 080
2017.12.31	**8 919 834**	**17 523 294**	**374 073**	**26 817 201**
Accumulated depreciation				
2016.12.31	**2 077 379**	**11 185 202**	**-**	**13 262 580**
Changes in consolidation (increase)	92 626	629 366	-	721 992
Changes in consolidation (decrease)	-	-	-	-
Annual Depreciation	582 079	801 332	-	1 383 411
Impairment	- 363 622	40 742	-	- 322 880
2017.12.31	**2 388 461**	**12 656 642**	**-**	**15 045 103**
Net book value				
2016.12.31	**5 249 178**	**4 643 952**	**195 993**	**10 089 123**
2017.12.31	**6 531 373**	**4 866 653**	**374 073**	**11 772 098**

3.3. Intangible assets

The following table summarizes the changes occurring in the value of intangible assets in the fiscal years of 2017 and 2016:

Data in thousand HUF	Research and development	Rights representing pecuniary values	Other	Total
Gross value				
2016.12.31	**872 515**	**9 451 063**	**260 285**	**10 583 863**
Changes in consolidation (increase)	-	6 010	-	6 010
Changes in consolidation (decrease)	-	-	-	-
Increase and reclassification	292 534	397 718	14 036	704 288
Impairment and reclassification	- 226 200	- 495 522	- 274 321	- 996 043
2017.12.31	**938 849**	**9 359 269**	**-**	**10 298 118**
Accumulated depreciation				
2016.12.31	**534 597**	**4 128 950**	**112 894**	**4 776 441**
Changes in consolidation (increase)	-	3 962	-	3 962
Changes in consolidation (decrease)	-	-	-	-
Annual Depreciation	101 523	170 895	16 554	288 972
Impairment	-	- 486 778	- 129 448	- 616 226
2017.12.31	**636 120**	**3 817 029**	**-**	**4 453 149**
Net book value				
2016.12.31	**337 918**	**5 322 113**	**147 391**	**5 807 422**
2017.12.31	**302 729**	**5 542 240**	**-**	**5 844 969**

The amount of the Group’s Intangible assets, at the end of the year was 5.844.969 thousand HUF. The Intangible assets were the 21% of total invested assets. The major part of Intangible assets is represented by the value of brands, which owned by Mediaworks Hungary Zrt. To the Mediaworks’ brands belongs the publishing rights of 13 county-, a local- and two national-newspapers.

3.4. Goodwill

The following table shows the goodwill created at the time of the acquisition after the recognition of impairment. We have assigned the goodwill to those income-generating units that were it occurred in the business combination.

Data in thousand HUF	2017	2016
SZ és K 2005. Kft.	1 670	1 670
EURO GENERÁL Zrt.	1086	1 086
Mediaworks Hungary Zrt.	123 634	170 314
Total	**126 390**	**173 070**

3.5. Investment properties

Data in thousand HUF	2017	2016
A-8861 St. Georgen ob Murau, Kreischberg 2, Austria (Holiday Resort GmbH)	-	4 167 668
Aba, külterület 0442/30 hrsz. (OPUS GLOBAL Nyrt.)	372 700	390 000
Eger, Szövetkezet út 1. (SZ és K 2005. Kft.)	99 800	96 900
Tamási, Szabadság u. 94. (OPUS GLOBAL Nyrt.)	88 600	87 000
Budapest, Révay u. 10. (Révay 10 Kft.)	1 345 450	1 100 200
Gárdony, Határ u. hrsz.: 7830/29 (Kőrösi Ingatlan Kft.)	83 839	83 839
Békéscsaba, Berényi u. 103. (Csabatáj Zrt.)	121 000	61 969
Total	**2 111 389**	**5 987 576**

2016.12.31	**5 925 607**
Changes in consolidation (increase)	61 969
Reclassification	268 396
Additional capitalization	23 085
Derecognition	-4 167 668
2017.12.31	**2 111 389**

In the consolidated financial statements of the Group the value of investment properties in the balance sheet was 2.111.389 thousand HUF on 31 december 2017. The above balance sheet value reflects the estimated fair value of investment properties, which was determined by an independent external appraiser hired by the Group.

In the year 2016 the Austrian hotel with its seat in Murau was reassigned to investment properties owing to the change in the method of its utilization. In 2017 the Company sold the Hotel.

3.6. Invested financial assets, loans granted

The net value of other Invested financial assets on 31st December 2017 and 2016 were the following:

data in thousand HUF	2017	2016
Loans granted	266 970	279 352
Share	1 726 727	148 160
Invested financial assets	5 532 481	1 440 776
Total	**7 526 178**	**1 868 288**

Among Invested financial assets, comes up the value of the 100 bonds which been repurchased by OPUS PRESS Zrt.

In the Loans granted row preforms the given loan to the previous subsidiary, MŰSOR HANG Zrt.

From 2012 the Company has held a shareholding of 4.63% in N-Gene Inc. While retaining our shareholding, in the year 2015 we considered it justified to recognize an impairment of 100% on our N-Gene investment. In 2017 we saw no reason to reverse the impairment on the shareholding.

The Group's shares on 31st december 2017 were the following:

data in thousand HUF	2017
Újházi Tyúk Kft.	4 400
Magyar Tojás Kft.	11 000
Lapker Zrt.	36 338
Kiadó Vagyonkezelő Zrt.	82 660
Takarékinfo Zrt.	492 329
STATUS Capital Zrt.	1 100 000
Total	**1 726 727**

3.7. Inventories

The balance of the Group's inventories were the following on 31st December 2017 and 2016:

data in thousand HUF	2017	2016
Materias	1 344 692	1 028 277
Unfinished and semi-finished products	794 171	543 612
Finished goods	1 049 143	1 011 386
Goods	574 321	1 089 890
Total	**3 762 327**	**3 673 165**

Materials, Inventories bought for sale, Unfinished and semi-finished products. The book value does not exceed the net realizable value.

3.8. Biological Assets

data in thousand HUF	2017	2016
Pullet	47 779	-
Hen	202 661	-
Total	**250 440**	0

3.9. Current year Corporate tax

Data in thousand HUF	Corporate tax receivable		Corporate tax payable	
	2017	2016	2017	2016
Euro Generál Zrt.	364	-	-	518
Opima Kft.	120	533	-	-
OPUS GOBAL Nyrt.	-	-	44 021	-
Révay 10 Kft.	1 207	-	-	150
Wamsler Haus- und Küchentechnik GmbH	8 983	-	-	45 331
Wamsler Bioenergy GmbH	-	-	-	-
Wamsler SE	-	-	-	-
OPUS PRESS Zrt.	-	-	4 859	889
Csabatáj Zrt.	-	-	-	-
OBRA Kft.	-	258	2	-
Mediaworks Hungary Zrt	-	136 077	79 121	-
Magyar Előfizetői Kft.	-	543	-	-
MédiaLOG Zrt.	2 496	2 496	-	-
"NÉPSZABADSÁG" Zrt.	-	-	19 287	585
PANNON LAPOK TÁRSASÁGA Kft.	-	1 104	-	-
PRIMUS Népszabadság Média Képviseleti Kft.	-	-	-	181
SHOW PLUS Kft.	-	252	-	-
DMH Magyarország Kft.	1 407	-	-	-
Dunaújvárosi Szuperinfó Kft.	244	-	-	92
FEHÉRVÁR INFÓ Kft.	-	956	-	-
Maraton Lapcsoport Kft.	95	1 110	-	-
SZ és K 2005 Kft.	27	41	-	-
Total:	**14 943**	**143 370**	**147 290**	**47 746**

Data in thousand HUF	2017	2016
Corporate tax receivable	14 943	143 370
Corporate tax payable	147 290	47 746
Total	**-132 347**	**95 624**

3.10. Accounts receivable

The balance of accounts receivable of the Group on 31 December 2017 and 2016 were the following:

Data in thousand HUF	2017	2016
Accounts receivable	9 190 134	4 983 820
Accounts receivable from investment contracts	196 077	69 534
Impairment for doubtful debts	300 472	343 999
Total	**9 085 739**	**4 709 355**
Average duration of Accounts receivable:	76	111

Trade receivables arising from investment contracts are recognized at the construction industry segment, according to the level of completion.

Within Account receivable, the receivable of the company's associates are the following:

Data in thousand HUF	2017	2016
Konzum MPE	1 313 000	-
Status Capital Zrt.	692 735	-
Total	**2 005 735**	**-**

3.11. Other receivables

The balance of other accounts receivable on 31 december 2017 and 2016 were the following:

Data in thousand HUF	2017	2016
Advances paid to investment suppliers	541 891	11 040
Advances on inventory	38 002	14 746
Advances paid on services	41 504	13 912
Accrued revenues and costs	386 024	249 683
Other costs paid in advance	-	107 388
Claims from employees	8 733	13 979
Tax receivables	606 047	360 143
Receivables from local governments	48 359	52 350
Supports	49 513	-
Loans lent	103 200	18 200
Accounts overpayment	22 766	64 353
Security deposit and guarantee receivables	176 187	113 096
Receivables arising from the sale of shareholding	-	1 331 800
Other receivables	184 170	552 040
Total	**2 206 396**	**2 902 730**

The line of prepaid expenses and accrued revenues typically includes those items that will only be recognized among costs in the next period, simultaneously with the actual incurrence or collection.

3.12. Monetary assets and equivalents

The balances of cash and cash equivalents on 31 December 2017 and 2016 were the following:

Data in thousand HUF	2017	2016
Cash (HUF)	17 034	14 878
Cash (EUR)	1 743	6 276
Bank deposits HUF	4 546 631	1 029 662
Bank deposits (EUR)	572 035	1 311 508
Monetary assets of restricted use	1 980	23 261
Total	**5 139 423**	**2 385 585**

3.13. Registered capital

The composition of the registered capital is:

Data in thousand HUF	2017.december 31. Quantity	Nominal value	2016.december 31. Quantity	Nominal value
	323 230 122	25	315 910 361	25
Balance of registered capital	**323 230 122**	**8 080 753 050**	**315 910 361**	**7 897 759 025**
Group's treasury shares	17 904 333	447 608 325	5 404 333	135 108 325
Shares in circulation	**305 325 789**	**7 633 144 725**	**310 506 028**	**7 762 650 700**

The Company only has treasury shares, the Nominal value of which is HUF 25 per share.

The holders of the ordinary shares are entitled to one vote per share in the general meeting of the Company.

3.14. Capital items

Data in thousand HUF	2017	2016
Capital reserve	9 098 281	7 012 149
Revaluation reserve	21 884	69 773
Noncontrolled interest	999 984	204 923
Valuation reserve	-	748 767
Capital reserve	**9 098 281**	**7 012 149**

Dividends

In the year 2017 the company paid no dividend

On the balance sheet cut-off date there was no dividend approved by a resolution but not paid.

3.15. Share allocate to outsider owner

Data in thousand HUF	2017	2016
Csabatáj Zrt.	680 757	-
EURO GENERÁL Zrt.	269 403	146 541
KŐRÖSI INGATLAN Kft.	36 447	44 115
Dunaújvárosi Szuperinfó Kft.	2 553	4 750
"NÉPSZABADSÁG" Zrt.	7 646	610
OPIMA Kft.	221	-
Wamsler SE Háztartástechnikai Európai Rt.	2 227	-
Wamsler Bioenergy GmbH	25	1 748
Wamsler Haus- nd Küchentechnik GmbH	704	7 159
Non-controlling share interest in total	**999 984**	**204 923**
Other comprehensive income attributable to outsider	17	34
Wamsler Haus- und Küchentechnik GmbH	17	34

3.16. Credits

Actual credits and loans sorted by financial institutions:

2016

Financial institution and other creditor	Safeguards	Balance 2016.12.31	Currency	Balance thousand HUF	Long term thousand HUF	Short term thousand HUF
CIB Bank Zrt.	property	8 798 675	EUR	2 736 562	2 504 607	231 955
K&H Bank Zrt.	property	21 820	HUF	21 820	7 276	14 544
MKB Bank Zrt.	property	8 354 752	HUF	8 354 752	7 068 120	1 286 632
Raiffeisen Bank Zrt.	property	10 750 000	EUR	3 343 465	3 110 200	233 265
Egyéb hitelek és kölcsönök	property	68 335	HUF	68 335	41 060	27 275
		8 444 907	HUF	8 444 907	7 116 456	1 328 451
Total		19 548 675	EUR	6 080 027	5 614 807	465 220
Balance 2016.12.31			HUF	**14 524 934**	**12 731 263**	**1 793 671**

2017

Financial institution and other creditor	Safeguards	Balance 2017.12.31	Currency	Balance thousand HUF	Long term thousand HUF	Short term thousand HUF
K&H Bank Zrt.	property	152 276	HUF	152 276	130 000	22 276
MKB Bank Zrt.	property	7 068 119	HUF	7 068 119	5 838 881	1 229 238
Raiffeisen Bank Zrt.	property	10 000 000	EUR	3 101 400	3 101 400	-
Egyéb hitelek és kölcsönök	property	189 451	HUF	189 451	152 000	37 451
Egyéb hitelek és kölcsönök	property	3 973 396	EUR	1 232 309	548 490	683 819
		7 409 846	HUF	7 409 846	6 120 881	1 288 965
Total		13 973 396	EUR	4 333 709	3 649 890	683 819
Balance 2017.12.31			HUF	**11 743 555**	**9 770 771**	**1 972 784**

The Group's credit portfolio at the end of the year was 11.743.555 thousand HUF. The credits represent a 35% of total liabilities

Wamsler SE replaced its earlier loan contracts, amended by technical extensions by a disbursement as of 5 July 2016, and concluded with Raiffeisen Bank Zrt. a new, long-term loan contract with better conditions, which also provides the background for the future developments of the subsidiary. In the framework of the agreement with a term of 5 years, Wamsler SE has the option of drawing down a credit facility of 12 million euros, under which the bank provides a grace time of 3 years for the repayment of the capital.

On 22 March 2017, a loan contract was concluded between Révay 10 Kft. and FHB Bank, which replaced an earlier CIB loan contract that was restructured in 2013. The new financing structure terminated the debtor status of the Parent Company and Révay 10 Kft. is obliged to repay the loan.

A loan contract concluded between MKB Bank and Mediaworks Hungary Zrt. and as collateral for this loan, there is a mortgage on the assets of Mediaworks Group.

Breach of credit covenants:

No such event occurred in the reporting period.

3.17. Debts from bond issue

Data in thousand HUF	2017	2016
OPUS PRESS Zrt.	6 202 800	6 220 400
Total	**6 202 800**	**6 220 400**

OPUS PRESS Zrt. conducted a private bond issue of a face value of EUR 20,000,000, the process of subscription was concluded successfully on 12 April 2016, KELER Zrt. originated the securities on 14 April 2016. The aim of the issue of the bonds was to involve capital resources for the funding of the company acquisition. The scope, number, industrial focus of the special purpose vehicles, furthermore, the amount of assets permitted to be invested in one enterprise and the conditions of investment are defined by the Issuer on an ongoing basis. The security of the bond issue is the guarantee of the Parent Company given to the buyer of the bond.

- Nominal value and currency of the bond: EUR 100,000.0000
- Number of bonds: 200
- Date of issue (value date of the first issue): 14 April 2016
- Maturity date: 13 April 2019
- Term of the bond: 3 years (14 April 2016 to 13 April 2019)
- Method of interest-bearing variable
- Interest rate: 12-month EURIBOR + 2.5%
- Date(s) of interest payment: 13.04.2017, 13.04.2018, 13.04.2019
- Method of interest calculation: valid 12-month EURIBOR+2.5%;

At the end of the year 2016, OPUS RESS Zrt. repurchased 27 bonds, and 73 more in October 2017. With this, OPUS PRESS owns the hlf of the issued bonds (100pcs). The payment of interests after the first year, had been done.

3.18. Other long-term liabilities

The balances of Other long term liabilitie on 31 December 2017 and 2016 were the following:

Data in thousand HUF	2017	2016
WHKT GmbH	-	3 563
Csabatáj Zrt.	35 989	-
DMH Magyarország Kft.	1 320	-
Kőrösi Ingatlan Kft.	1 570	1 570
Total	**38 879**	**5 133**

3.19. Provisions for expected liabilities

The balance of Provisions for expected liabilities on 31 December 2017 and 2016 were the following:

Data in thousand HUF	2017	2016
Other provisions	661 927	1 942 721
For litigation	1 745 819	373 915
for warranty liabilities	32 940	5 447
Total	**2 440 686**	**2 322 083**

Data in thousand HUF	2017	2016
OPUS GLOBAL Nyrt.	5 738	22 212
Mediaworks Hungary Zrt.	1 783 949	1 769 390
MédiaLOG Zrt.	7 325	-
Wamsler GmbH	453 487	328 165
Wamsler Bioenergy GmbH	11 537	9 204
Wamsler SE	178 650	193 112
Összesen	**2 440 686**	**2 322 083**

The value of provisions is 2.440.686 thousand HUF, which shows a 5% increasecompared to basis. 73% of all provisions were also registered in the media segment and 26% in heavy industry.

Provisions were formed to cover the value of litigated matters related to the past activities of one of the legal predecessors of Mediaworks Hungary Zrt. Pannon Lapok Társasága Zrt. has to form provisions arising from a competition law procedure with GVH of the former years. In 2017, The Court of Budapest obligates the GHV of a new procedure, and of the reimburs of the previously paid fines, however this still cannot be considered definitive decision, and if this will be the final decision, the returned amount to the former will belong to the former owner Wamsler Haus und Küchentechnik GmbH defines the provision as a percentage value projected on the sales revenue of the last two months of the year. At Wamsler SE the basis of the formation of provisions is 1.5 per mille of the domestic sales revenue. The heavy industry segment formed provisions to cover environmental obligations and owing to workplace accidents. In the case of the Parent Company a provision was formed for an audit of the tax authority that has been dragging on for several years. The process is still in progress, however, if there is a condemning final decision, a fine may have to be paid.

In 2017, the company constitute provisions to cover the expected liabilities in accordance to Holiday Resort GmbH, in view of the fact that under the Transaction Contract, the company -as seller- must comply with the obligations, of its pre-transfer activities of to Holiday Resort GmbH.

3.20. Deferred tax

The balance of differed tax, that's displayed in the financial statement and recognised outside profit or loss consists of the following items in 31st december 2016 and 2017:

Data in thousand HUF	Tax receivable	Tax payable	Nettó
2016.december 31.	238 113	299 570	-61 457
2017.december 31.	230 700	378 472	-147 772

3.21. Account receivable

The consolidated balance accounts receivable are shown by the following on 31 December 2017 and 2016:

Data in thousand HUF	2017	2016
Accounts payable HUF	2 631 192	948 090
Accounts payable EUR	690 211	543 735
Other Accounts payable	5 757	-
Total	**3 327 160**	**2 491 825**

	2017	2016
Accounts payable HUF	79%	78%
Accounts payable EUR	21%	22%
Other Accounts payable	1%	0%
Total	**3 327 160**	**2 491 825**

3.22. Other short term liabilities

Other current liabilities of the Group on 31 December 2017 and 2016 were the following:

Data in thousand HUF	2017	2016
Deposit received	2 609 080	856 675
Payable taxes and customs duties (except corporate income tax)	1 008 405	892 098
Liabilities to local governments	308	3 548
Liabilities to employees	121 241	215 573
Accrued revenues	1 135 438	1 337 349
Accrual of costs	1 047 478	949 215
Deferred revenues	119 787	-
Accounts with credit balance	27 149	26 011
Security deposit	23 797	56 432
Leasing	32 036	13 786
Other current liabilities	345	440 471
Liabilities related to capital increase	1 313 000	-
Loan commitment to Konzum PE	1 314 037	-
Total	**8 752 101**	**4 791 158**

The row of Liabilities to Employees contains the Income settlement account and uncollected remuneration.

On other short term liabilities row there is an 82% increase, which main cause is the amouunt of the capital increase that decided on 2017.12.12, and that way expanded the Accounts receivable and Accounts payable rows with the same extent. Untill the company registration, the capital increasing item will be aso registered there.

3.23. Net sales income

Data in thousand HUF	2017	2016
Revenue from the sale of fireplaces, stoves and hearths	8 544 253	9 082 592
Revenue from agricultural activities	1 151 086	-
Revenues from hotel services	150 227	785 114
Revenue from rental of real property	152 410	126 091
Sale revenue from works in the construction industry	1 968 203	1 118 505
Sales revenue from newspaper publication, printing house activities	26 108 539	3 442 997
Advertising	170 511	-
Other	4 306 537	759 417
Total	**42 551 766**	**15 314 716**

3.24. Distribution of revenue according to geographic regions

The activities of the Group are the following, according to main geographical segments:

Data in thousand HUF	2017	2016
Hungary (domestic)	31 241 547	6 280 694
Germany	8 498 085	5 483 668
Austria	580 414	1 365 295
Other	2 231 720	2 185 060
Total	**42 551 766**	**15 314 717**

The most important countries belonging to the Other category are the following: United Kingdom, Netherlands, Poland, France, Czech Republic, Italy, Slovakia, Romania, Ukraine, Latvia, Sweden, Slovenia, Denmark.

3.25. Capitalized own performance

Data in thousand HUF	2017	2016
EURO GENERÁL Zrt.	- 39 370	19 159
KÖRÖSI Ingatlan Kft.	-	1 580
Mediaworks Hungary Zrt.	1 123	915
Wamsler SE	142 237	- 136 797
Csabatáj Zrt.	186 610	-
Total	**290 600**	**- 115 143**

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3.26. Other operating revenues

Data in thousand HUF	2017	2016
Revenue from sale of Property, plant and equipment and intangible assets	53 888	54 078
Supports received	246 843	50 544
Damage compensations	95 335	313
Discounts received subsequently	64 189	15 730
Reversed impairment, out of budget depreciation and its reversal	387 129	89 142
Utilization of provisions	654 505	8 752
Revaluation of investment properties	237 066	151 031
Revenues from assets held for sale	-	2 223
Number of fines, penalties, demurrage and default interests received	53 354	10 593
Badwill	465 583	165 459
Refunded tax	400 605	-
Book value of transferee claims	95 781	-
Other	807 031	70 779
Összesen	**3 561 308**	**618 644**

3.27. Material expenses

Data in thousand HUF	2 017	2 016
Material expense	9 086 856	6 482 985
Value of services used	6 681 450	1 043 505
Value of other services	366 477	90 913
Cost of goods sold	1 254 150	277 790
Value of (referred) services sold	5 233 021	853 025
Total	**22 621 954**	**8 748 218**

3.28. Personnel expenses

Data in thousand HUF	2017	2016
Wage cost	9 094 102	3 818 819
Other payroll expenses	1 060 692	237 668
Dues on wages	2 142 522	572 044
Total	**12 297 316**	**4 628 531**

Manual-worker	724	1 960
Head-worker	944	
Statistical headcount total	**1 668**	**1 960**

23% of all personnel type expenditures are recognized by the heavy industrial and 73% by the media segment, which is no surprise given the employee headcount figures. 3% is registered in the agricultural segment and only 1-1% in the other and construction industrial segments, respectively.

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3.29. Impairment

Data in thousand HUF	2017	2016
Értékvesztések visszaírása	299	3 092
Értékvesztések előírása	200 102	535 426
Total	**199 803**	**532 334**

Data in thousand HUF	2017	2016
Impairment of inventories	49 337	-
Impairment on receivables	150 466	- 4 256
Brand impairment	-	536 600
Impairment on goodwill	-	-
Total	**199 803**	**532 344**

3.30. Other operating costs and expenditures

Data in thousand HUF	2017	2016
Loss from sale of Property, plant and equipment and intangible assets	323	19 683
Taxes and contributions	1 571 477	281 643
Payable default interest	-	302
Write-off of unenforceable claims	96 412	7 331
Fines, penalties, demobilization fees and indemnification paid	154 526	9 597
Late performance penalty	4	711
Derecognition, change of classification	10 333	719
Spoilage	63 761	3 887
Discounts allowed	-	6 911
Formation of provisions	634 189	214 520
Unplanned depreciation	324 201	-
Revaluation of investment properties	48 500	31 741
Impairment recognized on inventories	-	5 310
Support	20 099	10 783
Intangible assets and fixed assets missing, destroyed, derecognized	200	717
Book value of property, plants and equipment sold	10 118	3 896
transferee claims	176 880	-
Other	312 310	1 336 379
Total	**3 423 333**	**1 934 130**

3.31. Earnings on financial transactions

Data in thousand HUF	2017	2016
Received dividend and profit sharing	27 906	22 301
Interest revenues	64 974	1 390
Net FX gains of foreign currency items without forward currency transactions	57 868	-
Earnings from the sale of shareholdings	764 891	-
Other financial revenues	98 052	80 899
Revenues of financial transactions, total	**1 013 691**	**104 590**
Interest expenditures	478 716	333 770
Net FX losses of foreign currency items without forward currency transactions	44 971	-
Impairment of participations, securities	26 374	93 076
FX losses on non-current financial assets	-	-
Other financial expenditures	122 332	66 466
Total expenditures of financial transactions	**672 393**	**493 312**
Unitreasury Kft.	- 600	-
KPRIA Magyarország Zrt.	- 2 000	-
Takarékinfo Zrt.	65 829	-
Share of profit of associates accounted for using the equity method	**63 229**	**-**
Net profit or net loss on financial transactions	**404 527**	**- 388 722**

3.32. Tax on Earning

The Group treats Corporation tax as a tax on profit or loss.

