

Report of the Governing Board on the Company's business activity in 2023

The Governing Board held 7 meetings in 2023. As each of the 7 meetings were held with an attendance rate of 100%, they reached the quorum. At the Governing Board's meetings, the Company decided to adopt the separate and consolidated annual IFRS statements and the six-monthly report, as well to purchase and sell properties, and purchase of business shares.

The Company intends to implement its long-term plans by carrying out further acquisitions, thereby underpinning the increase of its profits and profitability, thus creating value for investors and 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 separate IFRS financial statement of the Company, its profit before tax for 2023 was HUF -192 million.

Based on the consolidated IFRS financial statement, its total comprehensive income amounted to HUF 1,160 million, as compared to HUF 999 million in 2022, which represents an increase of 16,12%.

Based on the consolidated IFRS financial statement, its revenue increased to HUF 38,228 million in 2023, which exceeds the amount of its 2022 revenue by 34,92%. All these results are due to the continuous growth of NEO Property Services Zrt.

In the separate IFRS financial statement of the Company, the equity amounting to HUF 5,606 million recorded on 31.12.2022 increased to HUF 5,786 million on 31.12.2023.

In the consolidated IFRS financial statement, the equity amounting to HUF 6,902 million recorded on 31.12.2022 increased to HUF 8,442 million on 31.12.2023. The profit before tax amounting to HUF 1,326 million on 31.12.2022 increased to HUF 1,640 million on 31.12.2023, whereas the value of the EBITDA passed from HUF 2,608 million on 31.12.2022 to 3,051 million on 31.12.2023.

The Governing Board does not recommend to pay dividends for 2023, having regard to the fact that it intends to use this amount partly for reducing the existing debt and partly for further acquisitions, 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 19 April 2024, as well as the proposals and draft resolutions prepared by the Company, intended to be submitted to the General Meeting.

Budapest, 28 March 2024

Zoltán Prutkay
chairman of the Governing Board
AKKO Invest Plc.