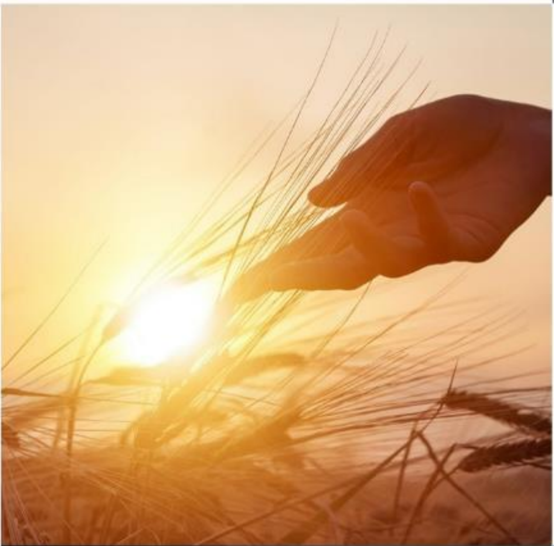
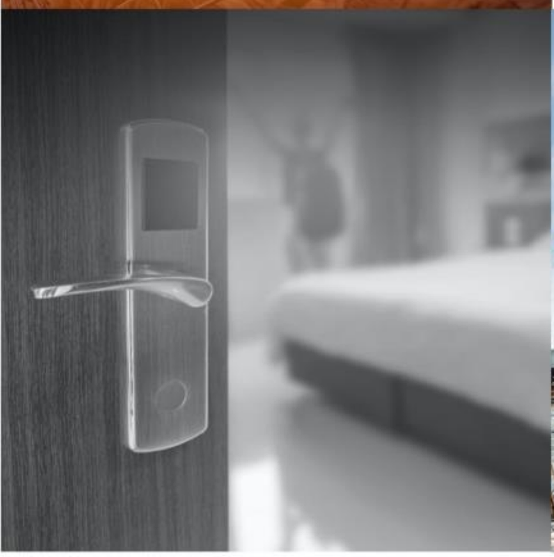
2019

Annual Report



OPUS GLOBAL Nyrt.



Consolidated,

IFRS

09/04/2020

Foreword by the Chairperson of the Board of Directors

The year 2019 can be termed in many respects unparalleled and unique in the life of not only OPUS GLOBAL Nyrt., but also of the participants of the Hungarian capital market, issuers and the world of the stock exchange. The merger of KONZUM Nyrt. into our Company set a precedent in the determination of steps in the fusion of two public companies limited by shares by a securities swap, and in drafting the required documentation, as so far the fusion of two public issuers has been unprecedented on the Hungarian stock exchange.

The success of our work started back in 2018 is confirmed by the fact that in March 2020, at the "BÉT Legek 2019" (Best of BSE 2019) Award Gala, organized by the Budapest Stock Exchange, OPUS GLOBAL Nyrt. was granted the award "Capital Increase of the year" for the capital increase performed in 2019 at a nominal value of nearly HUF 5.3 billion and in a volume of HUF 128 billion in relation to our successful acquisitions.

As the two companies participating in the fusion performed by merger had investments in different industries, the merger resulted in pivotal changes not only in the structure of OPUS's portfolio but also in its fundamentals, values and organization. We have adjusted our strategy to the changes, in the course of organizational transformation we have eliminated the parallelisms, combined functions and in addition to streamlining costs, we have implemented a more transparent operation. In order to manage the expanded portfolio at a holding level, we have determined strategic divisions and directions, and appointed responsible experts to manage them as division heads.

While laying the foundations of our diversified, long-term strategic investments with a balanced portfolio, we started the sale of certain liquid investments of ours.

In order to maintain and increase the value of our investments, our Company focuses on strengthening our strategic areas: due to external factors we reconsidered our energy portfolio, and intend to place the emphasis on energy trade and on the distributor networks. In the case of Hunguest Hotels, the flagship of our tourism division, we commenced the rebranding procedure, and by performing renovations ahead of schedule due to the pandemic, we reposition the market leading hotel chain. The improvements started in both of our factories in the food industrial division have continued and have resulted in Kall Ingredients rising among the most modern isoglucose factories of Europe, while Viresol, which has become unavoidable in starch manufacturing, became the "Agricultural Investment of the Year" in 2019. Within the framework of our strategic thinking we flexibly respond to the changed market conditions, as we have done in the case of Wamsler SE Tűzhelygyár included in our industrial division. In accordance with the already compiled reorganization plan, we change the profile to help our construction industrial businesses that perform at a high level.

In order to accomplish our additional capital investment and acquisition plans, we have joined the National Bank of Hungary's Bonds Funding for Growth Scheme (BFFG), and our Company was rated outstandingly high while meeting the rating criterion. The bonds issued in 2019 and admitted this year by the Budapest Stock Exchange for listing on MNB's XBond market were rated as BBB, four categories higher than expected by MNB, while the Company itself was rated BB by the independent international credit rating agency that conducted the rating.

In the crisis caused by the corona virus the experiences of the first month show that as a sufficiently capitalised, stock exchange listed Company having stable foundations, we can enjoy an additional exceptional benefit from our diversified portfolio. Based on our current calculations, OPUS GLOBAL Nyrt.'s operation will not be jeopardised even by a prolonged crisis.

Dr Beatrix Mészáros
Chairperson of the Board of Directors
OPUS GLOBAL Nyrt.

Consolidated Annual Report of OPUS GLOBAL Nyrt. for the Year 2019 and its 2019 Consolidated Financial Statements Compiled on the Basis of the International Financial Reporting Standards Adopted by the European Union

TABLE OF CONTENTS

Prepared on the basis of consolidated financial statements made according to the International Financial Reporting Standards adopted by the European Union.

Note:

In this report of the Board of Directors, OPUS GLOBAL Nyrt. is referred to as: “Parent Company”, “Company”, “Holding Centre” or “OPUS GLOBAL Nyrt.”.

If this report refers to the unity of the subsidiaries consolidated by OPUS GLOBAL Nyrt., the following terms are characteristically used: “OPUS Group”, “Company Group”, “Holding” or “Group of Companies”.

Consolidated Business Report of OPUS GLOBAL Nyrt. for the Year 2019

I DESCRIPTION OF THE COMPANY

The Company has a history of 100 years, dating back to its 1912 foundation. Initially, the Company's core activity was the manufacturing of veterinary pharmaceutical products, but not much later it was completed by human vaccine matter. In the 1950's, it was a predominant and state-of-the-art pharmaceutical company that united all the vaccine manufacturing institutions in Hungary. During privatization, in 1991 the various activities performed by the Company were divided and outsourced. The Company has been an issuer on the Budapest Stock Exchange (BSE) since 1998, as its shares were admitted for listing on 22 April 1998.

Following several transformations and reorganizations, due to the reduction of sales revenues and the transformation of the market of veterinary drugs, as from 1999 significant reorganization programmes were performed at the Company, and as a result, in 2009 the veterinary pharmaceutical activity was discontinued and several subsidiaries were sold.

After the Company's 2009 profile change, it continued operation in a holding structure, primarily engaging managing companies of various profiles an in asset management.

The year 2017 was a major milestone in the Company's life, as both the ownership and the management structure underwent serious changes. In H1 2017 (in possession of the Competition authority's authorization), Lőrinc Mészáros obtained ownership in excess of 24 per cent of the Company. In the framework of a new strategy, in 2017 the management changed the Company's name to OPUS GLOBAL Nyrt., to give impetus and a new profile to the Company corresponding to its new structure and growth potential. Since 2017, as a result of a significant transformation in the portfolio and ownership structure, it fundamentally strengthened and entered the premium category shares listed on the stock exchange, and has been a key member of the BSE ever since.

Simultaneously with reshuffling the management, a significant portfolio expansion was implemented already in 2017 with the Company adding high-value assets to its investments, and along this strategy trend, in 2018, still before the fusion, the Company increased the OPUS Group's equity and fundamentals eighteen-fold.

As a result of the capital increases, OPUS GLOBAL Nyrt has become one of the key companies in the Hungarian 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 Group's expected profit, profit-making capacity and capital structure were included among the Company's consolidated companies.

The business activities of OPUS GLOBAL Nyrt. and KONZUM Nyrt., two of Hungary's leading companies operating in the form of public limited companies, with regulated market transparency, as investment holding companies, overlapped at numerous points, affecting the model of operation as well as the medium- and long-term visions of the corporate managements. However, while laying the foundations of efficient operation, the two companies operated and had investments in fundamentally different industries and distinct divisions of real economy. In addition to the necessity of acquisitions and a portfolio expansion, implemented after the change in ownership in early 2017, the corporate managements found that in order to create and maintain market embeddedness and investor confidence, it was reasonable for the two companies to continue operation as a single entity open to the publicity of the regulated market and as its inseparable part.

In Resolution no. 3/2019 (IV.08.) the General Meeting of the Company definitively decided about the merger of KONZUM Befektetési és Vagyonkezelő Nyrt. as merged company into OPUS GLOBAL Nyrt. as acquiring company and legal successor company ("Merger"). In the course of the merger, OPUS GLOBAL Nyrt. became the business organization that acted as legal successor. As a result of the Merger, the total assets of the KONZUM Nyrt. were transferred to OPUS GLOBAL Nyrt. as a general legal successor, which continues operation in an unchanged legal status, as a public company limited by shares, after the Merger. The General Meeting set 30/06/2019 as the date of the merger.

OPUS GLOBAL Nyrt. built its portfolio and prepared KONZUM Nyrt.'s merger according to a consistently implemented strategy. One of the groups in the portfolio includes long-term investments, companies that are key market participants in a strategic industry (tourism, power engineering, food processing and industry). The other part of the portfolio comprises the management of assets, including the Holding's liquid investments.

As a result, in 2019 in business terms, the Company's asset management activities may be broken down into the following 5 main divisions:

- **Industrial production**
- **Agriculture and food industry**
- **Power engineering**
- **Tourism**
- **Asset management**

The Company's auditor

BDO Magyarország Könyvvizsgáló Kft. (Registration number at the Chamber of Hungarian Accountants and Auditors: 002387, H-1103 Budapest, Kőér utca 2/A. C. épület, company registration number: 01-09-867785; tax number: 13682738-4-42); name of auditor personally responsible for the audit: Péter Kékesi, licence by the Chamber of Hungarian Accountants and Auditors: 007128. The annual fee charged in 2019 for audits of the separate and the consolidated financial statement is HUF 19,950,000 + VAT.

The Company's responsible head of accounting: Judit Szentimrey (registration number: 196131)

Organizational and staff changes

Based on Resolution 9/2017. (V.02.) of the general meeting of the members, as from 2 May 2017, the Board of Directors has been the Company's managing body. In addition to the Board of Directors, the general meeting also resolved on the establishment of an Audit Committee and a Supervisory Board.

Board of Directors of the Company

- Dr Beatrix Mészáros, Chairperson of the Board of Directors
- Dr Ádám Balog
- Tamás Halmi
- Zsigmond Járai
- József Vida

Gellért Jászai and Ágnes Homlok Mészáros unconditionally and irrevocably resigned from their membership in the Board of Directors as from 30 April 2019 and 4 October 2019, respectively. By Resolution no. 3/2019. (X.04.) and with effect from the date of the resolution, the Company's Special General Meeting held on 4 October 2019 elected Dr Ádám Balog and Zsigmond Járai to replace them for a term ending on 02/05/2022.

Members of the Company's Supervisory Board and Audit Committee since 27 April 2018:

- János Tima (Chairman)
- Dr Orsolya Egyed Páricsi
- Dr Éva Szilvia Gödör

Between 1 August, 2017 and 1 July 2019, the Company's daily work and work organization, and the provision of the conditions required for the Company's activity were managed and supervised by Chief Executive Officer Zsuzsanna Ódor Angyal in a framework set by statutes and by the resolutions of the General Meeting and of the Board of Directors. Since July 1, 2019 the Company's Chief Executive Officer has been Miklós Gál. Since 01/07/2019, the Chief Executive Officer has been supported in his work by Zsuzsanna Ódor Angyal as Deputy Chief Executive Officer for Operations and Dr Gábor Dakó as Deputy Chief Executive Officer for Corporate Management.

The following table shows the executive officers and strategic employees of the Company as at the date of submitting the Report:

Nature	Name	Position	Start of appointment	End of appointment	Equity ownership
DIR	Dr Beatrix Mészáros	chairperson	02/05/2017	02/05/2022	-
DIR	Tamás Halmi	member	02/05/2017	02/05/2022	-
DIR	József Vida	member	19/06/2018	02/05/2022	-
DIR	Zsigmond Járai	member	04/10/2019	02/05/2022	
DIR	Dr Ádám Balog	member	04/10/2019	02/05/2022	-
SB, AC	János Tima	chairman	02/05/2017	02/05/2022	-
SB, AC	Dr Orsolya Egyed Páricsi	member	02/05/2017	02/05/2022	-
SB, AC	Dr Éva Szilvia Gödör	member	27/04/2018	02/05/2022	-
SP	Miklós Gál	CEO	01/07/2019*	-	68,000
SP	Zsuzsanna Ódor Angyal	Deputy Chief Executive Officer for Operations	01.07.2009*	-	-
SP	Dr Gábor Miklós Dakó	Deputy Chief Executive Officer for Corporate Management	01/07/2019*	-	
SP	Gábor Králik	Head of the Power Engineering Division	01/11/2019*	-	
SP	Dr Anett Tóth	Head of the Food Industry Division	01/07/2019	-	
SP	Tamás Halmi	Head of the Industry Division	01/07/2019	-	

DIR: member of the Board of Directors *AC: Member of the Audit Committee* *SE: strategic employee*
SB: Supervisory Board **start date of employment*

In 2019 OPUS GLOBAL Nyrt's Board of Directors held 7 meetings and resolved on 13 occasions, in accordance with its Bye-Laws, in writing. At its meetings 70 per cent of the members participated on average.

In 2019 the Supervisory Board and the Audit Committee held 5 meetings, consulted on 4 occasions, and adopted a total of 11 resolutions, with the participation of 100 per cent of the members on average.

In 2019, the Board of Directors did not adopt any decision in contrast to any recommendation made by the Audit Committee.

Report on responsible corporate governance

OPUS GLOBAL Nyrt.'s organizational units include the General Meeting, the Board of Directors, the Supervisory Board, the Audit Committee, and the Management, comprising the Chief Executive Officer and the Deputy Chief Executive Officers and attending to duties related to the preparation of decision making and adopts operative decisions in concert with the individual division heads, within the framework of the statutory regulations in force, and internal regulations – primarily the Organizational and Operational Rules. Within the framework of its internal operation, the Board of Directors makes special efforts at appointing its members partly in adjustment to the Company's divisions, from among renowned experts familiar with the strategic areas and well-versed in the money and capital market and/or in business.

The Company regularly reviews the constituents of its internal regulatory system and their compliance with the effective statutory and other regulations, and performs a comprehensive review, modifies them, if necessary, and motions for the creation and entry into force of any required new regulatory documents at least once a year, no later than by 31 December each year.

The Company compiled its Responsible Corporate Governance Report on the basis of the Recommendations on Responsible Corporate Governance published (on 23 July 2018) by the Budapest Stock Exchange and giving details of corporate governance practice. The Company will present this report in detail to the General Meeting in a separate document.

Disclosure information

We keep our shareholders and the interested people informed of the events and actions affecting the Holding via the website of the Budapest Stock Exchange (list of issuers, OPUS GLOBAL Nyrt under the title “Publications”), at the URL www.kozzetetelek.hu and on the Company’s website at www.opusglobal.hu.

Liaising with the stock exchange

Since 01/07/2019, Dr Gábor Dakó, OPUS GLOBAL Nyrt.’s Deputy Chief Executive Officer for Corporate Management has been responsible, as required by his job duties or through the work organization under his management and supervision, for the full performance of the duties related to investment liaising and for the complete capital market communication.

Contact: + 36 1 433 0701, info@opusglobal.hu

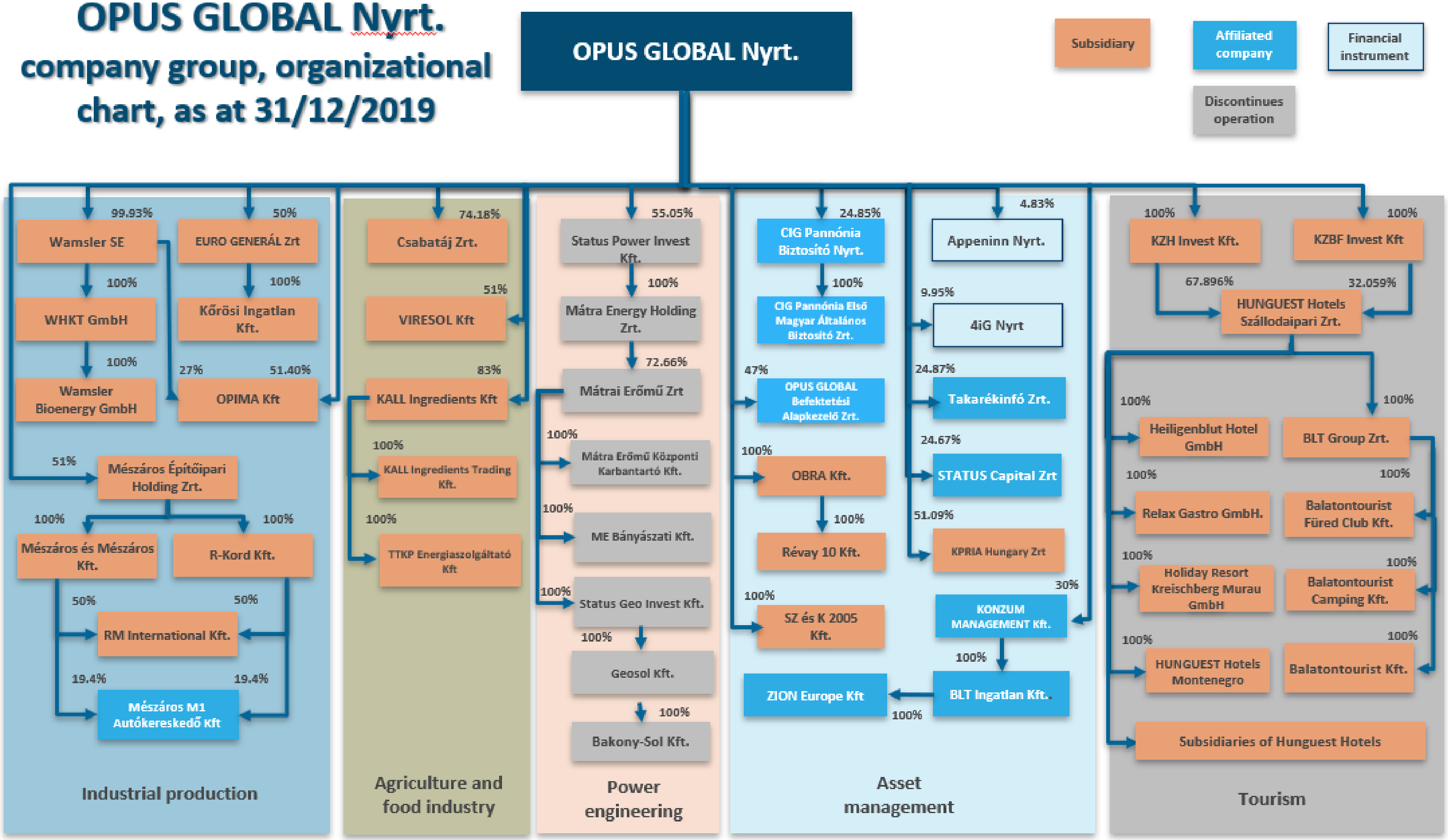
Events calendar

Event	Date
Approval of the Annual Report for 2019	09 April 2020
Regular annual general meeting	30 April 2020
Q1 2020 Report	May 30, 2020
Publication of the H1 2020 report	30 September 2020
Q3 2020 Report	30 November 2020

Regarding the corona virus pandemic, on 30 March 2020, the Company published its invitation for a regular annual general meeting, which informed the shareholders that with a view to the exceptional situation that has evolved in Hungary in relation to the human pandemic causing mass infections and jeopardising life and property (Covid-19), and respecting the provisions of the applicable statutes (thus especially the spirit and particular provisions of Decree 46/2020. (III.16.) Korm.), according to the published Invitation to the General Meeting of the Members, the Company did not see any opportunity for holding the Regular Annual General Meeting convened for 30 April 2020 by personal appearance, as required by the Company’s Statutes, on the date announced.

Corporate structure

OPUS GLOBAL Nyrt.
company group, organizational chart, as at 31/12/2019



Shareholder data

Official name of the company:	OPUS GLOBAL Nyilvánosan Működő Részvénytársaság
Registration number of the company:	Companies Court of the Court of Budapest Cg. 01-10-042533, Hungary
Address of the company:	H-1062 Budapest, Andrássy út 59.
Telephone:	(36-1) 433-07-00
E-mail address of the company:	info@opusglobal.hu
Registered internet access to the Company:	www.opusglobal.hu
Investment contact person:	Dr Gábor Dakó – (36-1) 433-07-01
The Company's share capital:	HUF 17,541,151,250
Date of the articles of association in force:	8 April 2019
Duration of the Company:	indefinite
Business year of the Company:	a period corresponding to the calendar year, between 1 January and 31 December every year
The Company's activity:	Core activity: 64 20 '08 Management activities of holding companies

Structure of the portfolio of securities

Securities denomination	OPUS share
Identifier (ISIN) for a security listed on the stock	HU0000110226
Ticker	OPUS
Trading currency	HUF
Shares (number)	701,646,050
Issuer's subscribed capital*	HUF 17,541,151,250
Share class	Premium
Method of producing the security	dematerialized
Type of security	ordinary share
Share type	registered
Face value	HUF 25
Date of admission of securities to listing	22 April 1998
Listing price	HUF 700
Series and serial number	Grade A
List of rights related to the security	full

OPUS GLOBAL Nyrt. maintains the Company's share ledger.

Securities denomination	“OPUS GLOBAL 2029 Bond”
Serial code:	OPUS2029
Security identifier (ISIN) listed in XBond	HU0000359278
Number of bonds:	572
Manner of distribution:	private
Form:	dematerialized
Auction date:	25 October 2019
Policy period:	10 years
Maturity:	29 October 2029
Total nominal value of the series:	HUF 28.6 billion
Amount of funds raised:	HUF 28.77 billion
Type of interest rate:	Fixed rate
Coupon ratio:	2.80%
Date of admission for listing on BSE:	30 March 2020

Ownership structure

Developments in the volume of own shares relative to the total share capital (RS2)

		Share (31 December, 2019)		Share (09 April, 2020)	
		Number	%	Number	%
Corporate:	OPUS GLOBAL Nyrt.	5,404,454	0.77	5,782,975	0.82
Subsidiaries[1]:	Csabatáj Zrt.	12,500,000	1.78	12,500,000	1.80
Total		**17,904,454**	**2.55**	**18,282,975**	**2.606**

[1]*Consolidated companies.*

List and presentation of the owners holding more than 5 per cent of the shares (RS3) on 31/12/2019

Name	Deposit manager	Volume (number)	Participation (%)
KONZUM PE Magántőkealap	**No**	**178,240,361**	**25.40%**
Direct	No	175,584,196	25.02%
Indirect	No	2,656,165	0.38%
Lőrinc Mészáros	**No**	**172,792,796**	**24.63%**
Direct	No	146,314,411	20.85%
indirect (through STATUS Capital Kockázati Tőkealap-kezelő Zrt.)	No	26,478,385	3.77%
Talentis Group Beruházás-szervező Zrt.	**No**	**46,998,875**	**6.70%**
KONZUM MANAGEMENT Kft	**No**	**49,809,673**	**7.10%**
Beatrix Mészáros Kelemen	**No**	**48,902,911**	**6.97%**
Public float: 26.594%			

For the purpose of determining the public float, the above-specified share package exceeding 5 per cent and shares held by the Company and by its consolidated subsidiaries were disregarded.

1062 Budapest, Andrássy str. 59.
Company registration number: 01-10-042533
tel.: +36 1 433 0700
e-mail: info@opusglobal.hu
www.opusglobal.hu

Key indicators of the Group, 2019

HUF '000'

Main ratios	OPUS Global Nyrt., Consolidated Audited factual data as at 31/12/2019	OPUS Global Nyrt., Consolidated Audited factual data as at 31/12/2018	OPUS GLOBAL Nyrt. and Konzum Nyrt. group PRO FORMA, total 31/12/2018	2018 PRO FORMA – 2019 comparison	Change, %
Balance-sheet total	646,210,235	576,723,315	715,168,522	-68,958,288	-9.64
Equity	287,555,167	280,354,151	347,700,959	-60,145,793	-17.30
Employee headcount	5,864	3,943	5,892	-28	-0.47%
Operating income, total	210,142,393	54,085,672	88,518,737	121,623,656	137.40
Operating costs	213,446,555	57,307,926	81,502,764	131,943,791	161.89
Operating (business) profit/loss (EBIT)	-3,304,162	-3,222,254	7,015,974	-10,320,136	-147.09
EBIDTA	24,082,162	-1,076,946	10,583,159	13,499,003	127.6
P/L on financial operations	-3,176,911	24,071,319	24,114,887	-27,291,798	-
P/L before taxes	-6,481,073	20,849,065	31,130,860	-37,611,933	-
Net P/L on continuing operation	-4,809,872	20,729,954	29,701,092	-34,510,964	-
Net P/L on discontinuing operation	-29,412,824	4,041,720	4,041,720	-33,454,544	-
Total comprehensive income	-34,396,433	24,799,456	33,770,594	-68,167,027	-

Note: A 2018. The PRO FORMA data derive from the addition of OPUS GLOBAL Nyrt.'s consolidated annual report and KONZUM Befektetési és Vagyonkezelő Nyrt.'s 2018 consolidated financial statements according to the IFRS .

HUF '000'

Share data	2019 YE	2018 YE	Change y-o-y
Closing rate (HUF)	340.4	490	-31%
Number of listed shares	701,646,050	325,297,838	116%
Market capitalization (HUF billion)	238.8	159.4	50%
weighted number of shares	683,741,666	358,969,940	90%
EPS for ongoing activity (net P/L per share)	-7.0	57.7	-112%
EPS for discontinued activity (net P/L per share)	-43.0	11.3	-482%
BVPS (book value of equity per share)	296.7	469.3	-37%

Note: The average number of ordinary shares was calculated as a weighted arithmetic average. For the purpose of calculating basic earnings per share, the number of ordinary shares is the weighted average number of ordinary shares outstanding during the period.

FINANCIAL SUMMARY

As a result of the Merger, the legal successor OPUS GLOBAL Nyrt.'s portfolio structure has considerably been transformed and its fundamentals have been reinforced. Thus on 31/12/2019, **the Group's equity increased to nearly HUF 287 billion.**

With a view to the large changes that took place in the Company Group in 2019, in order to facilitate comparability, a PRO FORMA statement has been compiled as a basis, by the addition of the 2018 audited annual IFRS consolidated balance sheet and income statements of OPUS GLOBAL Nyrt. and KONZUM Nyrt., presuming identical group structure implemented by the fusion. In spite of this, comparison is rendered more difficult by the fact that characteristically, an enormous increase took place in OPUS GLOBAL Nyrt.'s portfolio of fundamentals in the second half of 2018 as a result of acquisitions, as in the basis year in the case of the acquired companies, consolidation did not include a full year.