The rates payable by the Company on profit or loss are the following in the individual years:

	2017	2016
Corporate tax in Hungary	9%	10%
Corporate tax Germany	15%	15%
Corporate tax Austria	25%	25%

According to the laws valid on the cut-off date, in Hungary the corporate tax rate of the Company is 19%,.

Within the deadline defined in the related rules of law, the tax authority may audit the books at any time, and may impose additional taxes, increased by penalty or default interest. The management is not aware of any circumstance that would incur any material liabilities for the group under this heading.

Numerical alignment between corporation tax calculated based on the accounting profit for the reporting year, furthermore, between the applicable tax rate and the average effective tax rate:

2017	Hungary	Austria	Germany	Total
Pre-tax earnings	6 123 950	-5 481	474 944	6 593 413
Expected corporation tax calculated with the corporation tax rate of the Company	551 156	- 1 370	71 242	621 027
Tax base adjustment	4 106 522	25 466	8 258	4 140 247
Adjusted pre-tax earnings	4 657 678	24 096	79 500	4 761 274
Corporate tax	**419 191**	**6 024**	**11 925**	**437 140**

The deffered tax calculated as the following, in 31st december 2016 and 2017:

2017	Income	Payable
Opening deferred tax liability	238 113	299 570
Change in deferred tax receivables	- 7 413	-
Change in deferred tax liabilities		- 92 380
Deffred tax of purchased or saled copmanies		178 596
OCI		- 7 314
Total change	- 7 413	78 902
Closing deferred tax (Data in thousand HUF)	230 700	378 472

2016	Income	Payable
Opening deferred tax liability	39 264	97 931
Change in deferred tax receivables	58 688	-
Change in deferred tax liabilities	-	- 179 570
Media works Hungary Zrt.	167 673	334 668
OCI	- 27 513	46 541
Total change	198 849	201 639
Closing deferred tax (Data in thousand HUF)	238 113	299 570

(Data in thousand HUF)	2017	2016
Current year's corporate income tax expense	437 140	9 873
deffered tax expense	257 597	- 238 258
Income tax	**694 737**	**- 228 385**

3.33. Earning per share (EPS)

	2017	2016
Earnings attribute to Parent company's share holders	5 898 676	- 931 953
Number of shares *	305 325 789	310 506 028
Earning per share (HUF)	19,3	-3,0
EPS Diluted (HUF)	19,3	-3,0
EPS from continued operations (HUF)	19,3	-3,0
Diluted EPS from continued operations (HUF)	19,3	-3,0
EPS from Discontinued Operations	0,0	0,0
Diluted EPS from Discontinued Operations	0,0	0,0

*The number of shares in 2017 (323 230 122pcs) decreased with the owned ones by Wamsler SE Csabatáj Zrt (17 904 333pcs), and these are the weighted average.

The average number of common shares was determined by the calculation of a weighted arithmetic average.

The diluted earnings per share is identical with the undiluted earnings per share.

4. SEGMENT INFORMATION

Operating profit includes earnings deriving from sales to third parties and to other segments. The internal transfer prices are based on the current fair market prices. The segment earnings also include the earnings of fully consolidated subsidiaries belonging to the given division.
From a business aspect, the Group can be divided up into the following segments in 2017: Media Segment, Heavy Industry, Agricultural Industry, Construction Industry, Real Estate Management and Other. According to the sortation by these business segments prepare the Group its report for the management.
The item of these report includes the items which could be attributa directly to the given segment.

(Data in thousand HUF)	HEAVY INDUSTRY		AGRICULTURAL IN.		HOTEL IN.		CONSTRUCTION IN.		REAL ESTATE MANAGEMENT		MEDIA		OTHER		TOTAL	
FISCAL YEAR	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Sales otside the Group	8 688 555	9 082 592	1 673 135	-	150 227	785 114	1 969 672	1 118 505	111 688	126 091	29 934 676	3 442 997	23 812	759 418	42 551 766	15 314 717
Sales between segments	*3 497 519*	-							*6 639*	*6 968*	*2 869 376*	*16 000*	*17 128*	*3 540*	-	-
total net earning	**8 688 555**	**9 082 592**	**1 673 135**	-	**150 227**	**785 114**	**1 969 672**	**1 118 505**	**111 688**	**126 091**	**29 934 676**	**3 442 997**	**23 812**	**759 418**	**42 551 766**	**15 314 717**
Impairment accounted against earnings	39 527	-	13 272	-	-	-	10 406	-	2	-	136 895	532 444	-	-	200 102	532 444
Reversal of impairment recognized ag. earn.	-	-	-	-	-	-	299	110	-	-	-	-	-	-	299	110
Provisions	643 674	141 768	-	-	-	-	-	-	-	-	1 791 274	50 540	5 738	22 212	2 440 686	214 520
Financial transactions and EBIT	- 403 314	- 419 879	215 179	-	74 645	114 349	264 004	36 137	259 493	106 276	5 482 002	- 563 199	296 876	- 45 300	6 188 885	- 771 616
Earning on financial transactions	- 107 971	- 57 024	- 6 922	-	76 861	- 45 705	- 293	- 1 455	- 14 558	6 474	- 378 650	- 270 208	836 060	- 20 804	404 527	- 388 722
EBIT	- 511 285	- 476 904	208 257	-	151 506	68 644	263 711	34 682	244 935	112 750	5 103 352	- 833 406	1 132 936	- 66 104	6 593 412	- 1 160 338
Income tax expense	37 370	19 752	1 454		6 024	13 204	4 103	2 800	490	881	343 481	- 26 893	44 218	129	437 140	9 873
Earning after taxes	**- 635 420**	**- 387 024**	**52 745**	-	-	**63 110**	**249 279**	**23 144**	**219 994**	**54 366**	**4 893 615**	**- 603 692**	**1 118 462**	**- 81 857**	**5 898 676**	**- 931 953**
Fixed assets, net	2 416 345	2 121 001	2 150 508	-	-	154 514	23 931	18 590	40 061	52 328	7 050 115	7 655 521	91 138	87 169	11 772 098	10 089 123
invested property	-	-	121 000	-	-	4 167 668	83 839	83 839	1 445 250	1 197 100	-	-	461 300	477 000	2 111 389	5 925 607
Intangibles, net	353 275	347 696	516	-	-	48 390	329	425	-	-	5 469 364	5 384 915	21 485	25 995	5 844 969	5 807 421
Inventories	2 757 795	2 773 678	243 290	-	-	-	64 486	107 056	-	-	696 756	792 431	-	-	3 762 327	3 673 165
Bilological assets	-	-	250 440	-	-	-	-	-	-	-	-	-	-	-	250 440	-
Accounts receivable	1 466 847	1 441 352	194 506	-	-	133 958	532 791	107 558	2 216	465	4 693 378	2 955 523	1 999 925	965	8 889 662	4 639 821
Assets non allocated to segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15 440 107	7 780 690
Total Assets	**6 994 262**	**6 683 727**	**2 960 260**	-	-	**4 504 530**	**705 376**	**317 468**	**1 487 527**	**1 249 893**	**17 909 613**	**16 788 390**	**2 573 848**	**591 129**	**48 070 992**	**37 915 827**
Accounts payable	1 767 389	757 152	351 935	-	-	5 396	750 672	135 779	31 360	3 421	6 536 785	1 582 777	2 641 120	7 300	12 079 261	2 491 825
Liabilities non allocated to segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21 011 216	28 211 024
Total liabilities	**1 767 389**	**757 152**	**351 935**	-	-	**5 396**	**750 672**	**135 779**	**31 360**	**3 421**	**6 536 785**	**1 582 777**	**2 641 120**	**7 300**	**33 090 477**	**30 702 849**
Other segment information															-	
Depreciation	390 772	415 178	114 483	-	- 1 668	133 906	6 962	4 366	8 588	8 699	1 132 812	179 214	20 433	5 258	1 672 382	746 621

5. RISKS MANAGEMENT

The assets of the company include monetary assets, securities, receivables from customers and other receivables, furthermore, other assets – with the exception of taxes. The liabilities of the company include loans and credits, accounts payable to suppliers and other accounts payable, with the exception of taxes and profit or loss deriving from evaluation of financial liabilities to fair value.

The company is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This chapter presents the above risks of the company, the aims of the company, its policies, the measurement of processes and risk management, as well as the management capital of the company. The Board of Directors is generally liable for matters related to the establishment, supervision and risk management of the company.

The aim of the risk management policy of the company is to screen out and assess the risks that the company has to face, furthermore, and to set the appropriate controls and supervise the risks. The risk management policy and system are reviewed so that it can reflect the changed market conditions and the activities of the company.

a) Credit Risks

Credit risk expresses the risk that the debtor or partner will not fulfill its contractual obligations, which will in turn result in a financial loss for the Group. The financial assets exposed to credit risk may be long-term or short-term placements, receivables from customers and other receivables. The book value of financial assets show the maximum risk exposure.

The following table shows the exposure of the Group to credit risk on 31 December 2017 and on 31 December 2016:

Data in thousand HUF	2017. december 31.	2016. december 31.
Accounts receivable	8 889 662	4 639 821
Investment contracts	196 077	69 534
Other accounts receivable	2 206 396	2 902 730
Securities	5 532 481	1 437 895
Other permanent loans	266 970	279 352
Total	**17 091 586**	**9 329 332**

		2017	2016
Ratio of the debt stock	$= \frac{\text{Non} - \text{current liabilities X100}}{\text{Non-current liabilities} + \text{Shareholder's equity}}$	56%	75%
Ratio of shareholder's equity	$= \frac{\text{Equity} \times 100}{\text{Non} - \text{current liabilities} + \text{Shareholder's equity}}$	44%	25%
Debt coverage ratio	$= \frac{\text{KövetelésekReceivables}}{\text{Current liabilities}}$	80%	85%
Level of indebtedness	$= \frac{Liabilities}{total\ assets} \times 100$	69%	81%
Accounts rotate speed	$= \frac{\text{Accounts} \times 365}{Net\ income}$	76	111

b) Capital Management

It is the policy of the company to preserve its registered capital, which is sufficient for ensuring that the trust of the investors and the creditors will sustain the future development of the company. The Board of Directors exercises its best effort in maintaining the policy that the company will only accept higher exposure arising from lending if higher returns are expected, based on the advantages and safety provided by the strong capital position.

The capital structure of the company consists of the net debt component and the own equity of the company (this latter includes the registered capital, reserves and the shareholdings of noncontrolling owners).

In managing its capital, the company exercises is best efforts to ensure that members of the company are able to continue their activities and at the same time maximize return on investment for the owners, by setting the optimal balance between loan capital and own equity. The company also monitors whether the capital structure of its member companies complies with the local regulations.

At the end of the reporting period, the debt component was the following:

Data in thousand HUF	2017. december 31.	2016. december 31.
Credits, loans	11 743 555	14 524 934
Cash and cash equivalents	5 139 423	2 385 585
Net debt stock	**6 604 132**	**12 139 349**
Equity	**14 980 515**	**7 212 978**
Net Equity	**8 376 383**	**- 4 926 371**

c) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The aim of liquidity management is to provide sufficient resources for meeting the obligations as they fall due.

The management of liquidity risk

It is the approach of the company to liquidity management that as much as possible it should always provide appropriate liquidity for meeting its obligations as they fall due, both under ordinary and strained circumstances, without incurring unacceptable losses or jeopardizing the reputation of the company.

The company requires its business units to maintain a strong liquidity position and to manage the liquidity profile of their assets, liabilities and contingent liabilities in such a manner that they ensure balanced cash flows and meeting the obligations as they fall due.

		2017	2016
Liquidity indicator =	Current assets / Short term liabilities	144%	151%
Quick ratio =	Current assets - Inventory / Short term liabilities	116%	111%

d) Managing Capital Risks

The equity of the company is constituted by registered capital and accumulated earnings. The registered capital (subscribed capital) of the company consists of ordinary shares that bear the same membership rights. The accumulated earnings is made up of the sum of the retained earnings and the earnings for the relevant period of the company.

The following table shows the capital structure of the company:

Data in thousand HUF	2017.december 31.	2016.december 31.
Share allocate to outsider owner	999 984	204 923
Long term liabilities	18 865 060	21 578 449
Current liabilities	14 225 417	9 124 398
Liabilities	33 090 477	30 702 847
Equity attributable to parent	**13 980 531**	**7 008 055**

e) Market Risk

Owing to its activities, the company is primarily exposed to financial risks arising from movements of foreign currency exchange rates and interest rates. There has been no change in the exposure of the company to market risks and in the way the company manages and assesses the risks.

Exchange rate risks

The sources of foreign currency risks are, on the one hand, the foreign currency positions of the company and the foreign currency transactions that serve to cover these, on the other hand, other foreign currency transactions concluded by the financial division.

The company has applied the following exchange rate expressed in HUF:

	Average exchange rate		Spot rate	
Currency	**2017**	**2016**	**2017**	**2016**
1 EUR	309,21	311,48	310,14	311,02
1 USD	274,27	281,44	258,82	293,69

In its operations, the company concludes certain transactions in foreign currency. Because of this, it is exposed to FX risks.

Sensitivity analysis

The company has determined that its earnings primarily depend significantly on two key variables of financial nature: interest risk and foreign currency risk. It has performed the sensitivity analyses for these key variables. The company mainly tries to mitigate its interest risks by creating term deposits from its disposable monetary assets. The company does not conclude exchange rate hedging transactions.

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Result of interest sensitivity analysis (as percentage of interest change) For continuing activity:

Data in thousand HUF	2017.december 31	2016.december 31
Given loans	266 970	279 352
Long-term credits	9 770 771	12 731 263
Short-term credits	1 972 784	1 793 671
Interests received	64 974	608
Interests paid	478 716	372 476
Net interest	-413 742	-371 868
0,5%		
Change in interests received	1 335	1 397
Change in interests paid	58 718	72 625
Net interest change	-57 383	-71 228
Net interest change (%)	14%	19%
1%		
Change in interests received	2 670	2 794
Change in interests paid	117 436	145 249
Net interest change	-114 766	-142 456
Net interest change (%)	28%	38%
2%		
Change in interests received	5 339	5 587
Change in interests paid	234 871	290 499
Net interest change	-229 532	-284 912
Net interest change (%)	55%	77%
-0,5%		
Change in interests received	-1 335	-1 397
Change in interests paid	-58 718	-72 625
Net interest change	57 383	71 228
Net interest change (%)	-14%	-19%
-1%		
Change in interests received	-2 670	-2 794
Change in interests paid	-117 436	-145 249
Net interest change	114 766	142 456
Net interest change (%)	-28%	-38%
-2%		
Change in interests received	-5 339	-5 587
Change in interests paid	-234 871	-290 499
Net interest change	229 532	284 912
Net interest change (%)	-55%	-77%

With actual interests Data in thousand HUF	2017.december 31	2016.december 31
Pre-tax earnings - without interest expenditures	6 179 671	-788 461
Net interest expenditures	-413 742	-371 878
Pre-tax earnings	**6 593 413**	**-1 160 339**
1%		
Pre-tax earnings - without interest expenditures	6 179 671	-788 461
Net interest expenditures	-413 742	-371 878
Pre-tax earnings	**6 593 413**	**-1 160 339**
Changes in pre-tax earnings	**-4 137**	**-3 719**
Changes in pre-tax earnings (%)	**-0,063%**	**-0,320%**
5%		
Pre-tax earnings - without interest expenditures	6 179 671	-788 461
Net interest expenditures	-413742	-371878
Pre-tax earnings	**-1 181 026**	**-1 178 933**
Changes in pre-tax earnings	**-20 687**	**-18 594**
Changes in pre-tax earnings (%)	**-0,314%**	**-1,602%**
10%		
Pre-tax earnings - without interest expenditures	6 179 671	-788 461
Net interest expenditures	-413 742	-55 782
Pre-tax earnings	**6 552 039**	**-1 197 527**
Changes in pre-tax earnings	**-41 374**	**-37 188**
Changes in pre-tax earnings (%)	**-0,628%**	**-3,205%**
-1%		
Pre-tax earnings - without interest expenditures	6 179 671	-788 461
Net interest expenditures	-413 742	-33 469
Pre-tax earnings	**6 597 550**	**-1 156 620**
Changes in pre-tax earnings	**4 137**	**3 719**
Changes in pre-tax earnings (%)	**0,063%**	**0,320%**
-5%		
Pre-tax earnings - without interest expenditures	6 179 671	-788 461
Net interest expenditures	-413 742	22 313
Pre-tax earnings	**6 614 100**	**-1 141 745**
Changes in pre-tax earnings	**20 687**	**18 594**
Changes in pre-tax earnings (%)	**0,314%**	**1,602%**
-10%		
Pre-tax earnings - without interest expenditures	6 179 671	-788 461
Net interest expenditures	-413 742	55 782
Pre-tax earnings	**6 634 787**	**-1 123 151**
Changes in pre-tax earnings	**41 374**	**37 188**
Changes in pre-tax earnings (%)	**0,63%**	**3,20%**

6. FINANCIAL INSTRUMENTS

The financial instruments contained in the balance sheet are constituted by investments, other non-current assets, trade receivables, other current assets, monetary assets, short and long term loans, other long-term liabilities, accounts payable and other liabilities. The financial assets and liabilities listed below are provided at net book value.

Data in thousand HUF	2017.12.31	2016.12.31
Cash and cash equivalents	**5 139 423**	**2 385 585**
Gven loans	266 970	279 352
Accounts receivable	9 085 739	4 709 355
Other financial assets	2 221 339	3 046 100
Receivables and Loans in total	**11 574 048**	**8 034 807**
Credits	11 743 555	14 524 934
debt from bond issue	6 202 800	6 220 400
Other long-term liabilities	2 513 017	2 327 216
Accounts receivable	3 327 160	2 491 825
Other financial liabilities and derivative transactions	8 925 473	4 791 158
Other financial liabilities in total	**32 712 005**	**30 355 533**

7. REMUNERATION OF THE DIRECTORATE, SUPERVISORY BOARD AND THE AUDIT COMMITTEE

Transactions related to the Directorate
Members of the Directorate received the following benefits:

Data in thousand HUF	2017	2016
Short-term benefits (**honorarium**, bonus)	11 800 000	8 000 000
Total	**11 800 000**	**8 000 000**

Members of the Supervisory Board received the following benefits:

Data in thousand HUF	2017	2016
Short-term benefits (honorarium, bonus)	2 400 000	0
Total	**2 400 000**	**0**

Members of the Audit Committee received the following benefits:

Data in thousand HUF	2017	2016
Short-term benefits (**honorarium**, bonus)	3 500 000	2 400 000
Total	**3 500 000**	**2 400 000**

The Group doesn't give any loans to any members of the management
Balance of Loans given to the Directorate:

Data in thousand HUF	2017	2016
Loans given to the Directorate	-	-
Interest of Loans given to the Directorate	-	-
total	**-**	**-**

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8. EVENTS AFTER BALANCE SHEET DATE

The Directorate decided the increase of the OPUS GLOBAL Nyrt.'s capital in 2018. February 14, primary by making available business shares' non-cash contribution for the company, which event's implementation requires a prior realization of the published, detailed transaction. During the capital increase, new shares will be released on the private placement.

The nominal value of the new OPUS shares is registered on 611.- HUF according to the BÉT's closing price on 2018.02.13., regardless of when will the company implement the different parts of the transaction. The Directorate will decide on the number of OPUS shares to be issued as remuneration for the assets listed below as non-cash assets, simultaneously with the actual disposure of the capital increase.

The final date of implement the desired transactions in order to increase the company's share capital: 2018.06.30.

The company intends to take the following steps -not necessarily in the following order- in order to carry out the transaction:

- The Mészáros és Mészáros Ipari, Kereskedelmi és Szolgáltató Kft.'s 51% business share shall be made available for the company as non-cash contribution.
- The R - KORD Építőipari Kft.'s 51% business share shall be made available for the company as non-cash contribution.
- The VISONTA PROJEKT Ipari és Szolgáltató Kft.'s 51% business share in total, shall be made available for the company as non-cash contribution.
- The KALL Ingredients Kereskedelmi Kft.'s 30% business share in total, shall be made available for the company as non-cash contribution.
- The STATUS POWER INVEST Kft.'s 55,05% business share shall be made available for the company as non-cash contribution. As the result of the non-cash contribution under this point, the company gain a 20% indirect influence in the Mátrai Erőmű Zrt.
- The STATUS GEO Invest Kft.'s 51% business share shall be made available for the company as non-cash contribution. As the result of the non-cash contribution under this point, the company gain a 51% indirect influence in the GEOSOL Kft.
- The company will decide on its capital increase – in accordance with the Directorate's preparations, which necessary to implement the actions above- in several steps, but as anticipated, not later than 30th June 2018.
- The Directorate decides that the company make the contracts with the necessary experts, who can conduct effectively the transactions detailed above.

Due to the company's announcement in 2018.03.26, after the STATUS POWER INVEST Kft. fulfilled the requirements, increases its ownership ratio to 85% in Mátra Energy Holding Zrt., and with this the company acquires exclusive and complete control over the Matra power plant. After this, on June 20, 2019, will increase its ownership to 100% with buy through, in Mátra Energy Holdingban. After the acquisition, the STATUS POWER INVEST Kft. will became the only direct owner of the issued shares (72,665 %) of Mátrai Erőmű Zrt. With the first step to buyout the investors, accourdint to the capital increase above, the OPUS GLOBAL Nyrt will be the direct owner in 34% of Mátrai Erőmű Zrt., while on 20 july 2019 will became a 40% owner of it.

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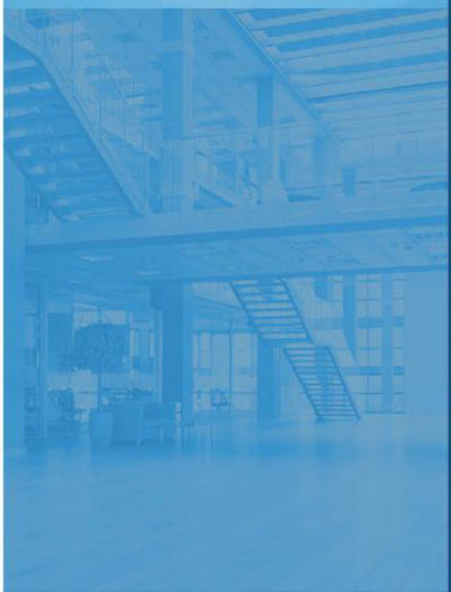

OPUS GLOBAL Nyrt.

First half
REPORT for 2018

(IFRS, CONSOLIDATED)
audited

Consolidated Financial Statements for the first half of 2018 for Opus Global Nyrt.

