

Report of the Governing Board on the Company's business activity and assets in 2021

In 2021, the Governing Board held 12 meetings, of which 3 meetings were Governing Board meetings held within the competence of the General Meeting. Out of the 12 meetings 11 meeting had an attendance rate of 100%, 1 meeting had an attendance rate of 83%, and each of them reached the quorum. The Company decided at the Governing Board meetings on the election of new Governing Board members and new Audit Committee members, as well as on the adoption of the specific and consolidated annual IFRS statements, within the competence of the General Meeting, on the conclusion of a loan contract of HUF 12 billion with OTP Bank Nyrt. and, in relation to it, on the signature of acquisition, financing and safeguards documents, on the compliance with the necessary conditions and on the recording of the amendments to the Statutes of the subsidiaries; on the profitable sale of the business shares of Aquaphor Zrt., as well as on the adoption of the half-yearly statements.

In 2021, the Company acquired a 100% ownership interest in 2 companies (NEO Property Services Zrt. and Elitur Invest Zrt.): in NEO Property Services Zrt., it acquired directly 49% of the business shares and the 51% ownership interest through the 100% business shares of Elitur Invest Zrt.

On 31 December 2021, the stock of the Company's treasury shares comprised 936,988 shares, having regard to the fact that on 19 May 2021, the Customer settled the purchase price by the transfer of ordinary shares held by AKKO Invest Plc., as a consideration for the profitable sale of the business shares of Aquaphor Zrt.

The Company intends to implement its plans by further acquisitions in the future, thereby it will generate more value for the shareholders.

The Governing Board examined the specific IFRS and consolidated IFRS statements of the Company, and considered them as well-founded and correct, therefore in its opinion they could be presented to the General Meeting.

According to the specific IFRS financial statement of the Company, the profit before tax was HUF 43,500,000 the total comprehensive income was HUF 35,754,000 in 2021.

According to the consolidated IFRS financial statement, the total comprehensive income from continued operations was HUF 584,136,000 and the income from discontinued operations was HUF -569,000 in 2021.

Based on the consolidated IFRS financial statement, the 2021 revenue of the Group increased to THUF 22,137,928 as a result of the acquisition.

In the specific IFRS financial statement of the Company, the equity amounting to THUF 5,866,857 recorded on 31.12.2020 passed to THUF 5,592,611.

In the consolidated IFRS financial statement, the equity amounting to THUF 5,599,773 recorded on 31.12.2020 increased to THUF 5,910,169.

The Governing Board does not recommend to pay dividends for 2021, therefore it proposes to the General Meeting to transfer the total amount of the profit after tax to the retained earnings.

The Governing Board fully supports the reports to be submitted to the Annual General Meeting scheduled for 21 April 2022 and it fully supports the proposals and draft resolutions prepared by the Company's Governing Board, intended to be submitted to the General Meeting.

Budapest, 22 March 2022

Zoltán Prutkay
chairman of the Governing Board