As a result of KONZUM Nyrt.'s merger on 30 June 2019, tourism was added to the Company's portfolio as a new division.

In an analysis of the Report it should be emphasized that based on an agreement concluded in December 2019, Status Power Invest Kft. and its subsidiaries (the companies in the power engineering division) will be sold and thus removed from consolidation in 2020 and as a result, with effect from the 2019 balance-sheet cut-off date the financial data of these companies are shown as discontinued operations. The Group has also reclassified the Appeninn group, previously managed as a subsidiary, among discontinued operations, based on influence identical with the actual shareholding, according to the IFRS standards.

The profits made by these companies in the reporting year were reclassified among the P/L of discontinued operations on 31/12/2019. The consolidated profit on discontinued operations resulted in a loss of HUF -29,412,824,000 for the Group.

Thus the Company Group's 2019 business activity was primarily determined by its profitability arising from its continuing operations, laying the basis for the business challenges and stability for the next year.
Based on the business activity performed in 2019, it can be established that in order to confirm the implementation of in-kind contributions of companies of outstanding significance in the business lines organized into divisions, and over the horizon of the entire year, the Group has achieved outstanding increase in the operating income. **In 2019 the Group's operating income increased to HUF 210,142,393,000, nearly two and a half times on a year earlier, in contrast to the HUF 88,518,737,000 PRO FORMA data. This increase is highly significant after the 2019 adjustment for the sales revenue from discontinued operation.**

The EBITDA indicator, best presenting the Company Group's operation, exceeded HUF 24 billion in the period reviewed (HUF 24,082,162,000), which is significant even in comparison to the 2018 PRO FORMA P/L, and shows a two-fold increase.

In 2019, the Group made HUF -3,304,162,000 *technical, but not actual* loss on the level of its operating profit or loss on a consolidated level, as according to the IFRS standards, the Group recognized HUF 20.81 billion depreciation in 2019, not related to the companies' operations, but to the annual amortization of the value of contracts existing at the time of the acquisition, established according to IFRS – according to their current stage.

If only the actual activities are taken as a basis in the case of newly consolidated construction industrial subsidiaries, in 2019 the Group would have realized a profit exceeding HUF 15 billion, increasing both the operating profit and the profit after taxes on the basis of its continuing operation.

The Group's **profit after taxes was HUF -34,222,696,000, deriving from two items: net P/L in the amount of HUF -4,809,872,000 from continuing operation and HUF -29,412,824,000 from discontinued activity.**

At the time of publishing the consolidated annual IFRS report for 2019, the impacts of the spread of the corona virus on the Group's operation could not yet be foreseen. However, in accordance with strategic thinking and the re-planning of certain strategic elements the management of OPUS GLOBAL Nyrt. makes all efforts at minimizing the damages caused by the corona virus in the business year 2020 and at preventing them by capitalizing on the synergies inherent in its operation.

II. EXECUTIVE SUMMARY

The year 2019 brought major changes in the life of OPUS GLOBAL Nyrt., even compared to the huge increase that resulted from the 2018 acquisitions. As a holding, our Company invests into sectors of strategic significance and high growth potential, and capitalizing on the economies of scale and on the benefits of diversification, through our investments we endeavour to continuously maximize value. Fusion with KONZUM Nyrt. was a highly important step in this strategy.

At the general meetings held in December 2018, both OPUS GLOBAL Nyrt.'s and KONZUM Nyrt.'s shareholders expressed their agreement with the said two companies' intention to fuse by merging KONZUM Nyrt. into OPUS GLOBAL Nyrt.

The purpose of the Merger is to establish Hungary's largest investment holding that would invest into the strategic sectors of the Hungarian economy and thus obtain a predominant position. The merger may open up new perspectives for OPUS GLOBAL Nyrt., and our Company may become an attractive target for international investors; based on our capitalization and financial indicators it may facilitate the introduction of our shares in regulated markets and their appearance in the indexes considered as European benchmarks, and may contribute to the accomplishment of our plans to achieve further growth of considerable volumes.

In the first half of the year, a considerable part of our Company's duties comprised in relation to the successful implementation of the merger, and the need to comply with the relevant statutory requirements limited the capacity for the implementation of new acquisitions and transactions, since the merger procedure required the participating companies to have a relatively balanced and static state of affairs.
Thus, in H1 2019, we focussed primarily on compliance with the statutory requirements of the stock exchange listing of the shares created after the 2018 capital increases, and thus due to the capital increase exceeding HUF 5 billion, in March 2019 the Company Group was presented in a Consolidated Stock-Exchange Prospectus approved by the National Bank of Hungary (MNB). This was followed by the equivalence procedure, already with the involvement of KONZUM Nyrt.

In the transformation procedure, the creation of the documentation of the complete Transformation Plan, determination of the swap ratios of KONZUM Nyrt.'s shares and the identification of the individual steps were unique. In setting the swap ratio, the benchmark was the parent company's share in the consolidated equity, calculated for the value date 31 December 2018 for both KONZUM Nyrt. and OPUS GLOBAL Nyrt. according to the IFRS, as in the opinion of the Company's Board of Directors, this resulted in a swap ratio closer to the true assessment of the companies and more favourable for investor interests.

As a result of the fusion of the two companies, the legal successor company OPUS GLOBAL Nyrt.'s portfolio structure has considerably been transformed and its fundamentals have been reinforced. Thus on 31/12/2019, the Group's equity was nearly HUF 287 billion.

As in order to create value and increase its size by merger, OPUS GLOBAL Nyrt. had to prepare for fulfilling the increased tasks. To this end, in addition to fully complying with the statutory regulations, within the holding structure the Company elaborates and runs forward-looking solutions covering each single area of responsible corporate governance along the lines of a uniform strategy while also creating higher internal control. On the other hand, as a result of the increased size and the elaborated line distribution, the management tailored the size of the Board of Directors to the complexity and extent of the task, thus reinforcing strategic thinking in corporate building, an in the course of this procedure, supported by the General Meeting, the Board of Directors were added two persons with expertise in this field: Zsigmond Járai and Ádám Balog.

In order to implement its financing and growth plans and to set up a structure for financing from the capital market, in H2 2019, the Company started preparation for its most success possible participation in the National Bank of Hungary's Bonds Funding for Growth Scheme (BFFG). In order to substantiate participation, the Company's Board of Directors assessed the benefits of financing by debt securities and the arguments in favour of private offering, and on this basis, participation in the BFFG was proposed. The General Meeting approved the proposal.

OPUS GLOBAL Nyrt. fulfilled the independent credit rating procedure, required as a prerequisite of participation, with an outstanding rating: the independent international credit rating company, Scope Ratings GmbH, rated the bonds envisaged to be issued for the purpose of participation in the programme as BBB, four categories higher than expected by MNB, while the Company itself was rated BB.

After successful participation in MNB's Bonds scheme, on 25 October 2019, the Company performed a private bond offering at a nominal value of HUF 28.6 billion, and KELER Zrt. created the securities on 29 October 2019. With due consideration to the outcome of the internal financial analysis and tailored to operation, the Company uses the capital earned from the bonds issue for the implementation of our acquisition plans and for the renewal of our financing. In agreement with the requirements of the BFFG, the Company undertook to register the Bonds for listing in the XBond MTF multilateral trading system of the Budapest Stock Exchange. Having fulfilled this commitment, the opportunity to trade in the "OPUS2029" bonds was opened on 30 March 2020.

In Hungary the bonds market is currently in the background, and credit institutional financing is predominant, but west of us this is a completely conventional form of corporate financing. In contrast to the traditional forms of lending, bond issue offers numerous advantages for a company and these are worth and important to capitalize on.

The Company used the majority of the resources obtained from bond issue for restructuring the loans of its current subsidiaries, with a view to the fact that with knowledge of the current levels of interest, financing could be considered expensive, and the Company did use it in the case of some of its capital expenditure projects, primarily restructuring high interest-bearing loans that required substantial collateral. In addition, the Company intends to use the resources secured from the BFFG for its future acquisitions, as it has additional acquisition plans along the current portfolio.

In the past two years, in agreement with the Company's announced growth strategy, a significant portfolio expansion and diversification was implemented. In the course of this, our Company included high-value assets in its investments. Managing them in a holding structure, and maintaining and increasing the value of these investments required an even more emphatically strategic thinking and the implementation of the specific strategic elements built on them.

In light of these strategic elements, the appropriate management of the current pandemic is even more important, as in business life it can be generally said that one of the key factors of success is the ability to respond fast to the altered conditions. Our Company is also characterized by such adaptability. Acting responsibly, OPUS GLOBAL Nyrt.'s management decided on the most important tasks ahead of the company group. Thus we reviewed the Group's medium-term strategy and elaborated a multi-phase action plan, in adjustment to the various government measures, to prepare for every contingency.

OPUS GLOBAL Nyrt. started the financial year 2020 with a stable balance sheet. Its main objective is to retain and secure the outstanding rating awarded in 2019 by the independent rating agency in the current business environment that has undermined both the international and the Hungarian economy as a result of the pandemic.

Our Company's strategic objectives primarily remain the further rapid increase in the Company Group's income-generating capacity and the future optimization of the existent assets. In addition, we will continue to focus on the acquisition and integration of companies with significant growth potential and profit-making capacity. An important goal – and also potential – is capitalization on the benefits inherent in the holding structure. This priority task includes the disclosure and use of synergies between the asset elements and the group's business activities, the reasonable and coordinated management of the available resources and capitalization on the opportunities to cooperate within the group.

Profitability

After the merger, in the course of 2019, OPUS GLOBAL Nyrt. had shares and participations classifiable in the Industrial Production, Agriculture and Food Processing, Energy and Asset Management divisions.

The main driving force behind the industrial production line is construction industry, where the Company has several direct and indirect shares and interests. As a result of the acquisition of 51 percent of the shares in Mészáros Építőipari Holding Zrt., the Company obtained a significant amount of dividend paying shares thanks to the successful business management by two of its subsidiaries in its 100 per cent ownership, Mészáros és Mészáros Kft and R-KORD Kft. In the course of 2019, OPUS GLOBAL Nyrt. as parent company received more than HUF 5 billion as dividend from these subsidiaries.
The other important construction industrial company is EURO GENERÁL Zrt., which is in the 50 per cent ownership of the Company since 2009, is engaged primarily in structural engineering and has been a stable member in the company group. In 2019 it paid the Parent Company HUF 100 million as dividend.

In addition to industrial production, agriculture and food processing are also of key significance.

Two busy years have passed in the history of KALL Ingredients Kft. since the processing of the first tonne of maize. In 2018, the first year of production, we focused on launching the plants, setting and maintaining the stability of production, and continuity in the quality of the various products. We are proud to report that KALL was the first in the region to be able to produce F95 product in an excellent quality.

The year 2019 was also a milestone for VIRESOL Kft. Phase I of the capital investment project was closed ant on 11 February, 2019, the plant was ceremonially opened. Test run and production started in the plants.

Both KALL Ingredients Kft. and VIRESOL Kft. are continuously present in the competition market. In early May 2019 they participated in the Farmers' Day at Hódmezővásárhely, in the National Agricultural and Food Industrial Fair organized in September, and at the most prestigious forum of food ingredient manufacturers, the Food Ingredients Europe exhibition in Paris. Both food industrial companies are highly regarded by the market: in September 2019, the F95 product of extraordinary high fructose content produced by KALL Ingredients Kft. was awarded a Food Industrial Grand Prize, and in December 2019, VIRESOL Kft. was awarded the agricultural capex project of the year at the agricultural conference "Portfolio".

Based on the strategic direction adopted by OPUS GLOBAL Nyrt., we intend to transform the power engineering line according to 21st-century economic and environmental challenges. As a first step in this strategy, on 26 March 2020, the Company sold its share in Status Power Invest Kft., and thus it no longer has any influence over Mátrai Erőmű Nyrt.
Based on the Company's power engineering strategy, in February 2020 it made a binding bid to E.ON Hungária Zrt. as seller in a tender invited for the purchase of 100 per cent of the shares in E.ON Energiakereskedelmi Kft. (EKER), and signed a framework agreement for the potential purchase of TITÁSZ Zrt., a company operating in electricity distribution. Closing of the tender may only be envisaged at the end of the year.

With KONZUM Nyrt.'s merger on 30 June 2019, OPUS GLOBAL Nyrt. considers the new division, tourism as a priority element in its portfolio, since currently HUNGUEST Hotels is one of Hungary's largest and best-known hotel chains, owned only by Hungarians.

In the current pandemic situation caused by the corona virus, it is clearly visible that the international economy, and specifically tourism in general and this division of the Company in particular, has suffered a serious adverse impact, and due to the immense loss of sales, at the moment the size of the impact cannot yet be predicted. OPUS GLOBAL Nyrt. places great emphasis on the management of this critical economic situation. Acting as a responsible owner, after consideration of all the circumstances, it adopts the required decisions in the appropriate time.

By the merger the Company's asset management activity has also expanded considerably, and OPUS GLOBAL Nyrt. primarily classified its minor shares, participations and more liquid investments in addition to its less important subsidiaries. The Company has a 9.95 per cent share in 4iG Nyrt. and 4.83 per cent in Appeninn Nyrt. In November 2019 the Company reduced the latter share in several steps, as according to OPUS GLOBAL Nyrt.'s strategy, after the merger real property management was no longer included in the list of key divisions, and so simultaneously with reduction in the ratio of shareholding, influence over the management was also discontinued.

The 24.85 per cent share in CIG Pannónia Biztosító Nyrt. was also included in OPUS GLOBAL Nyrt.'s portfolio of associated companies by merger. OPUS GLOBAL Nyrt. holds this share in the asset management division, in addition to strategic investments classified into divisions, and thus it is not considered as a strategic investment. CIG Pannónia group's core activity includes life and non-life insurance, however, through its participation OPUS does not exercise any control whatsoever on the company's operation. Based on OPUS's strategy, in 2019 we started negotiations with CIG Nyrt. on the rearrangement of our shares held in each other. In addition, proceeding in this direction, we clearly declared that in the event of any problems that may arise in the CIG group and that may require additional resources, our Company wishes and will not to provide capital investment or other financial help to CIG Nyrt. and we do not undertake any commitment to that effect. Negotiations are currently in progress, and we will inform our shareholders of their effective completion or failure without delay. However, due to the drop in the equity of our investment in CIG, the significant impairment recognized in our share in an amount of more than HUF 4 billion is clearly visible and considerably reduced the Group's profit in 2019. Our Company is committed to remedying this loss by addressing the situation and to compensating it by new investment made with a view to maximizing shareholder value.

In addition to all these, we can establish that the Company's financial data confirm the reasonableness of the merger, as at the end of 2019, OPUS GLOBAL Nyrt.'s separate equity had increased 30-fold, exceeding HUF 191 billion, while the consolidated equity of the entire company group was nearly HUF 287 billion. This further reinforces and supports our objective to include companies with a strong growth potential and high profitability in the company group's portfolio, capitalizing on the Company Group's diversification and the synergies between the companies.

OPUS GLOBAL Nyrt.'s management

Miklós Gál
Chief Executive Officer

Zsuzsanna Ódor Angyal
Deputy Chief Executive Officer
for Operations

Dr Gábor Dakó
Deputy Chief Executive Officer
for Corporate Management

III. BUSINESS EVENTS IN THE REPORTING PERIOD

Growth strategy and portfolio expansion

In Resolution no. 3/2018 (XII.03.), adopted at the general meeting of the shareholders of OPUS GLOBAL Nyrt. on 3 December 2018, and in Resolution no. 2/2018 (XII.03.) adopted at the general meeting of the shareholders of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság ("KONZUM Nyrt." or "Merged Company"), the shareholders expressed their agreement with the companies' intention to fuse by merging KONZUM Nyrt into OPUS GLOBAL Nyrt.

As the second step in the merger procedure, on 08/04/2019, in Resolution no. 3/2019 (IV.08.) the General Meeting definitively decided the merger of KONZUM Nyrt. as merged company into OPUS GLOBAL Nyrt. as acquiring company and legal successor company ("Merger"). In the course of the merger, OPUS GLOBAL Nyrt. became the business organization that acted as legal successor. As a result of the Merger, KONZUM Nyrt.'s total assets were transferred to the OPUS GLOBAL Nyrt. as to a general legal successor, which has been continuing operation in an unchanged legal status, as a public company limited by shares, after the Merger. In the same resolution the General Meeting also ascertained that at that time no shareholder has indicated his or her intention not to participate in the transformation with the number of shares in his or her ownership (on behalf of OPUS GLOBAL Nyrt.).

Resolution no. 8/2019 (IV.08.) of the General Meeting set the date of the Merger at 30/06/2019, and based on this, the Companies had prepared their final statements of assets and liabilities by 30/06/2019 for both the merged and the acquiring and legal successor company, and the General Meeting of the legal successor company approved them on 4 October 2019 in its Resolutions no. 6 and 7/2019 (X.04.).

After the Merger, OPUS Global Nyrt.'s share capital (subscribed capital) is HUF 17,541,151,250 i.e. seventeen billion five hundred and forty one million one hundred and fifty one thousand two hundred and fifty Hungarian forints. Thus the Company's share capital comprises 701,646,050 i.e. seven hundred and one million six hundred and forty six thousand fifty (Series A) ordinary shares, each representing HUF 25, i.e. twenty five, Hungarian forints, and equal rights.

HUF 3,305,231,480 was made available from the Company's capital reserve with a view to the calculation of the swap ratio determined during KONZUM Nyrt.'s merger into OPUS GLOBAL Nyrt. and to the fulfilment of the obligations incurred in relation to the merger.

The high-value capital increases and company acquisitions performed in the course of the year 2018 by the companies should be considered as the cornerstones in the reasonableness of the fusion, which resulted in an expansion of the two companies and their investment scopes in an extent that the targeted investment interfaces and the utilisation of the opportunities inherent in the new market segments could only be specified for the two companies by significant overlaps. In order to ensure further growth, based on facts and their well-grounded expectations, the managements of OPUS GLOBAL Nyrt. and KONZUM Nyrt. considered it necessary to act as investors and increase their presence primarily in Hungary and in the second place in the Central and Eastern European region, and thought that raising funds from domestic and international capital was indispensable for financing these regional transactions. In order to attract more significant amounts of capital, achieving a critical size is indispensable. Based on these factors, in October 2018, the managements of the companies submitted a proposal to the general meetings of OPUS GLOBAL Nyrt. and KONZUM Nyrt. for a fusion between the two companies.

If the companies are considered jointly after the merger, they became the fifth largest company in the Budapest Stock Exchange in terms of stock-exchange capitalisation, and therefore they have set the realistic goal of establishing, by the merger, Hungary's largest investment holding that would invest into the strategic sectors of the Hungarian economy and thus obtain a predominant position.

As a result of the fusion, at the end of 2019, OPUS GLOBAL Nyrt. became a holding company with even more stable fundamentals and more sufficiently capitalized. The Company management expects even more efficient and streamlined operation than previously, by capitalization on the synergies within the Company Group, and at the same time it considers portfolio streamlining important in order to establish a corporate structure that is easier for investors to comprehend and that may result improve investor transparency, in the opinion of the boards of directors of the companies.

Based on a management decision, also in the interest of improving transparency, it was an important milestone that – in addition to the performance of various quantitative criteria (size, public float, turnover and liquidity) – from 2020 OPUS GLOBAL Nyrt.'s securities will also be analysed in the framework of BSE's analysis and market-making programme, by the company Equilor, newly joining the programme with its quotation services. The prompt market liquidity of OPUS shares is also supported by quotation through the investment service provider. In order to participate in the programme, the Company undertook to publish its reports and financial statements on a quarterly basis as from 2020 in order to provide a basis for the investment service provider's analysis. Based on experiences in stock exchange operation, the Company primarily expects this initiative to improve investor confidence as a result of transparency, and to increase share turnover.

OPUS GLOBAL Nyrt.'s primary strategic goal is to maintain and improve the income-generating capacities of the consolidated companies, to optimise the existing assets in the future, and coordinate synergies in order to maximise profit, with the proactive role of OPUS' management.

In addition, the Company focuses on the acquisition and integration of companies with significant growth potential and profit-making capacity. Based on this, the Company's long-term objective is to operate and increase a diversified investment holding structure (create value) that invests into Hungary's economic sectors with the largest growth potentials, including food industry, construction industry, tourism and power engineering, and provides an opportunity, through these investments, for its investors to map Hungary's growth profile.

At the end of H1 2019, OPUS Group's activity could be divided into five divisions: industrial production, agriculture and food industry, power engineering and after the merger: tourism, while and asset management is also present as the implementation of the objectives in the individual divisions.

Currently, OPUS GLOBAL Nyrt.'s power engineering line is undergoing considerable transformation, which may result in the shift of its main focus within the industry and in raising the company among the key components of the Company Group, thus contributing to long-term and stable profitability. Based on the strategic direction of OPUS GLOBAL Nyrt.'s power engineering line, it intends to transform its scope of activity in agreement with the economic and environmental challenges. Therefore on 26 March 2020, the Company sold its lignite-based energy production group and intends to focus on the electricity trade and distribution line.

OPUS GLOBAL Nyrt.'s management has set improvement in the income-generating capacity of the strategic divisions and additional transparent growth over the medium- and long term. Based on all this, the management's aim is to present the Company as an attractive target for institutional large investors and financial funds following conservative investment policies.

Organizational changes

In order to fully meet its asset management activity, in addition to fully complying with the statutory regulations, OPUS GLOBAL Nyrt. elaborates and runs, within the holding structure, forward-looking solutions covering each single area of responsible corporate governance along the lines of a uniform strategy.

During the development of this model, the Board of Directors set up the corporate governance model that has been functioning since 1 July 2019 after identifying and weighting the key strategic, operative and corporate governance areas. In addition to sustainable development and OPUS GLOBAL Nyrt.'s operative functioning, priority was assigned to the holding structure's operation coordinated according to uniform financial and business principles; to cleansing the profile of the individual divisions; to the harmonisation of compliance tasks over the entire company group; and with a view to the company's presence on the stock market, to efforts made at the reinforcement of investor relations and at communication along a uniform strategy.

Arising from the critical size and from the diversity of components in the holding structure, the Board of Directors is committed to raising the level of internal control over the holding structural components. In this framework, outstanding attention was paid to compliance with the individual provisions of Recommendations for Responsible Corporate Governance, published by Budapesti Értéktőzsde Zrt. (BÉT), and in addition to the controls already existing or adopted by the new management, it lay the foundations for the operation of internal control, assigned to the Company's Supervisory Board after the merger, and wishes to proactively contribute to the grounding of proposals manifest in the eventual future development of the Company's subsidiaries, in matters related to operation and in maintenance models. On the other hand, due to the increased size and the elaborated line distribution, the management tailored the size of the Board of Directors to the complexity and extent of the task, thus reinforcing strategic thinking terms of corporate building.

It is the Company's outstanding duty to facilitate future development, the use of additional acquisition regulations and appropriate and efficient response to the market requirements through the holding structure, with a view to the growth targets, by ensuring efficient internal operational regulations and environment. In addition to the full use of the advantages inherent in stock exchange listing, the Company considers it as a priority task to operate an organization capable of fully performing the related commitments in order to continue the company group's development in Hungary and abroad.

Although by KONZUM Nyrt.'s merger, the parallel functions of the two companies had been combined, after the Merger, in 2019 OPUS GLOBAL Nyrt. consolidated 53 companies, the management considered it important to develop appropriate expert governance for the Company, as its business performance and success depend to a major extent on the management. In 2019, four divisions were set up in corporate management, and experts were appointed at the head of each division. These organizational and staffing changes were implemented to adjust OPUS GLOBAL Nyrt. to the changes entailed in the fusion, and to create the conditions of efficient decision-making, and the identification and use of synergies offered in the holding structure.

Since 01/07/2019 the Company has been managed by Chief Executive Officer Miklós Gál, assisted in compliance with capital market regulation and as a contact person for investments by Deputy Chief Executive Officer for Corporate Governance Dr Gábor Dakó, and in the management of business and operation by Deputy Chief Executive Officer for Operations, Zsuzsanna Ódor Angyal.

The Company has prepared its Remuneration Policy in accordance with Act LXVII of 2019 on the Encouragement of Long-term Shareholder Participation and the Amendment of Certain Acts for the Purpose of Legal Harmonisation ("Long-term Participation Act"). The aim of the Policy is to establish a policy for the remuneration of the persons fulfilling executive positions at OPUS GLOBAL Nyrt. and to recognise their performance in agreement with the Company's business strategy, objectives, sustainability, values and long-term interests, and to facilitate achievement of the latter. The Company submits its detailed Remuneration Policy to the General Meeting in a separate document.

In addition, the management provides for the operation of a Remuneration Committee within the Company, with bye-laws requiring them to support the Board of Directors in issues related to the remuneration of the members of corporate bodies and of the management, and if needed, also in matters of appointment. The purpose of the Remuneration Committee is to improve the efficiency of the Board of Directors' decision-making procedure in questions related to staffing, and simultaneously provide for the complex management of staff-related questions.

Participation in the Bonds Funding for Growth Scheme (BFFG)

In order to implement its financing and growth plans, and to set up a structure for financing from the capital market, the Company participated in the Bonds Funding for Growth Scheme (BFFG) announced by the National Bank of Hungary.

In order to establish a proper basis for participation, the Company's Board of Directors considered the benefits of financing by debt securities and the arguments in favour of a private issue, and as Section 9.2 p) of the effective Statutes provides that granting authorization for the Board of Directors to issue bonds falls within the exclusive competence of the General Meeting, the Board intended to seek authorization for all this from the shareholders. At the General Meeting held on 4 October 2019, the shareholders granted authorization to the Board of Directors for the bond issue.

The Company submitted to the independent credit rating required by the MNB as a prerequisite for participation in the announced BFFG scheme.

The independent international credit rating company Scope Ratings GmbH, an agency registered and supervised by the European Securities Market Authority (ESMA) and approved by the National Bank of Hungary for central banking collateral assessment, rated the bonds envisaged to be issued for the purpose of participation in the programme as BBB, four categories higher than expected by the MNB, while the Company itself was rated BB (www.scoperatings.com).

After a successful participation in the National Bank of Hungary's Bonds Funding for Growth programme (BFFG) and in possession of an authorization by the General Meeting, on 25 October 2019, OPUS GLOBAL Nyrt. performed a private bonds issue at a nominal value of HUF 28.6 billion and at an issue price of HUF 28.77 billion. On 29 October 2019, KELER Zrt. created the securities.

These Bonds have a term of 10 years, and from 29 October 2019 they carry an annual 2.80 per cent interest on their nominal value. During the term of the Bonds, the interest is payable subsequently, on 29 October each year, i.e. from 29 October 2020 to 29 October 2029.

Registration of the bonds issued by the Company under the name "OPUS GLOBAL 2029 Kötvény" in the multilateral trading system called XBond and run by the Budapest Stock Exchange (Budapesti Értéktőzsde Zrt.) was approved by the Chief Executive Officer of BSE on 26/03/2020, and the opportunity to trade in the Bonds opened on 30/03/2020.

With a view to the fact that the Bonds issued by the Company were distributed in a securities auction performed as a public offering of securities in the framework of the BFFG and that the bonds are securities put into circulation by public offering, our Bonds qualify as publicly offered securities.