Audited: Yes / No
Consolidated: Yes / No
Accounting principles: Hungarian / IFRS (adopted by the EU) / other

Contents

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Consolidated financial statements

Name (data in thousand HUF)	Notes	30.06.2018	31.12.2017
ASSETS			
Non-current assets			
Property, plant and equipment	3.2	11,430,495	11,772,098
Intangible assets	3.3	5,795,345	5,844,969
Goodwill	3.4	126,390	126,390
Investment properties	3.5	2,112,589	2,111,389
Fixed financial assets	3.6	5,706,620	5,532,481
Loans	3.6	259,805	266,970
Deferred tax assets	3.20	182,680	230,700
Interests	3.6	1,926,379	1,726,727
Right to use assets		-	-
Total Non-current assets		**27,540,303**	**27,611,724**
Current assets			
Inventories	3.7	4,774,276	3,762,327
Biological assets	3.8	143,721	250,440
Corporate tax assets for the year	3.9	13,858	14,943
Accounts payable and other liabilities	3.10	5,526,225	8,889,662
Trade receivables from investment agreements	3.10	112,226	196,077
Other liabilities	3.11	3,765,586	2,206,396
Cash and cash equivalents	3.12	8,506,743	5,139,423
Assets for sale			
Total current assets		**22,842,635**	**20,459,268**
Total assets		**50,382,938**	**48,070,992**
LIABILITIES			
Equity capital			
Subscribed capital	3.13	8,132,446	8,080,753
Repurchased own shares		- 405,879	- 405,879
Capital reserves	3.14	10,359,588	9,098,281
Provisions	3.14	-	-
Retained earnings		- 2,814,508	- 8,585,285
Current year earnings		135,371	5,770,777
Revaluation difference		69,912	21,884
Total equity per parent company		**15,476,930**	**13,980,531**
Non-controlling interest	3.15	932,534	999,984
Total equity capital:		**16,409,464**	**14,980,515**
Long term liabilities			
Long term credits and loans	3.16	9,363,214	9,770,771
State aid		-	-
Debts from bonds issue	3.17	6,572,000	6,202,800
Other long term liabilities	3.18	44,727	38,879
Provisions	3.19	2,188,633	2,440,686
Long term financial leasing liabilities		33,452	33,452
Deferred tax liability	3.20	389,890	378,472
Total long term liabilities		**18,591,916**	**18,865,060**
Short term liabilities			
Short term credits and loans	3.16	2,410,288	1,972,784
Accounts payable and other liabilities	3.21;3.22	12,870,166	12,079,261
Short term financial leasing liabilities	3.22	15,128	26,082
Current year corporate tax liability	3.9	85,976	147,290
Total short term liabilities		**15,381,558**	**14,225,417**
Total liabilities and equity		**50,382,938**	**48,070,992**

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Consolidated comprehensive income statement

Name (data in thousand HUF)	Notes	30.06.2018	2017.06.30
Revenues	3.23; 3.24	20,881,517	17,404,058
Value of capitalised own performance	3.25	963,456	1,254,406
Other operating income	3.26	152,484	709,101
Total operating income		**21,997,457**	**19,367,565**
Material expenses	3.27	12,730,202	9,611,595
Personnel expenses	3.28	6,275,192	6,048,468
Depreciation	3.2	795,341	789,920
Impairment	3.29	5,728	90,476
Other operating costs and expenses	3.30	1,304,820	1,538,823
Total operating costs		**21,111,283**	**18,079,282**
Financial transactions and earnings before interest and taxes (EBIT)		**886,174**	**1,288,283**
Revenue from financial transactions	3.31	320,798	1,211,560
Expenses of financial transactions	3.31	906,130	401,845
Share from equity method-accounted investments		-	-
Total financial transactions	3.31	-585,332	809,715
Profit or loss before taxes		**300,842**	**2,097,998**
Deferred tax	3.32	59,438	- 148,365
Capital gains tax expense		121,793	152,627
Net profit or loss		**119,611**	**2,093,736**
Net profit or loss from discontinued activities		-	-
Profit or loss after taxes		**119,611**	**2,093,736**
Valuation		-	-
Exchange rate fluctuations		48,062	-
Deferred tax		-	-
Other comprehensive income		**48,062**	**-**
Total comprehensive income		**167,673**	**2,093,736**
Profit or loss after taxes			
Parent company		135,371	2,052,163
Non-controlling interests		- 15,760	41,574
Other comprehensive income			
Parent company		48,028	-
Non-controlling interests		34	-
Total comprehensive profit or loss			
Parent company		183,398	2,052,163
Non-controlling interests		- 15,725	41,574

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Consolidated equity change statement

data in thousand HUF	Subscribed capital	Repurchased own shares	Capital reserve	Reserves	Retained earnings	Revaluation difference	Equity per parent company	Non-controlling interest	Total equity capital
1 January 2017	**7,897,759**	**- 135,108**	**7,012,149**	**748,767**	**- 8,585,285**	**69,773**	***7,008,055***	**204,923**	***7,212,978***
Current year profit or loss				691,642	713,520	63,059	***1,468,221***	41,574	***1,509,795***
Capital increase									
Acquisition of subsidiaries								667,388	***667,388***
Change of shares purchased with the acquisition of subsidiaries		- 187,180					***- 187,180***		***- 187,180***
Sale of subsidiaries									
Dividend									
Increase/decrease of repurchased shares									
30 June 2017	**7,897,759**	**- 322,288**	**7,012,149**	**1,440,409**	**- 7,871,765**	**132,832**	***8,289,096***	**913,885**	***9,202,981***
Current year profit or loss				- 698,956	5,057,257	- 46,851	***4,311,450***	86,307	***4,397,757***
Capital increase	182,994		2,086,132				***2,269,126***		***2,269,126***
Acquisition of subsidiaries								- 208	***- 208***
Sale of subsidiaries				- 741,453		- 64,097	***- 805,550***		***- 805,550***
Dividend									
Increase/decrease of repurchased shares		- 83,591					***- 83,591***		***- 83,591***
31 December 2017	**8,080,753**	**- 405,879**	**9,098,281**		**- 2,814,508**	**21,884**	***13,980,531***	**999,984**	***14,980,515***

	Subscribed capital	Repurchased own shares	Capital reserve	Reserves	Retained earnings	Revaluation difference	Equity per parent company	Non-controlling interest	Total equity capital
1 January 2018	**8,080,753**	**- 405,879**	**9,098,281**		**- 2,814,508**	**21,884**	***13,980,531***	**999,984**	***14.980.515***
Current year profit or loss					135,371	48,028	***183,399***	- 15,725	***167.674***
Capital increase	51,693		1,261,307				***1,313,000***		***1.313.000***
Acquisition of subsidiaries									
Sale of subsidiaries									
Dividend								- 51,725	***- 51.725***
Increase/decrease of repurchased shares									
30 June 2018	**8,132,446**	**- 405,879**	**10,359,588**		**- 2,679,137**	**69,912**	***15,476,930***	**932,534**	***16.409.464***

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Consolidated cash flow statement

Consolidated cash flow statement	**30.06.2018**	**2017.06.30**
Data in thousand HUF		
Cash flow from operating activities		
Profit or loss before tax	300,842	2,097,998
Change of other comprehensive profit or loss net tax	48,062	-
Corrections:		
Depreciation and amortisation	795,341	789,920
Reported impairment and reversal	5,728	532,334
Change of provisions	-252,053	-524,342
Revaluation of investment properties	-	-
Profit/loss from sale of tangible assets	-	-33,379
Received dividend	-100,624	-42,589
Paid interests	298,544	372,476
Received interests	-11,019	-22,301
Change of operating capital		
Change of trade and other receivables	1,882,370	2,987,738
Change of (other) current assets	-905,320	-1,163,352
Change of accounts receivable	790,905	-1,191,651
Other short term liabilities and deferrals	5,849	-708,168
Capital gains tax paid	-182,022	377,594
Net cash flow from operating activities	***2,676,603***	***3,472,278***
Cash flow from investment activities		
Received dividend	100,624	42,589
Purchase of tangible and intangible assets	-405,314	-272,758
Proceeds from the sale of tangible and intangible assets	-	53,062
Acquisition of fixed financial assets	-366,626	1,310,592
Acquisition of subsidiaries	-	-2,498,783
Net cash flow from investment activities	***-671,316***	***-1,365,298***
Cash flow from financing activities		
Share issue	1,313,000	-
Credits and loans taken	18,993	-
Credits and loans repaid	-	-689,561
Credits and loans outsourced	-	-
Dividend paid	-51,725	-
Interests paid	-298,544	-372,476
Interests received	11,019	22,301
Proceeds from bonds issue	369,200	-
Net cash flow from financing activities	***1,361,943***	***-1,039,736***
Net change of cash and cash equivalents	3,367,230	1,067,244
Year opening balance of cash and cash equivalents	5,139,423	2,385,585
Year-end balance of cash and cash equivalents	**8,506,743**	**3,452,829**

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SUPPLEMENTARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE IFRS ADOPTED BY THE EU (30 June 2018)

1. GENERAL BACKGROUND

1.1. Legal situation and nature of activity

The legal predecessor of OPUS GLOBAL Nyrt is called Phylaxia Szérumtermelő Rt. and was established in 1912. The more than 100-year old company has been in business since its foundation. The Company's shares were introduced to the Budapest Stock Exchange in January 1998, and since 3 October 2017, the marketed shares have been recorded in category "Premium".

The corporate name of the Company was changed from OPIMUS GROUP Nyrt to OPUS GLOBAL Nyrt on 3 August 2017.
Since 19 June 2018, the Company's registered office has been at 1062 Budapest, Andrássy út 59.
The subsidiaries in the consolidation scope of the Company fall in the below category: media/IT, industrial manufacturing, property management, agriculture/food products and asset management.

The consolidated financial statements prepared for the date and related to the period ending on 30 June 2018 are related to the Company, its subsidiaries, and associate companies (hereinafter referred to as Group or Group of Companies).

Company name	Grade	Ownership share	Company	Scope of activity
Asset management				
OPUS GLOBAL Nyrt.	A	100.00%	Hungary	Asset management
STATUS Capital Zrt.	T	24.67%	Hungary	Other supplementary financial activities
Property management				
OBRA Kft.	L	100.00%	Hungary	Asset management
Révay 10 Kft.	L	100.00%	Hungary	Lease of property
SZ és K 2005. Kft.	L	100.00%	Hungary	Property management activity
Agriculture / Food industry				
Csabatáj Zrt.	L	74.18%	Hungary	Miscellaneous activities
Unitreasury Kft.	T	20.00%	Hungary	Business administration, Other executive counselling
Industrial manufacturing				
EURO GENERÁL Zrt.	L	50.00%	Hungary	Construction industry
KŐRÖSI INGATLAN Kft.	L	50.00%	Hungary	Property management activity
KPRIA Hungary Kft.	T	40.00%	Hungary	Engineering activities, technical counselling
OPIMA Kft.	L	51.40%	Hungary	Product manufacturing, distribution
Wamsler SE	L	99.93%	Hungary	Production of household equipment
Wamsler Haus- und Küchentechnik GmbH	L	100.00%	Germany	Trade of equipment
Wamsler Bioenergy GmbH	L	100.00%	Germany	Trade of equipment

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Media / IT				
OPUS PRESS Zrt.	L	100.00%	Hungary	Other information services
PRINTIMUS Kft.	L	100.00%	Hungary	Advertising agent activities
Mediaworks Hungary Zrt.	L	100.00%	Hungary	Issue of daily papers
MédiaLOG Zrt.	L	100.00%	Hungary	Other supplementary services related to transportation
"NÉPSZABADSÁG" Zrt. „v.a."	L	99.00%	Hungary	Lease, operation of own and leased properties
Dunaújvárosi Szuperinfó Kft.	L	75.00%	Hungary	Issue of journals and periodicals
Maraton Lapcsoport Kft.	L	100.00%	Hungary	Issue of journals and periodicals
DMH Hungary Kft.	L	100.00%	Hungary	Advertising agency activities
Takarékinfo Zrt.	T	24.87%	Hungary	Data processing web-hosting services

* L: Fully involved; *T: Qualified as associated company

1.2. Name and residential address of the person signing the semi-annual report:

Chairperson of the Board of Directors: Beatrix Mészáros, Felcsút, Fő utca 311/5.
Chief Executive Officer: Zsuzsanna Ódorné Angyal, Bag Jókai utca 44/a.

1.3. Events of stock exchange contact

We disclose the events and news disclosed by the Company from the beginning of the reporting period until the disclosure of the annual statements in the table called "Information disclosed in the period", included in the Appendix.

1.4. Approval of the disclosure of the financial statements

A The financial statements were approved for disclosure by the Board of Directors of the parent company of the Group in decision 40/2018 (09.28) made on 28 September 2018.

1.5. Members of the Board of Directors/Management:

Members of the Board of Directors from 02.05.2017 to 27.04.2018:

Beatrix Mészáros, the Chairperson of the Board of Directors
members: Ágnes Homlok-Mészáros
Dr. Szilvia Éva Gödör
Zoltán Jászai Gellért
Tamás Halmi

Members of the Board of Directors from 27.04.2018 to 19.06.2018:

Beatrix Mészáros, the Chairperson of the Board of Directors
members: Ágnes Homlok-Mészáros
Zoltán Jászai Gellért
Tamás Halmi

Members of the Board of Directors from 19.06.2018:

Beatrix Mészáros, the Chairperson of the Board of Directors
members: Ágnes Homlok-Mészáros

Zoltán Jászai Gellért
Tamás Halmi
József Vida

1.6. Members of the Audit Committee:

Members of the Audit Committee from 02.05.2017 to 27.04.2018:

János Tima, Chairperson
members: Dr. Orsolya Páricsi Dr. Egyedné
Dr. Adorján Antal Kadosa

Members of the Audit Committee from 27.04.2018:

János Tima, Chairperson
members: Dr. Orsolya Páricsi Dr. Egyedné
Dr. Éva Szilvia Gödör

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1.7. Members of the Supervisory Board:

Members of the Supervisory Board from 02.05.2017 to 27.04.2018:

János Tima, Chairperson
members: Dr. Orsolya Páricsi Dr. Egyedné
Dr. Adorján Antal Kadosa

Members of the Supervisory Board from 27.04.2018:

János Tima, Chairperson
members: Dr. Orsolya Páricsi Dr. Egyedné
Dr. Éva Szilvia Gödör

1.8. Auditor of the Company:

The auditor responsible on behalf of BDO Hungary Könyvvizsgáló Kft. (1103 Budapest, Kőér utca 2/A. building C, company registry number: 01-09-867785, tax number: 13682738-4-42, MKVK number: 002387) is Péter Kékesi, MKVK number: 007128.

1.9. The details of the person having IFRS qualification, responsible for the management and control of duties falling in the scope of accounting services:

a) name: Judit Szentimrey
b) address: 1188 Budapest, Tiszavirág u. 53/a.
c) registration number: 196131

1.10. Lawyer's office representing the Company:

Nadray Ügyvédi Iroda (Nadray Lawyer's Office), 1055 Budapest, Falk Miksa utca 3.
Kertész és Társai Ügyvédi Iroda (Kertész and Co. Lawyer's Office), 1062 Budapest, Andrássy út 59.

1.11. Basis of balance sheet preparation

The preparation of the consolidated annual statements was based on the International Financial Reporting Standards, adopted by the European Union (hereinafter referred to as: IFRS). The European Union (EU) discloses and includes the IFRS in its Official Journal in the form of regulations. IFRS are made up of the standards and interpretations drafted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).
The consolidated annual statements were prepared based on the principle of purchase value, except for certain financial instruments, investment properties and biological assets, which are entered in the balance sheet at market value. The consolidated annual statements were prepared by the Group in Hungarian Forints. The accounting, financial and other records of the subsidiaries are kept in accordance with the locally applicable laws and accounting principles. In order to comply with the IFRS, the Group shall amend the statements sent by the members, prepared based on the local accounting standards.
Preparation of the statements based on the IFRS requires critical accounting estimates as well as executive decisions during the application of the Group's accounting policy, which affects the

amount of assets, liabilities, revenues and expenses included in the financial statements. Actual amounts may differ from these estimates.
The review of estimates and underlying assumptions is continuous. The amendments of accounting estimates are reported in the period of the amendment of the estimates and the future periods affected by the amendment. Areas for which high level of decisions are necessary and areas of high complexity as well as the assumptions and estimates qualified significant from the aspect of the Consolidated annual statement can be found in Note 2.3. Financial year and calendar year are the same.

1.12. Changes of the accounting policy

The following cases indicate changes in the accounting policy:

- The change is based on a legal regulation or the decision of the board making the accounting standards,
- The change of the accounting policy provides more relevant and reliable information about the financial situation, performance and cash flow of the business,
- The business adopts a new standard, which requires the application of an accounting policy, which is different from the previous one,
- The business decides to change from an accounting method approved by the IFRS to another method, also approved by the IFRS.

If the completion of the change is not executable, the amendment may be skipped.

As a result of the uncertainties in the business activity of the group, numerous items of the financial statements cannot be precisely measured, only estimated.

The rational application of estimates is a significant part of the preparation of financial statements, and does not decrease their reliability. The estimates may need to be revised however, if the circumstances of the estimates are changed, or if new information or additional experiences are available. Thus the revision of an estimate is not related to previous periods, and shall not be considered as a correction.

The business shall disclose the nature and amount of the changes in the accounting estimates, which are expected to affect the current term or future periods, except for the effect related to future periods, if the estimation of the same cannot be executed.

The below standards and interpretations were disclosed prior to the disclosure of the statements. These standards have been applied by the Group since their entry into effect:

IFRS 9 financial instruments: classification and measurement (effective from 1 January 2018)

The standard introduces new requirements related to the classification, measurement and amortisation of financial assets and financial liabilities. The application of the IFRS 9 standard is expected to affect the qualification and measurement of the Group's financial assets, however the classification and measurement of financial liabilities will probably not be affected. The Group will examine the effect of the amendment.

IFRS 15 Accounting of revenues from buyer agreements (effective from 1 January 2018)

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IASB issued a new standard on 28 May 2014 on the accounting of revenues from agreements made with customers. The application of the new revenue standard is obligatory for companies applying the IFRS for reporting periods starting on or after 1 January 2018. The new standard repeals the current regulation of IAS 18 Revenues and IAS 11 Construction Contracts with regard to the accounting of revenues. In accordance with the new standard, companies shall apply a "five-step model" in order to determine when and in what amount they enter revenues. In accordance with the model, the revenue is to be specified so that it represents the transfer of the "promised" goods or services at a price, to which the company is expected to be entitled. The Group will examine the effect of the amendment.

IAS 1 Presentation of financial statements (amended, effective from 1 January 2018)

IASB disclosed the amendments of IAS 1 in December 2014. The purpose of the amendment is to motivate businesses to decide what information they disclose in their financial statements on a trade basis. The amendment clarifies that the threshold of significance is applicable for the entire statement, and the disclosure of insignificant information may hinder the usability of the statements. The amendment further clarifies that businesses need to make a professional decision on where and in what order they present certain items in their financial statements. The amendments are to be applied in the statements related to periods starting on or after 1 January 2016. The financial statements of the Group shall not change because of the application of the amended standard. It was adopted by the European Union on 7 February 2018, and the amendments are to be applied in the reporting periods starting on or after 1 January 2018.

Amendment of Standard IFRS 2 "Share-based payments"– Classification and measurement of share-based payment transactions (effective from 1 January 2018)

The amendment specifies the requirements related to accounting method applied to the below:

- the effect of vesting and non-vesting conditions on share-based payments made in cash;
- management of the net accounting of share-based payment transactions related to withholding tax liability;
- accounting management of the change of share-based payment transactions paid in cash into share-based payment transactions paid in capital instruments.

As the Group has no share-based payments, this amendment shall have no effect on the Group.

IFRS 16 Leasing (effective from 1 January 2019)

IASB issued a new standard on 13 January 2016 in connection with the accounting of leasing. Companies complying with the IFRS are obliged to apply the new leasing standard in reporting periods starting on or after 1 January 2019. The new standard repeals the current rules of IAS 17 Leasing, and fundamentally changes the accounting of operative leasing. The Group will examine the effect of the amendment.

Amendment of Standard IAS 7 "Statement of cash flows"– initiative related to the presentation of supplementary information (effective from 1 January 2017)

The standard includes the initiative related to the presentation of supplementary information. The purpose of the amendments is to make the IAS 7 more clear in order for the users of the financial statements are able to receive more detailed information. In accordance with the amendments,

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the business unit has to disclose supplementary information, which makes possible for the users of the financial statements to interpret the changes of liabilities arising from financial activities, including both changes that come with financial flows and those that do not.

Amendment of Standard IAS 12 "Income taxes"– Accounting of deferred tax assets related to unrealized losses (effective from 1 January 2017)
These amendments clarify the methodology of the accounting of deferred tax in connection with the debt instruments valued at real value. Standard IAS 12 specifies the conditions of the presentation and evaluation of deferred tax assets and receivables. The issued amendment clarifies the conditions of deferred tax assets in connection with unrealized losses.

Amendments of Standard IAS 40 "Investment property"– Reclassification of investment properties (effective from 1 January 2018)
IASB amended the standard, according to which reclassification to or from investment properties can only be performed, if the use of the property is changed.
The amendment of certain standards is the amendment related to "further development of IFRS's (in years 2012-2014) – as a result of the IFRS Development Project with regard to certain standards (IFRS 1, IFRS 12 and IAS 28), primarily the termination of inconsistencies and the clarification of explanations.

IFRIC 22 interpretation "Foreign currency transactions and advance consideration" (effective from 1 January 2018)
The interpretation clarifies the accounting management of the transactions, related to which, advance consideration is paid in foreign currency. Based on the rule, advance considerations cannot be revaluated in the scope of year-end evaluation.

In 2018, the Group applied all IFRS standards, amendments and interpretations, which entered into effect on 1 January 2018, which were relevant from the aspect of the operation of the Group.

Standards and amendments issued by IASB and not yet adopted by the EU

At present, the IFRS's adopted by the EU do not significantly differ from the rules adopted by the IASB, except for the below standards, and the amendments of existing standards, amendments of interpretations, which were not yet adopted by the EU at the time of the disclosure of the financial statements (the dates specified below are the dates of the entire application of IFRS).

IAS 16 Property, plant and equipment (amended) and IAS 38 Intangible assets (amended) (effective from 1 January 2019)

IASB disclosed the amendments of IAS 16 and IAS 38 in May 2014. Both standards consider the expected use of the future economic benefits of the asset as the basis of the depreciation write-off. IASB clarified that the income-based accounting of the depreciation of assets was not appropriate, as the income arising from the activities, during which the asset is used, generally reflects other factors than the realized economic benefits. IASB also clarified that income is

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generally not an appropriate basis for the measurement of the use of economic benefits realized by the intangible assets. The amendments are applicable in the reports related to years starting on or after 1 January 2019. Due to the amendment of the amended standards, the Group's financial statements do not change, as linear depreciation is applied.

Standard IFRS 14 "Regulatory deferral accounts" (effective from 1 January 2016)
The European Commission made a decision, according to which the approval process would not be used for the current intermediary standard, and it shall wait for the final standard. Consequently, this standard has not and will not have any effect on the accounts.

Standard IFRS 16 "Leases" (effective from 1 January 2019)
The "leases" standard specifies the principles of the specification, evaluation, presentation and disclosure of lease agreements, related to both the lessee and the lessor.
In accordance with the decision of the IASB, the application of Standard IFRS 16 "Leases" becomes obligatory for the business units. Early application is approved, if the business unit has already applied Standard IFRS 15 – Revenue from contracts with customers. The purpose of the standard to be adopted is to ensure the full presentation of assets and liabilities arising from lease agreements.
Standard IFRS 16 – Leases shall repeal Standard IAS 17 – Leases and the relevant interpretations (IFRC 4).

Amendment of Standards IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures"– Sale and transfer of assets between the investor and the associate or jointly managed company (effective from 1 January 2016)
The amendment resolves an existing contradiction between requirements IFRS 10 and IAS 28 (2011) with regard to asset sale or transfer between the investor and the associate or jointly managed company. The main consequence of the amendments is that the entire profit or loss needs to be reported, if the transferred assets comply with the definition of the business combination.
Partial profit or loss needs to be reported, when the assets not qualifying as business combination are transferred. The project was deferred for an indefinite period, just like the adoption of the standard. The Group does not expect that the proposed change would have a significant effect, when adopted.

Other new/amended standards or interpretations will probably not have a significant effect on the Group's financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES

2.1. The basis of consolidation

The consolidated annual statements include the financial statements of the parent company and the companies directly or indirectly controlled by the parent company (subsidiaries). Based on Standard IFRS 10, subsidiaries are qualified as business units controlled by the Group.

Standard IFRS 10 is related to the Consolidated financial statements. This regulation requires the management of the company to consider which investments qualify as controlled companies, and which qualify as investment companies. Subsidiaries, which qualify as controlled companies need to be fully consolidated. Subsidiaries qualified as investment companies shall be reported at real value.

Subsidiaries

Subsidiaries, that is the companies 50% of the voting rights of which are owned by the Group, and the financial and operating policy of which are controlled by the Group in any other way, are consolidated.

In order to decide whether the Group controls another business organization or not, the presently available and transferable potential voting rights as well as their effects are considered.

The subsidiaries are consolidated from the time, when the Group acquires control, and with the termination of control, they are no longer part of the scope of consolidation. The consolidated statements may include the earnings of the subsidiary's operation from the point of time, when the acquisition was completed, that is subsequent to the transfer of the control over the purchased subsidiary, thus in such a case, the profit and loss account of the subsidiary needs to be split into two based on the two periods.

The accounting of the purchase of a subsidiary is performed in accordance with the acquisition accounting procedure. The costs of the acquisition include the real value of transferred assets, newly issued equity capital and the taken liabilities upon the time of acquisition. The surplus value above the real value of the subsidiary's net asset value and contingent liabilities is reported as goodwill. The cost of acquisition is the real value of the assets paid by the buyer, the issued shares or taken liabilities effective on the date of the acquisition. The part of the costs of acquisition above the business share in the net assets of the purchased company valued at real value is reported as goodwill.

If the Group's business share in the net assets of the purchased company valued at real value exceeds the costs of acquisition ("negative goodwill"), then the Group shall first perform the identification of the acquired assets, liabilities and contingent liabilities as well as the specification of their real value, and redetermine the costs of the business combination. If the cost of the acquisition is lower than the real value of the net assets of the acquired subsidiary, the difference shall be reported in the earnings from financial operations.

The transactions between the members of the Group, balances and the unrealized profits and losses related to the transactions are filtered out. The claims, liabilities, accruals and provisions of the businesses towards each other involved in the consolidation shall be filtered out.

The harmonization of the accounting policies of the subsidiaries has been completed in order to ensure the uniform accounting policy.

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Associates and joint ventures

Associates are the companies, 20-50% of the voting rights of which are owned by the Group, and in which the Group has a significant interest, but does not exercise any control.
In the consolidated statements presented by OPUS GLOBAL Nyrt, the value of business shares in jointly managed and associated businesses shall be reported in all cases based on the equity capital of the business at book value, that is based on the equity method.
Associated and jointly managed businesses are reported based on the equity method, and are entered in the books at their purchase price. The business share of the Group in associated and jointly managed businesses include the value of goodwill specified upon the purchase, decreased by the accumulated value of possible impairment.
The Group's share in the profit or loss of the associated and jointly managed businesses after acquisition is entered in the profit and loss account. The accumulated value of the changes subsequent to the acquisition is reported against the book value of the investment. If the Group's share in the profit or loss of the associated or jointly managed businesses equals with or exceeds the value of the business share, the Group shall only recognize loss over the value of the business share, if it took legal or implied obligation or performed payments on behalf of the associated or jointly managed business.
The loss of unrealized profits related to the transactions between the Group and the associated or jointly managed businesses shall be filtered out up to the value of the business share in the associated or jointly managed business. The accounting policy of associated and jointly managed businesses is amended, if necessary in order to ensure the uniform accounting policy in the Group.
If the associated business presents a simultaneously consolidated report (thus the parent company), and the relevant data are available, such data shall be taken into consideration upon the evaluation of the business share.

2.2. The basis of the preparation of the statement

The international consolidated statements of the Group are made in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The consolidated annual statements are in compliance with 10.§ of the Hungarian Accounting Act. The Group applies all IFRS rules issued by the IASB, effective upon the preparation of the consolidated annual statement, applied by the Group based on the decision of the European Union and the European Commission. Thus the consolidated annual statements have been prepared in accordance with the principles, based on which the European Union applies the IFRS standards.
The statement was prepared in accordance with the principle of purchase value, except for the cases, when the IFRS requests the use of a different valuation principle than those specified in the accounting policy.
The Group keeps its accounting reports and prepares its statements in accordance with the rules specified in the Hungarian Accounting Act (Act C of year 2000). The accounting currency of the Group is Hungarian Forint. Unless otherwise indicated, amounts are specified in thousand HUF in the consolidated statements.
In certain cases, Hungarian accounting rules differ from the internationally adopted rules (IFRS). In order for the international consolidated statement to be in line with the International Financial Reporting Standards, certain amendments had to be executed in the Group's Hungarian consolidated statements. In order for the company to document the differences and relations

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between the statements prepared based on the Hungarian rules and the IFRS standards, the tables included in Chapter 4 were filled in.

2.2.1. Foreign currency transactions

The functional currency of the parent company and the reporting currency of the Group is Hungarian Forint. Unless otherwise indicated, the financial statements of the Group are made in Hungarian Forints (HUF), rounded to thousands. The consolidated financial statements were prepared in Hungarian Forint, which is the reporting currency of the Group.
Foreign currency transactions recorded in currencies other than Hungarian Forint are reported at the exchange rate valid on the day of the conclusion of such transactions. The assets, which are not financial and the purchase or production costs of which were expressed in a foreign currency are reported at the rate valid upon the certain purchases or the entry of the relevant items into the assets. Receivables and liabilities expressed in foreign currencies are converted to HUF at the rate applicable on the balance sheet date. The exchange rate differences are reported in the profit and loss account in financial earnings and expenses.
Accounts expressed in foreign currencies are converted to HUF at the official MNB rate applicable on the day of the transaction. Foreign exchange assets and liabilities as at the balance sheet date are revaluated at the end of the year at the official exchange rate disclosed by the MNB on the balance sheet date.
There is realized currency exchange rate difference upon the performance of the transactions, if the rates at the purchase and the performance differ. Exchange rate gains and losses are reported in the profit and loss account. At the end of the year, the unrealized exchange rate difference is reported upon the revaluation of the existing foreign exchange items.
The Group owns a few foreign subsidiaries, which prepare their financial statements in their local currencies. The conversion of such financial statements into Hungarian Forint is performed as follows. The items entered in the balance sheet are to be converted at the rate issued by the MNB on the balance sheet date except for the equity, which is converted at a historical rate, and the items of the profit and loss account are converted at the annual average exchange rate. All differences arising from the exchange rate change are reported directly in consolidated equity capital (as accumulated revaluation difference). If the Group sells a part or all of its foreign activities, the exchange rate difference reported in equity until the sale is to be reported in the profit and loss account as the profit or loss of the sale.

2.2.2. Financial instruments

Financial assets mostly include cash, buyers, other loans and receivables as well as financial assets for derivative and non-derivative trading purposes.
Financial liabilities generally arise from the need to repay cash and other financial assets. They mostly include bonds and other securitized liabilities, trade liabilities and liabilities to banks and associate companies, financial leasing liabilities as well as derivative financial liabilities.

Financial Assets

The Group categorises its financial assets in the following categories:

- financial assets valued at real value against profit/loss,
- loans and receivables,

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- marketable financial assets,
- investments until maturity.

Categorisation is dependent on the purpose the Group acquired the financial asset for. Management shall determine the category of the financial asset upon the time of purchase. The realization of the financial asset (purchase) and disposal (sale) occur on the day, when the Group is committed towards the purchase or sale of the asset. All investments valued at real value against all non-profit/loss are reported at real value increased by the transaction costs. Investments valued at real value against profit/loss are recognized at real value, while transaction costs are reported in the profit and loss account.
Should certain receivables be qualified as doubtful debt, it is written off against the profit and loss account. If the previously written-off amounts are paid off, then they are also reported against the profit and loss account.
If, in a later period, loss from impairment decreases, which can objectively be connected to an event that happened subsequent to the accounting of impairment (for example the upgrade of the debtor's credit rating), the lost from impairment previously reported shall be reversed with the amendment of the impairment account.
As a result of the reversal, the book value of the asset cannot exceed the amortised purchase value, which would be valid upon the reversal, if the accounting of impairment was not previously completed. The amount of reversed loss is to be reported in the profit and loss account.

Financial assets are derecognized from the books, if the entitlement to cash flow income from the given investment is expired or transferred, and the Group also transferred the significant risks and benefits related to the ownership.

The valuation category of "Financial assets valued at real value against profit/loss" include the following financial assets:

- Financial assets, which are listed in this category as financial assets valued at real value against profit/loss, based on the so-called real value option, in accordance with Standard IAS 39.
- Financial assets, which are basically acquired to be sold in the immediate or near future, and thus are qualified as "assets for trade purpose".
- Derivative financial assets, which fall in the category of "assets for trade purpose".
- Assets in this category are reported in current assets.

Financial assets valued at real value against profit/loss are reported at real value after purchase too. The profit or loss arising from the change of the real value of the financial assets valued at real value against profit/loss are reported in the profit and loss account in the year of their occurrence.

Loans and receivables are non-derivative financial assets having a fixed or determinable payment, which are not registered on the active market. Loans and receivables are reported in current assets (receivables), except for the ones, the expiration of which is over 12 months from the balance sheet date. They are reported in fixed assets.

Loans and receivables are entered in the books at real value, and then are valued at amortised historical cost using the effective interest rate method.

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Marketable financial assets include the derivative financial assets, which the Group categorizes as such, or does not put in any other category. Marketable financial assets are recorded in fixed financial assets, unless the management is willing to sell the investment in 12 months from the balance sheet date. In such a case, it is entered in current assets.

The Group values marketable financial assets at real value upon and after purchase. The change of the real value of securities entered as marketable assets are reported in equity. When securities recorded as marketable assets are sold, the amendment of accumulated real value recognized previously in equity is reported in the profit and loss account.

The Group shall evaluate on each and every balance sheet date whether there is objective proof that impairment is to be reported on a financial asset. There is objective proof of impairment as a result of events, which happened subsequent to the purchase of the asset, and such events have effect on the estimated future cash flow of the financial asset or a group of the financial asset, and the value of such effect can reliably be estimated.

The valuation category of "investments until expiration" includes non-derivative financial assets with fixed or determinable payment and expiration, which the Group definitely intends and is able to keep until expiration. Amortised purchased value is the amount of registration value decreased by instalments, which is to be corrected with the positive or negative difference between the initial and the expiration value and the possible impairment. Amortised purchase value is to be determined using the effective interest rate method. The effective interest rate (internal rate of return) is the rate, which discounts the net book value of the financial asset upon purchase.

2.2.3. Financial liabilities

Financial liabilities are valued in two ways by the Group:

- financial liabilities reported at amortised purchase value,
- financial liabilities valued at real value against profit/loss.

The category called "financial liabilities reported at amortised purchase value" includes all financial obligations, which are not listed in the category of "financial liabilities valued at real value against profit/loss".

Credits and loans are presented at real value upon granting decreased by the costs of transaction. In later periods, they are reported at amortised historical cost specified with the effective interest rate method. Effective interest rate is reported by the Group in the profit and loss account during the term of the loan.

Accounts payable and other liabilities (including deferrals) are reported by the company at real value upon purchase. In the later periods, they are presented at the amortised purchase value specified by the effective interest rate method. The book value of accounts payable and other liabilities, due to their short maturity, approaches and generally well represents their real value.

The Group reports all derivatives in the valuation category called "valued at real value against profit/loss". Derivatives are valued upon purchase at the real value effective on the day of the conclusion of the agreement, and during subsequent revaluations, real value is applied. The Group does not apply hedge accounting for derivative financial instruments, thus all profits and losses are reported in the profit and loss account.

The real value of derivative financial instruments is reported in other short-term and long-term financial assets or liabilities.

In accordance with Standard IAS 39, the Group only considers the agreements as derivatives to be separated from the basic contract and embedded, which are not tied in either the functional

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currency of a contracting party, or the currency widely applied in the economic surroundings of the agreements related to the sale and purchase transactions of non-financial items (e.g. relatively stable, liquid currency, which is widely applied in local business transactions and foreign trade). The Group regards EUR as the currency, which is widely used in the scope of the Group's operation.

In accordance with the IFRS regulations, derivative products are presented in the balance sheet at real value upon purchase. Derivative products are valued at their real value subsequent to their purchase.

2.2.4. Inventories

The historical value of inventories includes the costs of procurement, costs of conversion and other costs necessary for the inventories to get to their current place and condition.

In the balance sheet, purchased inventories are presented at the average purchase value decreased by the impairment or increased by the reversal of reported impairment, and self-manufactured inventories are presented at the actual manufacturing costs decreased by impairment or increased by the reversal of reported impairment.

Inventories are presented at the purchase price decreased by the impairment generated for redundant or dead inventories or net realizable value, whichever is lower.

2.2.5. Biological assets

Standard IAS 41 specifies that livestock and plants are to be reported in agricultural activities, as biological assets, as a separate balance sheet item. All biological assets are to be valued at real value decreased by evaluation costs, except, if the real value cannot reliably be specified. Changes of the real value of biological assets in a given period are to be entered in the profit/loss.

At the next valuation, biological assets are to be reported at real value decreased by valuation costs. If real value cannot reliably be measured, then these assets are to be reported at the actualised purchase price until their real values are reliable measured. When it is possible, then valuation based on real value decreased by valuation costs shall be applicable. Biological assets once valued at real value need to be valued at real value until derecognition from the books.

Standard IAS 41 is applied to the agricultural products, which are the collected products of the economic unit's biological assets only at the time of harvest. Then Standard IAS 2 Inventories or another relevant standard is applied.

Biological assets are managed as one unit, and are not split into periods before and after the end of the year.

2.2.6. Investment properties

A property is reported as investment property, if it is kept by the business in order to realize revenue from the lease fee, or to increase its value, or both, and not in order to sell or use the same for production of goods or provision of services, or business management.

Investment properties are valued at purchase price at first. Subsequent to the purchase, the real market value of investment properties is determined by an appraiser. Such properties are reported at real value at the end of each reporting period, and the generated differences are presented in the comprehensive income statement. Initial purchase price includes all costs related to the procurement of the given property.

Investment properties are discontinued upon sale, or when they are taken out of use, and no earning is expected from the sale. The profit or loss arising from the discontinuation of the property is reported in the profit/loss in the period of the discontinuation of the property.

2.2.7. Tangible assets

Tangible assets are reported at historical costs decreased by accumulated depreciation and impairment.

Historical costs of tangible assets are made up of the purchase price decreased by discounts and rebates, including import customs and not reimbursable taxes, as well as all other direct costs, which are necessary in order to deliver the asset to its place of operation, and start the operation of the same as requested by the Management. The costs of dismounting and removing the asset and the estimated costs of the restoration of the location are also included in historical costs, if provisions can be made for the liability in accordance with Standard IAS 37.

Depreciation of tangible assets is reported using the linear method. The purchase value of assets is written off as of the time of starting the use during the useful life of the assets. Useful lives and residual values are continuously reviewed by the Group.

The Group applies the following depreciation keys using the linear method by asset groups

Buildings	1-3%
Machines, equipment	5-20%
Vehicles	20%
Other assets	12.5-25%

The Group reports depreciation, which is over the planned value, for the tangible assets, for which the net book value of assets is not expected to generate returns based on their future earning ability. The Group prepares the necessary calculations based on the discounting in line with long-term future cash-flow plans.

2.2.8. Intangible assets

Intangible assets are reported by the Group at historical costs decreased by accumulated depreciation and impairment. Purchased computer software is capitalized at the value specified based on the costs related to procurement and putting the asset into operation, related to which depreciation is reported by the Group. Costs related to the development and maintenance of computer software are reported by the Group as costs upon their occurrence.

The Group applies the following depreciation keys using the linear method by asset groups:

Rights representing assets (only related to property)	2%-20%
Other rights representing assets (distribution right)	6%-20%
Intellectual properties, software	20%-33%

2.2.9. Goodwill

Goodwill is the positive difference between the purchase value and the real value of the identifiable net assets of acquired subsidiaries, associate companies and jointly managed companies effective on the day of acquisition. Goodwill is not amortised, but the Group examines every year whether the book value is not likely to be returned. Goodwill is reported at historical value decreased by possible depreciation.

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2.2.10. Value of research and experimental development

Research costs are reported as expenses upon their occurrence. Development costs arising in individual projects can be furthered, if their future return can be regarded appropriately proven.

Subsequent to initial accounting, the historical costs model is applicable to development costs, according to which assets are reported at historical costs decreased by depreciation. The book value of development costs is reviewed every year from the aspect of impairment, when the asset is not yet used, or more often, if during the reporting year, it is likely that the book value is not going to be returned.

The Group shall specify the depreciation of capitalized research and development assets based on individually examined conditions. Amortisation period shall start when the asset is ready for use. Depreciation is reported by the linear method.

2.2.11. Impairment of tangible assets and intangible assets

The Group reports more depreciation than as planned for the tangible assets, for which the net book value of assets is not expected to be returned based on their future earning ability. The necessary calculations are made by the Group based on the discounting of future cash flow as planned.

With regard to the assets, for which depreciation is reported by the Group, the Group shall examine whether depreciation actually occurred in each and every case, when as a result of the change of certain events or circumstances, their book value may not be returned. The amount of impairment is the difference between the book value and return value of the asset.

2.2.12. Provisions

Provisions are made, if the Group has (legal or implied) liability at present as a consequence of a past event, and resources embodying economic gains are likely to be necessary to meet such liabilities, and the amount of such liability can reliably be estimated. Provisions are revised upon the preparation of the balance sheet considering the best applicable estimate.

The amount specified as provisions is the best estimate of the expenses necessary for the settlement of the existing liability on the balance sheet date, considering the risks and uncertainties related to the liability. If cash-flow that is probably necessary for the settlement of the existing liability is used for the valuation of provisions, then the book value of provisions is the present value of such cash flow.

If a part or all of the expenses necessary for the settlement of the existing liability is likely to be paid by another party, the liability can be reported as an asset, if fundamentally, it is sure that the business unit will receive the relevant sum, and the amount of the liability can reliably be measured.

Existing liabilities arising from adverse agreements are included in the provisions. An agreement is qualified adverse by the Group, if the costs necessary for the settlement of existing liabilities arising from the agreement exceed the economic gains expected from such agreement.

2.2.13. Subscribed capital, Reserves and Own Shares

Common shares are reported as equity components.

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The value of reserves included in the consolidated annual statements is not the same as the amount of reserves that can be paid to the owners. Dividends are specified based on the annual statement of OPTIMUS GROUP Nyrt prepared in accordance with the Hungarian Accounting Act.

Exchange reserves are related to the exchange differences arising during the consolidation of foreign businesses.

When the Company or one of its subsidiaries purchases the shares of the Company, the paid consideration and all incremental costs decreases own shares on row “own shares”, until the shares are withdrawn or resold.

2.2.14. Revenues

The Group’s revenues primarily come from services provided and goods sold to its clients and other third parties. Revenues from goods and services decreased by value added tax and discounts are reported by the Group (after filtering intra-group revenues), if the amount of revenues can reliably be specified.

2.2.15. Investment contracts

Revenues from investment contracts reported for a given period are specified based on the level of readiness. The value of work done until the balance sheet date is presented as revenues, which corresponds to the part of the entire contract value that is proportionate with the level of readiness. The level of readiness is the ratio of actually performed work and total work to be done.

The gross amount invoiceable based on the investment not yet invoiced, but completed until the balance sheet date is reported by the Group with regard to the investment agreement in progress.

Costs include all costs directly related to the project as well as the accountable part of incurred indirect costs. Investment agreements in progress are reported in the row of trade receivables coming from investment agreements.

2.2.16. Capital gains tax expense

Local business tax and innovation contribution cannot be listed in capital gains tax expenses; thus they are reported in other expenses.

Corporate tax

Corporate tax is payable to the national tax authority competent in the country of operation of the members of the Group. The basis of tax payment is the profit or loss before tax corrected by the items decreasing and increasing the tax base of the tax-payer company’s accounting profit. The methods of calculating tax rates and tax bases with regard to the companies of the Group are different based on the different rules of different countries.

2.2.17. Return per share

The basic value of return per share is calculated by dividing the annual profit or loss per share of the Group with the weighted average of common shares in circulation in the given year. Diluted return per share is calculated taking into account the weighted average of share options causing dilution, besides common shares.

2.2.18. Leasing

In order to determine whether a transaction is considered as leasing or includes leasing, the main points of the agreement are to be examined upon the start of the transaction, that is whether the performance of the agreement is dependent on the use of a certain asset or assets, and whether under the agreement, the asset's right of use is transferred or not.

For financial leases, during which all risks and benefits related to the ownership rights of an asset are transferred, the real value of the asset upon the beginning of the lease is to be reported as asset and liability, or the net present value of the lease payments, whichever is lower. The asset and the related liability are to be capitalised upon purchase. During the use of the asset, defining the useful life and the method of depreciation write-off, depreciation is to be reported for the user.

Liabilities are to be split up into short- and long-term liabilities during their entry into the balance sheet.

Financial expenses are reported directly against revenues. Leased assets reported in the balance sheet are depreciated during the estimated useful life of the given asset.

The lease transactions, where the risk and benefit related to the ownership rights of the asset stay with the lessor, are qualified as operative leases. Payments related to operative leases are reported as costs in the profit and loss account, and are linearly reported during the term of the lease.

2.2.19. Deferred tax

Corporate tax is specified in accordance with the provisions of the Hungarian Tax Act. Deferred taxes are reported applying the balance sheet liability method for the temporary differences between the book value of assets and liabilities included in the consolidated statement and the amounts reported for the purpose of corporate tax.

The amount of deferred tax is calculated by the Group using the tax rates specified by the law, applicable on the balance sheet date, which will probably be valid at the time of the enforcement of tax receivables or the settlement of deferred tax liability.

Deferred tax receivables are reported to the extent it is likely that there will be taxable profit (or reversible deferred tax liability) in the future, against which deferred tax receivables can be enforced.

Deferred tax is reported by the Group for the temporary differences of shares in subsidiaries, associate and jointly managed companies.

Based on the liability method, deferred tax is generated with regard to the temporary differences of the tax base of assets and liabilities and their registration value specified from the aspect of reporting on the balance sheet date. The method of reporting deferred taxes based on the balance sheet is based on uncovering accumulated differences. Accordingly, the Group prepares its tax and accounting balance and the difference between these two is to be examined from the aspect of deferred tax.

The main point of the calculation of deferred tax is the compensation of the tax effects of tax differences. Accordingly, when calculating deferred tax, not only the temporary difference between the tax act and the accounting act is to be considered, but deferred tax is also to be reported with regard to the differences between the statements including IFRS amendments.

Using the balance sheet based approach, if the value of an asset according to the tax balance exceeds the book value reported in the accounting balance, deferred tax assets are generated.

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Such cases do not only occur when depreciation is reported for trade receivables, but also, when the amount of accounting depreciation exceeds the depreciation allowed by the tax act, if we report further impairment for inventories, or unplanned depreciation for the intangible assets and tangible assets.

Deferred tax assets are reported, if there are deductible temporary differences and deferred, unused tax assets, or tax losses to the extent it is likely that taxable future profit is generated against which such temporary differences and unused tax assets or tax losses will be usable.

The registration value of deferred tax assets is examined on each balance sheet date, and is decreased by the amount, for the partial or entire use of which it is not likely that sufficient taxable profit will be generated.

The amounts of deferred tax assets and tax liabilities are specified upon the receipt of the receivable, or the settlement of the liability using the tax rates applicable in accordance with the effective tax acts – which entered into effect on or after the balance sheet date.

2.2.20. Events after the balance sheet date

Events after the balance sheet date, which provide supplementary information about the circumstances at the end of the Group's reporting period (amending items), are reported in the statements. The events after the reporting period, which do not affect the data presented in the statements, are reported in the supplementary annex, if they are relevant.

2.2.21. Discontinued activities

Should the Group decide to discontinue an activity, because the subsidiary in question is to be sold, the profit or loss related to the period in question coming from the discontinued activity is to be reported in the comprehensive income statement separately. Should the Group value an activity as discontinued, the data of the previous period of the statement reporting the comprehensive income conditions of the Group shall also be reported as if the given activity had been valued as discontinued.

2.2.22. Off balance sheet items

Off balance sheet liabilities are not included in the balance sheet included in the consolidated annual statements and the profit and loss account, unless they were acquired during business combinations. They are reported in the notes, unless the probability of the outflow of resources constituting economic benefits is distant or minimal. Off balance sheet receivables are not included in the balance sheet included in the consolidated annual statements and the profit and loss account, but should the inflow of economic benefits be probable, they are reported in the supplementary notes.

3.2.1. Uncertainty factors and accounting estimates

When applying the Accounting Policy specified in Point 2 of the Supplementary Notes, estimates and assumptions are necessary to be applied when determining the value of certain assets and liabilities for a specified time, which cannot be clearly determined from any other resource. The estimation process includes the decisions based on the last available information and relevant factors. Such estimates are based on the best knowledge of the Management with regard to current events, but actual results can differ.

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Estimates are continuously updated. The effect of the changes to the accounting estimate is to be considered in the period of the change, if the change is related to the given period, or the period of the change and future periods too, if the changes in question affect both periods.

The main areas of critical decisions related to estimation uncertainties and the application of the accounting policy, which have the most significant effect on the amounts reported in the consolidated financial statements are as follows:

- Determination of the useful lives of tangible assets and intangible assets of defined useful life
- Determination of the impairment of tangible assets and intangible assets
- Valuation of investment properties and other properties
- Determination of readiness level for investment agreement
- Determination of the value of biological assets
- Content of environmental liabilities, exact amount and time of occurrence of environmental liabilities
- Tax discounts for the future, and realization of profit providing the appropriate tax base, against which deferred tax assets can be enforced
- Outcome of certain litigious cases
- Impairment reported for bad debts and doubtful debts
- Provisioning for guaranteed liabilities

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3. NOTES RELATED TO THE ITEMS OF THE FINANCIAL STATMENTS

(Unless otherwise indicated, data are specified in thousand HUF.)

3.1. The details of business combinations, in the first half of 2018, there were not any transactions related to the business combination, and in 2017, the below businesses were involved.