OPUS GLOBAL Nyrt.'s Board of Directors uses the capital resource raised from the bonds issue – with due consideration to the outcome of the internal financial analysis and tailored to operation – for the implementation of its acquisition plans and for the renewal of the Group's financing. The latter had been implemented by the end of 2019 through reduction of the exposure of KALL Ingredients Kft., VIRESOL Kft. and Wamsler SE.

Share market evaluation

Although trade in these shares remain below the management's expectations, it continues to clearly evidence proactive investor interest in the Company's shares.

Foreign interest is expected to increase on the basis of the permanent inclusion of our Company's shares in two of the most important indices of the Budapest Stock Exchange: BUX and BUMIX, and its inclusion in the CECE index of the Vienna Stock Exchange in 2018, and this inclusion has been retained this year. However, the re-weighing of the regional index of the Vienna Stock Exchange resulted in minor changes in the Hungarian, Polish and Czech stock markets, and due to a change in the public float, OPUS' weight in CECE decreased in 2019.

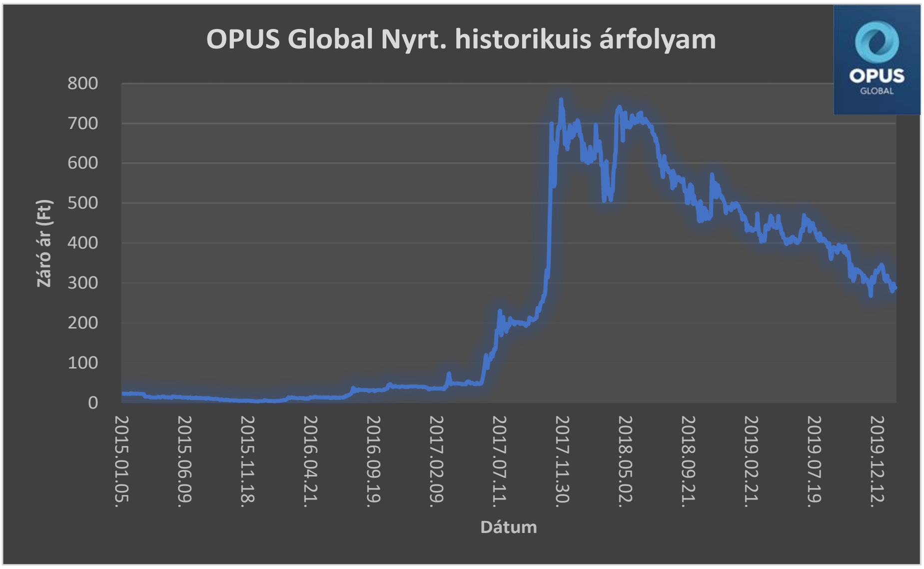
Based on the basket reviews performed by the Budapest Stock Exchange, from 23 March 2020, the OPUS shares retained their places in the index baskets specified by BSE. In the BUX index basket it is fifth in weight (1.75%), however, in the BUMIX it is ranked the most significant security with 19.75 per cent.

In the share market perception it is also important that on 1 June 2018 the OPUS share was included in MSCI, and after the May review of the semi-annual global index, also in the MSCI Hungary Small Cap, MSCI Emerging Markets Small Cap and MSCI ACWI Small Cap indices, and thus it is next to such Hungarian blue chips as MOL, Richter or OTP.

The Company also considers this membership as a significant opportunity for the purchase of our shares in an even wider circle of domestic and foreign institutional investors, and thus capital resources would open up for further strengthening the fundamentals and the volatility of the shares would also decrease.

The management is expressly confident, as the credit rating performed by Scope Ratings GmbH on commission from the MNB, and its result, in other words, the BBB rating granted to OPUS GLOBAL Nyrt. for the bond issue, and in addition, Scope Ratings also rated the Company as a corporation and the bond issuer BB with stable outlook in the field of international fund raising opportunities. This outstanding rating combined with the PREMIUM category provides additional impetus to institutional investors, revealing the medium- and long-term investment opportunities inherent in the OPUS shares.

OPUS GLOBAL Nyrt.'s historical price



Closing price (HUF) Date

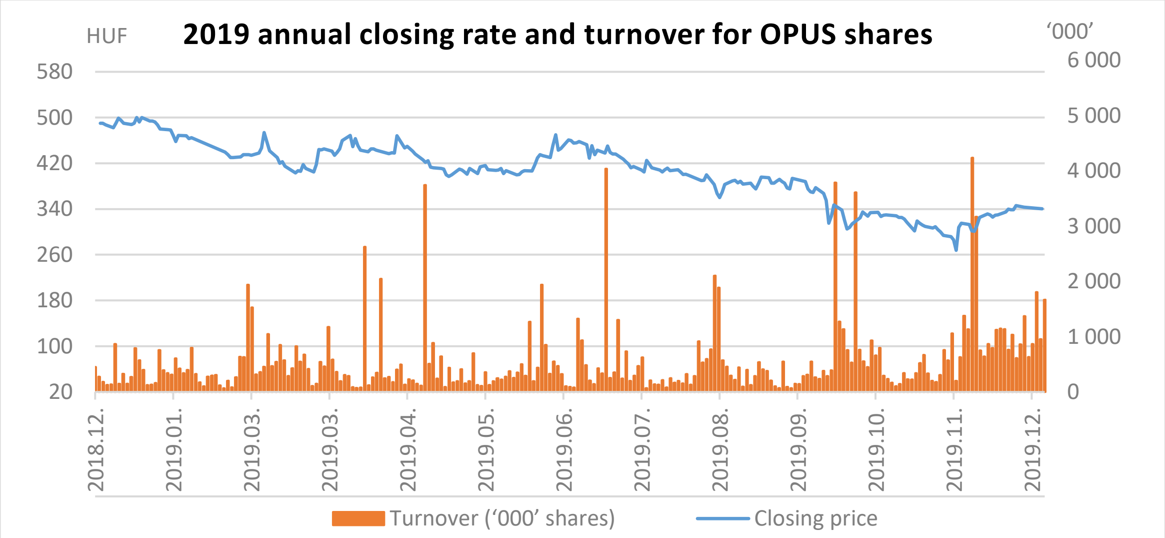
In 2019, with the fusion of the Company and KONZUM Nyrt. the Company Group was practically re-established, and a market capitalization of nearly HUF 250 billion, it became the fifth largest business organization in the Hungarian capital market.

By mid-2018, increase and the achieved acquisition results had clearly been priced in the Company's share prices, and since then it has been stagnated and then set on a declining trajectory, partly due to the lack of investors and partly to a more intensive appearance of liquidity. After the period of stagnation (stalling for time), the Company has identified numerous specific causes of the trajectory of decline that started in 2019 (based on the 180- and 360-day average price), which are intended to be addressed.

Drop in the exchange rate was justified on the one hand by investors expressly exhibiting speculative conduct and on the other by the opportunities manifest in the investment services of investment service providers that prefer intraday trading techniques. The Company's aim is to be able to offset the opportunity by reaching and mobilising a circle of more proactive institutional investors, and by transparency manifest in daily operation.

The Company analysed its trading side – based on the assets available for its and the publicly accessible information – by cross-checking share ledgers on numerous occasions, and by mapping proactively trading investors, which shows that aside from certain trading elements considered unlawful by the management, who have requested MNB to investigate such elements and supports the central bank by regular data, the adverse impacts of the trade (presumably performed by robots) can continue to be felt so long as permanent financial investments are not made in the market of financial instruments (shares and bonds) issued by the Company and held in public circulation.

On the other hand it is clearly visible that in the market of OPUS shares and considering the conditions of demand and offer, since the summer of 2019, and more specifically and clearly, from the period of the fusion, a sales pressure built on a kind of "conscious" (trading) behaviour is outlined, or to put it simply, no positive news whatsoever resulted in any increase in the price of the security over a longer term in the analysed period.



In the current pandemic situation, the behaviour of securities markets is unpredictable not only globally but even in Hungary. While a few days ago investors panicked and the BUX dropped as low as 5 per cent in the negative, the indices of the other stock exchanges of the world were already 15–20 per cent lower, and barely a few days' later European stock exchanges, including the Hungarian stock exchange, rose sharply. The Hungarian impact can be explained by the investors' response to the details of the Hungarian rescue package, and as a result of the measures taken by MNB, BUX rose to the 4 per cent range, and the OPUS shares performed best of the components in a basket, showing a nearly 20 per cent rise.

The Company's Board of Directors submitted an application to the General Meeting held on 4 October 2019 for the Company's authorization to purchase its equity shares.

In order to increase confidence, the Company wished to purchase its equity shares in order to implement its strategic objectives, thus especially in the interest of

- using equity shares as a means of payment in the course of acquisition transactions,
- the operation of share-based incentive systems (the Company's Board of Directors intend to elaborate the framework for a subsequent executive incentive share programme), and
- facilitating the opportunity to optimize the capital structure

By Resolution no. 4/2019. (X.04.), pursuant to Section 3:223 (1) of the Civil Code, the General Meeting authorized the Company's Board of Directors to acquire the ownership title to the dematerialized, Series A, ordinary shares issued by the Company in the nominal value of HUF 25 each to the benefit of the Company, and limited the number of shares in the Company's ownership at a time, above the number of shares qualifying as the Company's equity shares, to a number of shares representing maximum 5 per cent of all the shares issued by the Company. Equity shares may be acquired free of charge or purchased. Onerous acquisition includes stock exchange and public offers and over-the-counter transactions, including the exercise of a right ensured by a financial asset carrying the title to acquire equity shares (e.g. call option, exchange right etc.).

The Company set the highest and lowest amounts of the consideration applied in the course of onerous share acquisition at +/- 20 per cent of the daily stock exchange rate.

Exercising its call option established by a contract of 21 December 2017 on 5,404,313 ordinary OPUS shares representing a nominal value of HUF 25 each, on 21 December 2019 the Company purchased the shares owned by Wamsler SE at the average of the rate quoted at the Budapest Stock Exchange in the 180-day period preceding the option exercise.

According to the Company's notice of 23 March 2020, the equity shares will be purchased irrespective of its one-off decision, in the framework of a commission given to MKB Bank Nyrt., within a quarter (three-month period) from early April 2020. The Company performed calculations on the basis of the turnover data of the preceding twelve-month period, gave its authorization setting the maximum allowed ratio of the acquired shares at 10 per cent of the daily trade and specifying in general that at most 3,000,000 shares – slightly more than 0.4 per cent of the shares – can go into its possession through this commission.

Developments in the volume of OPUS GLOBAL Nyrt.'s equity shares relative to the total share capital (RS2)

	Share (31 December, 2019)		Share (09 April, 2020)	
	Number	%	Number	%
OPUS GLOBAL Nyrt.	5,404,454	0.77	5,782,975	0.82

Dividend policy

The General Meeting of OPUS GLOBAL Nyrt., as the Parent Company, decides on the ratios of the Parent Company'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 Company, as well as legal, regulatory and other factors and considerations.

As a precondition to participation in the Bonds Funding for Growth Scheme (BFFG) and as a commitment, in the summer of 2019 OPUS GLOBAL Nyrt. was required to maintain, during the entire term of the Bonds, a credit risk rating for the Bonds, made by a rating agency (SCOPE RATINGS GmbH) registered and supervised by the European Securities Market Authority (ESMA) and recognized by the National Bank of Hungary for collateral assessment. To this end, during the entire term, the Company will expressly keep in mind and commit to conduct its business activity while maintaining the credit rating obtained in the year 2019.

Over the medium term, OPUS GLOBAL Nyrt. plans to pay dividend, however, due to the Company's participation in the bond scheme, at the moment there is a need to create the liquidity to cover bond repayment that may be required any time, while another aim is to develop the portfolio to build a future, high-value company that realizes growth by increasing shareholders' investment value.

IV. A BRIEF DESCRIPTION OF NON-FINANCIAL STATEMENTS

The Company presents its business model in Section I. (See: I. Description of the Company

The system of managing work safety and security

We are aware of the fact that our employees' safety is a fundamental value that does not leave room for compromise. As the implementation of a safe and risk-free work environment is a priority, in order to create it, our Company Group makes regular effort and consistently checks and improves the developed system to ensure full compliance with the regulations applicable to a safe work environment in daily practice.

OPUS GLOBAL Nyrt. continuously fulfils its obligations to protect health and safety in accordance with the statutory regulations in force, and cooperates its employees, customers and contractors in order to secure healthy and safe environment and welfare for all its employees.

Our Company is committed to the following:

- The creation and maintenance of safe working conditions on the worksites;
- The elaboration and maintenance of an appropriate system of rules in order to ensure safe conditions for work;
- Regular training for every employee of the company and partner;
- Regular daily control of compliance with the work safety and health rules elaborated for and applicable to the companies, both by internal control and by audits performed by an independent external party;
- Monitoring the statutory requirements and the regular updating and upgrading of the system that has been created.

In recent years all the Company's subsidiaries have adopted measures securing health and safety at work.

OPUS GLOBAL Nyrt.'s companies have all the rating systems required in the sectors and divisions. In addition to the ISO 9001 certification applicable to the manufacturing of products, they also have ISO 14001 (Environmental management system), ISO 50001 (Energy management system), and after 2018 also the new international standard BS OHSAS 18001/2007 (Occupational health and safety management system). This ensures that without any competitive disadvantage, the companies are able to ensure their employees' health and safety in compliance with 21st-century requirements.

In the agricultural portfolio egg production and fodder manufacturing require the HACCP system, the food safety risk management system based on good manufacturing and distribution practices in the broad sense of the terms and on good hygienic practices, aimed at prevention.

In addition, the food industrial subsidiary is also attested in accordance with the OSHAS 28001 standard and this year it will be transformed according to the most recent ISO 45001 standard. Due to the complexity of the technological procedures, the Company operates a work safety plan applicable to all of its employees.

Future commitment

OPUS GLOBAL Nyrt intends to increase its portfolio by companies with profit-making capacities and focus on economic sustainability as well as environmental sustainability. Both KALL Ingredients Kft and VIRESOL Kft have this mission. In their modern plants, products are manufactured by innovative production technologies, in the case of the latter, zero-waste technology responds to the environmental and business challenges. In the tourism line, HUNGUEST Hotels Zrt., holder of the "Green Hotel" title, is equally committed to sustainable development.

Our agricultural companies make efforts at high-level innovation. As an outstanding example, in September 2019, the F95 product of especially high fructose content, produced by KALL Ingredients Kft. was granted a Food Industrial Grand Prize. This innovative product is considerably sweeter than traditional caster sugar (saccharose), and therefore approx. 2/3 of the volume is enough to use. It can be fit into both traditional and reform nutrition, it is used in the same way as the familiar beet sugar, but it is sweeter, and thus the calorie input can be reduced by about 34 to 40 per cent.

The thorough knowledge and outstanding expertise guarantees high-standard work on its own. We ensure uninterrupted development for each member of our team and an opportunity to pass down their knowledge to the rising generation. Our Company's business objectives are in agreement with the interests of its employees, its contracted partners, society in the wider sense, and the environment. In the course of our business activity we respect the rights and obligations of the various layers of society, and during the organization of our work we pay special attention to the enforcement of human rights. We expect our partners and suppliers to respect and enforce all these in their business policies at all levels.

We profess that the welfare of our society is based on the responsible management of the natural resources and on keeping the environmental load at the minimum. During the organization of our activity we pay special attention to the protection and uninterrupted improvement of our natural and built environment. We think that respect for our environment is of fundamental significance for ensuring an appropriate life standard for the future generation.

In addition to our primary business activity, we pay attention and energy to the organization of social programmes and to participation in charity initiatives. We are convinced that action should be taken to strengthen social cohesion and solidarity locally, in our immediate surroundings. In this spirit we proactively support local organizations and thus the evolution of local communities. Several of our companies also support one-off requests. One such case included support to an SNA patient little boy called Levente in 2019 by R-Kord Kft. in the amount of HUF 26 million.

We are proud to have supported the Hungarian Lifeguard Service, who could purchase two special, novel rescue boats for HUF 16 million in the summer of 2019, with HUF 12 million support by OPUS GLOBAL Nyrt. and HUNGUEST Hotels Zrt.

Csabatáj Zrt. contributed to the "Bread of Hungarians" programme by donating wheat. The Bread of Hungarians is a charity programme for the support of organizations that help Hungarian children within and across the borders. In the course of this programme, wheat is collected from donors ready to help in territories inhabited by Hungarians in the Carpathian Basin, and the wheat offered is forwarded to people in need partly in the form of flour and partly as bread.

Our companies set forward-looking objectives that represent challenges and are assessed, aware of their responsibility as contractors, as achievable and innovative. We encourage our employees to do the same, and support corporate and individual success in a joint effort. We manage market changes fast, endeavouring to reach a solution.

The Group pays special attention to the organizational, operational and other internal, personnel and liability rules at every level of operation through adjustment to the Company's market weight, transparency and streamlined operation. With the successful implementation of all these, the aim of the management is to ensure profitability and simultaneously achieve efficiency sustainable over the longer term.

In addition to responsible business conduct, it is of outstanding importance to highlight social benefit, as currently the company group employs nearly 6000 people. For the Group, harmony between the social, environmental and economic components is indispensable. Long-term success is conditional upon the assumption of responsibility for our environment and society. The management lays great emphasis on the approximation of the various operational cultures of the subsidiaries active in different sector in order to meet the professional standards.

Environmental protection

The company group manages the environmental protection duties related to the various activities with special responsibility, and in our projects and developments we will make efforts at the application of the available technologies which are the most compliant with the environmental requirements. The Company complies with the applicable statutory regulations, meeting the environmental and related provisions of the relevant authorities.

Manure treatment for the poultry farm has been solved by the environmental protection project implemented in our agricultural division in the framework of the New Hungary Rural Development Programme. The monitoring wells allow the control of nitrate content in subsoil water. Based on the test results, dust emission by product dryers remains within specification. During the re-cultivation of the object disposal site, woodland will be created on the territory.

During instalment, KALL Ingredients Kft selected the equipment with a view to the requirement of the best available technology (BAT). Our Company also operated an ISO 14001 system that includes the protection of surface and sub-surface waters, the protection of atmospheric purity and waste management. The Company has an integrated pollution prevention and control authorization (IPPC) and due to the most state-of-the art equipment, the amount of its emitted air pollutants is very slight. In the course of product manufacturing, a very slight amount of waste is generated and its significant part is recyclable. Our Company plans to use the waste generated in ever increasing volumes as direct secondary raw material. Taking power engineering considerations into account, KALL Ingredients Kft also operates an energy management system according to ISO 50001.

Viresol Kft.'s management considers the adoption of the ISO 14001 environmental management system and the ISO 50001 energy management system and the company's management in accordance with them as a strategic decision. They are committed to the application of environment-friendly and energy efficient operation and manufacturing technologies and practices during the manufacture of their products.

The protection of our environment and the minimization of our environmental load and energy consumption are ensured by the following actions:

- Reduction in the use of energy, indirect materials and auxiliary energies
- Implementation of energy efficiency actions
- Prevention of environmental pollution and the reduction of waste generation
- Gradual decrease in their specific water consumption.

We are convinced that training our employees and the consistent enforcement of our environmental expectations facilitate the raising and reinforcement of environmental awareness. In the spirit of sustainability, our company makes efforts at the implementation of improvements that go beyond the best available technologies and reduce the environmental load, and to facilitate sustainable development and product improvement. Our corporate core values and objectives include the simultaneous reduction of the adverse impacts on our environment and of energy consumption by our innovative solutions and development projects.

Wamsler SE, the heavy industrial subsidiary in our industrial production line, has an integrated pollution prevention and control authorization (IPPC). The Company's environmental management system includes waste management, the protection of air purity, protection against noise and vibration, and landscape and nature conservation. Environmental awareness and energy efficiency is not only manifest in the products but also in the production process. Wamsler SE has its own experimental laboratory and product development team to facilitate the development of modern energy efficient apparatuses, with special focus on the application of environment-friendly manufacturing technologies and on recycling the generated waste. Our efficiency is reflected in the fact that in addition to ISO 9001, the company is also attested by ISO 14001 and ISO 28001.

The members of HUNGUEST Hotels are committed to environmental protection. This is confirmed by the fact that already 14 hotels in the chain have various ratings arising in the course of operation, including the Green Hotel rating valid up to the end of 2020. This expression means that the given hotel makes efforts at reducing and recycling waste, saving water, reducing energy consumption and separate waste collection.

Employment matters

One of the pillars of the Group's successful operation is its successful staffing policy, in other words, the Company Group's ability to employ specialists who provide adequate strategic management for the member companies of the Group, and who have the expertise to ensure successful day-to-day operation for the member companies towards both customers and supervisory authorities (including the stock exchange).

The Company Group's performance and success is highly conditional on its colleagues' and employees' expertise, approach and commitment. The Company makes efforts at retaining the employees by providing competitive conditions and training opportunities.

Within the OPUS Group, the critical situation caused by the COVID-19 virus affects people working in the tourism division most adversely. It is clearly visible that the spread of the corona virus has a highly adverse impact specifically on tourism, but for the time being the size of the impact is unpredictable. Based on the Government's announcement made on 18 March 2020, tourism was rated as a sector of outstanding significance, and considerable concessions were granted to both employees and employers in this area: a decision was adopted about contribution allowances, and the tourism development contribution was cancelled up to 30 June 2020, and these measures provide a great help in employee retention in this division, however, the sustainability of this situation remains questionable over the entire pandemic period.

Due to the characteristic features of construction industry in the industrial production line (project works, primarily implementation performed in the framework of main contracting), it has a moderate amount of human resources, while in the interest of attending to future assignments, staff increase for the next period has begun.

Labour fluctuation also impacts the agricultural subsidiary, and in order to reduce this effect and terminate vacancies, our subsidiary will cooperate as a partner to the local labour office in headcount management and will support labour training by the provision of place and professional help.

HUNGUEST Hotels Zrt. will do everything within its power to continuously improve its employees through training in the future, and thus to strengthen their loyalty to the company and be able to serve hotel guests at an even higher standard. Members of the hotel staff also convey the hotel's strategic values during their work.

V. CONSOLIDATED FINANCIAL DATA AND SHAREHOLDER INFORMATION

Preamble

OPUS GLOBAL Nyilvánosan Működő Részvénytársaság (registered office: H-1062 Budapest, Andrássy út 59, company registration number: 01-10-042533; registered by: the Companies Court of the Court of the Metropolitan Court, hereinafter: "Company" or "OPUS GLOBAL Nyrt."), points out in relation to its present consolidated, audited annual report for 2019 ("Report") that as KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság ("KONZUM Nyrt.") was terminated on 30 June 2019 with a legal successor and merged into OPUS GLOBAL Nyrt., this Report relies on the historical 2018 annual data as a basis, which only include OPUS GLOBAL Nyrt.'s factual data from its 2018 consolidated financial statements, based on the business management and events preceding the transformation. On the other hand, in the interest of comparability, it contains the 2018 consolidated pro forma data, as the consolidated financial statements were exclusively prepared for illustrative purposes, because these data present a presumed state of affairs.

The purpose of compiling pro forma consolidated financial statements (hereinafter: "Pro forma") for OPUS GLOBAL Nyrt. and its consolidated subsidiaries (hereinafter: "Company Group", or "OPUS Group") for the period ended 31 December 2018 was to present, in the interest of a better comparison, the Company Group's comprehensive income as at 31 June 2018 according to International Financial Reporting Standards (IFRS), if the KONZUM Nyrt's merger into OPUS GLOBAL Nyrt. had taken place already on 1 January 2018.

During the compilation of the Pro forma consolidated financial statements, with the exception of the above-described assumptions, the Company Group applies the same accounting policy and recognition criteria as in the last audited annual statements of OPUS GLOBAL Nyrt. and its consolidated subsidiaries, having their cut-off date on 31 December 2019.

The 2018 Pro forma financial statements can only be interpreted correctly if they are considered in conjunction with the audited, annual, consolidated financial statements of OPUS GLOBAL Nyrt. and KONZUM Nyrt., compiled in accordance with IFRS for the period ended 31 June 2018.

The Company Group presents its 2018 comprehensive P/L and financial position under such presumed conditions, as if the Merger happened at the beginning of 2018. However, it is important to highlight that such pro forma data are merely informative, as thus they may not contain the Company Group's factual comprehensive performance and financial position.

General business environment

Similarly to the past five years, 2019 saw growth in the Hungarian economy. The economy grew by 4.9 per cent on a 2018 basis. In 2019 slowing continued in the global economy, and as a result, the external environment determining the Hungarian economy also became more unfavourable. In the euro area, the pace of growth was half the 2017 rate. Low-key expansion in the currency area was primarily boosted by internal demand, and in a forward-looking perspective it was a favourable trend that in addition to consumption, investments also made a significant contribution.

With its stable 4.9 per cent economic growth, Hungary stands out among its competitors, and in respect of GDP increase, Hungary consolidates a leading position even in a European Union comparison.

In the reporting period, i.e. 2019, the European Union's aggregate economic growth was 1.5 per cent. The continued trade tensions between the United States and China, and the considerable political uncertainty – primarily affecting commerce – limited capital investments, manufacturing and international trade. As the global GDP growth rate is expected to remain low, Europe's growth depends on the strengths of the various sectors producing for the internal market.

Brexit certainly requires the rearrangement of business relations in adjustment to the new commercial conditions, on the one hand, and it is not negligible, on the other, that with its independent economic policy focusing on national interests, in the future the United Kingdom may become a competitor to the European Union in the global economy, and these facts further bleak the picture of the growth prospects for the reduced European Union.

The fact that within the framework of a wage and tax agreement, in 2017 the corporate tax rate was lowered to 9 per cent, the lowest in the European Union, and has been maintained at this level ever since has had an incentive impact on the development of businesses. On the other hand, simultaneously with a permanent improvement in the population's income position and with favourable labour market trends, consumption has also contributed considerably to growth. These impressive growth trends are further enhanced by the new record high levels seen in employment in the competitive sector due to a massive labour demand. In 2019, more than 4.5 million people were employed in Hungary, and simultaneously, the unemployment rate dropped to 3.5 per cent, the fifth lowest among the Member States of the European Union.

<u>Expectations due to the Corona virus:</u>

The general crash in the global stock markets, and at times their significant positive corrections well illustrate the atmosphere of overall fear and uncertainty. It was recognised all over the world that the pandemic can only be halted by limiting population movement, which necessarily entails temporary recession in the economic processes, as this hits global producer chains as well as consumer demand both physically and through developments in the expectations. International and Hungarian forecasting agencies regularly reduce their growth forecasts. At the moment the main question is whether the limitations of movement caused by the virus only affect Q2 and Q3, or a longer period.

V.1. The OPUS Company Group's business management in 2019

OPUS GLOBAL Nyrt. built its portfolio and prepared KONZUM Nyrt.'s merger according to a consistently implemented strategy. One of the groups in the portfolio includes long-term investments. These companies are key market participants in a strategic industry (tourism, power engineering, food processing and industry). The other part of the portfolio comprises the Holding's asset management area, which manages liquid investments.

After the high-value acquisitions performed in 2018 and the accomplishment of KONZUM Nyrt.'s merger, in 2019 the management developed new divisions in order to streamline organizational and operational process and lend them transparency.