Name of company	Country	Scope of activity	Business share	
			2017	2016
KPRIA Hungary Kft.	Hungary	Engineering activities, technical counselling	40.00%	-
Takarékinfo Központi Adatfeldolgozó Zrt.	Hungary	Data processing web-hosting services	24.87%	-
STATUS Capital Kockázati Tőkaalap-kezelő Zrt.	Hungary	Other financial supplementary activities	24.67%	-
Csabatáj Zrt.	Hungary	Miscellaneous activities	74.18%	-
Unitreasury Kft.	Hungary	Miscellaneous activities	20.00%	-

Name of company	Business share	Evaluation	Corrected acquired share	NCI	Badwill
Csabatáj Zrt.	74.18%		1 451 800	680 757	- 465 583
KPRIA Hungary Kft.	40.00%		2 000	-	-
Takarékinfo Zrt.	24.87%		426 500	-	-
Unitreasury Kft.	20.00%		600	-	-
STATUS Capital Zrt.	24.67%		1 100 000	-	-
Total:		**-**	**2 980 900**	**680 757**	**- 465 583**

Total goodwill:	**-**
Total badwill:	**- 465 583**

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3.2. Property, plant and equipment

The below table presents the changes of the net value of tangible assets in the period between 31 December 2017 and 30 June 2018.

data in thousand HUF	Properties	Machines, equipment	Unfinished investments and advances	Total
Gross value				
31 December 2017	**8,919,834**	**17,523,294**	**374,073**	**26,817,201**
Changes of consolidation scope (increase)	-	-	-	-
Changes of consolidation scope (decrease)	-	-	-	-
Increase and reclassification	44,888	526,708	160,747	732,343
Decrease and reclassification	- 42,144	- 198,180	- 380,165	- 620,489
30 June 2018	**8,922,578**	**17,851,822**	**154,655**	**26,929,055**
Accrued depreciation				
31 December 2017	**2,388,461**	**12,656,642**	**-**	**15,045,103**
Changes of consolidation scope (increase)	-	-	-	-
Changes of consolidation scope (decrease)	-	-	-	-
Annual write-off	76,762	582,143	-	658,905
Decrease	- 35,471	- 169,977	-	- 205,448
30 June 2018	**2,429,751**	**13,068,808**	**-**	**15,498,560**
Net book value				
31 December 2017	**6,531,373**	**4,866,653**	**374,073**	**11,772,098**
30 June 2018	**6,492,827**	**4,783,015**	**154,655**	**11,430,495**

3.3. Intangible assets

The below table sums up the changes of the value of intangible assets in the period between 31 December 2017 and 30 June 2018.

data in thousand HUF	Research and development	Rights representing assets	Other	Total
Gross value				
31 December 2017	**938.849**	**9.359.269**	**-**	**10.298.118**
Changes of consolidation scope (increase)	-	-	-	-
Changes of consolidation scope (decrease)	-	-	-	-
Increase and reclassification	82.658	34.982	3.498	121.138
Decrease and reclassification	- 138.335	- 2.090	-	- 140.425
30 June 2018	**883.172**	**9.392.161**	**3.498**	**10.278.831**
Accrued depreciation				
31 December 2017	**636.120**	**3.817.029**	**-**	**4.453.149**
Changes of consolidation scope (increase)	-	-	-	-
Changes of consolidation scope (decrease)	-	-	-	-
Annual write-off	53.254	79.784	3.398	136.436
Decrease	- 110.324	4.225	-	- 106.099
30 June 2018	**579.050**	**3.901.038**	**3.398**	**4.483.486**
Net book value				
31 December 2017	**302.729**	**5.542.240**	**-**	**5.844.969**
30 June 2018	**304.122**	**5.491.123**	**100**	**5.795.345**

The Group's value of intangible assets in the end of the first half of 2018 was HUF 5,795,345 thousand. 21% of invested assets are intangible assets. A significant part of intangible assets is made up by the value of the brands owned by Mediaworks Hungary Zrt. The brands of Mediaworks include the publishing rights of 13 county, one local and two national daily papers.

3.4. Goodwill

The below table presents goodwill originated at the time of the acquisition subsequent to the reporting of impairment. We assigned goodwill to the units generating earnings, where it was brought about during the business combination.

data in thousand HUF	2018H1	2017H1
SZ és K 2005. Kft.	1,670	1,670
EURO GENERÁL Zrt.	1,086	1,086

Mediaworks Hungary Zrt.	123,634	123,634
Total	**126,390**	**126,390**

3.5. *Investment properties*

data in thousand HUF	2018H1	2017YE
Aba, suburbs 0442/30 hrsz. (OPUS GLOBAL Nyrt.)	372,700	372,700
Eger, Szövetkezet út 1. (SZ és K 2005. Kft.)	99,800	99,800
Tamási, Szabadság u. 94. (OPUS GLOBAL Nyrt.)	88,600	88,600
Budapest, Révay u. 10. (Révay 10 Kft.)	1,345,450	1,345,450
Gárdony, Határ u. hrsz.: 7830/29 (Kőrösi Ingatlan Kft.)	85,039	83,839
Békéscsaba, Berényi u. 103. (Csabatáj Zrt.)	121,000	121,000
Total	**2,112,589**	**2,111,389**

31 December 2017	**2.111.389**
Changes of consolidation scope (growth)	-
Revaluation	-
Recapitalisation	1.200
Discontinuation	-
30 June 2018	**2.112.589**

In the Group's consolidated financial statements, the balance sheet value of investment properties was HUF 2,112,589 thousand on 30 June 2018. At half-year, no independent external appraiser was applied, the above balance sheet value reflects the estimated real value of investment properties as at 31 December 2017 increased by the value recapitalised during the half year.

3.6. *Fixed financial assets, loans, business shares*

The value of the Group's other invested assets on 30 June 2018 and 31 December 2017:

data in thousand HUF	2018H1	2017YE
Loans	259,805	266,970
Business share	1,926,379	1,726,727
Invested financial assets	5,706,620	5,532,481
Total	**7,892,804**	**7,526,178**

Invested financial assets include amongst others the value of 100 bonds repurchased from OPUS PRESS Zrt.

Loans include the loan granted to MŰSOR-HANG Zrt., which was a prior subsidiary.

From 2012, the Company has had 4.63% business share in in N-Gene Inc. While keeping the business share, in 2015, we deemed the 100% impairment of N-Gene reasonable. And we did not consider the reversal of the valuation of the business share justified in 2018 either.

The Group's business shares as at 30 June 2018:

data in thousand HUF	2018H1
Újházi Tyúk Kft.	4,400
Magyar Tojás Kft.	11,000
Lapker Zrt.	36,338
Kiadó Vagyonkezelő Zrt.	82,660
Takarékinfo Zrt.	492,329
STATUS Capital Zrt.	1,100,000
4iG Nyrt.	199,653
Total	**1,926,380**

3.7. Inventories

The Group's balance of inventories as at 31 December 2017 and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Materials	1,461,308	1,344,692
Unfinished production and semi-manufactured goods	667,996	794,171
Finished goods	1,929,604	1,049,143
Goods	715,368	574,321
Total	**4,774,276**	**3,762,327**

Goods, inventories purchased for sale, unfinished production and semi-manufactured goods, unfinished production and finished goods. Book value does not exceed net realizable value.

3.8. Biological assets

data in thousand HUF	2018H1	2017YE
Pullet	37,995	47,779
Hen	105,726	202,661
Total	**143,721**	**250,440**

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3.9. Current year corporate tax

data in thousand HUF	Corporate tax assets		Corporate tax liabilities	
	2018H1	2017YE	2018H1	2017YE
Csabatáj Zrt.	4,907	-	-	-
DMH Hungary Kft.	-	1,407	4,220	-
Dunaújvárosi Szuperinfó Kft.	-	244	112	-
EURO GENERÁL Zrt.	-	364	16,901	-
Maraton Lapcsoport Kft.	2,771	95	-	-
MédiaLOG Zrt.	911	2,496	-	-
Mediaworks Hungary Zrt	-	-	40,657	79,121
"NÉPSZABADSÁG" Zrt.	3,941	-	-	19,287
OBRA Kft.	4	-	-	2
Opima Kft.	120	120	-	-
OPUS GLOBAL Nyrt.	-	-	2,754	44,021
OPUS PRESS Zrt.	-	-	21,110	4,859
PRINTIMUS Kft.	-	-	222	-
Révay 10 Kft.	1,177	1,207	-	-
SZ és K 2005 Kft.	27	27	-	-
Wamsler Bioenergy GmbH	-	-	-	-
Wamsler Haus- und Küchentechnik GmbH	-	8,983	-	-
Wamsler SE	-	-	-	-
Total:	**13,858**	**14,943**	**85,976**	**147,290**

data in thousand HUF	2018H1	2017YE
Current year tax assets	13,858	14,943
Current year tax liabilities	85,976	147,290
Total	**-72,118**	**-132,347**

3.10. Trade receivables

The Group's balance of trade receivables as at 31 December 2017, and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Trade receivables	5.815.253	9.190.134
Trade receivables from investment contracts	112.226	196.077
Impairment for doubtful debts	289.028	300.472
Total	**5.638.451**	**9.085.739**
Average term of trade receivables:	95	76

Trade receivables from investment contracts is determined in the construction segment based on the level of readiness.

Within trade receivables, receivables from associate companies are as follows:

data in thousand HUF	2018H1	2017YE
Konzum MPE	-	1,313,000
STATUS Capital Zrt.	703,050	692,735
Total	**703,050**	**2.005,735**

3.11. Other liabilities

The Group's balance of other receivables as at 31 December 2017 and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Advances paid to investment contractors	911,215	541,891
Advances paid for inventories	148,554	38,002
Advances paid for services	458,749	41,504
Deferred income and accrued expenses	374,688	386,024
Other costs paid in advance	-	-
Receivables from employees	20,996	8,733
Tax assets	308,986	606,047
Receivables from local governments	10,566	48,359
Aids	-	49,513
Loans	75,100	103,200
Trade overpayment	14,278	22,766
Receivables from deposits and caution money	160,029	176,187
Receivables from the sale of business share	-	-
Other liabilities	1,282,425	184,170
Total	**3,765,586**	**2,206,396**

Other costs paid in advance and deferred income typically include the items, which will be reported as costs only in the following period, when they actually arise.

3.12. Cash and cash equivalents

The Group's balance of cash and cash equivalents on 31 December 2017 and 30 June 2018 were as follows:

data in thousand HUF	2018H1	2017YE
Cash (HUF)	12.826	17.034
Cash (EUR)	227.857	1.743
Bank deposit (HUF)	7.943.153	4.546.631
Bank deposit (EUR)	322.901	572.035
Not untied cash	6	1.980
Total	**8.506.743**	**5.139.423**

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3.13. Subscribed capital

Subscribed capital per owner:

data in thousand HUF	30 June 2018 Number of shares	Nominal value	31 December 2017 Number of shares	Nominal value
	325,297,838	25	323,230,122	25
Balance of subscribed capital	**325,297,838**	**8,132,445,950**	**323,230,122**	**8,080,753,050**
Equity capital owned by the group	17,904,333	447,608,325	17,904,333	447,608,325
Shares outstanding	**307,393,505**	**7,684,837,625**	**305,325,789**	**7,633,144,725**

The Company has only common shares, the nominal value of which is HUF 25.

The owners of the common shares are entitled to dividend as well as voting rights – one per share – at the Company's general assembly.

3.14. Equity components

data in thousand HUF	2018H1	2017YE
Capital reserve	10,359,588	9,098,281
Revaluation reserve	69,912	21,884
Uncontrolled interest	932,534	999,984
Evaluation reserve	-	-
Capital reserve	**10,359,588**	**9,098,281**

Dividend
The Group did not pay any dividend either in year 2017, or in the first half of 2018.

On the balance sheet date, there was no dividend, which was decided, but not paid.

3.15. External owners' business share

data in thousand HUF	2018H1	2017YE
Csabatáj Zrt.	611,388	680,757
EURO GENERÁL Zrt.	271,541	269,403
KŐRÖSI INGATLAN Kft.	36,350	36,447
Dunaújvárosi Szuperinfó Kft.	2,971	2,553
"NÉPSZABADSÁG" Zrt.	7,730	7,646
OPIMA Kft.	147	221
Wamsler SE Háztartástechnikai Európai Rt,	1,816	2,227
Wamsler Bioenergy GmbH	35	25
Wamsler Haus- nd Küchentechnik GmbH	556	704
Total non-controlling business share	**932,534**	**999,984**

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of which accumulated overall other profit per external owner	34	17
Wamsler Haus- und Küchentechnik GmbH	34	17

3.16. Credits

The existing credits and loans broken down by financial institution are as follows:

2018H1

Financial institutions and other creditors	Collateral	Balance 30.06.2018	Currency	Balance (thousand HUF)	of which long term (thousand HUF)	of which short term (thousand HUF)
K&H Bank Zrt.	Real estates and movables	137,500*	HUF	137,500	130,000	7,500
MKB Bank Zrt.	Real estates and movables	6,453,500*	HUF	6,453,500	5,224,262	1,229,238
Raiffeisen Bank Zrt.	Real estates and movables	10,000,000	EUR	3,286,000	3,286,000	-
Other credits and loans	Real estates and movables	190,367*	HUF	190,367	153,570	36,797
Other credits and loans	Real estates and movables	3,973,396	EUR	1,706,135	569,382	1,136,753
		6,781,367*	HUF	6,781,367	5,507,832	1,273,535
Total		13,973,396	EUR	4,992,135	3,855,382	1,136,753
Balance 30.06.2018			HUF	**11,773,502**	**9,363,214**	**2,410,288**

2017YE

Financial institutions and other creditors	Collateral	Balance 31.12.2017	Currency	Balance (thousand HUF)	of which long term (thousand HUF)	of which short term (thousand HUF)
K&H Bank Zrt.	Real estates and movables	152,276*	HUF	152,276	130,000	22,276
MKB Bank Zrt.	Real estates and movables	7,068,119*	HUF	7,068,119	5,838,881	1,229,238
Raiffeisen Bank Zrt.	Real estates and movables	10,000,000	EUR	3,101,400	3,101,400	-
Other credits and loans	Real estates and movables	189,451*	HUF	189,451	152,000	37,451
Other credits and loans	Real estates and movables	3,973,396	EUR	1,232,309	548,490	683,819
		7,409,846*	HUF	7,409,846	6,120,881	1,288,965
Total		13,973,396	EUR	4,333,709	3,649,890	683,819
Balance 31.12.2017			HUF	**11,743,555**	**9,770,771**	**1,972,784**

*data in thousand HUF

The amount of the Group's credits was 11,773,502 thousand HUF on 30 June 2018. Credits make up 35% of the entire sum of liabilities.

Wamsler SE repaid its previously existing credit agreements amended by technical extensions by payment made on 5 July 2016, and entered into a new, long-term credit agreement with Raiffeisen Bank Zrt with more beneficial conditions, with which the future development of the

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subsidiary is granted. In the scope of the five-year maturity, Wamsler SE is entitled to draw down 12 million EUR, for which the bank provides a three-year tolerance period for repayment.

In 22 March 2017, Révay 10 Kft and FHB Bank entered into a credit agreement, which replaced the CIB credit agreement restructured in 2013. With the new financing structure, the debtor status of the parent company ceased, and Révay 10 Kft. became obliged to repay the credit.

Based on the credit agreement Mediaworks Hungary Zrt made with MKB Bank, the assets of Mediaworks Group are pledged to cover the credit.

Credit covenants:

There was no condemnation in the reporting period.

3.17. Debts from bonds issue

data in thousand HUF	2018H1	201YE
OPUS PRESS Zrt.	6,572,000	6,202,800
Total	**6,572,000**	**6,202,800**

OPUS PRESS Zrt. issued private bonds of a nominal value of EUR 20,000,000. The registry process was completed on 12 April 2016 and KELER Zrt originated the securities on 14.04.2016. The purpose of the bonds issue was the inclusion of capital in order to finance the acquisition of businesses. The scope, number and industrial segment of the target companies and the amount of assets that can be invested in one business as well as the investment conditions are continuously specified by the Issuer. The parent company shall provide guarantee for the issued bonds.

- Nominal value and currency of bond: 100 000,0000 EUR
- Number of bonds: 200
- Issue date (the value date of first issue): 14 April 2016
- Expiration date: 13 April 2019
- Duration of bond: 3 years (14 April 2016 – 13 April 2019)
- Exchange rate: 12-month EURIBOR + 2.5%
- Interest payment date(s): 13.04.2017; 13.04.2018; 13.04.2019
- Method of interest calculation: applicable 12-month EURIBOR+2.5%;

OPUS PRESS Zrt. repurchased 27 bonds by the end of 2016., and in October 2017, further 73 bonds were repurchased. With this, OPUS PRESS Zrt. owns half of the bonds issued by the same (100 bonds). Interest payment related to the bonds in year 2 was completed.

3.18. Other long term liabilities

Other long term liabilities of the Group between 31 December 2017 and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Csabatáj Zrt.	35,989	35,989

DMH Hungary Kft.	1,566	1,320
OPUS Global Nyrt.	7,172	-
Kőrösi Ingatlan Kft.	-	1,570
Total	**44,727**	**38,879**

3.19. Provisions for expected liabilities

The Group's provisions as at 31 December 2017 and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Other provisions	2,136,261	661,927
For legal disputes	17,824	1,745,819
For guaranteed liabilities	34,548	32,940
Total	**2,188,633**	**2,440,686**

data in thousand HUF	2018H1	2017YE
OPUS GLOBAL Nyrt,	5,738	5,738
Mediaworks Hungary Zrt,	1,779,549	1,783,949
MédiaLOG Zrt,	7,325	7,325
Wamsler GmbH	243,667	453,487
Wamsler Bioenergy GmbH	11,871	11,537
Wamsler SE	140,483	178,650
Total	**2,188,633**	**2,440,686**

The value of provisions was HUF 2,188,633 thousand, which shows a more than 10% decrease compared to the base value. 82% of provisions comes from the media segment, and 18% from the heavy industry.

Provisions for Mediaworks Hungary Zrt. partly came from the merger, and partly from the GVH procedure. Both Mediaworks Hungary Zrt. and Pannon Lapok Társasága Kft., merged on 31 October 2017 were both involved – at that time separately - and lodged appeals. In 2017, the Budapest Court of Justice obliged GVH to conduct a new procedure and reimbursed the amount of the previously paid penalty, however, this cannot be regarded as the final decision, or if it actually is the final decision, the received amount would be due to the previous owner. There were no changes in months 1-6 of 2018, as no decision was made in the matter by either the GVH or any other authority.

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Wamsler Haus und Küchentechnik GmbH specified the value of provisions as the percentage value of the revenues of the last two months of the year. Provisions were made with regard to heavy industry in order to comply with environmental liabilities, marketing of research and development as well as procedures related to accidents and labour matters.

In 2017, the parent company made provisions for Holiday Resort GmbHm, sold by the same in 2017, due to which the parent company, as seller was obliged to proceed. In the first half of 2018, no provisions were released, and no further provisions were made.

3.20. Deferred tax

The balance of deferred tax presented in the consolidated financial situation and reported in the earnings as at 31 December 2017 and 30 June 2018:

data in thousand HUF	Tax assets	Tax liabilities	Net
30 June 2018	182,680	389,890	-207,210
31 December 2017	230,700	378,472	-147,772

3.21. Trade liabilities

The below table presents the breakdown of consolidated trade liabilities by currency for 31 December 2017 and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Trade payables HUF	526,075	2,631,192
Trade payables EUR	573,885	690,211
Other trade payables	2,066	5,757
Total	**1,102,026**	**3,327,160**

	2018H1	2017YE
Trade payables HUF	48%	79%
Trade payables EUR	52%	21%
Other trade payables	0%	1%
Total (thousand HUF)	**1,102,026**	**3,327,160**

3.22. Other short term liabilities

The Group's other short term liabilities as at 31 December 2017 and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Advances from buyers	5,975,646	2,609,080
Payable taxes and customs (except capital gains tax expenses)	1,529,346	1,008,405
Liabilities to local governments	101,820	308
Liabilities to employees	144,028	121,241

Prepaid income	1,027,770	1,135,438
Accrued expenses	1,331,257	1,047,478
Deferred incomes	574,518	119,787
Credit balance buyers	10,888	27,149
Caution money	25,128	23,797
Leasing	32,174	32,036
Other short term liabilities	1,015,565	345
Liabilities to founders related to capital increase by share premium	-	1,313,000
Loan liabilities to Konzum PE	-	1,314,037
Total	**11,768,140**	**8,752,101**

Liabilities to employees include the salaries account as well as unused remuneration.

3.23. Net proceeds from sales

data in thousand HUF	2018H1	2017H1
Revenues from the sale of stoves, boilers, furnaces, fireplaces	2,223,194	2,551,519
Revenues from agricultural activities	174,146	593,911
Revenues from hotel services	-	150,227
Revenues from lease of property	68,561	54,416
Revenues from constructions	2,801,276	378,657
Revenues from publication of newspapers, printing activities	11,788,541	12,689,622
Advertising activities	2,714,339	977,949
Other	1,111,460	7,757
Total	**20,881,517**	**17,404,058**

3.24. Revenues per geographical regions

The main geographical segments of the Group’s activity:

data in thousand HUF	2018H1	2017H1
Hungary (domestic)	17,572,833	15,103,776
Germany	1,901,417	1,185,498
Austria	115,291	119,466
Other	1,291,976	995,318
Total	**20,881,517**	**17,404,058**

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Countries falling in the other category are: the Netherlands, Poland, Czech Republic, Slovenia, Ireland, British Virgin Islands, Panama, Singapore.

3.25. Value of capitalised own performance

data in thousand HUF	2018H1	2017H1
EURO GENERÁL Zrt.	-17,807	-18,583
KÖRÖSI Ingatlan Kft.	1,200	0
Mediaworks Hungary Zrt.	22,506	5,721
Wamsler SE	872,841	1,185,872
Csabatáj Zrt.	84,716	81,396
Total	**963,456**	**1,254,406**

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3.26. Other operating income

data in thousand HUF	2018H1	2017H1
Earnings from the sale of real estate, machines and equipment, intangible assets	10,398	7,760
Received aids	28,372	85,825
Indemnification	5,138	3,643
Retrospectively received discount	17,652	18,906
Write-off of impairment, write-off of depreciation over planned amount	217	55,671
Use of provisions	42,567	381,785
Revaluation of investment properties	-	-
Earnings from assets for sale	-	-
Received fine, penalty, housage, interest on arrears	7,080	118,984
Badwill	-	-
Repaid tax	249	11,682
Book value of transferred receivables	13,227	-
Other	27,584	24,845
Total	**152,484**	**709,101**

3.27. Material type expenses

data in thousand HUF	2018H1	2017H1
Material costs	4,735,639	5,283,962
Value of used services	4,495,236	3,109,472
Value of other services	195,943	129,849
Purchase price of sold goods	311,277	-
Value of sold (mediated) services	2,992,107	1,088,312
Total	**12,730,202**	**9,611,595**

3.28. Personnel expenses

data in thousand HUF	2018H1	2017H1
Payroll expenses	4,451,669	4,513,159
Other personnel expenses	809,662	479,469
Payroll contributions	1,013,861	1,055,840
Total	**6,275,192**	**6,048,468**
Total statistical number	**2,016**	**2,045**

32% of personnel expenses are made up of industrial manufacturing and 63% of the media segment, which is not surprising considering the number of staff. 4% comes from the agricultural portfolio and only 1% from asset management.

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3.29. Impairment

data in thousand HUF	2018H1	2017H1
Reversed impairment	81	-
Assessed impairment	5,809	90,476
Total	**5,728**	**90,476**

3.30. Other operating costs and expenses

data in thousand HUF	2018H1	2017H1
Loss from the sale of real estate, machines and equipment, intangible assets	5	1,492
Taxes and contributions	973,221	638,368
Payable interest on arrears	2,451	625
Bad debt allowance	520	72,490
Forfeit, fine, penalty, indemnity paid	19,543	126,890
Surcharge on arrears	-	-
Write-off, write-down	9,705	1,803
Waste products	876	427
Discounts given	-	25
Provisions	-	6,200
Depreciation over planned amount	11,303	-
Revaluation of investment properties	-	-
Impairment of inventories	-	14,036
Aid	1,203	2,243
Missing, destroyed, discontinued intangible assets, tangible assets	4,720	6,866
Book value of sold tangible assets	27,001	9,993
Transferred receivables	-	-
Other	254,272	657,365
Total	**1,304,820**	**1,538,823**

3.31. Earnings from financial transactions

data in thousand HUF	2018H1	2017H1
Received dividend, shares	100,624	583,446
Earnings from interest	11,019	43,405
Earnings from sale of business shares	-	32,250
Other financial revenues	209,155	552,459
Total earnings from financial transactions	**320,798**	**1,211,560**
Interest expenses	298,544	368,857
Depreciation of shares and securities	-	847
Exchange rate loss of fixed financial assets	-	100

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Other financial expenses	607,586	32,041
Total expenses of financial transactions	**906,130**	**401,845**
Net earnings from financial transactions	**-585,332**	**809,715**

3.32. Taxes on earnings

Corporate tax is managed as capital gains tax expense by the Group.

The Group's capital gains tax expense rates in certain years were as follows:

	2018	2017
Corporate tax Hungary	9%	9%
Corporate tax Germany	15%	15%
Corporate tax Austria	25%	25%

The application of progressive taxing was terminated in the structure of corporate tax, and a general rate of 9% has been applied from 2017. The tax authority may examine the books at any time within the deadline specified in the laws and regulations, and may impose additional taxes with penalty as well as interest on arrears. The Management is not aware of any circumstance, from which the Group would have such significant obligation.