As a result, in business terms the Company's activities may be broken down into the following 5 main divisions:

- Industrial production
- Agriculture and food industry
- Power engineering
- Tourism
- Asset Management

The values disclosed in the reports compiled for each division contain the items that can be directly assigned to the given line. The Group prepares the line information for the management on the basis of this breakdown per division.

The number of companies included in consolidation has significantly increased: while in H1 2019, only 31 companies were consolidated, at the end of 2019, this number was already 54.

The purpose of consolidation is the joint presentation of the data relevant to the entire business, as from the company group's perspective, their impacts may differ from the data presented in the individual reports.

The scope of consolidated companies is determined by the Company's CEO.

LIST OF THE CONSOLIDATED COMPANIES AS AT 31/12/2019

Name	Relationship	Core business activity	Country of registration	Direct / indirect participation	Issuer's share on 31/12/2017	Issuer's share on 31/12/2018	Issuer's share on 31/12/2019
Industrial production							
EURO GENERÁL Építő és Szolgáltató Zrt.	S	Sale and purchase of own properties	Hungary	Direct	50.00%	50.00%	50.00%
KŐRÖSI INGATLAN Ingatlanhasznosító és szolgáltató Kft.	S	Sale and purchase of own properties	Hungary	Indirect	50.00%	50.00%	50.00%
Mészáros Építőipari Holding Zrt.	S	Asset management (holding)	Hungary	Direct	-	51.00%	51.00%
Mészáros és Mészáros Ipari és Kereskedelmi Kft.	S	Construction of other civil engineering projects n.e.c.	Hungary	Indirect	-	51.00%	51.00%
R-Kord Építőipari Kft.	S	Manufacture of other electrical equipment	Hungary	Indirect	-	51.00%	51.00%
RM International Zrt	S	Construction of railways and underground railways	Hungary	Indirect	-	51.00%	51.00%
Mészáros M1 Autókereskedő Kft	A	Sale of cars and light motor vehicles	Hungary	Indirect	-	23.46%	19.89%
Wamsler SE Háztartástechnikai Európai Rt.	S	Manufacture of non-electric domestic appliances.	Hungary	Direct	99.93%	99.93%	99.93%
Wamsler Haus- und Küchentechnik GmbH	S	Retail sale of appliances	Germany	Indirect	99.93%	99.93%	99.93%
Wamsler Bioenergy GmbH	S	Retail sale of appliances	Germany	Indirect	99.93%	99.93%	99.93%
OPIMA Kft.	S	Manufacture of refractory products	Hungary	Direct	51.00%	51.00%	51.00%
Agriculture and food industry							
Csabatáj Mezőgazdasági Zrt.	S	Mixed farming	Hungary	Direct	74.18%	74.18%	74.18%
KALL Ingredients Kereskedelmi Kft.	S	Manufacture of starches and starch products	Hungary	Direct	-	100.00%	83.00%
KALL Ingredients Trading Kereskedelmi Kft.	S	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	Hungary	Indirect	-	100.00%	83.00%
TTKP Energiaszolgáltató Kft.	S	Steam supply and air-conditioning	Hungary	Indirect	-	100.00%	83.00%
VIRESOL Kft.	S	Manufacture of starches and starch products	Hungary	Direct	-	51.00%	51.00%
Power engineering							
Status Power Invest Kft.	S	Production of electricity	Hungary	Direct	-	55.05%	55.05%
MÁTRA ENERGY HOLDING Zrt.	S	Asset management (holding)	Hungary	Indirect	-	40.00%	40.00%
Mátrai Erőmű Zrt.	S	Production of electricity	Hungary	Indirect	-	40.00%	40.00%
Mátrai Erőmű Központi Karbantartó Kft.	S	Repair of machinery	Hungary	Indirect	-	40.00%	40.00%
Mátrai Erőmű Bányászati Mélyépítő Kft.	S	Other specialised construction activities n.e.c/	Hungary	Indirect	-	40.00%	40.00%
Status Geo Invest Kft.	S	Production of electricity	Hungary	Indirect	-		40.00%

Geosol Kft.	S	Recovery of sorted materials	Hungary	Indirect	-		40.00%
Bakony-Sol Kft.	S	Wholesale of solid, liquid and gaseous fuels and related products	Hungary	Indirect	-		40.00%
Asset management							
OPUS GLOBAL Nyrt.	**PC**	**Asset management**	**Hungary**	-	-	-	-
OBRA Ingatlankezelő Kft.	S	Letting of own and rented property	Hungary	Direct	100.00%	100.00%	100.00%
Révay 10 Ingatlanfejlesztési Kft.	S	Letting of own and rented property	Hungary	Indirect	100.00%	100.00%	100.00%
STATUS Capital Kockázati Tőkealap-kezelő Zrt.	A	Other financial supplementary activity	Hungary	Direct	24.67%	24.67%	24.67%
SZ és K 2005. Ingatlanhasznosító Kft.	S	Letting of own and rented property	Hungary	Direct	100.00%	100.00%	100.00%
Takarékinfó Központi Adatfeldolgozó Zrt.	A	Data processing, web hosting	Hungary	Direct	24.87%	24.87%	24.87%
4iG Nyrt.	F	Other information technology and computer service activities	Hungary	Direct	13.79%	13.79%	9.95%
KONZUM MANAGEMENT Kft.	A	Sale and purchase of own properties	Hungary	Direct	-	Merger	30.00%
BLT Ingatlan Kft.	A	Asset management (holding)	Hungary	Indirect	-	Merger	30.00%
Zion Europe Ingatlanforgalmazó és Hasznosító Kft.	A	Letting of own and rented property	Hungary	Indirect	-	Merger	30.00%
Appeninn Vagyonkezelő Holding Nyrt.	F	Sale and purchase of own properties	Hungary	Direct	-	Merger	4.83%
OPUS GLOBAL Befektetési Alapkezelő Zrt.	A	Fund Management	Hungary	Direct	-	Merger	47.00%
CIG Pannónia Nyrt.	A	Insurance	Hungary	Direct	-	Merger	24.85%
KPRIA Hungary Zrt	S	Engineering activities and technical consultancy	Hungary	Direct	40.00%	40.00%	51.09%
Tourism							
KZH INVEST Korlátolt Felelősségű Társaság	S	Asset management (holding)	Hungary	Direct	-	Merger	100.00%
KZBF Invest Vagyonkezelő Kft.	S	Asset management (holding)	Hungary	Direct	-	Merger	100.00%
HUNGUEST Hotels Szállodaipari Zrt.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%
Pollux Hotel Zrt.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%
MB Hills Szállodaüzemeltető Kft.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%
Relax Gastro & Hotel GmbH	S	Hotels and similar accommodation	Austria		-	Merger	99.99%
Ligetfürdő Ingatlanfejlesztő és Fürdőüzemeltető Kft.	S	Letting of own and rented property	Hungary	Indirect	-	Merger	99.99%
Hunguest Hotels Montenegro doo	S	Hotels and similar accommodation	Montenegro	Indirect	-	Merger	99.99%
Heiligenblut Hotel GmbH	S	Hotels and similar accommodation	Austria	Indirect	-	Merger	99.99%
Legátum '95 Kereskedelmi és Szolgáltató Kft.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%

Holiday Resort Kreischberg Murau GmbH	S	Letting of own and rented property	Austria	Indirect	-	Merger	99.99%
BLT Group Zrt.	S	Asset management (holding)	Hungary	Indirect	-	Merger	99.99%
Balatontourist Idegenforgalmi és Kereskedelmi Kft.	S	Campsite services	Hungary	Indirect	-	Merger	99.99%
BALATONTOURIST CAMPING Szolgáltató Kft.	S	Campsite services	Hungary	Indirect	-	Merger	99.99%
Balatontourist Füred Club Camping Szolgáltató Kft.	S	Campsite services	Hungary	Indirect	-	Merger	99.99%
Legjobb Napok Kft. "under dissolution"	S	Mail order services and internet retail trade	Hungary	Indirect	-	Merger	99.99%

S: Fully consolidated, A: Classified as an affiliated company; F: Financial instrument; PC: Parent company

Within the tourism line, Ligetfürdő Kft., Legatum Kft., BLT Group Zrt., MB Hills Szállodaüzemeltető Kft. and Pollux Hotel Zrt. had been merged into HUNGUEST Hotels Zrt. by 31/12/2019, however, as of the cut-off date of the Report, the Company still managed these merged companies as separate entities.

The 2019 consolidated data of OPUS GLOBAL Nyilvánosan Működő Részvénytársaság are based on the audited report approved by its Directorate, the Supervisory Board and the Audit Committee. The 2019 annual report of OPUS GLOBAL Nyrt was compiled on the basis of the IFRS financial statements for the year ended on 31 December 2019, according to the International Financial Reporting Standards (IFRS) adopted by the European Union.

V.2. Description of business management per division:

Industrial production division

In OPUS GLOBAL Nyrt.'s portfolio the industrial production line, including construction industrial and heavy industrial businesses, is assigned high priority, and provides 32 per cent of the Company Group's consolidated balance-sheet total.

Pursuant to the decision adopted by OPUS GLOBAL Nyrt.'s Board of Directors on 15 November 2018, Mészáros Építőipari Holding Zrt. was contributed in kind to the Company Group, and thus industrial production became the predominant line in the Company Group's business activity in 2018, as its two fully owned subsidiaries (Mészáros és Mészáros Kft and R-KORD Kft) are key participants in the construction industry.

As its core activity, Mészáros Építőipari Holding Zrt, which is in the 51 per cent ownership of the Company Group, is engaged in the asset management of its two fully owned subsidiaries, Mészáros és Mészáros Kft and R-KORD Kft.

Mészáros és Mészáros Kft. is primarily engaged in the construction of roads, public utilities and hydraulic objects, and performs work related to the implementation of engineering facilities related to environmental protection and nuclear energy. The expertise and implementation experience accumulated in the subsidiary allowed the company to participate in numerous large-volume projects recently.

The other fully owned subsidiary of Mészáros Építőipari Holding Zrt. is R-KORD Kft., a company engaged, as its core activities, in the building, maintenance, planning and licensing of protective and telecommunication devices and overhead lines related to railway construction.

Each of Mészáros és Mészáros Kft. and R-KORD Kft. has a share of 50 per cent in RM International Kft., a business closely related to railway development and constituting an inseparable part of this division; and each has 19.4 per cent interest in Mészáros M1 Autókereskedő Kft, in which the Group has a total of 19.82 per cent indirect ownership, and it is therefore considered as the Company's related company with other participating interest. However, this latter activity of the Company is insignificant in respect of its industrial production division. From 2020 R-Kord Kft. also has a share of 60 per cent in R-KORD NETWORK Kft.

OPUS GLOBAL Nyrt. owns 50 per cent of EURO GENERÁL Zrt, a company engaged in the complete construction of residential homes, office buildings and condominiums in addition to construction industrial implementation.

The heavy industry division of the industrial production division also includes Wamsler SE and its subsidiaries with registered seats in Germany, with the Parent Company having 99.93 per cent ownership in the group. Wamsler SE is the largest fireplace and stove manufacturer in the Central and Eastern European region, with about 7 or 8 per cent share in the European market according to the data of HKI Industrieverband.

Other companies in this division include OPIMA Kft., with 51.4 per cent directly owned by OPUS GLOBAL Nyrt. and 27 per cent by Wamsler SE, thus the OPUS Company Group having a total of 78.4 per cent ownership in the company. As currently, this company does not perform any activity, for the purpose of portfolio optimization, it is expected to be terminated in the future.

List of the companies in this division:

Name	Relationship	Core business activity	Country of registration	Direct / indirect participation	Issuer's share on 31/12/2017	Issuer's share on 31/12/2018	Issuer's share on 31/12/2019
Industrial production							
EURO GENERÁL Építő és Szolgáltató Zrt.	S	Sale and purchase of own properties	Hungary	Direct	50.00%	50.00%	50.00%
KŐRÖSI INGATLAN Ingatlanhasznosító és szolgáltató Kft.	S	Sale and purchase of own properties	Hungary	Indirect	50.00%	50.00%	50.00%
Mészáros Építőipari Holding Zrt.	S	Asset management (holding)	Hungary	Direct	-	51.00%	51.00%
Mészáros és Mészáros Ipari és Kereskedelmi Kft.	S	Construction of other civil engineering projects n.e.c.	Hungary	Indirect	-	51.00%	51.00%
R-Kord Építőipari Kft.	S	Manufacture of other electrical equipment	Hungary	Indirect	-	51.00%	51.00%
RM International Zrt.	S	Construction of railways and underground railways	Hungary	Indirect	-	51.00%	51.00%
Mészáros M1 Autókereskedő Kft.	A	Sale of cars and light motor vehicles	Hungary	Indirect	-	23.46%	19.82%
Wamsler SE Háztartástechnikai Európai Rt.	S	Manufacture of non-electric domestic appliances.	Hungary	Direct	99.93%	99.93%	99.93%
Wamsler Haus- und Küchentechnik GmbH	S	Retail sale of appliances	Germany	Indirect	99.93%	99.93%	99.93%
Wamsler Bioenergy GmbH	S	Retail sale of appliances	Germany	Indirect	99.93%	99.93%	99.93%
OPIMA Kft.	S	Manufacture of refractory products	Hungary	Direct	51.00%	51.00%	51.00%

S - subsidiary, A - affiliated company

A. Business environment of the division:

Within the industrial production line of the OPUS group, two areas are integrated: construction industry and heavy industry, although their business environments greatly differ. Industrial production increased by 5.4 per cent on the 3.5 per cent rise achieved a year earlier. Among the three national economy sectors, manufacturing output increased by 5.5, energy by 1.1 and mining, representing a lower weight, by 20.1 per cent on 2018.

Production increased on every territory within Hungary: the most rapid increase was recorded in the Pest region (10.1%), and the slowest one in Northern Hungary (0.1%).

Based on the data published by the Central Statistical Office, construction industrial production increased by 21.7% in 2019 on the previous year. Within this, the construction of buildings rose by 20.2 per cent, and other edifices by 23.9 per cent.

2019 In Q4 2019, construction industrial prices increased by 8.8 per cent year on year. Within the various branches of construction industry, prices increased by 9.4 per cent in building construction; by 8.5 per cent in the construction of other facilities, and by 8.6 per cent in specialised construction, representing the most important area, year on year. The Q4 2019 prices in construction industry exceeded the prices recorded in the previous quarter by 1.7 per cent.

In its analysis of the real trends, the Economy Research Institute expects slowdown in every sector, and this especially applies to construction industry, which has soared in the past three years. We expect the construction industry to grow by 2 per cent in 2020.

The Wamsler group is active in a heavy industrial area, namely in the manufacturing and sale of consumer durables, more specifically, in the manufacture of stoves, cookers and fireplaces. An overview of the past 4 years reveals that in this division, the aggregate demand for solid fuel stoves has characteristically decreased by 5 to 10 per cent annually. Both the recent years and 2019 differ from this trend, as due to the increase seen in the average temperature as a result of the change in the weather conditions in recent periods, to drop in oil prices, and to the high stocks accumulated by dealers, demand for the product of this division remains even below the above-specified rates.

At the time of writing this report, the economic impact caused by the pandemic is expected to be slight but still affect this division in 2020, presuming that the transport of raw materials required for constructions and for our production will be impeded. In the case of Wamsler SE, due to a weakening in purchasing power, at the moment the economic effects are still difficult to predict.

B. Description of the 2019 activity of the division:

Consolidated financial data and shareholder information, balance sheet: Industrial production division

(The data included in this statement have been taken from the separate financial statements compiled for 2018 and 2019 according to the IFRS standards, without intra-group adjustments.)

HUF '000' unless otherwise stated

Balance-sheet data (closing portfolio)	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2019	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2018	OPUS GLOBAL Nyrt. and Konzum Nyrt. group PRO FORMA, total	2018 PRO FORMA – 2019 comparison	Change, %
Balance-sheet total	200,556,778	251,379,282	251,379,282	-50,822,504	-20.22
Cash and cash equivalents	63,134,211	73,128,912	73,128,912	-9,994,701	-13.67
Equity	82,718,737	114,814,181	114,814,181	-32,095,444	-27.95
Long-term liabilities	9,811,086	5,727,015	5,727,015	4,084,071	71.31
Short-term liabilities	108,026,955	130,838,087	130,838,087	-22,811,132	-17.43
Loans and advances	105,470	8,101,332	8,101,332	-7,995,862	-98.70
External funds to the balance-sheet total	0.00	0.03	0.03	-0.03	-98.37
Employee headcount	931	988	988	-57	-5.77

Note: A 2018. The PRO FORMA data derive from the addition of OPUS GLOBAL Nyrt.'s consolidated annual report and KONZUM Befektetési és Vagyonkezelő Nyrt.'s 2018 consolidated financial statements according to the IFRS .

For the purpose of Mészáros Építőipari Holding Nyrt.'s acquisition performed in November 2018, PWC Magyarország Kft. evaluated the business as per 30 June 2018, and identified high-value contracts in the case of the merged subsidiaries. On this basis, in its 2018 consolidated IFRS statements, the Group recognised the value of contracts at the time of the in-kind contribution among assets, in the amount of HUF 101,299,000,000. According to their degree of completion and with a view to the contractual terms, over time these contracts will be derecognized from the consolidated books by depreciation of the assets when they mature. The profit made under these contracts may not increase the profit after taxes in the reporting period, as the IFRS does not allow their repeated recognition in the P/L to increase the Company's equity. However, such an accounting considerably increases depreciation, and if data are adjusted for the latter, the EBITDA gives a good representation of the profitability of the line.

On 31 December 2018, OPUS GLOBAL Nyrt. did not recognize depreciation in accordance with the degree of completion, due to the fact that construction industrial companies were included for only one month, and this was shown in 2019 as an amending item. In 2019, which was already a full year, HUF 20,811,749,000 was incurred and recognized on the basis of the IFRS standards in an amount identical to the P/L from the contracts, according to their degrees of completion. According to this accounting, the net worth of the contracts recognized by the Group on 31/12/2019 was HUF 64,358,926,000. Reduction in the balance-sheet total is primarily explained by this factor.

In addition, by 31/12/2019 the closing value of accounts receivable had considerably dropped on a year earlier in the case of the companies of the industrial production division.

In this line the profit reserve decreased considerably in 2019 among others as a result of dividend payment performed by Mészáros Építőipari Holding Zrt. in the amount of HUF 10,055,223,000 to the debit of the profit reserve, and thus in 2019 OPUS GLOBAL Nyrt., as owner of 51 per cent of Mészáros Építőipari Holding Zrt.'s shares, received an income of HUF 5,128,164,000 as dividend payment. In 2019 Mészáros Építőipari Holding Nyrt. received dividend from its two fully owned subsidiaries, R-KORD Kft. (in the amount of HUF 5,000,000,000) and Mészáros és Mészáros Kft. (in the amount of HUF 5,055,223,000) on their profits made in 2018.

The value of long-term liabilities showed 71.31 per cent increase, arising for the most part from the intercompany loan granted by the Parent Company to Wamsler SE in December 2019 in the total amount of HUF 6,600,000,000 from the Parent Company's bond issue, for the purpose of creating a more favourable exposure by restructuring the subsidiary's loan. In addition, long-term liabilities were also considerably reduced by the fact that in 2019 R-KORD Kft. repaid its long-term working-capital loan of HUF 1,800,000,000.

Current liabilities dropped by 17 per cent, partly due to a significant decrease in short term loans and in the accounts receivable.

Consolidated financial data and shareholder information, income statement: – Industry division

(The data included in this statement have been taken from the separate financial statements compiled for 2018 and 2019 according to the IFRS standards, without intra-group adjustments.)

HUF '000' unless otherwise stated

Key P/L data	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2019	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2018	OPUS GLOBAL Nyrt. and Konzum Nyrt. group PRO FORMA, total	2018 PRO FORMA – 2019 comparison	Change, %
Operating income, total	140,248,587	30,054,343	30,054,343	110,194,244	366.65
Operating costs	146,890,703	31,972,485	31,972,485	114,918,218	359.43
Operating (business) profit/loss (EBIT)	**-6,642,116**	**-1,918,142**	**-1,918,142**	**-4,723,974**	**246.28**
EBIDTA	15,108,406	-1,505,576	-1,505,576	16,613,982	-1103.50
P/L on financial operations	11,411,950	-170,337	-170,337	11,582,287	-6799.63
P/L before taxes	**4,769,834**	**-2,088,479**	**-2,088,479**	**6,858,313**	**-328,39**
P/L after taxes	**4,320,025**	**-1,896,640**	**-1,896,640**	**6,216,665**	**-327.77**
Total comprehensive income	**4,346,449**	**-1,896,640**	**-1,896,640**	**6,243,089**	**-329.17**

Note: A 2018. The PRO FORMA data derive from the addition of OPUS GLOBAL Nyrt.'s consolidated annual report and KONZUM Befektetési és Vagyonkezelő Nyrt.'s 2018 consolidated financial statements according to the IFRS .

The Company recognizes other income and other expenditure net, among operating costs.

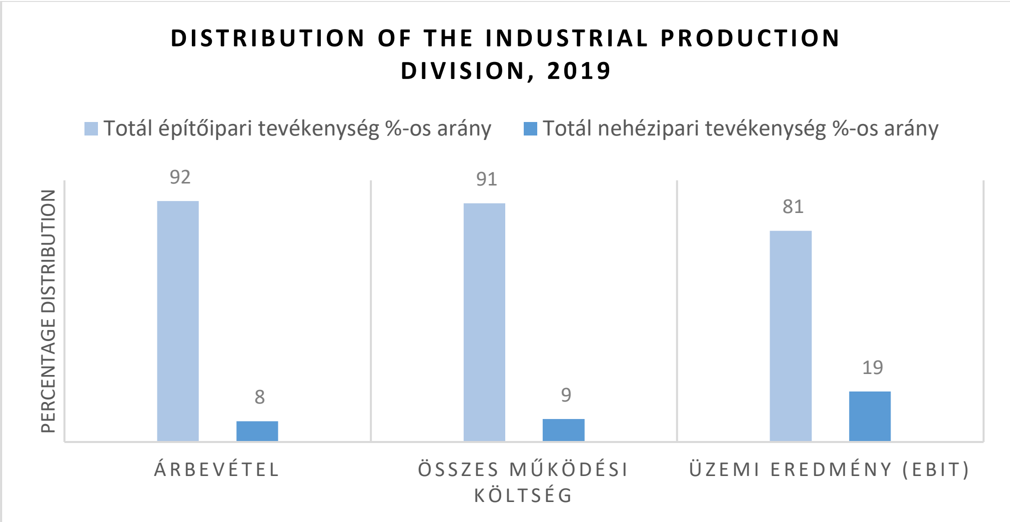
A comparison between the 2019 and 2018 annual profits made by the industrial production line is irrelevant, because Mészáros Építőipari Holding Zrt. and its subsidiaries were only consolidated after the 2018 acquisition, and therefore only the profit made on the activities in last month, December, was included in the 2018 annual P/L of the Group.
However, in addition to the integration of the entire year, in 2019, the impact of the newly acquired companies is clearly shown in nearly every line.

In 2019 the companies in the industrial production business line realized an operating loss (EBIT) of HUF 6,642,116,000 according to their financial statements prepared in accordance with the IFRS standards. The reason for the loss was the recognition of depreciation on the contracts identified during acquisition in accordance with the degree of completion, in the total amount of HUF 20,811,749,000, which considerably deteriorated the operating profit.

Despite the loss made, the division's profit before taxes was HUF 4,769,834,000; primarily due to the profit on financial operations. Two substantial items need to be highlighted before consolidation adjustment: the dividend received by Mészáros Építőipari Holding Zrt. and the profit recognised by Wamsler SE on OPUS shares previously held by the company but sold to the Parent Company in December 2019.

Construction industry activities

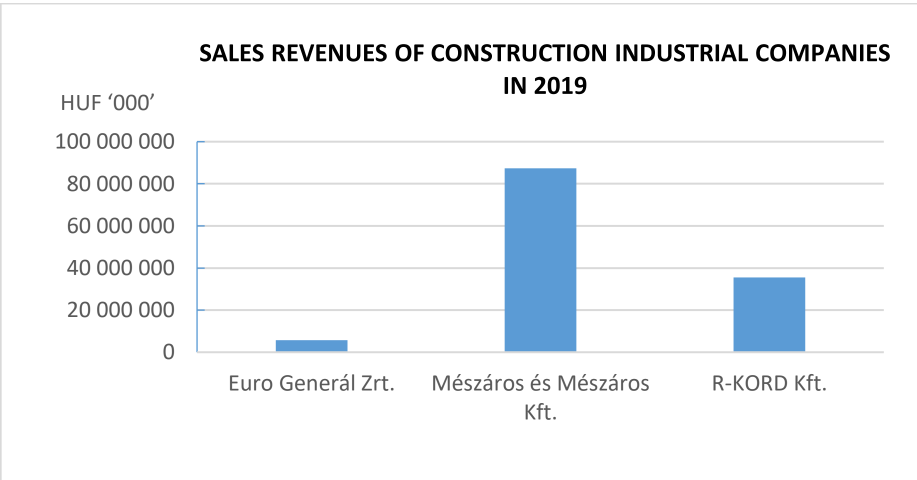
In 2019, 92 per cent of the sales revenue realized in the industrial production line came from construction industry and 8 per cent from heavy industry. Construction industrial companies contributed 81 per cent and heavy industrial companies 19 per cent to the operating profit (EBIT, HUF -6,642,116,000).



Construction industrial activity, total, % Heavy industrial activity, total, %
Sales revenue Operating cost, total Operating profit (EBIT)

The data included in this statement have been taken from the 2019 separate financial statements compiled according to the IFRS standards, without intra-group adjustments.

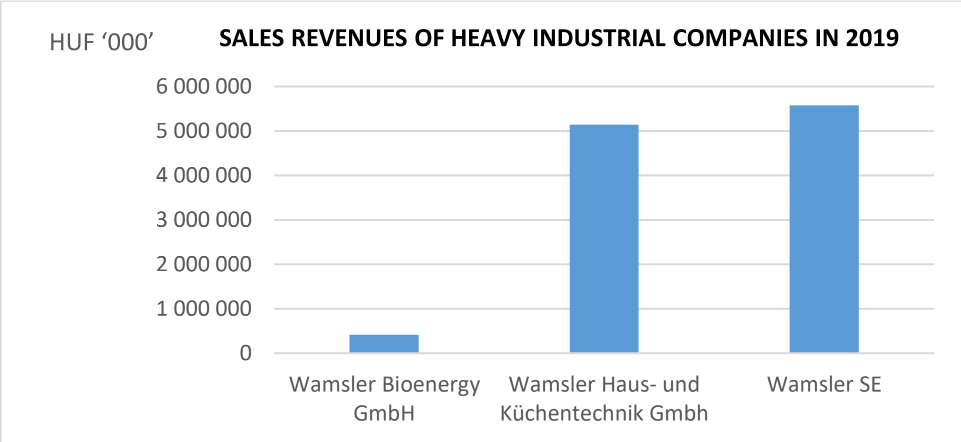
Distribution of companies with sales revenues above HUF 1 billion in 2019:



The data included in this statement have been taken from the 2019 separate financial statements compiled according to the IFRS standards, without intra-group adjustments.

The distribution of the sales revenue in a breakdown by division a considerable change was seen in the individual companies in comparison to 2018. In R-KORD Kft. the focus was shifted between activities: as a result, incomes related to signalling and telecommunication equipment increased by approx. 8 per cent, while the sales revenue from rail and overhead construction and maintenance decreased by the same rate. A similar trend is seen in Mészáros és Mészáros Kft., where the ratio of public utility, hydraulic end foundation engineering increased significantly, to the detriment of road and rail construction.

Heavy industrial activity



The data included in this statement have been taken from the 2019 separate financial statements compiled according to the IFRS standards, without intra-group adjustments.

"Establishment of a smart manufacturing and innovation centre at the Wamsler SE joint stock company in order to improve efficiency and competitiveness" was a high-priority project in 2018 and 2019 and was implemented in the framework of the Ministry for the National Economy's Support Scheme for Capital Investments in Large Corporations, with a state subsidy in the amount of HUF 1,785,960,000. The actual amount of the CAPEX project was the following: HUF 4,844,538,000

The significant item among the revenues from financial operations of Wamsler SE came from the sale of 5,404,313,000 OPUS shares held by the company.

C. Description of the key companies in this division

R-Kord Építőipari Kft.

The company's history and key operating characteristics

R-KORD Kft, was established in 1997. Its core activity is the manufacturing of other electrical equipment, and more specifically, the construction, maintenance and design of and the arrangement of authorisation for interlocking and telecommunication equipment as well as overhead lines related to railroad construction. R-KORD Kft. is in the 100 per cent ownership of Mészáros Építőipari Holding Zrt. Based on a decision adopted by OPUS GLOBAL Nyrt.'s Board of Directors on 15 November 2018, Mészáros Építőipari Holding Zrt.'s 51-per cent shareholding was contributed and thus OPUS Nyrt. has 51 per cent indirect ownership in R-KORD Kft.

Due to R-KORD Kft.'s specialized competence related to railway signalling control equipment, within a few years the business grew to a medium-sized company of two hundred employees. Development entailed the expansion of the scope of activities and the related infrastructure and assets.

The business performs its activity on a project basis, primarily as a main contractor, and occasionally involving subcontractors. The number of people employed by the company was 207 on 31 December 2019. Vasútautomatika Kft, a business once fully owned by the company and merged into it with effect from 01/07/2018, was engaged in the design of and support to telecommunication systems, railway point heating and interlocking devices and their power supply.

R-KORD Kft is partly included in large capital projects, but as due to its special competence and assets, it is one of the few specialized sector participants in the area of railway signalling control devices, it is also a key stakeholder for small projects and occasional or regular maintenance. Consequently, the size of both its duties and its contract portfolio move in a very wide range. It applies for large projects through public procurement tenders. The orders it receives and the related conditions are custom-tailored.

The company regularly supplies to MÁV Zrt. and GYSEV Zrt., and its business partners include: NIF Zrt., TRSZ Kft., Swietelsky Vasúttechnika Kft., THALES RSS Kft., SIEMENS Hungária Zrt. and MÁV FKG Kft.

Description of the activities

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

- **Railway signalling control devices business line**
- **Railway overhead line networks business line**
- **Railway telecommunication systems business line**

Railway signalling control devices business line:

The company performs a wide range of activities related to the implementation and installation of signalling control equipment in the framework of rail operation, primarily in the following specializations:

- The transformation of operating signalling control equipment in relation to rail construction, mapping the phases of rail construction, and the design and installation of provisional signalling control equipment.
- Full implementation of new relay interlocking station and line signalling control devices.
- The installation of electronical signalling control equipment in cooperation with the manufacturers of such signalling facilities (Thales and Siemens).
- Full implementation of Scheidt & Bachmann level crossing and covering signalling devices and their representation in Hungary, and the representation of Frauscher wheel-counting devices in Hungary.
- Integration of the relay interlocking devices in the KÖFI (Central Traffic Control Service) system.
- The company is also engaged in the design and construction of the cabling facilities required for signalling control equipment and of structured cable networks.

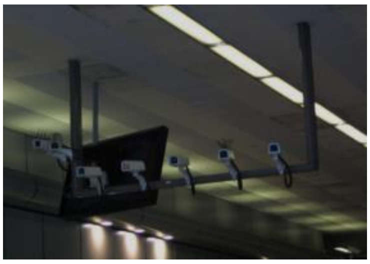
Railway overhead line networks business line:

The company performs a wide range of activities related to the implementation and installation of railway overhead systems, primarily in the following specializations:

- Construction and renovation of 25 kV, 50 Hz electrical overhead lines suitable for rail construction speed.
- Installation and construction of various electrical equipment and transformer units connected to the overhead (preheating, track switch heater and auxiliary transformer stations).

- Installation of line separation automation, the complex implementation, overhaul and conversion of 120/25 kV towing transformer substations with protection compliant with the IEC 61850 standard and including control technological sub-systems and a fire prevention and property protection system.
- Construction, renovation and conversion of a remote overhead power control system. Construction of local remote control, including the overhead line disconnectors with their engine drive cabinets, the interphase control cabinets, smart field control equipment, meteorological measuring stations, short-circuit sensors, and uninterrupted power supply units.
- Construction of networks for low- and medium-voltage power supply and the installation of 20/04 kV and 10/04 kV transformer stations.
- Implementation of distribution devices with automated phase equalisers. Full-scale implementation, renovation and transformation of railway landscape lighting and public street lighting, and their integration into central lighting networks.
- Construction of lighting in subways and on platform roofs, the creation of power supply for engineering structures in subways, lifts and pumps.
- Full-scale safety technological and lighting-related review of completed lighting technological equipment in a regional breakdown.

Railway telecommunication systems business line



The company's activities comprise the full implementation of railway telecommunication systems, including the building and installation of transmission technological devices, radio operator systems, dispatcher systems, instruction systems, voice and visual passenger briefing and public address systems, fire and property protection systems, surveillance and monitoring systems, and optical and copper cable networks.

One of the most important projects in the business line of railway telecommunication systems is the design and implementation of a GSM-R radio network along the standard-gauge national public railway line on nearly 2255 km.

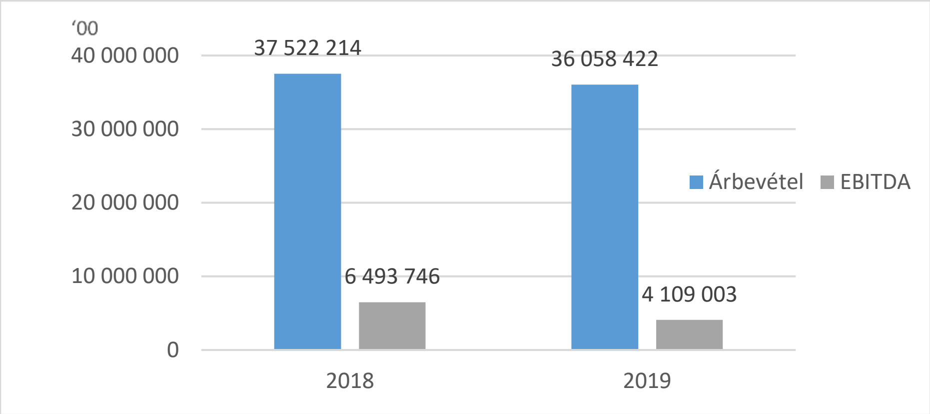
In addition to the above-described business lines, the company also performs activities in other, related areas and generates sales revenue from them, however, they do not constitute separate business lines. Such include, for example tasks related to landscape lighting, substructures, optical cabling and railway line construction and other activities, mostly including repair and maintenance.

Main features of the 2019 business management

In 2019 the company realised sales revenue in nearly the same amount as in 2018: A slight reduction was recognised in the line dedicated to other revenues, while the sales revenue earned from projects remained unchanged in comparison to 2018.

The cost of materials and services used gave more than 90 per cent of the operating costs. A major drop in the operating costs was due to significant decrease (11.4%) in the services used, while the cost of materials did not change significantly in comparison to 2018. The Company cut costs by improving the utilization of the existing resources in the projects, and by adopting a more stringent tender system for subcontractors in 2019. In the period reviewed, wage costs increased fastest of all operating costs.

The sales revenues and profits achieved by the company in 2018 and 2019 are shown in the chart below (The data have been compiled on the basis of the financial statements based on the Hungarian Accounting Act):



On 31 December 2019, R-KORD Kft. had a portfolio of open contracts worth HUF 86,034,756,000, and the realization of the related sales revenue is expected in the next three years.

The projects awarded to the company are characterized by pre-financing, thus the advances considerably improve the company's financing cash flow.

Developments in the portfolio of open contracts in 2019:

HUF '000'

31/12/2019	Opening portfolio of contracts	New contracts	Performance in the reporting year	Closing portfolio of contracts
Amount	70,618,335	49,712,536	34,296,115	86,034,756

In 2019, the following new projects were awarded to the company in public procurement procedures:

- Construction of the third rail line between Keleti Railway Station and Kőbánya Felső, including a signalling control device, objects, structural engineering and the construction of an electrical overhead line
- Püspökladány – Biharkeresztes: replacement and electrification of bottlenecks
- Szajol-Debrecen ETCS II: Design and implementation of a line influencing system
- Modernisation of the railway line between Debrecen and Füzesabony, Phase I
- Design and implementation of the Vác station
- Design and implementation of the Újszász station

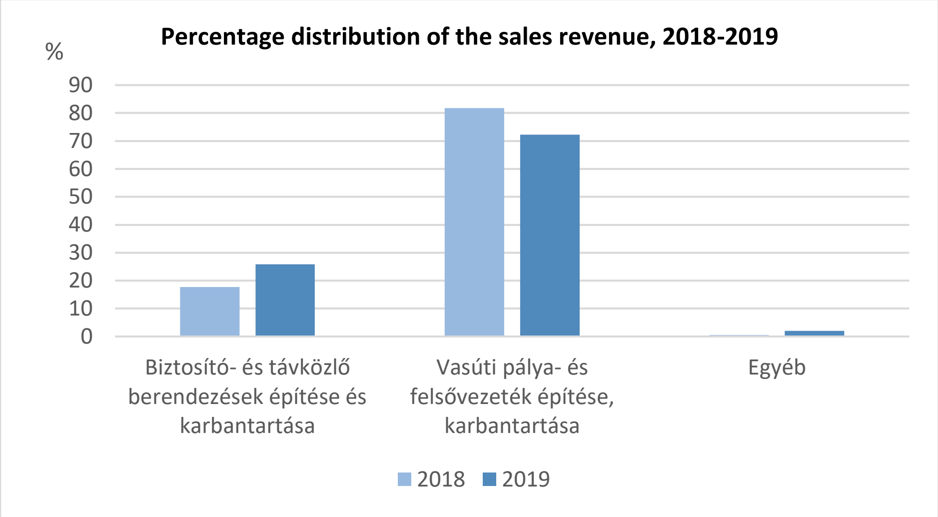
A few large-volume key projects, already started by R-Kord Kft. but expected to be completed in the next few years:

HUF '000'

Project Name:	Total project revenue	Sales revenues invoiced up to 31/12/2019	Sales revenue expected in the next three years
Design and implementation of the 18005 GSM-R radio network	37,459,604	820,684	36,638,920
17010 Construction contract V100.32 for the design and implementation of a line with a signalling control device between Püspökladány and Ebes	35,519,661	25,714,726	9,804,935
17037 Construction contract for the establishment of a tram-train V135.03 between Szeged and Hódmezővásárhely Design and implementation of the railway section between Szeged and Hódmezővásárhely	7,913,117	1,902,455	6,010,662

18011 Northern Lake Balaton: construction of a rail line between Szabadbattyán and Balatonfüred, establishment of partial accessibility at railway stations, design and implementation of overhead lines, railway construction and supplementary construction works	6,883,845	392,263	6,491,582
Total	**87,776,227**	**28,830,128**	**58,946,099**

In the above-specified period, the sales revenue was distributed between the individual scopes of activity as follows (The data have been compiled on the basis of the financial statements based on the Hungarian Accounting Act):



Construction and maintenance of signalling control and telecommunication equipment
Construction and maintenance of railway lines and overhead lines
Other

A considerable change took place in the distribution of sales revenues between business lines, as the incomes related to signalling and telecommunication equipment increased by approx. 8 per cent, while the sales revenue from rail and overhead construction and maintenance decreased by the same rate. In the next few years the rearrangement of sales revenues between the two business lines will continue to the benefit of the line engaged in signalling control and telecommunication equipment. The causes of rearrangement primarily include the availability of EU Directives and funds, but it is also very important that the company has the country's highest qualified experts in this sector. They intend to capitalize on the competitive edge given in expertise to the utmost, and to this end, they continuously train the staff working in this line.

Currently, this company does not perform any export activity, and does not plan any CAPEX project in 2020 either.

In Q2 2019, R-Kord Kft. paid dividend on its 2018 profit to its 100-per cent owner, Mészáros Építőipari Holding Zrt., in the amount of HUF 5,000,000,000.

In addition, in 2019 the company's liquidity allowed the repayment of its long-term working capital loan in the amount of HUF 1,800,000,000.

The Company's strategy and future vision

In addition to a few contracts for large line overhauls, the company also has numerous live contracts for small local projects. In the case of large-volume projects, the company has jobs and revenues scheduled up to the end of 2022, and over this horizon no significant surge is expected in their number and volumes, since the European Union's programming period will soon end.

The Company expects a rapid increase in its sales revenues in the next few years.

The objective of the subsidiary is to become a key participant in the Hungarian market in an increasing number of railway implementation tasks, expanding its activity to all railway implementation areas not directly related to rails. Over the long term, it intends to expand its activities to secure stable operation in the future, and lays great emphasis on the identification of market opportunities, in addition to state orders.

Mészáros és Mészáros Kft.

The company's history and key operating characteristics

Mészáros és Mészáros Kft. was established in 2001. It is primarily engaged in large-volume earthwork, the implementation of bridge, road, public utility, hydraulic and building construction and other construction industrial implementation, and performs work related to the implementation of engineering facilities related to environmental protection and nuclear energy. Mészáros és Mészáros Kft is in the 100 per cent ownership of Mészáros Építőipari Holding Zrt. Based on a decision adopted by OPUS GLOBAL Nyrt.'s Board of Directors on 15 November 2018, 51 per cent of the shares in Mészáros Építőipari Holding Zrt. was contributed in kind and thus OPUS Nyrt. now has 51 per cent indirect ownership in Mészáros és Mészáros Kft.

In addition to a significant capacity of its own, Mészáros és Mészáros Kft. performs its activity with the involvement of subcontractors, and as a main contractor it typically attends to technical preparation, project management, technical supervision and control by its highly qualified employees. The number of people employed by the company was 98 on 31 December 2019.

Mészáros és Mészáros Kft. performs its activity on a project basis, and primary undertakes large CAPEX projects. Its jobs are large projects through public procurement tenders. The orders it receives and the related conditions are custom-tailored.

Description of the main activities

- **Public utility construction business Line**
- **Civil engineering hydraulics and foundation engineering business line**
- **Transportation business line**
- **Environmental protection business line**
- **Nuclear energy business line**

Public utility construction business Line

As the pillar of Mészáros és Mészáros Kft.'s operation, the business line mainly includes sewer projects, water public utilities and natural gas supply infrastructure jobs.

They are committed to providing every household in Hungary with public utility services of an appropriate standard, and this is based on nearly twenty years of experience on behalf of the company and several decades on behalf of its staff.

The majority of the projects are implemented with support from the European Union, and more specifically, in the framework of the Environmental and Energy Efficiency Operational Programme.

Civil engineering hydraulics and foundation engineering business line

The hydraulic engineering and foundation engineering business lines of Mészáros és Mészáros Kft. include classical hydraulic and foundation engineering jobs, implementations of flood control landfills, developments related to the improvement of the protection capacity and river rehabilitation.

The Company participates in the implementation of flood-control embankments and other flood control objects.

As these jobs are large-volume projects, the hydraulic engineering business line is one of the company's key areas.

Transportation business line

The company has more than 15 years' experience in road, rail and bridge construction and reconstruction. They consider participation in the expansion of Hungary's transport network as of outstanding significance.

Environmental protection business line

The environmental protection business line is experienced in building complex waste management systems as required by the statutes of the European Union and Hungary; they modernize the waste management infrastructure and technology in communities all over the country in compliance with the European Union's health and environmental objectives. In addition to building new systems, it is also engaged in the modernization of existing waste sorting and classifying halls, the creation of communal waste yards and composting plants, and the expansion of the capacity of existing ones.

One of the most important environmental issues, also in Hungary, is the protection of the quality of water resources. The company's activities also include the detection of non-degradable or slowly degradable contaminations accumulated in subsurface waters and in the ground, sizing up their volumes, reducing the environmental damage made in the past and, if possible, their elimination.

Nuclear energy business Line

The production company that has a key role in satisfying Hungary's electricity demand is the Paksi Atomerőmű Zrt. (Paks Nuclear Power Plant), and in relation to the extension of the time of its operation and the building of new blocs, last year numerous tasks emerged that suit the core activities of Mészáros és Mészáros Kft. As these projects require strictly controlled, high-quality work, the company has set up a separate business line for the performance of these jobs.

Mészáros és Mészáros Kft. has the nuclear energy attestations and qualifications required for the implementation works. The certificates obtained and the successfully closed projects prove its suitability for work in the field of nuclear energy.

The diversification of the business lines reduces the risk of dependence on one or another area. Based on its experience, know-how and wide range of references, Mészáros és Mészáros Kft. can retain its key role achieved in the construction industry.

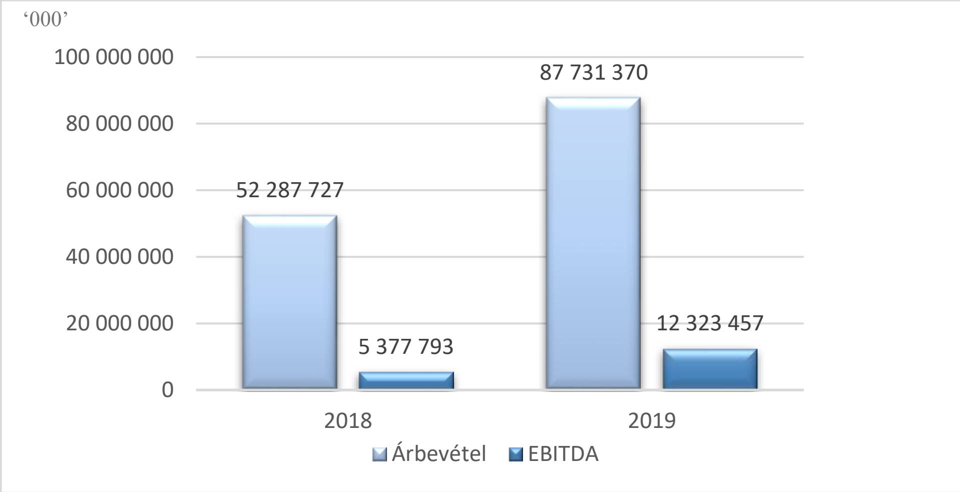
The aim of the company is to be available for its customers in providing solutions in the field of environmental protection, climate change and energy dependence in line with the new social challenges, and thus to ensure successful operation for the company over the long term.

Main features of the 2019 business management

The sales revenues of Mészáros és Mészáros Kft. were almost 68% higher in 2019 than in 2018.

Based on the financial statements for the years 2018 and 2019, the EBITDA-to-sales ratios of Mészáros és Mészáros Kft. ranged between 10 and 14 per cent. The level of operating expenses increased in proportion to the rise in sales revenues, but the significant improvement in the level of capitalised own performance resulted in a 4 per cent increase in the EBITDA-to-sales ratio in the business year 2019.

The sales revenues and EBITDA realised by the company from 2018 through 2019 are shown in the following chart (the data are based on the statutory financial statements prepared in accordance with the Hungarian Accounting Act):



Sales revenue

The projects awarded to the company are characterized by pre-financing, thus the advances considerably improve the company's financing cash flow.
Currently, this company does not perform any export activity.

On 31 December 2019, Mészáros és Mészáros Kft. had a portfolio of open contracts worth HUF 146,334,433,000, and the realization of a significant part of the related sales revenue is expected in the next two years.

Developments in the portfolio of open contracts in 2019:

HUF '000'

31/12/2019	Opening portfolio of contracts	New contracts	Performance in the reporting year	Closing portfolio of contracts
Amount	175,107,628	58,340,999	87,114,194	146,334,433

A few large-volume key projects:

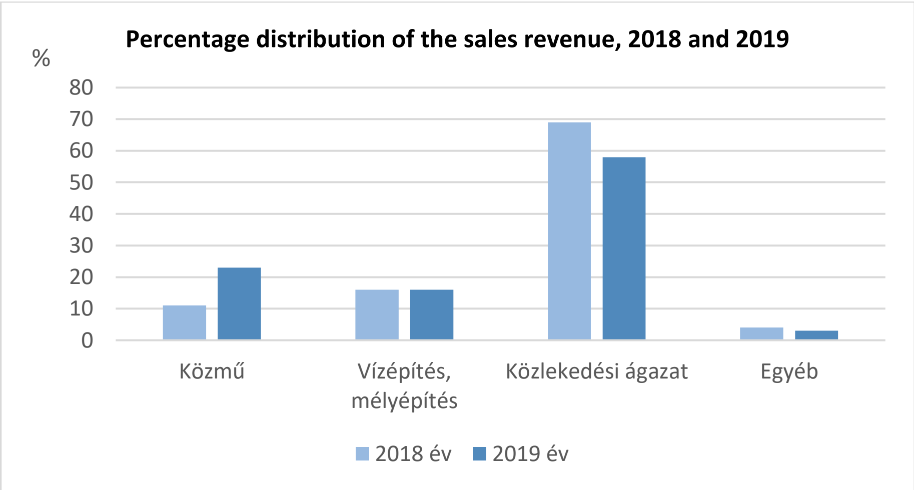
HUF '000'

Project Name:	Sales revenue from the total project	Sales revenue invoiced up to 31/12/2019	Expected sales revenue
Komárom/Komárno Danube bridge.	20,394,256	17,634,494	2,759,762
Road M08, contract no. 4500012017	20,016,734	7,143,597	12,873,137
Road M08, contract no. 4500012024	10,868,323	4,140,275	6,728,048
Moson Branch of the Danube	19,349,937	9,090,962	10,258,975
Százhalombatta-Pusztaszabolcs	29,118,502	20,134,421	8,984,081
Ercsi-Pusztaszabolcs	34,265,257	20,827,449	13,437,808
EMO7_Bátonyterenye	10,332,972	4,783,337	5,549,635
Tisza-Túr flood-control reservoir	20,779,845	168,111	20,611,734
KDV waste management system	8,973,059	132,195	8,840,864
Total:	**174,098,885**	**84,054,841**	**90,044,044**

During the past period, the company have been awarded several contracts of significant value, amounting to more than HUF 20 billion. This includes the following projects:

- Phase 1 of the environmental remediation project at the former alkaloid waste disposal facility in Tiszavasvári,
- Paks Water Public Utility Site Preparation Works (alteration of the water utility facilities located on the property with topographical lot number 8803/16),
- Temporary Storage of Spent Fuel, Phase 3 of Stage III; establishment of a storage module and construction works of the related physical protection systems.

During the above-mentioned period, the distribution (%) of the total sales revenue by division was the following (the data are based on the statutory financial statements prepared in accordance with the Hungarian Accounting Act):



Public utilities Hydraulic & foundation engineering Transport Other
2018 219

As compared to the previous year, the distribution of sales revenue by division shows an increase in the share of public utilities and hydraulic/foundation engineering at the expense of the transport division. A similar trend is expected to occur in the years to come; the public utilities and hydraulic/foundation engineering, as well as nuclear energy divisions of the company will show further growth, and a new division, namely, environmental engineering, has been created.

At the beginning of 2019, Mészáros és Mészáros Kft. paid dividends of HUF 5,055,223,000 over its earnings in 2018 to its owner Mészáros Építőipari Holding Zrt.

Provisioning was carried out in accordance with the principles set out in the accounting policy: accordingly, in 2019 the company set aside a provision of HUF 1,004,483,000 to cover expected warranty obligations.

The Company's strategy and future vision

The company's goal is to serve its customers' needs to the best of its abilities by offering solutions to the latest social challenges in terms of environmental protection, climate change and energy dependence, in order to secure a predictable and profitable business operation for the company in the long run.

Mészáros és Mészáros Kft. expects a dynamic growth in its sales revenues in the years to come. Such growth is only secured by contracts for the years 2020/2021: the level of sales revenues achievable in subsequent years will be heavily dependent on tender invitations and the development of funds available for such tender invitations in the following period.

In 2020, the company expects a 25-30 per cent revenue increase year-on-year; 90% of such revenue growth had already been secured by concluded contracts even at the time when the IFRS-compliant consolidated annual financial statements of 2019 were published.

EURO GENERÁL Zrt.

EURO GENERÁL Építő és Szolgáltató Zrt.

The company's history and key operating characteristics

As early as in 2009, OPUS GLOBAL Nyrt. acquired a 50% ownership stake in EURO GENERÁL Zrt., a company specialised in structural engineering primarily, through a contribution in kind. EURO GENERÁL's core activities include various construction works, such as, in particular, the complete design and construction of residential buildings, office buildings and condominiums (from design to 'turnkey' handover), as well as attic installations, plasterboard partitions, boarded and plasterboard suspended ceilings, machine plasters, lightweight concrete works, self-levelling screeds and thermal insulation. They also have construction experience in the field of foundation engineering, such as the construction of sewers, parking lots and traffic and traffic light junctions.

Their employees who have been working together for more than ten years have an impressive track record, to the greatest satisfaction of the customers.

Of these, the renovation works performed on listed buildings and the renovation of the external facades of many buildings of Buda Castle, the Hungarian Benedictine Congregation Pannonhalma Archabbey, and of the Benedictine Gymnasium and College, deserve special mention.

EURO GENERÁL Zrt. has one subsidiary, named KŐRÖSI INGATLAN Ingatlanhasznosító és Szolgáltató Kft., whose main property was the one owned in Gárdony. The property was sold in 2019 and the company is currently inactive.

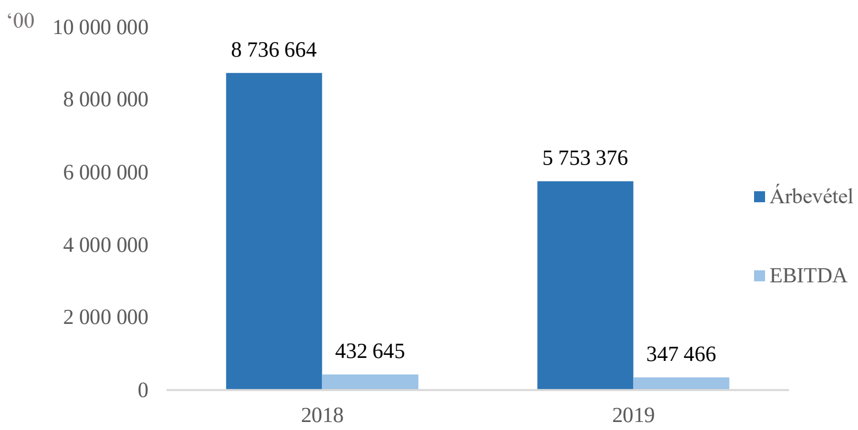
Main features of the 2019 business management

The sales revenues of EURO GENERÁL Zrt. fell by 34 per cent in 2019 as compared to the previous year. The reason for that is that the company submitted bids for several public procurement projects for which the decision deadline has been postponed, and consequently the public procurement projects to be performed under the contracts awarded to the company have also been postponed to 2020.