Numbers based on the accounting profit and the annual capital gains tax expense, the applicable tax rate and the generally applicable tax rate:

2018H1	Hungary	Germany	Total
Profit or loss before tax	531,280	-230,438	300,842
Expected capital gains tax calculated with the capital gains tax rate of the Company	82,381	-34,566	47,816
Tax base correction	-110,373	36,253	-74,120
Corrected profit or loss before tax	8,261	1,688	9,948
Corporate tax	**110,543**	**11,250**	**121,793**

Calculation of deferred tax:

2018H1	Receivables	Liabilities
Opening deferred tax	230,700	378,472
Deferred tax assets changes	-48,020	-
Deferred tax liability changes	-	11,418
Deferred tax of sold or acquired businesses	-	-
OCI	-	-
Total changes	-48,020	11,418
Closing deferred tax (data in thousand HUF)	**182,680**	**389,890**

2017YE	Receivables	Liabilities

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Opening deferred tax	238,113	299,570
Deferred tax assets changes	-7,413	-
Deferred tax liability changes	-	-92,380
Media works Hungary Zrt. purchase	-	178,596
OCI	-	-7,314
Total change	-7,413	78,902
Closing deferred tax (data in thousand HUF)	**230,700**	**378,472**

data in thousand HUF	2018H1	2017H1
Current year capital gains tax expense	121,793	152,627
Deferred tax expense	59,438	-148,365
Capital gains tax expense	**181,231**	**4,262**

3.33. Earnings per share (EPS)

	2018H1	2017H1
Earnings per parent company shareholders	119.611	2.093.736
Number of shares*	307.393.505	298.006.028
Earnings per share (HUF)	0,4	7,0
Diluted earnings per share (HUF)	0,4	7,0
Earnings per share from continuous activities (HUF)	0,4	7,0
Diluted earnings per share from continuous activities (HUF)	0,4	7,0
Earnings per share from discontinued activities	0,0	0,0
Diluted earnings per share from discontinued activities	0,0	0,0

*On 30.06.2018, the number of shares was 325 297 838 decreased by 17 904 333 OPUS shares owned by Wamsler SE and Csabatáj Zrt, and their weighed average.

The determination of the average number of common shares was performed by the calculation of weighed arithmetic average.

Diluted earnings per share is the same as undiluted earnings per share.

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4. SEGMENT INFORMATION

Business earnings mean the earnings arising from the sale to third persons, or other segments. Internal transfer prices are based on current market prices. Segment earnings also include the earnings of fully consolidated subsidiaries in the given division.

From a business aspect, the Group can be broken down into the following segments in 2018: industrial manufacturing, agriculture, media segment, asset management segment. The Group presents the segment information to the Management based on the breakdown of these business segments.

The values of reports based on segments include the items, which can directly be assigned to the given segment.

first half of 2018:

Name	Industrial manufacturing	Agriculture	Media activities	Asset management	Consolidated
Net Revenues	5,263,977	530,393	15,023,645	63,502	20,881,517
Value of capitalised own performance	856,234	84,716	22,506	-	963,456
Other operating income	80,363	33,122	38,966	33	152,484
Coverage 1	**6,200,574**	**648,231**	**15,085,117**	**63,535**	**21,997,457**
Material expenses	5,067,229	477,191	7,110,060	75,722	12,730,202
Personnel expenses	1,417,937	175,078	4,642,588	39,589	6,275,192
Depreciation	190,631	58,617	532,615	13,478	795,341
Impairment	0	0	5,728	-	5,728
Other operating costs and expenses	92,120	222,511	945765	44424	1,304,820
Coverage 2	**-567,343**	**-285,166**	**1,848,361**	**-109,678**	**886,174**
Costs and expenses not directly allocated to any segment					-
Operating profit/loss (EBIT)					**886,174**
Financial profit/loss					-585,332
Profit or loss before tax					**300,842**
Fixed assets	2,840,231	2,238,663	18,366,145	4,095,264	27,540,303
Current assets	7,986,680	863,782	13,900,592	91,581	22,842,635
Segment assets	**10,826,911**	**3,102,445**	**32,266,737**	**4,186,845**	**50,382,938**
Assets not allocated to segments					-
Total assets					**50,382,938**

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first half of 2017:

Name	Industrial manufacturing	Agriculture	Media activities	Asset management	Consolidated
Net Revenues	2,930,176	593,911	13,667,571	212,400	17,404,058
Value of capitalised own performance	1,167,289	81,396	5,721	-	1,254,406
Other operating income	73,521	44,366	500,175	91,039	709,101
Coverage 1	**4,170,986**	**719,673**	**14,173,467**	**303,439**	**19,367,565**
Material expenses	2,690,754	506,542	6,326,610	87,689	9,611,595
Personnel expenses	1,414,945	156,171	4,426,310	51,042	6,048,468
Depreciation	185,800	64,293	527,577	12,250	789,920
Impairment	14,037	75,972	467	-	90,476
Other operating costs and expenses	690,021	19,088	800569	29145	1,538,823
Coverage 2	**-824,571**	**-102,393**	**2,091,934**	**123,313**	**1,288,283**
Costs and expenses not directly allocated to any segment					-
Operating profit/loss (EBIT)					**1,288,283**
Financial profit/loss					809,715
Profit or loss before tax					**2,097,998**
Fixed assets	2,624,686	2,534,057	14,145,873	6,327,349	25,631,965
Current assets	5,372,525	814,061	6,096,249	298,158	12,580,993
Segment assets	**7,997,211**	**3,348,118**	**20,242,122**	**6,625,507**	**38,212,958**
Assets not allocated to segments					-
Total assets					**38,212,958**

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5. RISK MANAGEMENT

The Group's assets include cash, securities, trade and other receivables, as well as other assets – except for taxes. The Group's liabilities include credits and loans, accounts payable and other liabilities, except for the profit or loss arising from the revaluation of taxes and financial liabilities.

The Group is exposed to the below financial risks:

- credit risk
- liquidity risk
- market risk

This chapter presents the Group's above risks, the Group's targets, policies, measurements of processes and risk management, as well as the Group's management capital. The Management shall have general responsibility for the establishment, supervision and risk management of the Group.

The purpose of the Group's risk management policy is to find and examine the risks the Group is exposed to, set the appropriate controls and supervise the risks. The risk management policy and system is revised in order to ensure that it reflects the changed market conditions and the Group's activities.

a) Credit risk

Credit risks means the risk that the debtor or the partner does not fulfil its contractual obligations, which causes financial losses to the Group. The financial assets, which are exposed to credit risks may be short or long term placements, accounts payable and other liabilities.

The below table presents the Group's exposure to credit risk as at 31 December 2017 and 30 June 2018:

data in thousand HUF	2018H1	2017YE
Buyers	5,526,225	8,889,662
Investment agreements	112,226	196,077
Other liabilities	3,765,586	2,206,396
Securities	5,706,620	5,532,481
Other long-term loans	259,805	266,970
Total	**15,370,462**	**17,091,586**

		2018H1	2017YE
Debt rate	$= \frac{\text{Long-term liabilities} \times 100}{\text{Long-term liabilities} + \text{Equity capital}}$	53%	56%
Equity ratio	$= \frac{\text{Equity capital} \times 100}{\text{Long-term liabilities} + \text{Equity capital}}$	47%	44%
Loan to value ratio	$= \frac{\text{Receivables}}{\text{Short-term liabilities}}$	61%	80%

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Indebtedness rate	$= \frac{\text{Liabilities}}{\text{Total assets}} \times 100$	67%	69%
Buyer turnover rate	$= \frac{\text{Buyers} \times 365}{\text{Net revenues}}$	97	76

b) Capital management

The Group's policy is to maintain the equity, which is enough for the investor's and creditor's trust to keep up the future development of the Group. Management tries to maintain the policy, according to which higher exposure arising from loans is only assumed with higher yield based on the benefits and security given by the strong capital position.

The Group's capital structure is made up of net external capital and the Group's equity capital (the latter includes subscribed capital, reserves and the shares of non-controlling owners).

In the scope of capital management, the Group tries to ensure that the members of the Group can continue their activities while maximizing the yield for the owners by the optimal balancing of the loan capital and the equity. The Group also watches whether the capital structures of its members comply with the local laws and regulations.

External capital at the end of the reporting period:

data in thousand HUF	2018H1	2017YE
Credits, loans	11,773,502	11,743,555
Cash	8,506,743	5,139,423
Net debt	**3,266,759**	**6,604,132**
Equity	**16,409,464**	**14,980,515**
Net Equity	**13,142,705**	**8,376,383**

c) Liquidity risk

Liquidity risk is the risk that the Group cannot pay its financial liabilities upon their due date. The purpose of liquidity management is to ensure that there are suitable resources for the payment of liabilities when they become payable.

Liquidity risk management

The Group's liquidity management approach is to ensure as much as possible appropriate liquidity in order to be able to satisfy its liabilities upon their due date both under usual and unusual circumstances without realizing unacceptable losses, or risking the Group's reputation.

The Group expects its business units to maintain strong liquidity positions and keep the liquidity profile of their assets, liabilities and contingent liabilities in order for them to ensure the balanced flow of funds and the performance of payment obligations upon their due date.

		2018H1	2017YE
Liquidity index =	Current assets	149%	144%

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	Short term liabilities		
Liquidity quick index =	Current assets - inventory / Short term liabilities	117%	116%

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d) Capital risk management

The Group's equity capital is made up of subscribed capital and retained earnings. The Group's capital (subscribed capital) is made up of common shares ensuring the same membership rights. Retained earnings are made up of the sum of the Group's reserves and periodical profits.

The Group's capital structure (rate of equity capital and external capital) is presented in the below table:

data in thousand HUF	2018H1	2017YE
Share of external owners	932,534	999,984
Long term liabilities	18,591,916	18,865,060
Short term liabilities	15,381,558	14,225,417
Liabilities	33,973,474	33,090,477
Equity per share of the parent company	**15,476,930**	**13,980,531**

e) Market risk

The Group, arising from its activities, is primarily exposed to financial risks arising from foreign exchange and interest rate changes. There was no change with regard to the Company's market risk exposure and the way the Group manages and assesses the risks.

Exchange rate risk

Exchange rate risk arises partly from the Group's foreign exchange positions, and the foreign exchange transactions used for the hedging of the same, and on the other hand, other foreign exchange transactions, made by the financial division.

The Group applies the below exchange rates expressed in HUF:

	Average rate		Instant rate at record date	
Currency	2018H1	2017YE	2018H1	2017YE
1 EUR	314,08	309,21	328,60	310,14
1 USD	259,68	274,27	282,06	258,82

The Group makes certain transactions in foreign exchange. Thus it is exposed to currency exchange risk.

Sensitivity analysis

The Group established that its profit/loss is fundamentally dependent on two key financial variables: interest risk and currency exchange risk. For these key variables, the Company conducted sensitivity analyses. The Group tries to ensure the decrease of interest risk primarily with the commitment of cash. The Group does not engage in exchange hedge transactions.

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The result of the interest sensitivity analysis (percentage of interest change) For the activity to be performed:

data in thousand HUF	2018H1	2017YE
Loan provided	259,805	266 970
Long term loans	9,363,214	9 770 771
Short term loans	2,410,288	1 972 784
Interest received	11,019	64 974
Interest paid	298,544	478 716
Net interest	-287,525	-413 742
0.5%		
Change of interest received	1,299	1 335
Change of interest paid	58,868	58 718
Change of net interest	-57,568	-57 383
Change of net interest (%)	20%	14%
1%		
Change of interest received	2,598	2 670
Change of interest paid	117,735	117 436
Change of net interest	-115,137	-114 766
Change of net interest (%)	40%	28%
2%		
Change of interest received	5,196	5 339
Change of interest paid	235,470	234 871
Change of net interest	-230,274	-229 532
Change of net interest (%)	80%	55%
-0.5%		
Change of interest received	-1,299	-1 335
Change of interest paid	-58,868	-58 718
Change of net interest	57,568	57 383
Change of net interest (%)	-20%	-14%
-1%		
Change of interest received	-2,598	-2 670
Change of interest paid	-117,735	-117 436
Change of net interest	115,137	114 766
Change of net interest (%)	-40%	-28%
-2%		
Change of interest received	-5,196	-5 339
Change of interest paid	-235,470	-234 871

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Change of net interest	230,274	229 532
Change of net interest (%)	-80%	-55%

With actual interests data in thousand HUF	**2018H1**	**2017YE**
Profit or loss before tax - without interest payment	13,317	6 179 671
Net interest payment	-287,525	-413 742
Profit or loss before tax	**300,842**	**6 593 413**
1%		
Profit or loss before tax - without interest payment	13,317	6 179 671
Net interest payment	-287,525	-413 742
Profit or loss before tax	**300,842**	**6 593 413**
Change of profit or loss before tax	**-2,875**	**-4 137**
Change of profit or loss before tax (%)	**-0.956%**	**-0.063%**
5%		
Profit or loss before tax - without interest payment	13317	6 179 671
Net interest payment	-287525	-413742
Profit or loss before tax	**286,466**	**-1 181 026**
Change of profit or loss before tax	**-14,376**	**-20 687**
Change of profit or loss before tax (%)	**-0.218%**	**-0.314%**
10%		
Profit or loss before tax - without interest payment	13,317	6 179 671
Net interest payment	-287,525	-413 742
Profit or loss before tax	**272,090**	**6 552 039**
Change of profit or loss before tax	**-28,753**	**-41 374**
Change of profit or loss before tax (%)	**-0.436%**	**-0.628%**
-1%		
Profit or loss before tax - without interest payment	13,317	6 179 671
Net interest payment	-287,525	-413 742
Profit or loss before tax	**303,717**	**6 597 550**
Change of profit or loss before tax	**2,875**	**4 137**
Change of profit or loss before tax (%)	**0.044%**	**0.063%**
-5%		
Profit or loss before tax - without interest payment	13,317	6 179 671
Net interest payment	-287,525	-413 742
Profit or loss before tax	**315,218**	**6 614 100**
Change of profit or loss before tax	**14,376**	**20 687**
Change of profit or loss before tax (%)	**0.218%**	**0.314%**
-10%		

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Profit or loss before tax - without interest payment	13,317	6 179 671
Net interest payment	-287,525	-413 742
Profit or loss before tax	**329,595**	**6 634 787**
Change of profit or loss before tax	**28,753**	**41 374**
Change of profit or loss before tax (%)	**0.44%**	**0.63%**

6. FINANCIAL INSTRUMENTS

The financial instruments included in the balance sheet are made up of other fixed assets, trade receivables, other current assets, cash, long and short term loans, other long term liabilities, accounts payable and other liabilities.

data in thousand HUF	2018H1	2017YE
Cash and cash equivalents	**8,506,743**	**5,139,423**
Loans	259,805	266,970
Buyers and trade receivables from investments	5,638,451	9,085,739
Other financial assets	3,779,444	2,221,339
Total loans and receivables	**9,677,700**	**11,574,048**
Credits	11,773,502	11,743,555
Debts from bonds issue	6,572,000	6,202,800
Other long term financial liabilities	2,266,812	2,513,017
Trade payables	4,312,921	3,327,160
Other financial liabilities and derivatives	8,658,349	8,925,473
Other financial liabilities in total	**33,583,584**	**32,712,005**

7. REMUNERATION OF THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD AND THE AUDIT BOARD

Transactions related to the Board of Directors

The members of the Board of Directors received the following benefits:

data in thousand HUF	2018H1	2017YE
Short term remuneration (**honorarium,** premium)	5 686	11 800
Total	**5 686**	**11 800**

The members of the Supervisory Board received the following benefits:

data in thousand HUF	2018H1	2017YE
Short term remuneration (**honorarium,** premium)	1 800	2 400
Total	**1 800**	**2 400**

The members of the Audit Committee received the following benefits:

data in thousand HUF	2018H1	2017YE

Short term remuneration (**honorarium,** premium)	1 800	3 500
Total	**1 800**	**3 500**

The Group does not provide any loans to the members of the management.

Loan balance of the members of Board of Directors:

data in thousand HUF	2018H1	2017YE
Loan provided for the members of the Board of Directors	-	-
Interest related to the loan provided for the members of the Board of Directors	-	-
Total	**-**	**-**

8. EVENTS AFTER THE BALANCE SHEET DATE

At the meeting held on 14 February 2018, the Management of the Company made a decision on the increase of the equity by way of closed capital increase, primarily as making available the business shares for the Company as contribution in kind.

The Company took the following measures in order to perform the capital increase:

- 100% of the business shares of KALL Ingredients Kereskedelmi Kft. was transferred to the Company as contribution in kind. The new subsidiary has great potential, and is considered as one of the greatest isosugar factories in Central-Eastern Europe.
- 51% of VIRESOL Kft. was transferred to the Company as contribution in kind. The new subsidiary is one of the greatest modern starch manufacturing plants in the region.
- 51% of Mészáros Építőipari Holding Zrt. was transferred to the Company as contribution in kind. Mészáros Építőipari Holding Zrt. has two 100% subsidiaries: Mészáros és Mészáros Ipari, Kereskedelmi és Szolgáltató Kft. and R-KORD Építőipari Kft

The Company took the following measures in order to transform its portfolio:

- The Company purchased 55.05% of the business shares of Power Invest Kft. The Company acquired 55.05% of the business shares of Power Invest Kft not by way of financial contribution, but by way of sale and purchase for a purchase price of HUF 9,890,000,000. Consequently, the Company acquired 34% indirect share in Mátrai Erőmű Zrt.
- The Issuer as well as REPRO I private equity fund (registry number: 6122-57) and KONZUM PE private equity fund (registry number: 6122-44) managed by Konzum Befektetési Alapkezelő Zrt as well as Konzum Befektetési Alapkezelő Zártkörűen Működő Részvénytársaság managing these private equity funds acting in concert (hereinafter referred to as “Investors in Concert”) entered into an agreement with certain shareholders of 4iG Nyrt related to controlling interest in 4iG Nyrt of 50.28% of the common equity issued by 4iG Nyrt. The Investors in Concert became the shareholders of 4iG Nyrt on 06.06.2018. Subsequent to the completion of the above transactions, the shares and controlling interest of Mészáros Group related to 4iG Nyrt were as follows:
  - OPUS GLOBAL Nyrt: 259,416 shares, ownership share: 13.79%, controlling interest: 14.16%.
  - KONZUM PE Private equity fund: 237,145 shares, ownership share: 12.61%, controlling interest: 12.94%.

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- REPRO I. Private equity fund: 424,260 shares, ownership share: 22.56%, controlling interest: 23.16%.

The purchase offer was approved by the Supervisory Authority on 16 July 2018 in Decision No. H-KE-III-338/2018.

- The Company sold 100% of OPUS PRESS Zrt. in November 2018 as well as the financial claims of OPUS PRESS Zrt. The total amount of transactions was HUF 9,890,000,000.

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OPUS GLOBAL NYRT.

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
30 JUNE 2018

Table of content

Consolidated Statement of Financial Position

data in HUF thousand unless stated otherwise

	Consolidated audited historical balance sheet at 30 June 2018 ACTUAL	Combined PRO FORMA adjustments (see section 4 for details)	Consolidated pro forma balance sheet at 30 June 2018 PRO FORMA
ASSETS			
Non-current assets			
Property, plant and equipment	11.430.495	188.073.897	199.504.392
Intangible assets	5.795.345	(5.232.320)	563.025
Goodwill	126.390	67.205.655	67.332.045
Investment property	2.112.589	0	2.112.589
Financial investments	5.706.620	(4.751.241)	955.379
Loans given	259.805	7.100.456	7.360.261
Deferred tax assets	182.680	265.447	448.127
Investments in entities	1.926.379	627.543	2.553.922
Open contract volumes	0	101.299.000	101.299.000
Total non-current assets	**27.540.303**	**354.588.437**	**382.128.740**
Current assets			
Inventories	4.774.276	14.978.967	19.753.243
Biological assets	143.721	0	143.721
Current income taxes recoverable	13.858	(7.605)	6.253
Trade accounts receivable	5.526.225	12.779.578	18.305.803
Receivables from construction contracts	112.226	10.674.494	10.786.720
Other receivables	3.765.586	24.523.482	28.289.068
Cash and cash equivalents	8.506.743	85.558.735	94.065.478
Total current assets	**22.842.635**	**148.507.651**	**171.350.286**
Total assets	**50.382.938**	**503.096.088**	**553.479.026**

data in HUF thousand unless stated otherwise

Consolidated Statement of Financial Position

	Consolidated audited historical balance sheet at 30 June 2018 ACTUAL	Combined PRO FORMA adjustments (see section 4 for details)	Consolidated pro forma balance sheet at 30 June 2018 PRO FORMA
EQUITY AND LIABILITIES			
Equity			
Share capital	8.132.446	5.277.166	13.409.612
Treasury shares	(405.879)	0	(405.879)
Capital reserves	10.359.588	122.374.066	132.733.654
Retained earnings	(2.814.508)	0	(2.814.508)
Profit for the year	135.371	29.722.260	29.857.631
Revaluation reserve	69.912	0	69.912
Equity attributable to parent	**15.476.930**	**157.373.492**	**172.850.422**
Non-controlling interest	932.534	111.056.022	111.988.556
Total equity	**16.409.464**	**268.429.514**	**284.838.978**
Non-current liabilities			
Long term borrowings	9.363.214	47.133.220	56.496.434
Liabilities from bonds	6.572.000	(6.572.000)	0
Other long term liabilities	44.727	8.952.442	8.997.169
Provision	2.188.633	15.896.592	18.085.225
Long term lease liabilities	33.452	(33.452)	0
Deferred tax liabilities	389.890	6.418.430	6.808.320
Total non-current liabilities	**18.591.916**	**71.795.232**	**90.387.148**
Current liabilities			
Short term borrowings	2.410.288	10.481.579	12.891.867
Trade and other accounts payable	12.870.166	152.452.021	165.322.187
Short term lease liabilities	15.128	(13.848)	1.280
Current income tax liabilities	85.976	(48.410)	37.566
Total current liabilities	**15.381.558**	**162.871.342**	**178.252.900**
Total equity and liabilities	**50.382.938**	**503.096.088**	**553.479.026**

data in HUF thousand unless stated otherwise

Statement of Comprehensive Income	Consolidated audited historical statement of comprehensive income at 30 June 2018 ACTUAL	Combined PRO FORMA adjustments (see section 4 for details)	Consolidated pro forma statement of comprehensive income at 30 June 2018 PRO FORMA
Revenues	20.881.517	53.961.665	74.843.182
Own work capitalised	963.456	2.797.212	3.760.668
Other income	152.484	6.463.094	6.615.578
Total operating income	**21.997.457**	**63.221.971**	**85.219.428**
Material type expenses	12.730.202	45.843.351	58.573.553
Personnel expenses	6.275.192	9.505.391	15.780.583
Depreciation and amortisation	795.341	4.172.930	4.968.271
Impairment	5.728	(5.728)	0
Other operating expenses	1.304.820	10.993.641	12.298.461
Total operating expenses	**21.111.283**	**70.509.585**	**91.620.868**
Operating profit	**886.174**	**(7.287.614)**	**(6.401.440)**
Negative goodwill	0	27.474.648	27.474.648
Financial income	320.798	7.705.118	8.025.916
Financial expense	906.130	235.485	1.141.615
Share of profits in entities valued at equity method	0	0	0
Profit before income tax	**300.842**	**27.656.667**	**27.957.509**
Deferred income tax	59.438	1.618.706	1.678.144
Current income tax	121.793	(83.771)	38.022
Profit after income tax	**119.611**	**26.121.732**	**26.241.343**

data in HUF thousand unless stated otherwise

	Consolidated audited historical statement of comprehensive income at 30 June 2018 ACTUAL	Combined PRO FORMA adjustments (see section 4 for details)	Consolidated pro forma statement of comprehensive income at 30 June 2018 PRO FORMA
Profit after income tax	**119.611**	**26.121.732**	**26.241.343**
		0	
Effects of foreign exchange differences	48.062	0	48.062
Other comprehensive income	**48.062**	**0**	**48.062**
Total comprehensive income	**167.673**	**26.121.732**	**26.289.405**
Profit after income tax attributable to:			
Parent	135.371	29.722.260	29.857.631
Non-controlling interest	(15.759)	(3.600.529)	(3.616.288)
Other comprehensive income attributable to:			
Parent	48.028	0	48.028
Non-controlling interest	34	0	34
Total comprehensive income attributable to:			
Parent	183.399	29.722.260	29.905.659
Non-controlling interest	(15.725)	(3.600.529)	(3.616.254)

Notes to the pro forma consolidated financial statements of OPUS GLOBAL Nyrt. and its consolidated subsidiaries

1. Objective of the pro forma consolidated financial statements

The objective of compiling the pro forma consolidated financial statements of OPUS GLOBAL Nyrt. and its consolidated subsidiaries („the Group”) is to present the Group's comprehensive income for the period ended 30 June 2018, according to International Financial Reporting Standards (IFRS), as if the transactions described in Section 4 had taken place on 1 January 2018.

The pro forma financial statements were prepared for illustrative purposes and do not represent the Group's actual performance and financial position because the pro forma financial statements present financial performance based on deemed scenario.

For adequate interpretation, the pro forma financial statements shall be viewed exclusively in conjunction with the IFRS financial statements of OPUS GLOBAL Nyrt. for the period ended 30 June 2018.

2. Basis for preparation of pro forma financial statements

The pro forma financial statements set forth were prepared in compliance with the Directives of the European Parliament and Commission as outlined in 2003/71/EK and in line with prospectus preparation regulation 809/2004 published after consultation with the Committee of European Securities Regulators. These regulations determine the way and form of information to be disclosed by issuers in their prospectus.