Based on the form of funding, 81 per cent of the sales revenue consists of state-subsidized projects awarded to the company as a result of public procurement processes, while 19% consists of work obtained from private sector tenders.

At the end of 2019, the Company had an order backlog of HUF 3,310 million.

Sales revenue and profitability in 2018 and 2019 (The data are based on the statutory financial statements prepared in accordance with the Hungarian Accounting Act):



Sales revenue

There is also a negative trend in the case of EBITDA, which is a consequence of declining sales. However, the EBITDA-to-sales ratio has improved.

Based on the financial statements for the years 2018 and 2019, the EBITDA-to-sales ratio of EURO GENERÁL Zrt. has increased by 22 per cent. This shows a more favourable picture than the decline in sales revenues, which is the result of a more cost-efficient operation.

Wamsler SE Háztartástechnikai Európai Részvénytársaság

The company's history and key operating characteristics

The iron foundry and engine works established in 1894 has been using the name since 1992, when it merged with the German Wamsler HKT GmbH and has retained it throughout the transformations of the decades past. The nearly 600-strong company has been operating since 2008 as a European company limited by shares and has been a member of the Company Groups since 2012.

Wamsler SE is the largest fireplace and stove manufacturer in the Central and Eastern European region, with about 7-8 per cent share in the European market. More than three-fourth of the manufactured products is made for exports, primarily to Germany, Austria and the Netherlands, but its share in the Hungarian market is also significant. The apparatuses traded under the brand names Westminster and ClubEdition are also made by Wamsler. These brands were created by the Wamsler Group to meet different customer demands.

The company manufactures (multiple Hungarian Quality Product Award winner) coal-, wood- and pellet-burning fireplaces and cookers of its own design for its own sales network. In addition, it manufactures – under contract – fireplaces that operate on a similar principle as that of its own products, as well as gas-fired and electric fireplaces, for major European customers.

Wamsler SE has its head office in Salgótarján. It has two additional sites in Salgótarján and a branch office in Budapest. Production and warehousing take place on the three properties owned by the company and located within the city limits of Salgótarján, and the company operates a retail outlet in Budapest. The company has access to Western European, mainly German, markets via its Munich-based subsidiary, Wamsler HKT.

Unlike many of its competitors, the factory applies a full range of iron and metalworking technologies in its production activities. It has traditional and modern CNC-controlled plate processing machinery (including plate straightening, cutting, punching, cutting and bending, welding, grinding, painting and enamelling lines). In 2019, the outdated, loss-making foundry was removed from the production chain and closed.

The company has its own experimental laboratory and product development team to facilitate the development of modern energy efficient apparatuses. Wamsler SE places great emphasis on the application of environmentally sound production technologies and on recycling the waste generated. In addition to the ISO 9001 certification applicable to the manufacturing of products, they also have ISO 14001 (Environmental management system), ISO 50001 (Energy management system), and after 2018 also the new international standard BS OHSAS 18001/2007 (Occupational health and safety management system).

Product descriptions

Fireplaces

Thanks to their heat output, wood- and coal-fired fireplaces are suitable for heating large rooms, weekend houses, and also for additional heating on cooler evenings. A major advantage of free-standing fireplaces is that they are easy to relocate to rooms where flue connection is available.

Cookers and cooker stoves

Wood- and coal-fired cookers are becoming popular again in homes where flue connection is available. Wamsler SE's devices include both traditional cooker stoves and modern designs. In addition to baking/cooking and room heating, cooker stoves are also suitable for providing central heating and hot water. They are very popular for their versatility, operational reliability, energy efficiency, and also for the traditional atmosphere that they create.

Stoves

Wood and coal-fired stoves are in high demand throughout Europe due to their energy efficiency and also for the traditional atmosphere that they create. Their cast iron components and fireproof casings guarantee reliable operation and long service life. The models equipped with viewing windows have tempered, heat resistant built-in glass.

Main features of the 2019 business management

"Establishment of a smart manufacturing and innovation centre at the Wamsler SE joint stock company in order to improve efficiency and competitiveness" was a high-priority project in 2018 and 2019 and was implemented in the framework of the Ministry for the National Economy's Support Scheme for Capital Investments in Large Corporations, with a state subsidy in the amount of HUF 1,785,960,000. Within the framework of the project, the reorganisation of Wamsler SE's production processes began, two new production halls were built and modern production equipment was put into operation.

The company has built a new production hall of 878 m^2 and an intelligent production and innovation hall of 5670 m^2, and has improved its production capabilities by implementing robotic edge bending, welding cells and a paint shop. The project began in July 2018; it was put into operation at the end of April 2019 and the trial operation was completed by the end of last year. Following the completion of the project, production is expected to increase and earnings to improve from 2021 onwards.

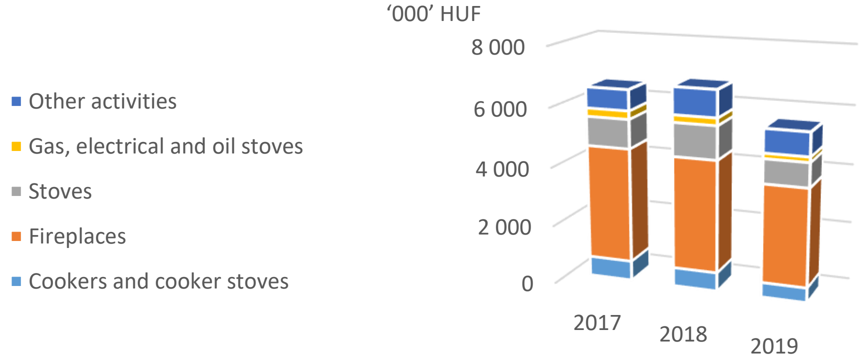
The number of employees of the company was 577 as of 31 December 2019.

In 2019, sales were 16,664 units lower and production was 7,005 units lower than the base period volume, so compared to the same period of the previous year, net sales were down 11.1% in 2019. The most typical reasons for the difference are the negative effect of the decrease in sales volume, the positive effect of the change in the product mix, and the HUF/EUR exchange rate movement that was higher than in the previous year.

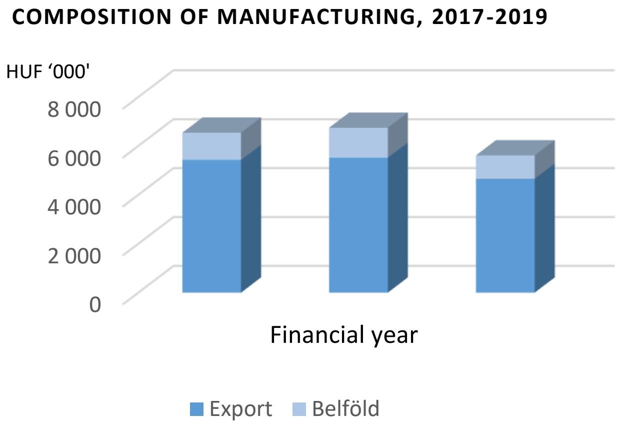
Production information:

Business management factors	2018 Q1-Q4	2019 Q1-Q4	Change year-on-year %	Change year-on-year
Total number of products	81,163	74,158	-8.6%	-7,005
Total number of products sold	91,135	74,471	-18.3%	-16,664
- of which: exported	78,069	63,795	-18.3%	-14,274
- of which: sold in Hungary	13,066	10,676	-18.3%	-2,390

COMPOSITION OF MANUFACTURING, 2017-2019



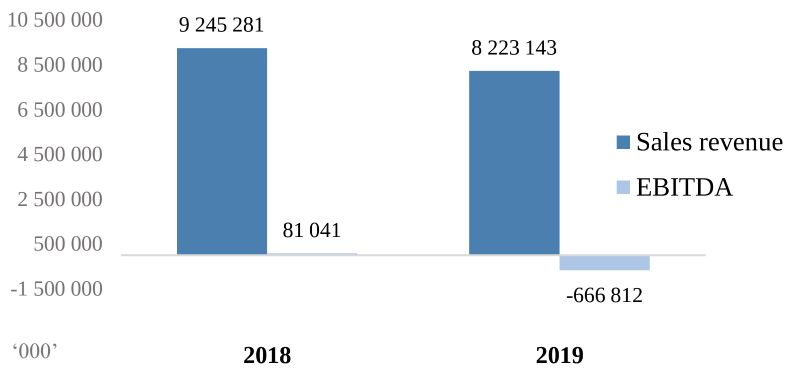
A considerable part of the sales revenue earned by the company (85-86%) comes from export. The reason for a drop in these markets is primarily due to the reduction in the market of solid fuel apparatuses.



Export *Domestic*

(Note: The business data shown in the chart above contain Wamsler SE's non-audited data compiled according to the Hungarian accounting regulations.)

The consolidated sales revenues and profits achieved by the company in 2018 and 2019 are shown in the chart below. (The data have been compiled on the basis of the consolidated financial statements based on the Hungarian Accounting Act):



(Note: The business data shown in the chart above are based on the factual accounting data of the consolidated data of Wamsler SE and its subsidiaries – Wamsler HKT GmbH and Wamsler Bioenergy GmbH –, consolidation was performed according to the Hungarian accounting regulations, and the data have not been audited.)

The reasons for decrease in the EBITDA included dropping revenues in 2019 and higher operating costs incurred in the past few years.

Wamsler SE's profit picture underwent a favourable change in 2019 on a year earlier, and this change resulted primarily from the sale of the OPUS shares held by the company since 2013. Exercising its call option based on its contract of 21 December 2017, which established a call option on 5,404,313 ordinary shares issued by OPUS GLOBAL Nyrt. and representing a nominal value of HUF 25 each, on 21 December 2019 OPUS GLOBAL Nyrt. purchased the ordinary shares owned by Wamsler SE at the average rate quoted at the Budapest Stock Exchange in the 180-day period preceding the option exercise (HUF 359 per share). OPUS GLOBAL Nyrt. could draw down the option on the basis of an intercompany loan granted to Wamsler SE using a part of the liquid assets made available for the Company in the framework of the BFFG bonds scheme, and because the companies had settled their liabilities to each other.

The Company's 2019 profit after taxes improved as a result of the revenues recognized in the P/L on financial operations.

In 2019 focus shifts can be seen within liabilities in the case of Wamsler SE. In the separate IFRS financial statement, the value of short-term liabilities dropped by HUF 4,199,320,000, while the balance of long-term liabilities increased by HUF 4,324,967,000. The company repaid its bank loans in 2019, from an intercompany loan granted to them by the Parent Company. On 15/11/2019 the Parent Company made HUF 6,600,000,000 available from the capital resource accessible from the issue of bonds under the BFFG scheme. Wamsler SE prepaid all its outstanding loans from this amount.

Strategic objectives and future vision

The success of the subsidiary is supported not only by economic indicators but also by customer satisfaction, and thus the goal is to contribute to satisfying customers' needs in terms of aesthetics and comfort on a higher level while reducing energy consumption and introducing new environmental opportunities. Wamsler SE also places great emphasis on the use of innovative environmentally friendly manufacturing technologies and the recycling of the waste being generated.

Several previous owners have attempted to reorganise the fireplace and stove factory, which has been operating in Salgótarján for 126 years, but this is the first time that they have succeeded in shaping a lasting vision for the company. It is a great advantage for the company that it exports 80 percent of its products, supplying foreign markets. Its subsidiary makes the most important sales market, Germany, easily accessible; the goal is to explore new sales channels and thus increase the sales volume in 2020.

Under the leadership of the Holding, between November 2019 and January 2020 the company developed a three-year plan, outlining strategic steps primarily affecting sales, central and manufacturing strategies that need to be taken in the near future. In addition to boosting sales in existing key markets, it is important to identify new target markets. Due to the declining demand for solid fuel products, high priority is given to product diversification and the launch of new business lines. The primary goal in product development is to meet customer needs, and to this end, it is essential to increase the efficiency of the product development process.

D. Risks involved in the division

Companies in the construction sector operate mainly on a project basis, focusing on major construction projects. They win the contracts for such major projects through open public procurement procedures. The contracts they are awarded and the terms and conditions associated with such contracts are unique. The biggest risk for construction companies is the implementation of public procurement projects that are supported by the European Union, put out to tender by the Hungarian state and financed from so-called domestic sources. The profitability of these companies depends on the size and volume of the tenders won.

In the case of the Wamsler Group, the economic outlook may be affected in the short term by household demand, while in the longer term it may be affected by increasing quality and price competition. Global markets also have an increasing impact on this product range (e.g., the impact of Chinese cheap and low-quality products). On the sales side, the market for solid fuel appliances has been shrinking by 5% -10% year-on-year, and trend that is expected to continue.

The market for heating equipment is characterised by extreme seasonality. In terms of sales, the most significant is the period from August to November (peak season).

At the time of publishing this report, it is not yet possible to assess the impact of the coronavirus on the operation of the Wamsler Group and construction companies in general: it is expected to have a small impact on the realisation of the companies' business plans for 2020.

E. Risk Management

Risk management at the companies forms an organic part of its strategic considerations and objectives.

R-KORD Kft.'s goal is to become a decisive player in the domestic market with regard to an increasing number of auxiliary services in the field of railway construction, extending its activities to all areas that are not directly related to the track during railway construction projects.

In the long run, the company intends to expand its operations in order to ensure stable future operations and seeks to explore further market opportunities. In the context of launching the new activities, the company is expanding its human resource capacity, building the necessary professionally trained workforce through retraining, and creating a new division within the company for the purpose of the new activity.

During its almost two-decade existence, Mészáros és Mészáros Kft. has acquired significant expertise and an impressive track record in the field of bridge, road, public utility and building construction, as well as general construction. By diversifying and expanding the divisions, it is possible to reduce the risk of overdependence on one area or another. Based on the experience, expertise and extensive track record gained in the course of the company's past operations, Mészáros és Mészáros Kft. is able to maintain its decisive role in the construction industry.

The Wamsler Group can succeed by adapting its product portfolio, driving product development, responding quickly to changes in market demands, improving quality, optimising costs, and increasing efficiency.

Due to the seasonality of the products, the companies have very significant inventory levels (thus bearing a significant inventory risk), operate a complex logistics system, and also anticipate possible downtimes in their production processes.

Mészáros és Mészáros Kft. applies integrated management policy, which in turn defines the goals and means for sustainability.

The most important goal in the planning and implementation of construction processes is to comply with strict environmental regulations and permits. For that reason, the company is open to innovative solutions and processes, and as regards the selection of materials it prefers to use local materials and recycle the waste generated during the process.

The Wamsler group has an integrated pollution prevention and control authorization (IPPC). The Company's environmental management system includes waste management, the protection of air purity, protection against noise and vibration, and landscape and nature conservation. Environmental awareness and energy efficiency is not only manifest in the products but also in the production process. The management places great emphasis on the application of innovative and environmentally sound production technologies and on recycling the waste generated.

F. Strategy

Since 2020, R-KORD Kft. has had a 60% ownership share in R-KORD Network Kft., a company established with the intention of strengthening R-KORD's role in the signalling and telecommunication equipment business and building its own capabilities for performing, at a predictable price, some of the activities previously outsourced to subcontractors. In the context of expanding its activities, R-KORD Kft. is expanding its human resource capacity, building the necessary professionally trained workforce through retraining, and creating a new division within the company for the purpose of the new activity.

Mészáros és Mészáros Kft. intends to manage the risk of overdependence on one area or another by further reinforcing its new divisions.

In addition to the production of fireplaces and cookers, the Wamsler Group is constantly working to establish mutually beneficial cooperation with other companies in the field of sheet metal processing and surface protection, drawing on the experience and knowledge of its employees in this field. The new developments and investments also serve to maintain technological competitiveness and to gain a competitive advantage. Wamsler SE will focus on greatly improving production efficiency in the business year 2020, true to the company's motto: "Renewal from tradition". Drawing on more than 140 years of experience, the developments aim at creating forward-looking technologies that will enable Wamsler to become the market leader in the mid-price category.

G. Management

The Industrial Production business line is managed by Tamás Halmi, a member of the Board of Directors, in his capacity as division manager, whose expertise and experience particularly contribute to the successful operation of the business line and the subsidiaries of the business line:

Tamás Halmi

a member of the Board of Directors of OPUS GLOBAL Nyrt., Head of the Construction Division.

Initially, he was head of a geodetic enterprise, and from 2000 onward he was head of a department at the Bicske Land Office for ten years before becoming head of the entire office. Since 2010, he has been the managing director of Mészáros és Mészáros Kft., a private construction enterprise.

In 1992, he graduated from the Faculty of Mining Engineering of the Technical University of Heavy Industry in Miskolc with a degree in geophysical engineering.

Agriculture and food industry division

In addition to industrial production, the agriculture and food processing division is also of key significance for the Company Group. This portfolio contributes to 30 per cent to the consolidated balance-sheet total.

Currently this division includes three subsidiaries: Csabatáj Zrt., engaged in agricultural activity (and having a share of 74.18%), VIRESOL Kft. of the food processing line (with a share of 51 per cent), and KALL Ingredients Kft. and its subsidiaries, which are in the 83 per cent ownership of OPUS GLOBAL Nyrt.

The Group's agricultural and food industrial activity typically focuses on food industrial raw materials, fodder raw materials, starch products, industrial alcohols, egg production and corn production. The raw materials of the manufactured finished products are, for the most part, cereals.

The first element of the portfolio was made up by the business share in Csabatáj Zrt. newly acquired by OPUS GLOBAL Nyrt. in 2017, the main profile of which is related to crop production and eggs for consumption.

This was followed by the acquisition of 100 per cent of KALL Ingredients Kft. in 2018 as contribution in kind. In the summer of 2019, both OPUS GLOBAL Nyrt. and MFB Invest Zrt. performed a capital increase in KALL Ingredients Kft., and as a result, by the end of 2019, the company's subscribed capital had risen to EUR 7 million, and in relation to this, OPUS GLOBAL Nyrt.'s share dropped to 83 per cent, while MFB Invest Zrt. obtained 17 per cent of the shares. Considering its production capacity, KALL Ingredients Kft. is considered as one of the largest isoglucose factories in Central and Eastern Europe.

As the next element in its portfolio, in September 2018, 51% of the business share in VIRESOL Kft. was acquired as a contribution in kind. The company is one of the largest modern starch manufacturing plants in the region processing 250,000 tonnes of wheat per annum.

<u>List of the subsidiaries in this division as at 31/12/2019:</u>

Name	Relationship	Core business activity	Country of registration	Direct / indirect participation	Issuer's share on 31/12/2017	Issuer's share on 31/12/2018	Issuer's share on 31/12/2019
Agriculture and food industry							
Csabatáj Mezőgazdasági Zrt.	S	Mixed farming	Hungary	Direct	74.18%	74.18%	74.18%
KALL Ingredients Kereskedelmi Kft.	S	Manufacture of starches and starch products	Hungary	Direct	-	100.00%	83.00%
KALL Ingredients Trading Kereskedelmi Kft.	S	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	Hungary	Indirect	-	100.00%	83.00%
TTKP Energiaszolgáltató Kft	S	Steam supply and air-conditioning	Hungary	Indirect	-	100.00%	83.00%
VIRESOL Kft	S	Manufacture of starches and starch products	Hungary	Direct	-	51.00%	51.00%

S – Subsidiary

A. The business environment of the division:

In agreement with the trend seen for the last few years, the use of labour further decreased in agriculture. Similarly to the previous year, in 2019 the Hungarian agriculture contributed approximately 2 per cent to the European Union's agricultural output.

The total agricultural output increased by 3.1 per cent in 2019, as a result of a 0.7 per cent decrease in the production volume and a 3.8 per cent rise in producer prices. The volume of crop production decreased by 2.3 per cent, while animal husbandry and services grew by 1.7 and 1 per cent, respectively. With the exception of cereals, livestock and potato, the production of agricultural products either stagnated or declined. (Based on a report by CSO)

In the aggregate, the volume of grain crops increased by 3.3 per cent, and both maize and wheat production grew.

The production of animal products stagnated in 2019 at the level of the previous year, the production value increased by 0.5 per cent, identical to the rise in prices. The production value of eggs decreased by 3.8 per cent. In Hungary egg production has been volatile in the past 5 to 6 years, however, it can be established that between 1990 and 2010 it continuously declined. After 2012, a regulation of the European Union required animal keepers to replace cages by more modern ones that comply with animal welfare requirements, and this had a market cleansing effect. Due to the bird flu in 2016 and 2017, there was a shortage of eggs in the market, and consequently, prices rose. For this reason in 2018, the market became saturated and high prices decreased, and the prices that developed by 2019 could hardly cover the production cost.

Eggs are 27 to 33 per cent cheaper in Hungary than in Italy or Austria, and nearly 20 per cent more expensive than in Romania. The most important reasons for this include differences in wages and the costs of keeping technology. According to the forecast of the European Commission, edible egg production may increase by 1 per cent (to 7.1 million tonnes) in 2020. Regarding Hungary's balance of trade, Hungary needs to import eggs, approximately 20 per cent of the consumption is imported. A great opportunity and challenge for the eggs market includes the satisfaction of the total domestic demand by domestic production in order to implement self-support (source: NAK). The VAT cut to 5 per cent and the adoption of the Electronic System for Controlling the Movement of Goods on Public Roads (EKAER) have reduced shadow economy in the sector.

The market of starch products was balanced in 2019, while in the sugar market low price remained prolonged in 2019, although in the second half of the year, a slow rise was perceptible in the price level. In the alcohol market, prices rose and we could enforce it despite being a new market participant.

However, in the fodder market a slow but uninterrupted decline is perceptible. However, the high-protein (maize gluten, vital wheat gluten) fodder market could be considered stable in this period.

The spread of the corona virus, perceptible at the time of writing this report, is also expected to affect companies engaged in the production of raw materials for food in 2020, however, when this report is published the size of this effect is still unpredictable. The majority of packaging materials come from China, and their transport may slow down considerably due to the pandemic.

B. Description of the 2019 activity of the division:

Consolidated financial data and shareholder information, balance sheet: Agriculture and food industry division

(The data included in this statement have been taken from the separate financial statements compiled for 2018 and 2019 according to the IFRS standards, without intra-group adjustments.)

HUF '000' unless otherwise stated

Balance-sheet data (closing portfolio)	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2019	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2018	OPUS GLOBAL Nyrt. and Konzum Nyrt. group PRO FORMA, total	2018 PRO FORMA – 2019 comparison	Change, %
Balance-sheet total	128,179,850	104,359,166	104,359,166	23,820,684	22.83
Cash and cash equivalents	8,796,713	1,722,562	1,722,562	7,074,151	410.68
Equity	9,986,202	4,166,323	4,166,323	5,819,879	139.69
Long-term liabilities	98,838,650	71,725,613	71,725,615	27,113,035	37.80
Short-term liabilities	19,354,999	28,467,230	28,467,230	-9,112,232	-32.01
Loans and advances	66,103,023	62,176,845	62,176,845	3,926,178	6.31
External funds to the balance-sheet total	0.52	0.60	0.60	-0.08	-13.44
Employee headcount	673	648	648	25	3.86

Note: A 2018. The PRO FORMA data are from the addition of OPUS GLOBAL Nyrt.'s consolidated annual report and KONZUM Befektetési és Vagyonkezelő Nyrt.'s 2018 consolidated financial statements according to the IFRS .

Both OPUS GLOBAL Nyrt. and MFB Invest Zrt. increased the capital, including the issue premium, in KALL Ingredients Kft. in the summer of 2019, and as a result, the company's subscribed capital increased to EUR 7 million and its capital reserve to EUR 34.42 million.

In December 2019, OPUS GLOBAL Nyrt. granted an intercompany loan to the company in the amount of HUF 10,282,272,000 using resources from bond issue, and reduced the company's CAPEX loan portfolio by EUR 30 million. As a result of loan restructuring, the company's financing became more favourable, and the previous composition of the financing consortium also changed. After prepayment, the capital investment loan previously taken by the company dropped to EUR 65.4 million.

In the 2019 calendar year, KALL Ingredients Kft. capitalized real property and machinery in the amount of approx. HUF 2,131,533,000 and recognised HU 2,161,589,000 among the assets in the course of construction, in relation to the capacity expansion of its produce store and logistics service units. In addition, several major projects planned to commence in early 2020 were also prepared. The CAPEX limit is available for the company.

In VIRESOL Kft. it capitalized tangible assets in the amount of HUF 110,849,000 and accounted CAPEX projects in the amount of HUF 12,681,094,000 in 2019.

Last year the newly built factories were characterized by massive increase in every field of their activities. The maize processing unit established in Tiszapüspöki nearly trebled its activity, and VIRESOL Kft. launched its test run in February 2019 in Visonta, which is planned to be closed in H1 2020.

Consolidated financial data and shareholder information, income statement: Agriculture and food industry division

(The data included in this statement have been taken from the separate financial statements compiled for 2018 and 2019 according to the IFRS standards, without intra-group adjustments.)

HUF '000' unless otherwise stated

Key P/L data	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2019	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2018	OPUS GLOBAL Nyrt. and Konzum Nyrt. group PRO FORMA, total	2018 PRO FORMA – 2019 comparison	Change, %
Operating income, total	41,149,521	11,427,373	11,427,373	29,722,148	260.10
Operating costs	42,727,682	12,448,772	12,448,772	30,278,910	243.23
Operating (business) profit/loss (EBIT)	**-1,578,161**	**-1,021,399**	**-1,021,399**	**-556,762**	**54.51**
EBIDTA	1,857,468	-192,353	-192,353	2,049,821	-1065.66
P/L on financial operations	-2,290,515	-212,107	-212,107	-2,078,408	979.89
P/L before taxes	-3,868,676	-1,233,506	-1,233,506	-2,635,170	213.63
P/L after taxes	-3,308,937	-1,241,301	-1,241,301	-2,067,636	166.57
Total comprehensive income	-3,396,306	-1,251,791	-1,251,791	-2,144,515	171.32

Note: The 2018 PRO FORMA data are from the addition of OPUS GLOBAL Nyrt.'s consolidated annual report and KONZUM Befektetési és Vagyonkezelő Nyrt.'s 2018 consolidated financial statements according to the IFRS .

The Company recognizes other income and other expenditure netted, among operating costs.

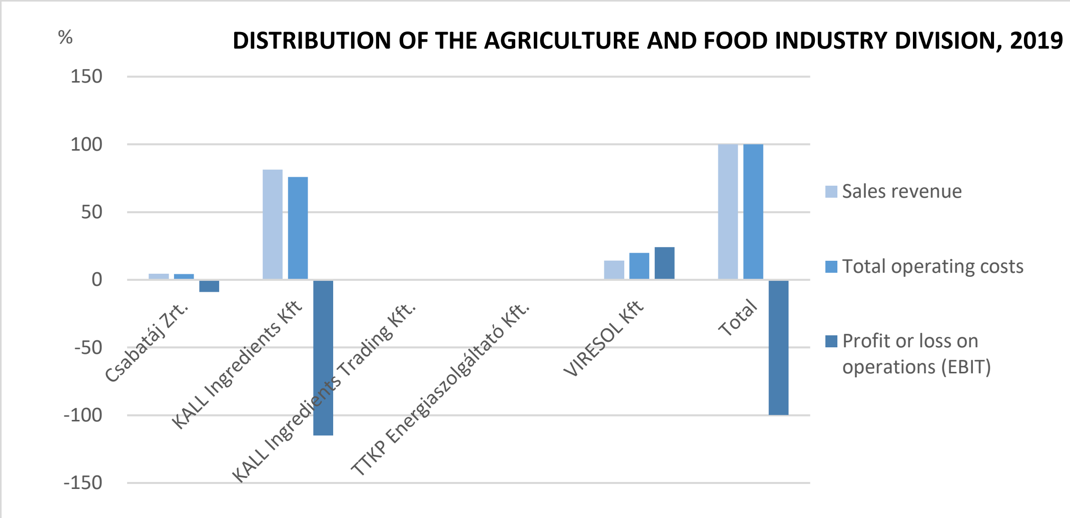
In the comparison of the data include in the 2018 income statement it is important to note that KALL Ingredients Kft. and VIRESOL Kft. were consolidated as subsidiaries in 2018 only after the acquisition (during the year, from August and October, respectively), and that in the case of VIRESOL Kft., part of the new plants already started production in 2019, although not at full capacity, and this was manifest to a major extent in the 2019 data.

Due to their sizes, KALL Ingredients Kft. and VIRESOL Kft. primarily produce for the export market (in 2019 KALL Ingredients Kft. raised more than 60 per cent and VIRESOL Kft. 50 per cent of its sales revenue from exports). It should be considered as an especially outstanding achievement that already in the test run period the products of the wheat starch factory found their way to numerous points of the world, and beside European markets, they made exceptional success in Asia and Latin America. In the market of liquid sugars, it could also achieve considerable increase, trebling the sales volume on the previous period.

Csabatáj Zrt., a subsidiary classified in the agricultural division, generates sales revenue from domestic sales, as transporting eggs to large distances is unprofitable and cereals are produced mainly for their own use.

Within this division, KALL Ingredients Kft. contributed 81 per cent of the total sales revenue of the line, and VIRESOL Kft. shared 14 per cent in 2019. These two companies are expected to remain the key participants in the line when the capacities of the new production plants increase.

Share by the companies in the agriculture and food industry division in the sales revenue, operating costs and operating profit based on the 2019 financial statements:



The data included in this statement have been taken from the 2019 separate financial statements compiled according to the IFRS standards, without intra-group adjustments.

In the period of the test run, higher operating costs were incurred by the companies, as the optimization of production continued all the year round, and as a result, the 2019 operating profit (EBIT) of the division was moderate, but its increase is expected after completion of these works.

In spite of this, the EBITDA indicator of the division was HUF 1,857,468,000, ten times the 2018 figure.

Considerable loss was made on financial operations in 2019 on the base year, and this significantly deteriorated the profit after taxes made by the agricultural division. Among the expenses on financial operations incurred in the division KALL Ingredients Kft.'s interest expenses paid for its capital investment loans represented a significant item. KALL Ingredients Kft. recognized HUF 2,193,388,000 as interest expenses, while the net impacts of exchange rate losses and gains amounted to HUF 29,232,000.

C. Description of the key companies in this division

KALL Ingredients Kft.

The Parent Company acquired 100 per cent of the shares in KALL Ingredients Kereskedelmi Kft at the end of 2018, by in-kind contribution. (https://www.bet.hu/newkibdata/127473911/OPUS__Hird_KALL_Apport_HU_20180801.pdf)

In the summer of 2019, both OPUS GLOBAL Nyrt. and MFB Invest Zrt. performed a capital increase in KALL Ingredients Kft., and as a result, OPUS GLOBAL Nyrt.'s share dropped to 83 per cent, while MFB Invest Zrt. obtained 17 per cent of the shares.
https://www.bet.hu/newkibdata/128260937/OPUS_Hird_KALL_tokeemeles_20190704_HU.pdf

The company's history and key operating characteristics

KALL Ingredients Kft is engaged in processing maize, including the manufacture of high added value food industrial raw materials and fodder raw materials, exclusively of GMO-free Hungarian maize. Based on its production capacity, it is one of the most significant European isoglucose factories, and in addition it offers the highest quality products and services to its customers using the most innovative and greenest technology available. The primary objective is to flexibly adjust production to meeting the current market demand and to provide custom-tailored solutions for partners.

The main purpose of establishing KALL Ingredients Kft, was that in October 2017, the European Union's sugar quota was cancelled, and this offered a single opportunity for the establishment of a factory in Hungarian hands and for using this opportunity. The factory is located at the outskirts of Tiszapüspöki in Jász-Nagykun-Szolnok county.

The plant produces food industrial raw materials, primarily various sugar products and products derived from starch; high-standard pharmaceutical and edible alcohol, and raw materials for fodder. It sells a considerable ratio of its products abroad. The plant is capable of processing more than 500,000 tonnes of GMO-free Hungarian maize per annum. The greenfield investment project worth EUR 160 million was built using the best available technology, which is extremely clean, as the grain is processed without any waste.

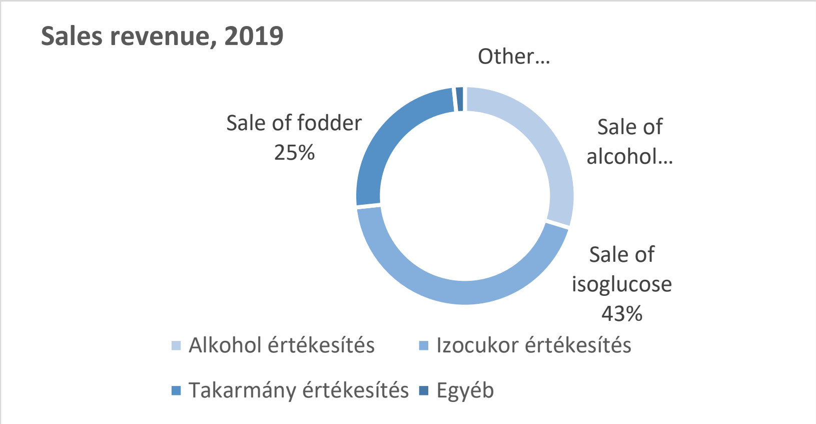
Product descriptions

Considering its maize production capacity, KALL Ingredients Kft. is considered as one of the largest plants in Europe. In the course of production, the company manufactures liquid sugars, alcohol and raw materials for fodder.

Characteristics of the products in three main categories:

- **liquid sugars**
- **alcohol products**
- **fodder raw materials**

Distribution of KALL Ingredients Kft.'s sales revenue by product in 2019: (The chart was compiled in accordance with the separate IFRS statement)



Sale of alcohol *Sale of isoglucose* *Sale of fodder* *Other*

Liquid sugars

These are the main products, which offer favourable use for food producers. The plant can manufacture sugar products tailored to the customer's requirements and in a combination adjusted to various purposes of use, thus helping the satisfaction of customers' special needs. With the help of these products, the food industry is also given an opportunity to build on a stable raw material basis in this region hit by sugar deficit and compelled to import sugar.

In September 2019, the F95 product of especially high fructose content, produced by KALL Ingredients Kft. was granted a Food Industrial Grand Prize. This innovative product is considerably sweeter than traditional caster sugar (saccharose), and therefore approx. 2/3 of the volume is enough to use. It can be fit into both traditional and reform nutrition. It is used in the same way as the familiar beet sugar, but it is sweeter, and thus the calorie input can be reduced by about 34 to 40 per cent.

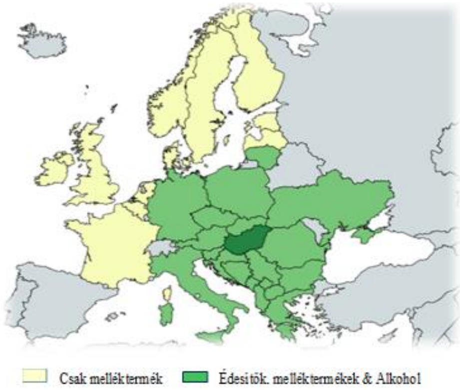
Alcohol products

The alcohol products manufactured in our plant are of exceptionally high quality and fineness, which provide the food industry, pharmaceutical industry, cosmetics industry and other industries that used to only have the opportunity to use synthetic alcohol based on mineral oil with a raw material manufactured of a natural resource.

Fodder raw material products

The offer high protein content, cost-efficient energy sources for ruminants, swine, poultry, pets and fish.

KALL Ingredients Kft.'s export target countries



Only bye-product *Sweeteners, bye-products and alcohol*

Main features of the 2019 business management

Already two busy years have passed in the history of KALL Ingredients Kft., a company within OPUS GLOBAL's food industrial division, since the processing of the first tonne of maize. In 2018, the first year of production, focus was on launching the plants, commissioning, setting and maintaining the stability of production, and on continuity in the quality of the various products.

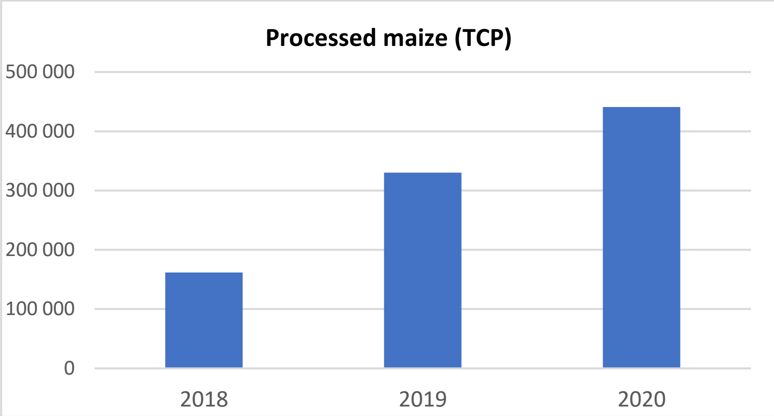
In 2019 another chapter was opened in the life of KALL Ingredients Kft., as increasing the production volume and improving efficiency, improving product quality and service procedures, their adjustment to customer requirements, and the adoption of products adjusted to the new market trends are not small tasks in the life of a newly launched plant. In addition, it is still perceptible that the sugar industrial crises is not yet over, it still takes time to consolidate the situation and restore the long-established order of the industry. Till the, the main task is to retain the stability of production and gradually increase the production volume.

It is of paramount significance that KALL was the first factory in the region to be able to produce F95 product in an excellent quality. In addition, it should be separately highlighted that the company's staff has proven their especially high expertise that resulted in the uninterrupted manufacture of several new and marketable products in a high quality, such as K-Bioferm, meant especially for industrial use and only manufactured by KALL Ingredients Kft. in the region. Such new products improve the company's stability in production, and contribute to a major extent to growth and the improvement of its competitiveness in both the Hungarian and the international market.

The development of innovative, new products will remain an objective of KALL Ingredients Kft. in the future, as over the long term, it can make progress and occupy a market leading position only if it capitalizes on the endeavour, required by the sector, to proactive development and win demanding users by the adoption of new products.

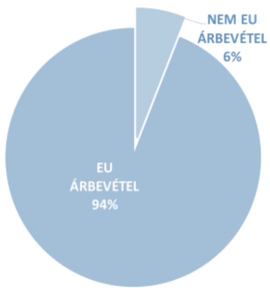
In the 2019 calendar year, KALL Ingredients Kft. capitalized real property and machinery in the amount of approx. HUF 2,131,533,000 and recognised HU 2,161,589,000 among the assets in the course of construction.

It can be considered as a very good result that the factory at Tiszapüspöki increases the amount of ground maize month by month, and as a result, we had the opportunity as early as August 2019 to operate the factory above the calibration capacity, at a rate of 1,550 tonnes per day.

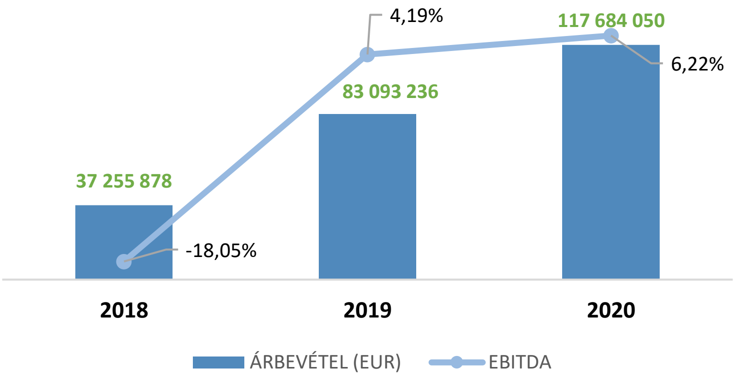


In 2019 the factory was characterised by rapid development in terms of both the processed raw materials and the volumes sold. In accordance with the basic rules of the economies of scale, the ever increasing capacity utilisation yielded the expected results and despite the significant amounts of capital investment loans, the factory could close the calendar year 2019 with a positive EBITDA.

Breakdown of revenues from exports, 2019



Sales revenue and EBITDA indicators:



Sales revenue (EUR)

(The data have been compiled on the basis of the financial statements based on the Hungarian Accounting Act.)

The Company's strategy and future vision

KALL Ingredients Kft.'s strategic goal is to continuously expand its product portfolio, including a more intensive diversification and expansion of its range of sugar products and starch derivatives, as triggered by continuously reported new customer requirements. As a result, the company's medium- and long-term plans focus on innovative product developments in line with the most recent industrial and market trends. However, these are no longer merely focussed on various sugar products, but as from 2019, the Company has set out in the direction of developments required for the manufacture of native and modified starch products serving special, custom purposes. KALL's team of engineers in charge of product development targets experiments in, the development and then the industrial manufacture of products tailored to custom and meeting special demands. In addition to increased diversification and the creation of a more extensive portfolio, the company's aim is naturally serve our partners with products meeting the most special requirements.

From 2020 the company's non-calendar business years were adjusted to the calendar year. This had relevance for simplifying the consolidation of the data of OPUS GLOBAL Nyrt.'s subsidiaries, as the calculations performed to correct the different business years required significant additional energy.

VIRESOL Kft.

The Parent Company obtained 51 per cent of the shares in VIRESOL Kft. at the end of 2018, by in-kind contribution.
https://www.bet.hu/newkibdata/128065782/OPUS_IG_Hat_Kivonat_HU_20180914.pdf

The company's history and key operating characteristics

Established in 2015, VIRESOL Kft is Central and Eastern Europe's most modern and most innovative wheat processing plant aimed at setting up Hungary's single plant that produces high-standard wheat-based products beyond mill industrial processing. VIRESOL Kft. started operation in 2019 and is engaged in the processing of approximately 0.25 million tons of wheat to produce starch, alcohol and fodder products with more than 250 employees.

By processing part of Hungary's significant amount of export surplus in wheat, the plant produces high added value. The raw material is wheat completely produced in Hungary, and the manufactured products will be sold partly in Hungary and partly in the markets of the European Union or other European countries. VIRESOL Kft. has the necessary resources, professional and market know-how and technical and business experience for the establishment and successful operation of a plant with a modern technology in Hungary.

In December 2019, VIRESOL Kft. was awarded the agricultural capex project of the year at the "Portfolio" agricultural conference.

The plant is located in an industrial park on 14 hectares in Visonta, Heves county. Road M3, the nearby railway connection, the appropriate infrastructure, the logistics endowments, and the proximity of electricity, steam and natural gas supply points guarantee that the site ensures optimum conditions for operation and for the logistics of wheat and the end-product.

In 2019 the company successfully obtained the food and fodder safety, sustainability, integrated management and special customer requirement certificates that ensure the quality of its products (these include: Halal, ISCC, HACCP, Kosher, Non GMO, IFS Food, GMP+, ISO 9001, ISO 14001, ISO 45001, Dutch Double Counting Audit).

Product descriptions

VIRESOL Kft. manufactures the following products:

- **native and modified starches,**
- **maltodextrin,**
- **industrial alcohol,**
- **vital wheat gluten,**
- **wheat DDGS.**

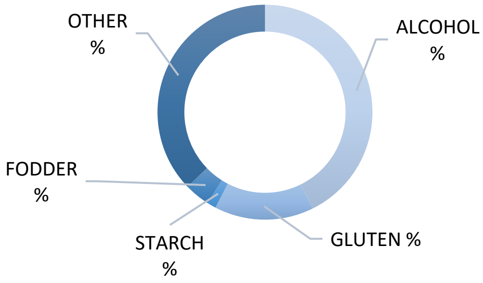
The processing plant sells its key products to the food, paper, chemical and fodder industry, and intends to ensure the satisfaction of customer requirements by a strict regulation of the parameters of finished products and manufacturing procedures, and by a supervision of these requirements with focus on quality. The company manufactures products exclusively from good quality wheat grown in Hungary and obtained from reliable and regular suppliers.

Main features of the 2019 business management

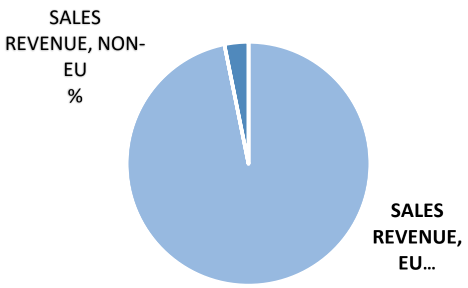
The year 2019 was also a milestone for VIRESOL Kft. Phase I of the capital investment project was closed ant on 11 February, 2019, the plant was ceremonially opened. This closed the first great chapter in the company's history. Test run and production started in the plants. The first trucks loaded with finished products rolled out of the factory to the first customers on 26 March 2019. In the commissioning phase and during test run, focus was on the stability of operation, while production was gradually increased. The plant units began operation in several phases and according to the plans, test run was envisaged to close in H1 2020.

The wheat starch factory of VIRESOL Kft. at Visonta, ceremonially opened in February 2019, was characterized by a massive growth in the past one year in each area of its activity, including processed raw materials, sold volumes and ever increasing capacity utilisation. Despite high capital investment loans, an operating profit and profit after taxes were achieved in 2019. VIRESOL Kft.'s 2019 annual net sales revenue was HUF 4,810,172,000 and 50 per cent of this came from exports.

Distribution of VIRESOL Kft.'s sales revenue by product in 2019:



Distribution of VIRESOL's export sales revenue in 2019:



(The data have been compiled on the basis of the financial statements based on the Hungarian Accounting Act.)

The Company's strategy and future vision

VIREESOL Kft's aim is to transplant the service approach to raw material supply, wide-spread in Western Europe, which includes the development and manufacturing of products tailored to individual customer demand. After increase in the company's production, the qualified staff at the research and development unit work in application technological laboratories specifically made for this purpose in order to develop, jointly with their partners, starch products and modified starch products to meet even the most peculiar requirements.

The company considers it important to proactively participate in exhibitions, conferences and professional forums. It sees as its mission to encourage the adoption of the requirements of our modern times in the life of its partners and to take the lead in learning and teaching the trends and requirements demanded by the EU. Top this end, the first "stakeholder day" was organized for the first time ever on 20 March 2019, with the participation of more than 160 farmers and fodder purchaser partners, and in addition to timely market information, the company shared their expectations and news of market trends with the participants.

Lectures were delivered on sustainability requirements to familiarise suppliers with the new expectations and make it easy for them learn the FSA self-assessment questionnaire, which described the company's audit system for the farmers.

In early May 2019 the company participated in the Farmers' Day at Hódmezővásárhely, then in September in the National Agricultural and Food Industrial Fair, and also appeared at the most prestigious forum of food ingredient manufacturers, the Food Ingredients Europe exhibition in Paris.

Csabatáj Mezőgazdasági Zrt.

The company's history and key operating characteristics

Csabatáj Zrt's core activity is mixed farming, including agricultural activity as a basis complete by closely related services and the wholesale of grain and other produce.

In the framework of animal husbandry, eggs are produced for sale. The laying-hybrid birds purchased when day-old and are raised on the company's farm. The animals are fed fodder produced in the company's own mixing plant, which processes purchased industrial raw materials and grains grown by the company. The modern layer hen farm meeting all the EU standards is linked to a manure drying plant, which manufactures the product by an aerobe fermentation method. The company also has a retail trade unit and makes income on property and machinery letting as well as other activities. The company typically transacts sale and purchase activities with domestic partners.

The core activity can be divided into four main scopes of activity:

- **production of eggs for consumption and related activities,**
- **cop production and related activities,**
- **related activities and**
- **services**

Description of the activities

Plant cultivation

In 2019 plants were cultivated on a territory of approx. 937 hectares of leased land; in addition, the company integrated producers on an area of 430 hectares; and machine services were provided to additional producers – primarily sowing, plant protection and harvesting – on 700 hectares, while these producers obtain input materials and perform the individual work phases on their own.

Production of eggs for consumption

The production of eggs for consumption is closely related to the procedure of poultry rearing, which meets the requirements set by the European Union in every respect. The maximum capacity of the site is 150,000 laying hens or 80,000 rearing pullets. As Henhouse no. 1 of the rearing site was reconstructed, the full capacity is used and thus in addition to satisfying the company's own needs, chickens can be reared for sale. This ensures more efficient production in terms of both energy consumption and labour utilisation. The company sells selected eggs for consumption to its partners. The replacement of laying hens is ensured by the company at its pullet rearing site after purchasing day-old chicks.

Having purchased day-old chicks, Csabatáj Zrt. rears the pullets expected to lay eggs subsequently. They are transferred to the laying site when they reach 16 weeks, and sold as spent hens after the 85th week.

Products of incidental operation

In order to feed the poultry, the company also manufactures feeding stuffs, primarily from wheat and maize grown on its own.

Services include crop production services, which cover the activity from tillage to harvest. Services following harvest include cleaning, drying and storage. In addition, mention should also be made of real property and machine leasing services.

In relation to drying, the company operates two produce dryers at its Békéscsaba and Újkígyós sites. The average performance of the dryers is 18 tonnes per hour at Békéscsaba and 30 tonnes per hour at Újkígyós. At the two sites the aggregate annual volume of processed straw cereals, maize and sunflower are 8,000; 35,000 and 600 tonnes, respectively. In relation to storage it should be noted that the capacity of the operated silos is 15,000 tonnes at Békéscsaba and 9,000 tonnes at Újkígyós in the company's ownership. Related activities include contract storage, crop purchase and marketing activities, including the trade of about 15,000 tonnes of grain. Characteristically, the company sells artificial fertilisers, chemicals and seeds to primary producers, purchases and resells produce to other purchaser companies, as Csabatáj Zrt. is in a better bargaining position due to the higher volume it can purchase.

Main features of the 2019 business management

In 2019 the company used 952 hectares of leased land, of this, crop was produced on 934 hectares. The area of cultivated land increased by 0.6 per cent in comparison to the previous year. The average term of land lease contracts is 10 years.

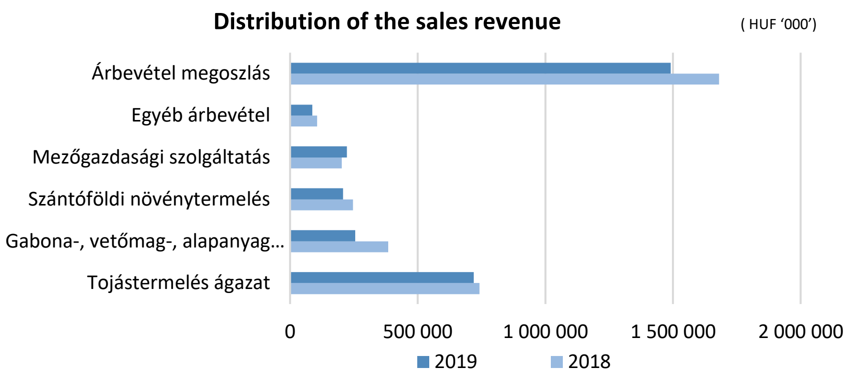
In 2019 the company primarily produced fodder maize, autumn wheat, sunflower, alfalfa, other supplementary plants and green pea seeds. Of this the maize and wheat is used for feeding its laying hens, the rest is sold together with the crops produced on the integrated territories. When the crop rotation is compiled, the largest possible area for growing maize is the primary concern, as this has steadily ensured the profitability of crop production for several years.

The plant grown on the second largest area is green peas, as in line with the expectations, it can be grown with profit.

The average yield of wheat, maize, sunflower and green peas remained below those of last year by 29.6; 10.1; 73.1 and 15.1 per cent, respectively.

Division	2018			2019			Change, 2019-2018		
Plant	unit	Produce	Average	unit	Produce	Average	unit	Produce	Average
	ha	kg	kg/ha	ha	kg	kg/ha	ha	kg	kg/ha
Autumn wheat	53	254,037	4,830	82	278,199	3,399	55.6%	9.5%	-29.6%
Maize	516	5,182,635	10,048	549	4,960,512	9,031	6.5%	-4.3%	-10.1%
Sunflower (oil)	107	395,126	3,704	56	55,367	996	-47.9%	-86.0%	-73.1%
Peas	168	382,220	2,278	177	341,801	1,933	5.4%	-10.6%	-15.1%
Oat	3	9,610	2,988	11	9,610	878	240.3%	0.0%	100.0%
Alfalfa	38	538	14	38	480	13	0.0%	-10.9%	-10.9%
Uncultivated and	61			39			-36.1%		
Total:	**946**			**952**			**1%**		

In 2019 Csabatáj Zrt.'s sales revenue was HUF 1.5 billion, 11 per cent less than in 2018, due to the lower average yield of sunflower, and to the less favourable wholesale trade in cereals. Plant cultivation was adversely affected by the weather, as the wet spring that was cooler than in the previous years impeded the optimum development of the various plant cultures and the timely performance of works. The more unfavourable spring was followed by a hot and dry summer, which also prevented appropriate plant development.



(The data have been compiled on the basis of the financial statements based on the Hungarian Accounting Act.)

In the egg production line, based on information provided by the Poultry Product Board, it can be established that Csabatáj Zrt. contributed 3,6 per cent with nearly 35.9 million eggs to Hungary's egg production in 2019.

Egg production / Sale of hens	2018		2019		Difference	
	Number	unit price, HUF	Number	unit price, HUF	Number	unit price, HUF
Eggs	38,660,310	16.54	35,886,150	17.05	-7.18%	3.08%
Hen	116,746	1,397	116,054	1,600	-0.59%	14.54%

In the period behind us, the company was granted several aids and won several tenders in relation to agricultural activity, and used the funds to perform significant capital investment projects (e.g. expansion of a manure store), and based on a capital investment tender prepared and won in 2018, in 2019 the renovation and technology replacement of the laying hen site and the pullet rearing houses commenced using a CAPEX limit of HUF 440 million, and they were completed by the specified deadline in February 2020.

In 2019, the MOBA egg sorter was commissioned in the framework of a CAPEX investment project worth HUF 73 million. This project facilitates the achievement of higher sale prices for the produced eggs, as they are sorted into class A, edible and Class B food processing eggs.

The company's strategy and future vision

The company's future vision and the firm's stability are ensured by the strategic development of commercial egg production, the related plant production and the uninterrupted, safe provision of agricultural services and the modernization and upgrading of the existing technologies, which ensure efficient production and profitable operation over the long term. The purpose of Csabatáj Zrt. is to maintain environmentally conscious farming, which is of outstanding significance in the company's daily life, because it ensures safe jobs that are predictable over the long term and thus a high-standard life-style for the employees of the company. In the future, special attention will be paid to modifications in the compilation of the crop production portfolio in order to improve efficiency, continuing GMO-free production as a high priority.