The above regulations together with the relevant local rules require the reporting of pro forma financial information by the Group, that is, to present the comprehensive income and financial position as if major transactions had taken place in the beginning of the year, for comparability. Therefore, the Group compiled the pro forma consolidated financial statements in a way as if the transactions had taken place on 1 January 2018, being the pro forma financial statements. The pro forma consolidated financial statements include the consolidated statement of comprehensive income and the consolidated statement of financial position. In performing the compilation under the assumption that the transactions took place on 1 January 2018, the Group applied recognition and measurement policies consistently with the Group's accounting policy in the consolidated financial statements as at 30 June 2018. The

Group's summary of accounting policy, describing recognition criteria and measurement principles, is included in Section 2 of the most recently published consolidated financial statements.
The pro forma consolidated financial statements of OPUS GLOBAL consist of the following elements:

- Pro forma consolidated statement of financial position as at 30 June 2018.
- Pro forma consolidated statement of comprehensive income for the period ended 30 June 2018
- Notes to the pro forma consolidated financial statements of OPUS GLOBAL Nyrt. and its consolidated subsidiaries.

3. Overview of significant transactions

The pro forma consolidated financial statements were based on actual actual data for the period ended 30 June 2018, adjusted by the impact of distinct transactions („Transactions") as if the Transactions had taken place on 1 January 2018.

The following assumptions and the following Transactions were considered during the preparation of the pro forma consolidated financial statements:

1. **Capital contribution in kind – Mészáros Építőipari Holding Zrt.**
   51% of the shares in Mészáros Építőipari Holding Zrt. were acquired through capital contribution in an amount of HUF 59.759.357 thousand. The capital contribution represents HUF 2.445.146 thousand of share capital increase by 97.805.822 number of shares at HUF 25 par and share premium of HUF 57.314.211 thousand. With the capital contribution OPUS GLOBAL Nyrt. indirectly received 51% holding and voting interest in the 100% owned subsidiaries of Mészáros Építőipari Holding Zrt.

2. **Acquisition of holding interest in Status Power Invest Kft.**
   The acquisition of 55.05% interest in Status Power Invest Kft. for HUF 9.890.000 thousand. With the acquisition, OPUS GLOBAL Nyrt. received interest in the majority owned subsidiaries of Status Power Invest Kft.

3. **Capital contribution in kind – KALL Ingredients Kft. and receivables**
   100% in KALL Ingredients Kft. was acquired through capital contribution in an amount of HUF 36.839.150 thousand. The capital contribution represents HUF 1.507.330 thousand of share capital increase by 60.293.208 number of shares at HUF 25 par and share premium of HUF 35.331.820 thousand. With the capital contribution OPUS GLOBAL Nyrt. received 100% holding and voting interest in the 100% owned subsidiaries of KALL Ingredients Kft.
   Receivables, against KALL Ingredients Kft. were acquired through capital contribution in OPUS GLOBAL Nyrt. for HUF 4.368.651 thousand. The capital contribution represents HUF 232.871 thousand of share capital increase by 9.314.820 number of shares at HUF 25 par and share premium of HUF 4.135.780 thousand.

4. **Capital contribution in kind – VIRESOL Kft.**
   51% of the shares in VIRESOL Kft. were acquired through capital contribution in an amount of HUF 26.684.074 thousand. The capital contribution represents HUF 1.091.820 thousand of share capital increase by 43.672.788 number of shares at HUF 25 par and share premium of HUF 25.592.254 thousand.

5. **Sale of OPUS PRESS Zrt. and its subsidiaries**
   OPUS GLOBAL Nyrt. sold 100% of the shares in its subsidiary, OPUS Press Zrt. for HUF 7.357.103 thousand on 15 November 2018. In addition to the transfer of shares, OPUS GLOBAL Nyrt. assigned receivables from OPUS Press Zrt. at an amount of HUF 2.532.897 thousand to the buyer.

The above Transactions are described separately in the following sections to illustrate the impact on the financial statements. At the end of the section, a separate table provides a summary of the aggregate impact of the Transactions.

Transactions 1, 2, 3, 4, and 5 are considered significant based on Article 4a. of Decree 809/2004 (PD Decree) according to which OPUS GLOBAL Nyrt. must prepare pro forma financial statements. According to Section 20.2 in Annex I of Article 4a in Decree 809/2004, a gross effect is considered significant if the impact on the issuer's assets, liabilities and income exceeds 25% measured at the beginning of the period or at the reporting date. Transactions 3 and 5 are presented for completeness.

4. Separate presentation of the impacts of Transactions on the consolidated financial statements

4.1 Capital contribution in kind – Mészáros Építőipari Holding Zrt.

51% of the shares in Mészáros Építőipari Holding Zrt. were acquired through capital contribution in an amount of HUF 59.759.357 thousand. The capital contribution represents HUF 2.445.146 thousand of share capital increase by 97.805.822 number of shares at HUF 25 par and share premium of HUF 57.314.211 thousand. With the capital contribution OPUS GLOBAL Nyrt. indirectly received 51% holding and voting interest in the 100% owned subsidiaries of Mészáros Építőipari Holding Zrt.

Details of the acquisition of Mészáros Építőipari Holding Zrt.

Consideration:	59.759.357 thousand HUF
Fair value of net assets on acquisition date	110.494.166 thousand HUF
Equity attributable to parent	56.352.024 thousand HUF
Less: inter ownerships	-8.000 thousand HUF
Goodwill:	3.415.333 thousand HUF

Consolidated pro forma Statement of Financial Position	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	Mészáros Holding Zrt. unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Mészáros Holding Zrt	Pro forma consolidated data at 30 June 2018 including Mészáros Holding Zrt.
ASSETS				
Non-current assets				
Property, plant and equipment	11.430.495	3.302.441		14.732.936
Intangible assets	5.795.345	45.041		5.840.386
Goodwill	126.390	0	3.415.333	3.541.723
Investment property	2.112.589	0		2.112.589
Financial investments	5.706.620	4.682.255		10.388.875
Loans given	259.805	12.578.656		12.838.461
Deferred tax assets	182.680	274.750		457.430
Investments in entities	1.926.379	754.487	(8.000)	2.672.866
Open contract volumes	0	101.299.000		101.299.000
Total non-current assets	**27.540.303**	**122.936.630**	**3.407.333**	**153.884.266**
Current assets				
Inventories	4.774.276	3.904.761		8.679.037
Biological assets	143.721	0		143.721
Current income taxes recoverable	13.858	0		13.858
Trade accounts receivable	5.526.225	0		5.526.225
Receivables from construction contracts	112.226	10.674.494		10.786.720
Other receivables	3.765.586	21.169.916		24.935.502
Cash and cash equivalents	8.506.743	71.035.001		79.541.744
Total current assets	**22.842.635**	**106.784.172**	**0**	**129.626.807**
Total assets	**50.382.938**	**229.720.802**	**3.407.333**	**283.511.073**

Equity and liabilities	Opus Global Nyrt. Consolidated, audited 2, historical actual at 30 June 2018	Mészáros Holding Zrt. unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Mészáros Holding Zrt	Pro forma consolidated data at 30 June 2018, including Mészáros Holding Zrt.
Equity				
Share capital	8.132.446	116.000	2.329.146	10.577.592
Treasury shares	(405.879)	(107.000)	107.000	(405.879)
Capital reserves	10.359.588	101.299.000	(43.984.788)	67.673.800
Retained earnings	(2.814.508)	9.186.166	(9.186.166)	(2.814.508)
Profit for the year	135.371	2.676.381	(1.311.427)	1.500.325
Revaluation reserve	69.912	0		69.912
Equity attributable to parent	**15.476.930**	**113.170.547**	**(52.046.235)**	**76.601.242**
Non-controlling interest	932.534	0	55.453.568	56.386.102
Total equity	**16.409.464**	**113.170.547**	**3.407.333**	**132.987.344**
Non-current liabilities				
Long term borrowings	9.363.214	0		9.363.214
Liabilities from bonds	6.572.000	0		6.572.000
Other long term liabilities	44.727	78.955		123.682
Provision	2.188.633	711.687		2.900.320
Long term lease liabilities	33.452	0		33.452
Deferred tax liabilities	389.890	0		389.890
Total non-current liabilities	**18.591.916**	**790.642**	**0**	**19.382.558**
Current liabilities				
Short term borrowings	2.410.288	1.800.000		4.210.288
Trade and other accounts payable	12.870.166	113.959.613		126.829.779
Short term lease liabilities	15.128	0		15.128
Current income tax liabilities	85.976	0		85.976
Total current liabilities	**15.381.558**	**115.759.613**	**0**	**131.141.171**
Total equity and liabilities	**50.382.938**	**229.720.802**	**3.407.333**	**283.511.073**

Consolidated pro forma Statement of Comprehensive Income	Opus Global Nyrt. Consolidated, audited 2, historical actual at 30 June 2018	Mészáros Holding Zrt. unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Mészáros Holding Zrt	Pro forma consolidated data at 30 June 2018, including Mészáros Holding Zrt.
Revenues	20.881.517	31.626.401		52.507.918
Own work capitalised	963.456	219.282		1.182.738
Other income	152.484	2.812.678		2.965.162
Total operating income	**21.997.457**	**34.658.361**	**0**	**56.655.818**
Material type expenses	12.730.202	24.965.756		37.695.958
Personnel expenses	6.275.192	1.351.762		7.626.954
Depreciation and amortisation	795.341	216.958		1.012.299
Impairment	5.728	0		5.728
Other operating expenses	1.304.820	5.310.288		6.615.108
Total operating expenses	**21.111.283**	**31.844.764**	**0**	**52.956.047**
Earnings before interest and tax	**886.174**	**2.813.597**	**0**	**3.699.771**
Negative goodwill	0			0
Financial income	320.798	220.766		541.564
Financial expense	906.130	351.011		1.257.141
Share of profits in entities valued at equity method	0	0		0
Profit before income tax	**300.842**	**2.683.352**	**0**	**2.984.194**
Deferred income tax	59.438	(7.033)		52.405
Current income tax	121.793	14.004		135.797
Profit after income tax	**119.611**	**2.676.381**	**0**	**2.795.992**
Effects of foreign exchange differences	48.062	0	0	48.062
Other comprehensive income	**48.062**	**0**	**0**	**48.062**
Total comprehensive income	**167.673**	**2.676.381**	**0**	**2.844.054**
Profit after income tax attributable to:				
Parent	135.371	2.676.381	(1.311.427)	1.500.325
Non-controlling interest	(15.759)	0	1.311.427	1.295.668
Other comprehensive income attributable to:				
Parent	48.028	0		48.028
Non-controlling interest	34			34
Total comprehensive income attributable to:				
Parent	183.399	2.676.381	(1.311.427)	1.548.353
Non-controlling interest	(15.725)	0	1.311.427	1.295.702

4.2 Acquisition of holding interest in Status Power Invest Kft.

The acquisition of 55.05% interest in Status Power Invest Kft. for HUF 9.890.000 thousand. With the acquisition, OPUS GLOBAL Nyrt. received interest in the majority owned subsidiaries of Status Power Invest Kft.

Details of the acquisition in Status Power Invest Kft. and its subsidiaries:

Consideration – purchase price:	9.890.000 thousand HUF
Consideration – investments in subsidiaries:	18.107.332 thousand HUF
Less: indirect ownership	-8.139.246 thousand HUF
Total consideration:	19.858.086 thousand HUF
Fair value of net assets on acquisition date :	115.962.260 thousand HUF
Equity attributable to parent:	47.332.734 thousand HUF
Negative goodwill:	27.474.648 thousand HUF

Consolidated pro forma Statement of Financial Position	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	Status Power Invest Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Status Power Invest Kft.	Pro forma consolidated data at 30 June 2018 including Status Power Invest Kft.
ASSETS				
Non-current assets				
Property, plant and equipment	11.430.495	111.830.314		123.260.809
Intangible assets	5.795.345	109.754		5.905.099
Goodwill	126.390	0		126.390
Investment property	2.112.589	0		2.112.589
Financial investments	5.706.620	150.229		5.856.849
Loans given	259.805	0		259.805
Deferred tax assets	182.680	6.558		189.238
Investments in entities	1.926.379	18.107.386	(18.107.332)	1.926.433
Open contract volumes	0	0		0
Total non-current assets	**27.540.303**	**130.204.241**	**(18.107.332)**	**139.637.212**
Current assets				
Inventories	4.774.276	8.601.140		13.375.416
Biological assets	143.721	0		143.721
Current income taxes recoverable	13.858	0		13.858
Trade accounts receivable	5.526.225	6.140.487	(21.087)	11.645.625
Receivables from construction contracts	112.226	0		112.226
Other receivables	3.765.586	2.435.382		6.200.968
Cash and cash equivalents	8.506.743	19.166.534		27.673.277
Total current assets	**22.842.635**	**36.343.543**	**(21.087)**	**59.165.091**
Total assets	**50.382.938**	**166.547.784**	**(18.128.419)**	**198.802.303**

Equity and liabilities	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	Status Power Invest Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Status Power Invest Kft.	Pro forma consolidated data at 30 June 2018 including Status Power Invest Kft.
Equity				
Share capital	8.132.446	41.006.098	(41.006.098)	8.132.446
Treasury shares	(405.879)	0		(405.879)
Capital reserves	10.359.588	1.447.068	(1.447.068)	10.359.588
Retained earnings	(2.814.508)	73.509.094	(73.509.094)	(2.814.508)
Profit for the year	135.371	(8.295.698)	32.348.453	24.188.126
Revaluation reserve	69.912	0		69.912
Equity attributable to parent	**15.476.930**	**107.666.562**	**(83.613.807)**	**39.529.685**
Non-controlling interest	932.534	0	55.595.388	56.527.922
Total equity	**16.409.464**	**107.666.562**	**(28.018.419)**	**96.057.607**
Non-current liabilities				
Long term borrowings	9.363.214	7.843.450		17.206.664
Liabilities from bonds	6.572.000	0		6.572.000
Other long term liabilities	44.727	10.932		55.659
Provision	2.188.633	16.971.780		19.160.413
Long term lease liabilities	33.452	0		33.452
Deferred tax liabilities	389.890	6.547.686		6.937.576
Total non-current liabilities	**18.591.916**	**31.373.848**	**0**	**49.965.764**
Current liabilities				
Short term borrowings	2.410.288	809.519		3.219.807
Trade and other accounts payable	12.870.166	26.697.680	9.890.000	49.457.846
Short term lease liabilities	15.128	0		15.128
Current income tax liabilities	85.976	175		86.151
Total current liabilities	**15.381.558**	**27.507.374**	**9.890.000**	**52.778.932**
Total equity and liabilities	**50.382.938**	**166.547.784**	**(18.128.419)**	**198.802.303**

Consolidated pro forma Statement of Comprehensive Income	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	Status Power Invest Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Status Power Invest Kft.	Pro forma consolidated data at 30 June 2018 including Status Power Invest Kft.
Revenues	20.881.517	34.377.644	(1.295.479)	53.963.682
Own work capitalised	963.456	621.847		1.585.303
Other income	152.484	3.473.527		3.626.011
Total operating income	**21.997.457**	**38.473.018**	**(1.295.479)**	**59.174.996**
Material type expenses	12.730.202	23.642.947	(1.274.392)	35.098.757
Personnel expenses	6.275.192	10.991.646		17.266.838
Depreciation and amortisation	795.341	4.445.158		5.240.499
Impairment	5.728	0		5.728
Other operating expenses	1.304.820	6.508.881		7.813.701
Total operating expenses	**21.111.283**	**45.588.632**	**(1.274.392)**	**65.425.523**
Earnings before interest and tax	**886.174**	**(7.115.614)**	**(21.087)**	**(6.250.527)**
Negative goodwill	0		27.474.648	27.474.648
Financial income	320.798	985.150		1.305.948
Financial expense	906.130	298.614		1.204.744
Share of profits in entities valued at equity method	0	0		0
Profit before income tax	**300.842**	**(6.429.078)**	**27.453.561**	**21.325.325**
Deferred income tax	59.438	1.863.922		1.923.360
Current income tax	121.793	2.698		124.491
Profit after income tax	**119.611**	**(8.295.698)**	**27.453.561**	**19.277.474**
Effects of foreign exchange differences	48.062		0	48.062
Other comprehensive income	**48.062**	**0**	**0**	**48.062**
Total comprehensive income	**167.673**	**(8.295.698)**	**27.453.561**	**19.325.536**
Profit after income tax attributable to:				
Parent	135.371	(8.295.698)	32.348.453	24.188.126
Non-controlling interest	(15.759)	0	(4.894.892)	(4.910.651)
Other comprehensive income attributable to:				
Parent	48.028	0		48.028
Non-controlling interest	34			34
Total comprehensive income attributable to:				
Parent	183.399	(8.295.698)	32.348.453	24.236.154
Non-controlling interest	(15.725)	0	(4.894.892)	(4.910.617)

4.3 Capital contribution in kind – KALL Ingredients Kft and receivables

100% in KALL Ingredients Kft. was acquired through capital contribution in an amount of HUF 36.839.150 thousand. The capital contribution represents HUF 1.507.330 thousand of share capital increase by 60.293.208 number of shares at HUF 25 par and share premium of HUF 35.331.820 thousand. With the capital contribution OPUS GLOBAL Nyrt. received 100% holding and voting interest in the 100% owned subsidiaries of KALL Ingredients Kft.

Details of acquisition of A KALL Ingredients Kft. and its subsidiaries:

Consideration:	36.839.150 thousand HUF
Fair value of net assets on acquisition date:	-315.186 thousand HUF
Equity attributable to parent:	-315.186 thousand HUF
Less: inter ownership	-109.480 thousand HUF
Goodwill:	37.263.816 thousand HUF

Receivables, against KALL Ingredients Kft. were acquired through capital contribution in OPUS GLOBAL Nyrt. for HUF 4.368.651 thousand. The capital contribution represents HUF 232.871 thousand of share capital increase by 9.314.820 number of shares at HUF 25 par and share premium of HUF 4.135.780 thousand.

Consolidated pro forma Statement of Financial Position	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	KALL Ingredients Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to KALL Ingredients Kft.	Pro forma consolidated data at 30 June 2018 including KALL Ingredients Kft
ASSETS				
Non-current assets				
Property, plant and equipment	11.430.495	58.059.464		69.489.959
Intangible assets	5.795.345	31.625		5.826.970
Goodwill	126.390	0	37.263.816	37.390.206
Investment property	2.112.589	0		2.112.589
Financial investments	5.706.620	0		5.706.620
Loans given	259.805	0		259.805
Deferred tax assets	182.680	152.631		335.311
Investments in entities	1.926.379	109.480	(109.480)	1.926.379
Open contract volumes	0	0		0
Total non-current assets	**27.540.303**	**58.353.200**	**37.154.336**	**123.047.839**
Current assets				
Inventories	4.774.276	3.306.577		8.080.853
Biological assets	143.721	0		143.721
Current income taxes recoverable	13.858	18		13.876
Trade accounts receivable	5.526.225	1.044.871		6.571.096
Receivables from construction contracts	112.226	0		112.226
Other receivables	3.765.586	1.186.435		4.952.021
Cash and cash equivalents	8.506.743	1.195.373		9.702.116
Total current assets	**22.842.635**	**6.733.274**	**0**	**29.575.909**
Total assets	**50.382.938**	**65.086.474**	**37.154.336**	**152.623.748**

Equity and liabilities	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	KALL Ingredients Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to KALL Ingredients Kft.	Pro forma consolidated data at 30 June 2018 including KALL Ingredients Kft
Equity				
Share capital	8.132.446	215.582	1.524.619	9.872.647
Treasury shares	(405.879)	0		(405.879)
Capital reserves	10.359.588	0	39.467.600	49.827.188
Retained earnings	(2.814.508)	(530.768)	530.768	(2.814.508)
Profit for the year	135.371	(1.125.309)		(989.938)
Revaluation reserve	69.912	0		69.912
Equity attributable to parent	**15.476.930**	**(1.440.495)**	**41.522.987**	**55.559.422**
Non-controlling interest	932.534	0		932.534
Total equity	**16.409.464**	**(1.440.495)**	**41.522.987**	**56.491.956**
Non-current liabilities				
Long term borrowings	9.363.214	35.163.726		44.526.940
Liabilities from bonds	6.572.000	0		6.572.000
Other long term liabilities	44.727	9.118.199	(4.368.651)	4.794.275
Provision	2.188.633	0		2.188.633
Long term lease liabilities	33.452	0		33.452
Deferred tax liabilities	389.890	0		389.890
Total non-current liabilities	**18.591.916**	**44.281.925**	**(4.368.651)**	**58.505.190**
Current liabilities				
Short term borrowings	2.410.288	8.227.110		10.637.398
Trade and other accounts payable	12.870.166	14.014.195		26.884.361
Short term lease liabilities	15.128	0		15.128
Current income tax liabilities	85.976	3.739		89.715
Total current liabilities	**15.381.558**	**22.245.044**	**0**	**37.626.602**
Total equity and liabilities	**50.382.938**	**65.086.474**	**37.154.336**	**152.623.748**

Consolidated pro forma Statement of Comprehensive Income	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	KALL Ingredients Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to KALL Ingredients Kft.	Pro forma consolidated data at 30 June 2018 including KALL Ingredients Kft
Revenues	20.881.517	4.144.046		25.025.563
Own work capitalised	963.456	1.438.308		2.401.764
Other income	152.484	214.659		367.143
Total operating income	**21.997.457**	**5.797.013**	**0**	**27.794.470**
Material type expenses	12.730.202	5.342.264		18.072.466
Personnel expenses	6.275.192	1.444.345		7.719.537
Depreciation and amortisation	795.341	31.456		826.797
Impairment	5.728	0		5.728
Other operating expenses	1.304.820	22.967		1.327.787
Total operating expenses	**21.111.283**	**6.841.032**	**0**	**27.952.315**
Earnings before interest and tax	**886.174**	**(1.044.019)**	**0**	**(157.845)**
Negative goodwill	0			0
Financial income	320.798	20.371		341.169
Financial expense	906.130	210.473		1.116.603
Share of profits in entities valued at equity method	0	0		0
Profit before income tax	**300.842**	**(1.234.121)**	**0**	**(933.279)**
Deferred income tax	59.438	(108.812)		(49.374)
Current income tax	121.793	0		121.793
Profit after income tax	**119.611**	**(1.125.309)**	**0**	**(1.005.698)**
Effects of foreign exchange differences	48.062		0	48.062
Other comprehensive income	**48.062**	**0**	**0**	**48.062**
Total comprehensive income	**167.673**	**(1.125.309)**	**0**	**(957.636)**
Profit after income tax attributable to:				
Parent	135.371	(1.125.309)	0	(989.938)
Non-controlling interest	(15.759)	0		(15.759)
Other comprehensive income attributable to:				
Parent	48.028	0		48.028
Non-controlling interest	34			34
Total comprehensive income attributable to:				
Parent	183.399	(1.125.309)	0	(941.910)
Non-controlling interest	(15.725)	0	0	(15.725)

4.4 Capital contribution – VIRESOL Kft.

51% of the shares in VIRESOL Kft. were acquired through capital contribution in an amount of HUF 26.684.074 thousand. The capital contribution represents HUF 1.091.820 thousand of share capital increase by 43.672.788 number of shares at HUF 25 par and share premium of HUF 25.592.254 thousand.

Details of acquisition of VIRESOL Kft.:

Contribution:	26.684.074 thousand HUF
Fair value of net assets on acquisition date:	66.538 thousand HUF
Of which attributable to Group:	33.934 thousand HUF
Goodwill:	26.650.140 thousand HUF

Consolidated pro forma Statement of Financial Position	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	VIRESOL Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to VIRESOL Kft.	Pro forma consolidated data at 30 June 2018 including VIRESOL Kft
ASSETS				
Non-current assets				
Property, plant and equipment	11.430.495	21.723.883		33.154.378
Intangible assets	5.795.345	2.717		5.798.062
Goodwill	126.390	0	26.650.140	26.776.530
Investment property	2.112.589	0		2.112.589
Financial investments	5.706.620	0		5.706.620
Loans given	259.805	0		259.805
Deferred tax assets	182.680	462		183.142
Investments in entities	1.926.379	0		1.926.379
Open contract volumes	0	0		0
Total non-current assets	**27.540.303**	**21.727.062**	**26.650.140**	**75.917.505**
Current assets				
Inventories	4.774.276	0		4.774.276
Biological assets	143.721	0		143.721
Current income taxes recoverable	13.858	0		13.858
Trade accounts receivable	5.526.225	43.625		5.569.850
Receivables from construction contracts	112.226	0		112.226
Other receivables	3.765.586	2.345.436		6.111.022
Cash and cash equivalents	8.506.743	783.170		9.289.913
Total current assets	**22.842.635**	**3.172.231**	**0**	**26.014.866**
Total assets	**50.382.938**	**24.899.293**	**26.650.140**	**101.932.371**

Equity and liabilities	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	VIRESOL Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to VIRESOL Kft.	Pro forma consolidated data at 30 June 2018 including VIRESOL Kft
Equity				
Share capital	8.132.446	100.000	991.820	9.224.266
Treasury shares	(405.879)	0		(405.879)
Capital reserves	10.359.588	0	25.592.254	35.951.842
Retained earnings	(2.814.508)	(33.462)	33.462	(2.814.508)
Profit for the year	135.371	(30.280)	14.837	119.928
Revaluation reserve	69.912	0		69.912
Equity attributable to parent	**15.476.930**	**36.258**	**26.632.373**	**42.145.561**
Non-controlling interest	932.534	0	17.767	950.301
Total equity	**16.409.464**	**36.258**	**26.650.140**	**43.095.862**
Non-current liabilities				
Long term borrowings	9.363.214	9.354.306		18.717.520
Liabilities from bonds	6.572.000	0		6.572.000
Other long term liabilities	44.727	8.224.642		8.269.369
Provision	2.188.633	0		2.188.633
Long term lease liabilities	33.452	0		33.452
Deferred tax liabilities	389.890	0		389.890
Total non-current liabilities	**18.591.916**	**17.578.948**	**0**	**36.170.864**
Current liabilities				
Short term borrowings	2.410.288	874.188		3.284.476
Trade and other accounts payable	12.870.166	6.395.902		19.266.068
Short term lease liabilities	15.128	0		15.128
Current income tax liabilities	85.976	13.997		99.973
Total current liabilities	**15.381.558**	**7.284.087**	**0**	**22.665.645**
Total equity and liabilities	**50.382.938**	**24.899.293**	**26.650.140**	**101.932.371**

Consolidated pro forma Statement of Comprehensive Income	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	VIRESOL Kft unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to VIRESOL Kft.	Pro forma consolidated data at 30 June 2018 including VIRESOL Kft
Revenues	20.881.517	71.047		20.952.564
Own work capitalised	963.456	540.282		1.503.738
Other income	152.484	1.196		153.680
Total operating income	**21.997.457**	**612.525**	**0**	**22.609.982**
Material type expenses	12.730.202	245.460		12.975.662
Personnel expenses	6.275.192	360.225		6.635.417
Depreciation and amortisation	795.341	11.972		807.313
Impairment	5.728	0		5.728
Other operating expenses	1.304.820	11.613		1.316.433
Total operating expenses	**21.111.283**	**629.270**	**0**	**21.740.553**
Earnings before interest and tax	**886.174**	**(16.745)**	**0**	**869.429**
Negative goodwill	0			0
Financial income	320.798	0		320.798
Financial expense	906.130	0		906.130
Share of profits in entities valued at equity method	0	0		0
Profit before income tax	**300.842**	**(16.745)**	**0**	**284.097**
Deferred income tax	59.438	(462)		58.976
Current income tax	121.793	13.997		135.790
Profit after income tax	**119.611**	**(30.280)**	**0**	**89.331**
Effects of foreign exchange differences	48.062			48.062
Other comprehensive income	**48.062**	**0**	**0**	**48.062**
Total comprehensive income	**167.673**	**(30.280)**	**0**	**137.393**
Profit after income tax attributable to:				
Parent	135.371	(30.280)	14.837	119.928
Non-controlling interest	(15.759)	0	(14.837)	(30.596)
Other comprehensive income attributable to:				
Parent	48.028	0		48.028
Non-controlling interest	34			34
Total comprehensive income attributable to:				
Parent	183.399	(30.280)	14.837	167.956
Non-controlling interest	(15.725)	0	(14.837)	(30.562)

4.5 Sale of OPUS Press and its subsidiaries

OPUS GLOBAL Nyrt. sold 100% of the shares in its subsidiary, OPUS Press Zrt. for HUF 7.357.103 thousand on 15 November 2018. In addition to the transfer of shares, OPUS GLOBAL Nyrt. assigned receivables from OPUS Press Zrt. at an amount of HUF 2.532.897 thousand to the buyer.

Sales price:	9.890.000 thousand HUF
Equity attributable to parent:	4.385.787 thousand HUF
Gain on sales attributable to parent:	5.504.213 thousand HUF

The objective of the pro forma financial statements is to present the effect of the Transaction on the elements of the financial statements in relation to actual data. Because the Company still owned 100% of OPUS Press on 30 June 2018, the investment in the subsidiary (HUF 20.000 thousand) was eliminated in equity in the actual consolidated financial statements. The adjustment column presents the elimination of consolidated Statement of Financial Position and Comprehensive Income for the Opus Press Group which would amend the consolidated financial statements of OPUS GLOBAL Nyrt. had the Transaction taken place on 1 January 2018.

Consolidated pro forma Statement of Financial Position	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	Opus Press Zrt unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Opus Press Zrt Group.	Pro forma consolidated data at 30 June 2018 including Opus Press Zrt Group.
ASSETS	**A**	**B**	**C**	**= (A - B + C)**
Non-current assets				
Property, plant and equipment	11.430.495	6.842.205		4.588.290
Intangible assets	5.795.345	5.421.456		373.889
Goodwill	126.390	123.634		2.756
Investment property	2.112.589	0		2.112.589
Financial investments	5.706.620	5.706.620		0
Loans given	259.805	0		259.805
Deferred tax assets	182.680	168.954		13.726
Investments in entities	1.926.379	118.998		1.807.381
Open contract volumes	0	0		0
Total non-current assets	**27.540.303**	**18.381.867**	**0**	**9.158.436**
Current assets				
Inventories	4.774.276	833.511		3.940.765
Biological assets	143.721	0		143.721
Current income taxes recoverable	13.858	7.623		6.235
Trade accounts receivable	5.526.225	4.041.745	9.890.000	11.374.480
Receivables from construction contracts	112.226	0		112.226
Other receivables	3.765.586	2.380.723		1.384.863
Cash and cash equivalents	8.506.743	6.621.343		1.885.400
Total current assets	**22.842.635**	**13.884.945**	**9.890.000**	**18.847.690**
Total assets	**50.382.938**	**32.266.812**	**9.890.000**	**28.006.126**

Equity and liabilities	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018	Opus Press Zrt unaudited combined historical actual at 30 June 2018	Pro forma adjustments related to Opus Press Zrt Group.	Pro forma consolidated data at 30 June 2018 including Opus Press Zrt Group.
Equity	**A**	**B**	**C**	**= (A - B + C)**
Share capital	8.132.446	0		8.132.446
Treasury shares	(405.879)	0		(405.879)
Capital reserves	10.359.588	0		10.359.588
Retained earnings	(2.814.508)	3.295.383	3.295.383	(2.814.508)
Profit for the year	135.371	1.149.313	6.594.617	5.580.675
Revaluation reserve	69.912	0		69.912
Equity attributable to parent	**15.476.930**	**4.444.696**	**9.890.000**	**20.922.234**
Non-controlling interest	932.534	10.701		921.833
Total equity	**16.409.464**	**4.455.397**	**9.890.000**	**21.844.067**
Non-current liabilities				
Long term borrowings	9.363.214	5.224.262		4.138.952
Liabilities from bonds	6.572.000	6.572.000		0
Other long term liabilities	44.727	1.566		43.161
Provision	2.188.633	1.786.874		401.759
Long term lease liabilities	33.452	33.452		0
Deferred tax liabilities	389.890	129.256		260.634
Total non-current liabilities	**18.591.916**	**13.747.410**	**0**	**4.844.506**
Current liabilities				
Short term borrowings	2.410.288	1.229.238		1.181.050
Trade and other accounts payable	12.870.166	12.754.597		115.569
Short term lease liabilities	15.128	13.849		1.279
Current income tax liabilities	85.976	66.321		19.655
Total current liabilities	**15.381.558**	**14.064.005**	**0**	**1.317.553**
Total equity and liabilities	**50.382.938**	**32.266.812**	**9.890.000**	**28.006.126**

Consolidated pro forma Statement of Comprehensive Income	Opus Global Nyrt. Consolidated audited 2, historical actual at 30 June 2018 A	Opus Press Zrt unaudited combined historical actual at 30 June 2018 B	Pro forma adjustments related to Opus Press Zrt Group. C	Pro forma consolidated data at 30 June 2018 including Opus Press Zrt Group. = (A - B + C)
Revenues	20.881.517	14.961.993		5.919.524
Own work capitalised	963.456	22.506		940.950
Other income	152.484	38.966		113.518
Total operating income	**21.997.457**	**15.023.465**	**0**	**6.973.992**
Material type expenses	12.730.202	7.078.685		5.651.517
Personnel expenses	6.275.192	4.642.588		1.632.604
Depreciation and amortisation	795.341	532.615		262.726
Impairment	5.728	5.728		0
Other operating expenses	1.304.820	860.102		444.718
Total operating expenses	**21.111.283**	**13.119.718**	**0**	**7.991.565**
Earnings before interest and tax	**886.174**	**1.903.747**	**0**	**(1.017.573)**
Negative goodwill	0			0
Financial income	320.798	115.785	6.594.617	6.799.630
Financial expense	906.130	624.613		281.517
Share of profits in entities valued at equity method	0	0		0
Profit before income tax	**300.842**	**1.394.919**	**6.594.617**	**5.500.540**
Deferred income tax	59.438	128.909		(69.471)
Current income tax	121.793	114.470		7.323
Profit after income tax	**119.611**	**1.151.540**	**6.594.617**	**5.562.688**
Effects of foreign exchange differences	48.062		0	48.062
Other comprehensive income	**48.062**	**0**	**0**	**48.062**
Total comprehensive income	**167.673**	**1.151.540**	**6.594.617**	**5.610.750**
Profit after income tax attributable to:				
Parent	135.371	1.149.313	6.594.617	5.580.675
Non-controlling interest	(15.759)	2.227		(17.986)
Other comprehensive income attributable to:				
Parent	48.028	0		48.028
Non-controlling interest	34			34
Total comprehensive income attributable to:				
Parent	183.399	1.149.313	6.594.617	5.628.703
Non-controlling interest	(15.725)	2.227	0	(17.952)

4.6 Other adjustments

Intra-group payables and receivables were present at the reporting date. Other adjustments represent the elimination of intra-group balances as well as rounding differences.

The following intra-group balances were eliminated:

- Mészáros és Mészáros Kft. presented receivables of of HUF 5.478.200 thousand from Status Power Invest Kft as long term loans given at 30 June 2018. Status Power Invest Kft presented the loan under Trade payables and other liabilities that were eliminated.
- Mészáros és Mészáros Kft. presented loans given and other receivables from VIRESOL Kft as at 30 June 2018.HUF 3.877.105 thousand was presented under non-current financial investments and HUF 232.964 thousand as other receivables. VIRESOL Kft presented above balances in total of HUF 4.110.068 thousand as other long-term liabilities that were eliminated.
- Trade receivables; trade payables and other liabilities; and long-term borrowings presented intra-group balances of HUF 276.573 thousand, HUF 272.572 thousand, and HUF 4.000 thousand, respectively that were eliminated.

4.7 Summary table of the effects of Transactions

Consolidated pro forma Statement of Financial Position

	Opus Global Nyrt. Consolidated, audited historical, actual data at 30 June 2018	Section 4.1. Mészáros Holding Zrt.	Section 4.2. Status Power Invest Kft. (Mátra)	Section 4.3. KALL Ingredients Kft.	Section 4.4. VIRESOL Kft.	Section 4.5.: Opus Press Zrt. (Média)	Section 4.6.: Other	Pro forma consolidated financial statements after the Transactions
ASSETS								
Non-current assets								
Property, plant and equipment	11.430.495	3.302.441	111.830.314	58.059.464	21.723.883	(6.842.205)		199.504.392
Intangible assets	5.795.345	45.041	109.754	31.625	2.717	(5.421.456)	(1)	563.025
Goodwill	126.390	3.415.333	0	37.263.816	26.650.140	(123.634)		67.332.045
Investment property	2.112.589	0	0	0	0	0		2.112.589
Financial investments	5.706.620	4.682.255	150.229	0	0	(5.706.620)	(3.877.105)	955.379
Loans given	259.805	12.578.656	0	0	0	0	(5.478.200)	7.360.261
Deferred tax assets	182.680	274.750	6.558	152.631	462	(168.954)		448.127
Investments in entities	1.926.379	746.487	54	0	0	(118.998)		2.553.922
Open contract volumes	0	101.299.000	0	0	0	0		101.299.000
Total non-current assets	**27.540.303**	**126.343.963**	**112.096.909**	**95.507.536**	**48.377.202**	**(18.381.867)**	**(9.355.306)**	**382.128.740**

	Opus Global Nyrt. Consolidated, audited historical, actual data at 30 June 2018	Section 4.1. Mészáros Holding Zrt.	Section 4.2. Status Power Invest Kft. (Mátra)	Section 4.3. KALL Ingredients Kft.	Section 4.4. VIRESOL Kft.	Section 4.5.: Opus Press Zrt. (Média)	Section 4.6.: Other	Pro forma consolidated financial statements after the Transactions
Current assets								
Inventories	4.774.276	3.904.761	8.601.140	3.306.577	0	(833.511)		19.753.243
Biological assets	143.721	0	0	0	0	0		143.721
Current income taxes recoverable	13.858	0	0	18	0	(7.623)		6.253
Trade accounts receivable	5.526.225	0	6.119.400	1.044.871	43.625	5.848.255	(276.573)	18.305.803
Receivables from construction contracts	112.226	10.674.494	0	0	0	0		10.786.720
Other receivables	3.765.586	21.169.916	2.435.382	1.186.435	2.345.436	(2.380.723)	(232.964)	28.289.068
Cash and cash equivalents	8.506.743	71.035.001	19.166.534	1.195.373	783.170	(6.621.343)		94.065.478
Total current assets	**22.842.635**	**106.784.172**	**36.322.456**	**6.733.274**	**3.172.231**	**(3.994.945)**	**(509.537)**	**171.350.286**
Total assets	**50.382.938**	**233.128.135**	**148.419.365**	**102.240.810**	**51.549.433**	**(22.376.812)**	**(9.864.843)**	**553.479.026**

EQUITY AND LIABILITIES	Opus Global Nyrt. Consolidated, audited historical, actual data at 30 June 2018	Section 4.1. Mészáros Holding Zrt.	Section 4.2. Status Power Invest Kft. (Mátra)	Section 4.3. KALL Ingredients Kft.	Section 4.4. VIRESOL Kft.	Section 4.5.: Opus Press Zrt. (Média)	Section 4.6.: Other	Pro forma consolidated financial statements after the Transactions
Equity								
Share capital	8.132.446	2.445.146	0	1.740.201	1.091.820	0	(1)	13.409.612
Treasury shares	(405.879)	0	0	0	0	0		(405.879)
Capital reserves	10.359.588	57.314.212	0	39.467.600	25.592.254	0		132.733.654
Retained earnings	(2.814.508)	0	0	0	0	0		(2.814.508)
Profit for the year	135.371	1.364.954	24.052.755	(1.125.309)	(15.443)	5.445.304	(1)	29.857.631
Revaluation reserve	69.912	0	0	0	0	0		69.912
Equity attributable to parent	**15.476.930**	**61.124.312**	**24.052.755**	**40.082.492**	**26.668.631**	**5.445.304**	**(2)**	**172.850.422**
Non-controlling interest	932.534	55.453.568	55.595.388	0	17.767	(10.701)		111.988.556
Total equity	**16.409.464**	**116.577.880**	**79.648.143**	**40.082.492**	**26.686.398**	**5.434.603**	**(2)**	**284.838.978**
Non-current liabilities								
Long term borrowings	9.363.214	0	7.843.450	35.163.726	9.354.306	(5.224.262)	(4.000)	56.496.434
Liabilities from bonds	6.572.000	0	0	0	0	(6.572.000)		0
Other long term liabilities	44.727	78.955	10.932	4.749.548	8.224.642	(1.566)	(4.110.069)	8.997.169
Provision	2.188.633	711.687	16.971.780	0	0	(1.786.874)	(1)	18.085.225
Long term lease liabilities	33.452	0	0	0	0	(33.452)		0
Deferred tax liabilities	389.890	0	6.547.686	0	0	(129.256)		6.808.320
Total non-current liabilities	**18.591.916**	**790.642**	**31.373.848**	**39.913.274**	**17.578.948**	**(13.747.410)**	**(4.114.070)**	**90.387.148**

	Opus Global Nyrt. Consolidated, audited historical, actual data at 30 June 2018	Section 4.1. Mészáros Holding Zrt.	Section 4.2. Status Power Invest Kft. (Mátra)	Section 4.3. KALL Ingredients Kft.	Section 4.4. VIRESOL Kft.	Section 4.5.: Opus Press Zrt. (Média)	Section 4.6.: Other	Pro forma consolidated financial statements after the Transactions
Current liabilities								
Short term borrowings	2.410.288	1.800.000	809.519	8.227.110	874.188	(1.229.238)		12.891.867
Trade and other accounts payable	12.870.166	113.959.613	36.587.680	14.014.195	6.395.902	(12.754.597)	(5.750.772)	165.322.187
Short term lease liabilities	15.128	0	0	0	0	(13.849)	1	1.280
Current income tax liabilities	85.976	0	175	3.739	13.997	(66.321)		37.566
Total current liabilities	**15.381.558**	**115.759.613**	**37.397.374**	**22.245.044**	**7.284.087**	**(14.064.005)**	**(5.750.771)**	**178.252.900**
Total equity and liabilities	**50.382.938**	**233.128.135**	**148.419.365**	**102.240.810**	**51.549.433**	**(22.376.812)**	**(9.864.843)**	**553.479.026**

Consolidated pro forma Statement of Comprehensive Income

	Opus Global Nyrt. Consolidated, audited historical, actual data at 30 June 2018	Section 4.1. Mészáros Holding Zrt.	Section 4.2. Status Power Invest Kft. (Mátra)	Section 4.3. KALL Ingredients Kft.	Section 4.4. VIRESOL Kft.	Section 4.5.: Opus Press Zrt. (Média)	Section 4.6.: Other	Pro forma consolidated financial statements after the Transactions
Revenues	20.881.517	31.626.401	33.082.165	4.144.046	71.047	(14.961.993)	(1)	74.843.182
Own work capitalised	963.456	219.282	621.847	1.438.308	540.282	(22.506)	(1)	3.760.668
Other income	152.484	2.812.678	3.473.527	214.659	1.196	(38.966)		6.615.578
Total operating income	**21.997.457**	**34.658.361**	**37.177.539**	**5.797.013**	**612.525**	**(15.023.465)**	**(2)**	**85.219.428**
Material type expenses	12.730.202	24.965.756	22.368.555	5.342.264	245.460	(7.078.685)	1	58.573.553
Personnel expenses	6.275.192	1.351.762	10.991.646	1.444.345	360.225	(4.642.588)	1	15.780.583
Depreciation and amortisation	795.341	216.958	4.445.158	31.456	11.972	(532.615)	1	4.968.271
Impairment	5.728	0	0	0	0	(5.728)		0
Other operating expenses	1.304.820	5.310.288	6.508.881	22.967	11.613	(860.102)	(6)	12.298.461
Total operating expenses	**21.111.283**	**31.844.764**	**44.314.240**	**6.841.032**	**629.270**	**(13.119.718)**	**(3)**	**91.620.868**
Earnings before interest and tax	**886.174**	**2.813.597**	**(7.136.701)**	**(1.044.019)**	**(16.745)**	**(1.903.747)**	**1**	**(6.401.440)**

	Opus Global Nyrt. Consolidated, audited historical, actual data at 30 June 2018	Section 4.1. Mészáros Holding Zrt.	Section 4.2. Status Power Invest Kft. (Mátra)	Section 4.3. KALL Ingredients Kft.	Section 4.4. VIRESOL Kft.	Section 4.5.: Opus Press Zrt. (Média)	Section 4.6.: Other	Pro forma consolidated financial statements after the Transactions
Negative goodwill	0	0	27.474.648	0	0	0		27.474.648
Financial income	320.798	220.766	985.150	20.371	0	6.478.832	(1)	8.025.916
Financial expense	906.130	351.011	298.614	210.473	0	(624.613)		1.141.615
Share of profits in entities valued at equity method	0	0	0	0	0	0		0
Profit before income tax	**300.842**	**2.683.352**	**21.024.483**	**(1.234.121)**	**(16.745)**	**5.199.698**	**0**	**27.957.509**
Deferred income tax	59.438	(7.033)	1.863.922	(108.812)	(462)	(128.909)		1.678.144
Current income tax	121.793	14.004	2.698	0	13.997	(114.470)		38.022
Profit after income tax	**119.611**	**2.676.381**	**19.157.863**	**(1.125.309)**	**(30.280)**	**5.443.077**	**0**	**26.241.343**
Effects of foreign exchange differences	48.062	0	0	0	0	0		48.062
Other comprehensive income	**48.062**	**0**	**0**	**0**	**0**	**0**	**0**	**48.062**
Total comprehensive income	**167.673**	**2.676.381**	**19.157.863**	**(1.125.309)**	**(30.280)**	**5.443.077**	**0**	**26.289.405**
Profit after income tax attributable to:								
Parent	135.371	1.364.954	24.052.755	(1.125.309)	(15.443)	5.445.304	(1)	29.857.631
Non-controlling interest	(15.759)	1.311.427	(4.894.892)	0	(14.837)	(2.227)		(3.616.288)
Other comprehensive income attributable to:								
Parent	48.028	0	0	0	0	0		48.028
Non-controlling interest	34	0	0	0	0	0	0	34
Total comprehensive income attributable to:								
Parent	183.399	1.364.954	24.052.755	(1.125.309)	(15.443)	5.445.304	(1)	29.905.659
Non-controlling interest	(15.725)	1.311.427	(4.894.892)	0	(14.837)	(2.227)	0	(3.616.254)

5. Assumptions related to the pro forma consolidated financial statements

The pro forma consolidated financial statements are based on the following documents and records:

Asset valuations:

- a PricewaterhouseCoopers Magyarország Kft. independent valuation report related to KALL Ingredients Kft contribution, dated 31 July 2018.
- Equilor Corporate Advisory Zrt independent valuation report related to VIRESOL Kft. contribution, dated 14 September 2018.
- a PricewaterhouseCoopers Magyarország Kft. independent valuation report related to Mészáros Építőipari Holding Zrt. contribution, dated 14 November 2018.
- BDO Magyarország Könyvvizsgáló Kft. independent valuation report related to KALL Ingredients Kft receivables, dated 15 November 2018.

Financial statements:

- OPUS GLOBAL Nyrt. audited IFRS consolidated financial statements as at 30 June 2018. BDO Magyarország audit report issued on 3 December 2018.
- Mészáros & Mészáros Kft unaudited IFRS financial statements as at 30 June 2018.
- R-Kord Kft unaudited IFRS financial statements as at 30 June 2018.
- KALL Ingredients Kft unaudited IFRS financial statements as at 30 June 2018.
- VIRESOL Kft unaudited IFRS financial statements as at 30 June 2018.
- Mátrai Erőmű Zrt. unaudited IFRS financial statements as at 30 June 2018.
- KALL Ingredients Trading Kft unaudited IFRS financial statements as at 30 June 2018.
- Mártai Erőmű Központi Karbantartó Kft unaudited IFRS financial statements as at 30 June 2018.
- Rotary Mátra Kútfúró és Karbantartó Kft unaudited IFRS financial statements as at 30 June 2018.
- TTKP Energiaszolgáltató Kft unaudited IFRS financial statements as at 30 June 2018.
- Bükkábrányi Fotovoltaikus Erőmű Projekt Kft. unaudited IFRS financial statements as at 30 June 2018.
- Halmajugrai Fotovoltaikus Erőmű Projekt Kft. unaudited IFRS financial statements as at 30 June 2018.,
- Mátra Energy Holding Zrt. Kft. unaudited IFRS financial statements as at 30 June 2018.
- Vasútautomatika Kft. unaudited IFRS financial statements as at 30 June 2018.
- Mészáros Építőipari Holding Zrt. unaudited IFRS financial statements as at 30 June 2018.
- RM International Kft. 2018. unaudited IFRS financial statements as at 30 June 2018.
- Status Power Invest Kft. unaudited IFRS financial statements as at 30 June 2018.

Contracts:

- Agreement, dated 15 November 2018, between 2018 OPUS GLOBAL Nyrt. and Talentis Group Zrt. related to the sales of OPUS Press Zrt. shares and assignment of receivables.
- Agreement, dated 15 November 2018, between OPUS GLOBAL Nyrt. és a STATUS Energy Magántőkealap related to the sales of 55.05% holding in Status Power Invest Kft.

In addition, we made the following assumptions during the preparation of the pro forma financial information:

- The above transactions took place on 1 January 2018 therefore the results of the entities taking part in the Transactions are included in the results of the consolidated financial statements of the Group for the reporting period.

6. Approval of the pro forma consolidated financial statements

The Management of the Group is responsible for the information disclosed in the pro forma consolidated financial statements. The Management of the Group discussed and approved the pro forma consolidated financial statements on 17 December 2018 and declares that the pro forma consolidated financial statements are in compliance with the requirements outlined in Directive 2003/71/EK and Decree 809/2004, as well as, relevant local regulations.

17 December 2018, Budapest