This agricultural subsidiary cooperates with the local labour office in partnership. With focus on occupations in demand, in the framework of cooperation, training was launched in poultry rearing, with the agricultural subsidiary providing the venue for and professional assistance to practical training.

Manure treatment for the poultry farm has been solved by the environmental protection project implemented in the agricultural division in the framework of the New Hungary Rural Development Programme. The monitoring wells allow the control of nitrate content in subsoil water. The Company pays special attention to environmental protection as evidenced by the operation of manure fermentation wells that monitor the quality of groundwater and by the statutory destruction of hazardous waste from animals, mineral oil and chemicals. In animal farms, the HCCP system was adopted in the specified time, and it is maintained.

Based on the test results, dust emission by product dryers remains within specification. During the re-cultivation of the object disposal site, woodland will be created on the territory.

Strategic improvement in the production of eggs for consumption applies both to production volumes and to widening the assortment of goods. The capital investment project implemented on the animal farms also fitted into this development concept.

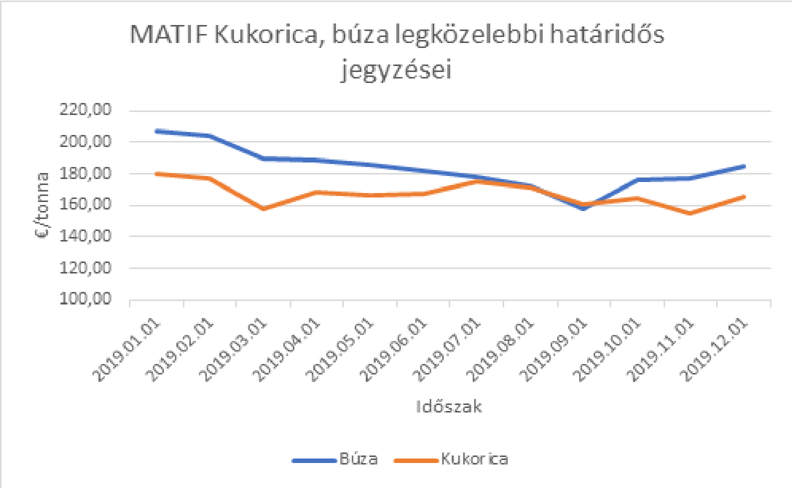
D. Risks involved in the division

This division of OPUS GLOBAL Nyrt. is highly exposed to the availability of raw materials, most of all, agricultural raw materials, in the appropriate quality and quantity.

Egg prices are heavily influenced by the fluctuation in fodder prices in relation to crop production in the given year. In addition, its production profitability is also highly influenced by the achievable market prices of these raw materials. The weather conditions during the vegetation period, market access to and the quality and price of the given agricultural product, and rate fluctuations all have considerable impacts on the productivity and efficiency of the food industrial division in any given year, as these factors have direct impact on the price of raw materials.

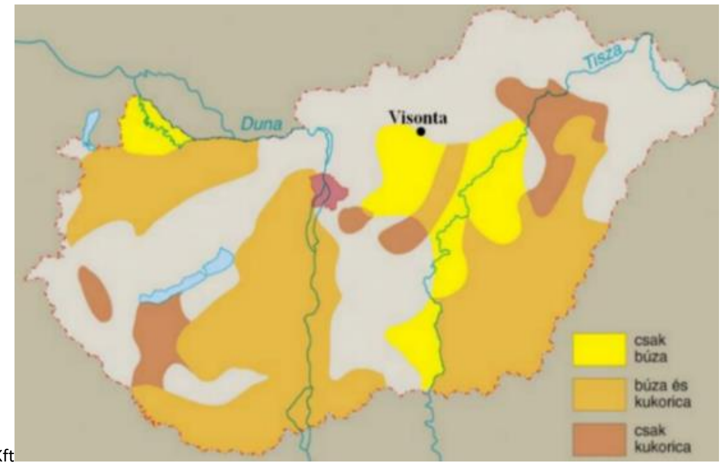
In 2019 the global cereal production did not remain below the previous year's data. Both maize and wheat yields could be termed relatively satisfactory in Hungary. Both food industrial factories only use raw materials produced in Hungary free of GMO, and great emphasis is placed on purchasing the raw material from the shortest possible distance, directly from farmers. Although in relation to wheat, toxin exceeded the limit in certain production regions, this was not the key parameter to determine the market. The raw material is available in an appropriate quality and quantity. This division places great emphasis on a long-term strategy of purchasing raw materials (maize and wheat) and on the safety of supply.

The following chart shows MATIF's annual maize and wheat price quotations:



MATIF – Next futures quotes for maize and wheat
Wheat *Maize*

The following are the main areas of wheat and maize production in Hungary:



Source: VIRESOL Kft

Only maize
Wheat and maize
Only maize

The market of starch products was balanced in 2019, while in the sugar market low price remained prolonged in 2019, although in the second half of the year, a slow rise was perceptible in the price level. In the alcohol market, prices rose and we could enforce it despite being a new market participant. The regulations required to be transposed pursuant to the European Union's directive on renewable energy will drive up prices in the market of ethanol. However, in the wake of the requirement based on RED II, the impacts of higher ethanol use are already perceptible in the market and are manifest in the prices. However, in the fodder market a slow but uninterrupted decline is perceptible. However, the high-protein (maize gluten, vital wheat gluten) fodder market could be considered stable in this period.

The efficiency of company's agricultural and food industrial division is also profoundly affected by the international and global market trends. The prices of liquid sugars, constituting one of the leading products of this division, depend heavily on the world market price of sugar, while the prices of alcohol products are bound to the Platts quote, and thus it may happen in this industry that the prices of the raw material and the finished product made of it fail to always correlate.

Traceable to weather conditions, in 2019 both in the European and in the global markets sugar cane yield fell considerably, and moreover, the quality of sugar beet also remained below the expectations. This (and increased demand for bioethanol) are expected to affect prices. Yields are determined by weather, and sales prices depend on yields. If the weather is favourable, and yields are high all over the country, purchase prices are low. If the weather is bad, production is more expensive and yields are lower.

In agriculture another risk is the potential appearance of animal diseases on the farms, but this can be fended off by respecting the strict animal health requirements. Due to the reappearance of bird flu, the requirements related to the closing of access to farms have been made stricter (disposable coveralls, shoe protectors, disinfection on entry etc.). Risks must be reduced to the minimum in order to save our animal farming company from significant losses as a result of future animal diseases.

E. Risk Management

Our food industrial division places particular emphasis on the analysis, the earliest possible identification and management of risk and threats. The potential risks and threats that may affect our division have been identified. In the division, we have separate procedural rules for the prevention, management and analysis of the identified risks. Based on our procedural rules, we regularly monitor and review the potential risks and threats, in an effort to identify these hazards at the earliest possible moment and to take action to prevent them before they take place.

As part of our business strategy, in order to reduce risks to the minimum, the management performs regular screening and operates an internal monitoring system. Within this framework, every critical area affected by risks are continuously controlled by the top management.

F. Sustainability

Sustainability plays an important role in the life of the companies in this division. We have also included this commitment in the basic corporate values, because we are convinced that we can only build a company that is successful and competitive in the long term in harmony with our environment and society. KALL Ingredients Kft. and VIRESOL Kft. are members of the SAI Platform, and have their suppliers perform self-assessments in each case on the basis of the FSA criteria. Our products have also been certified by ISCC and ISCC PLUS, and in relation to this it should be highlighted that 100 per cent of our supplier partners are classified into the SAI Gold category.

Although our factories were built according to the most modern technology of our age, we unceasingly endeavour to improve their efficiency and implement projects that enhance energy- and cost-efficiency. Within this framework, in 2019 the washing and filling systems were expanded in Tiszapüspöki. Since the implementation of the project, more water has been saved and recycled.

In order to take care of our environment and facilitate the retention of biodiversity, we planted more than 300 indigenous trees and shrubs in 2019, and intend to carry on with this programme in 2020.

The operation of manure fermentation wells monitoring the quality of groundwater and the statutory destruction of hazardous waste from animals, mineral oil and chemicals serve to protect the environment. The CAPEX project for a new laying hen house was needed for compliance with the animal health requirements.

In animal farms, the HCCP system was adopted in the specified time, and it is maintained continuously, not in the least because provision for the required conditions is a prerequisite of subsidies granted for animal health.

G. Strategy

The division has a proactive R&D activity: several colleagues have already participated in research and industrial research. Several of our researchers have publications and several developments or have participated in developments that are related to a patent or to a publication.

In relation to R&D activities, it remains their continuous objective to introduce new products in the market and to submit proposals for solutions in adjustment to customer requirements. The philosophy of the food industrial line includes uninterrupted product and technology development and portfolio diversification. Their medium- and long-term plans match this objective: they have proposed the establishment of product lines.

In the future they intend to improve efficiency by improving the composition of the crop production portfolio within the agricultural division. In animal farming, the company endeavours to use the capacities as much as possible and already at the moment it is a fact that their crop production is free of GMO. GMO production is significant in Hungary mainly in maize production, but in addition to maize, production free of genetic manipulation will be established in respect of all the plants we grow. Regarding egg production, soybean meal is purchased in large volumes, and as we are unable to ensure self-sufficiency in this field, we cannot confidently claim that our egg production is free of GMO.

H. Management

The executives of the division whose professional knowledge and experience contribute a great deal to the successful operation of the division and in particular of the subsidiaries include:

Dr Anett Tóth

She heads OPUS GLOBAL Nyrt.'s Food Industrial division.

At the beginning of her professional career, she was an articled clerk, and then from 2010 she worked as a legal rapporteur for the Office of Agriculture and Rural Development. In 2011 she joined the Hungrana Starch and Isoglucose Manufacturing and Trading Company (Hungrana Keményítő- és Izocukorgyártó és Forgalmazó Kft.). She traded her position as Director of Purchases and Capital Investments for the managing director's job at VIRESOL Kft. (previously called Visonta Projekt Kft.) in 2015. At the moment, in addition to this office she also attends to the managing director's position at KALL Ingredients Kft.

She graduated as a lawyer from the Pázmány Péter Catholic University in 2009, and then in 2012 from the Faculty of Agriculture and Environmental Sciences of the Szent István University. During her studies she learnt English and German at an advanced level while she studied law for a term in Bonn and obtained a degree in business law at the Abertay University in the United Kingdom. In 2013 she passed the bar.

~~Tourism Segment~~

Since 1 July 2019 the OPUS group has been managing its newly established division, incorporated with KONZUM Nyrt.'s merger, as a priority. The tourism activity of the legal predecessor began with the acquisition of HUNGUEST Hotels Szállodaipari Zrt. in 2016. Today Balatontourist Group is also in its direct ownership and has been included in the OPUS group's consolidated annual IFRS statements as its subsidiary since 2019.

The tourism division includes the following activities:

- Rural health, wellness and conference tourism in Hungary (HUNGUEST Hotels Group);
- Campsites around Lake Balaton (Balatontourist Group)
- Accommodations in Austria, Montenegro and Romania (HUNGUEST Hotels Group).

At the moment, HUNGUEST Hotels is Hungary's largest hotel chain, owned only by Hungarians. 20 of the 26 hotels of the chain operate in Hungary's best known therapeutic sites, resorts and mountains as well as in large towns. In the region HUNGUEST Hotels are situated on the coast in Montenegro, at the feet of Grossglockner and in Murau in Austria and in Transylvania. The hotels offer services that suit the widest range of demand, including classic health services, recreation, fitness, wellness services, conference facilities and various other programmes.

Looking back to a history of 67 years, Balatontourist operates ten campsites under its brand name and under a franchise scheme around Lake Balaton. Most of the campsites are not owned but leased by the company from economic entities and local governments.

The mission of OPUS GLOBAL Nyrt.'s tourism division is to fully meet the expectations of the guests who visit the hotel chain HUNGUEST Hotels and the campsites of Balatontourist; to provide its services with the help of satisfied, happy, motivated and committed employees, and based on these two factors, to create value for the owners, while making its social utility perceptible through its corporate social responsibility and environment-friendly operation.

In tourism the objectives include the purchase of additional hotels, the well-structured renovation of currently owned hotels in order to favourably impact the income-generating capacity of the holding, continuous improvement in services and, in the case of certain hotels, the achievement of an eventual levelling up.

List of the subsidiaries in this division as at 31/12/2019:

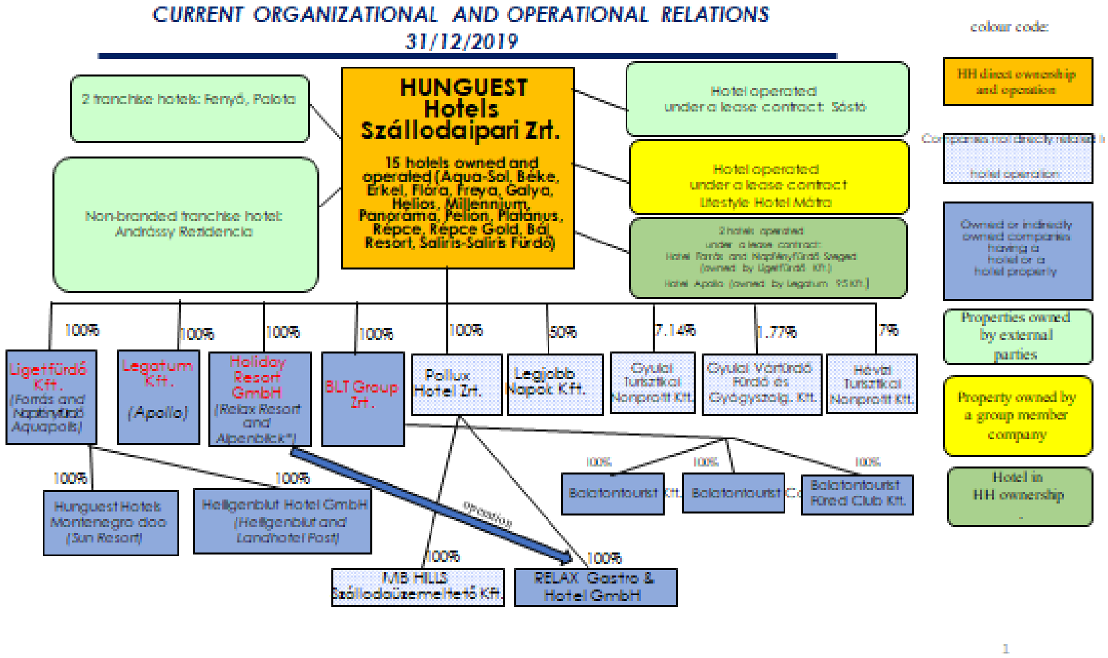
Name	Relationship	Core business activity	Country of registration	Direct / indirect participation	Issuer's share on 31/12/2018	The Issuer's participation started on 30/06/2019	Issuer's share on 31/12/2019
Tourism							
KZH INVEST Kft.	S	Asset management (holding)	Hungary	Direct	-	Merger	100.00%
KZBF Invest Vagyonkezelő Kft.	S	Asset management (holding)	Hungary	Direct	-	Merger	100.00%
HUNGUEST Hotels Szállodaipari Zrt.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%
Pollux Hotel Zrt.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%
MB Hills Szállodaüzemeltető Kft.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%
Relax Gastro & Hotel GmbH	S	Hotels and similar accommodation	Austria	Indirect	-	Merger	99.99%

Ligetfürdő Ingatlanfejlesztő és Fürdőüzemeltető Kft.	S	Letting of own and rented property	Hungary	Indirect	-	Merger	99.99%
Hunguest Hotels Montenegro doo	S	Hotels and similar accommodation	Montenegro	Indirect	-	Merger	99.99%
Heiligenblut Hotel GmbH	S	Hotels and similar accommodation	Austria	Indirect	-	Merger	99.99%
Legátum '95 Kereskedelmi és Szolgáltató Kft.	S	Hotels and similar accommodation	Hungary	Indirect	-	Merger	99.99%
Holiday Resort Kreischberg Murau GmbH	S	Letting of own and rented property	Austria	Indirect	-	Merger	99.99%
BLT Group Zrt.	S	Asset management (holding)	Hungary	Indirect	-	Merger	99.99%
Balatontourist Idegenforgalmi és Kereskedelmi Kft.	S	Campsite services	Hungary	Indirect	-	Merger	99.99%
BALATONTOURIST CAMPING Szolgáltató Kft.	S	Campsite services	Hungary	Indirect	-	Merger	99.99%
Balatontourist Füred Club Camping Szolgáltató Kft.	S	Campsite services	Hungary	Indirect	-	Merger	99.99%
Legjobb Napok Kft. “under dissolution"	S	Mail order services and internet retail trade	Hungary	Indirect	-	Merger	99.99%

S – Subsidiary

The two largest companies in OPUS GLOBAL Nyrt.’s tourism division are HUNGUEST Hotels Zrt. and the Balatontourist group.

The following chart depicts the subsidiaries of HUNGUEST Hotels Zrt. as per 31/12/2019:



From among the above-described companies, Ligetfürdő Kft., Legatum Kft., BLT Group Zrt., MB Hills Szállodaüzemeltető Kft. and Pollux Hotel Zrt. were merged into HUNGUEST Hotels Zrt. by 31/12/2019.

In the year discussed in the business report, the Balatontourist group comprised BLT Group Zrt. and three subsidiaries After the merger of BLT Group Zrt., the three subsidiaries went into the direct ownership of HUNGUEST Hotels Zrt.

A. Description of the business environment of the divisions:

With the 2019 fusion of OPUS GLOBAL Nyrt. and KONZUM Nyrt., due to HUNGUEST Hotels and Balatontourist, OPUS GLOBAL Nyrt. has become one of the most important groups operating in tourism in Hungary and in the Central and Eastern European region, and thus monitoring the trends in this division is of outstanding significance.

In 2020 the most significant challenge to this division is posed by the appearance of the corona virus. At the moment of publishing this report, tourism is predicted to slow all over the world. The possible outcome of this risk and risk management are described in detail in the relevant part of this report. (Additional information: D. Risk involved in the division E. Risk management)

However, business management in 2019 was still characterised by the following environmental parameters:

According to the data of the Central Statistical Office, in 2019 Hungary's hotels operated with an average occupancy rate at 61.7 per cent, slightly above the 61.2 per cent average occupancy rate in the previous year, while the number of rentable hotel rooms was practically identical in these two years. The number of domestic guest nights decreased by approx. 0.6 per cent, however, this was offset by the number of foreign guest nights, which rose by 2.3 per cent. In the aggregate in 2019 23,338,113 guest nights were spent in hotels in Hungary, 230,505 nights or 1.0 per cent more than a year earlier. Hotel guests spent a total of HUF 491.9 billion at accommodation places in 2019, HUF 39.2 billion more than in 2018. This increase represents 8.7 per cent pro rata.

After the significant 2019 upswing in the turnover of SZÉP cards we expected this trend to continue in 2020 and forecast additional income increase. Simultaneously, as a result of the withdrawal of Erzsébet Vouchers, hotels in Hungary will face a significant drop in the number of Hungarian guests.

According to the data of the Hungarian Central Statistical Office, in the campsites of Hungary 2,010,493 guest nights were spent in 2019, up 0.4 per cent. Narrowed down to the Balaton Region, the area of Balatontourist's operation, this means 866,540 guest nights and increase by 0.5 per cent. In Hungary 1,368,930 guest nights were spent in holiday homes, 2.6 per cent less than in the previous period. Data for the Balaton Region are less favourable than the national data: 345,596 guest nights represented 9.6 per cent decrease.

B. Description of the 2019 activity of the division:

Consolidated financial data and shareholder information, balance sheet: – Tourism division

In the tourism division the balance-sheet total did not change considerably in 2019: it increased by 3.21 per cent on 2018. Among the changes it should be emphasized that the loan portfolio of the division increased by 16 per cent in 2019. The underlying reason was that at the end of 2018, properties and hotels were transferred to the Hunguest group in several transactions, and thus the 2018 basis data did not actually show the 2019 portfolio.

The employee headcount remained practically unchanged in 2019.

(The data included in this statement have been taken from the separate financial statements compiled for 2018 and 2019 according to the IFRS standards, without intra-group adjustments.)

HUF '000' unless otherwise stated

Balance-sheet data (closing portfolio)	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2019	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2018	OPUS GLOBAL Nyrt. and Konzum Nyrt. group PRO FORMA, total	2018 PRO FORMA – 2019 comparison	Change, %
Balance-sheet total	127,286,799	0	123,327,753	3,959,046	3.21
Cash and cash equivalents	5,229,231	0	4,974,716	254,515	5.116
Equity	57,380,329	0	54,092,152	3,288,177	6.079
Long-term liabilities	33,111,996	0	27,707,531	5,404,465	19.51
Short-term liabilities	36,794,474	0	41,528,070	-4,733,596	-11.4
Loans and advances	27,138,745	0	23,395,737	3,743,008	16
External funds to the balance-sheet total	0.21	0.00	0.19	0.02	12.39
Employee headcount	1,938	0	1,949	-11	-0.56

Note: A 2018. The PRO FORMA data derive from the addition of OPUS GLOBAL Nyrt.'s consolidated annual report and KONZUM Befektetési és Vagyonkezelő Nyrt.'s 2018 consolidated financial statements according to the IFRS .

Consolidated financial data and shareholder information, income statement: – Tourism division

(The data included in this statement have been taken from the separate financial statements compiled for 2018 and 2019 according to the IFRS standards, without intra-group adjustments.)

HUF '000' unless otherwise stated

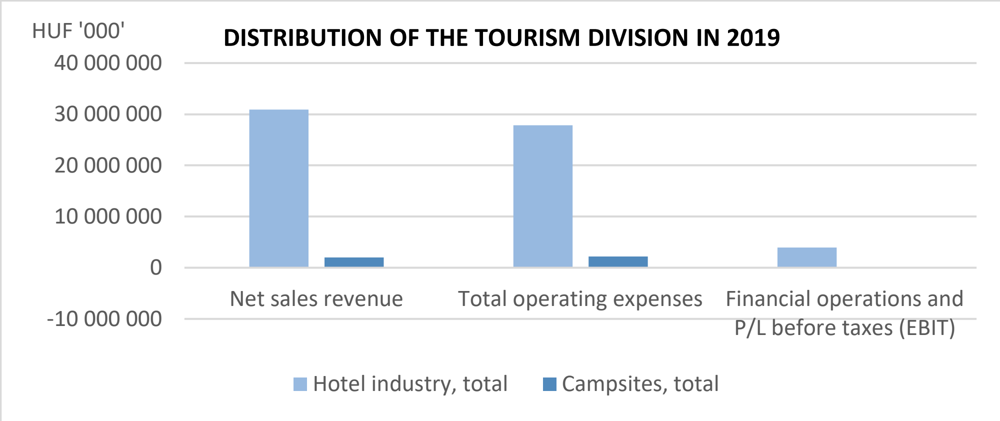
Key P/L data	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2019	OPUS Global Nyrt. Consolidated Audited factual data as at 31 December 2018	OPUS GLOBAL Nyrt. and Konzum Nyrt. group PRO FORMA, total	2018 PRO FORMA-2019 comparison	Change, %
Operating income, total	32,901,421	0	26,331,856	6,569,565	24.95
Operating costs	29,135,279	0	22,949,270	6,186,009	26.96
Operating (business) profit/loss (EBIT)	**3,795,402**	**0**	**3,382,586**	**412,816**	**12.2**
EBIDTA	5,942,439	0	4,766,030	1,176,409	24.68
P/L on financial operations	-814,628	0	-231,211	-583,417	252.3
P/L before taxes	**2,980,774**	**0**	**3,151,376**	**-170,602**	**-5.41**
P/L after taxes	**3,938,768**	**0**	**2,320,173**	**1,618,595**	**69.76**
Total comprehensive income	**3,827,274**	**0**	**2,320,173**	**1,507,101**	**64.96**

Note: A 2018. The PRO FORMA data derive from the addition of OPUS GLOBAL Nyrt.'s consolidated annual report and KONZUM Befektetési és Vagyonkezelő Nyrt.'s 2018 consolidated financial statements according to the IFRS .
The Company recognizes other income and other expenditure net, among operating costs.

The companies falling into the tourism division achieved a considerable increase in sale revenues by 24.95 per cent as a result of the favourable 2019 developments in tourism. Meanwhile, increase in the operating costs could be maintained at the level of increase in sales revenues in 2019,however, due to the transfer of real properties, the value of the recognized depreciation increased significantly, by 55 per cent on 2018, and nevertheless, the operating profit of the division increased by 12.2 per cent.

In this division, in 2019 deferred tax liability dropped by HUF 1,035,639,000 in comparison to 2018. Deferred tax items predominantly relate to the IFRS-based recognition of tangible assets. As a result, the division realized income in the IFRS statements, and thus its profit before taxes turned out to be lower that its profit after taxes, despite the fact that the companies of the division paid taxes in the amount of HUF 77,645,000 in 2019.

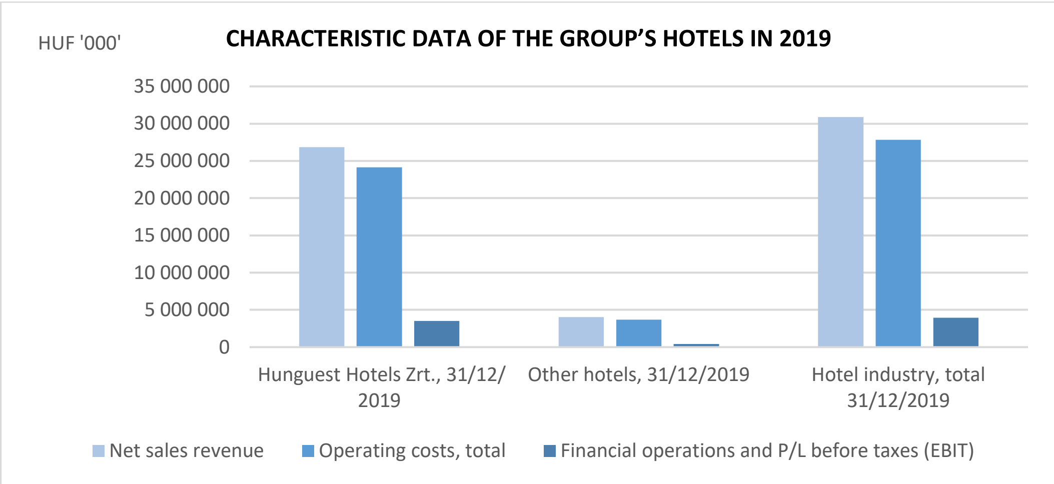
Hotel accommodation and campsite services within the tourism division in 2018 and 2019:



Note: The data included in this statement have been taken from the 2019 separate financial statements compiled according to the IFRS standards, without intra-group adjustments.

Both in 2018 and in 2019, the size of the sales revenue was determined by the provision of hotel accommodation.

Within hotel services, HUNGUEST Hotels Zrt.'s sales revenue predominates over smaller hotels.



Note: The data included in this statement have been taken from the separate financial statements compiled according to the IFRS standards, without intra-group adjustments.

Prior to the appearance of the corona virus, our company had assigned primary significance to the impact of change in the VAT regulations, namely the lowering of the VAT rate from 18 to 5 per cent as from 1 January 2020. In relation to this, we included the payment of 4 per cent tourism development contribution on the sales revenue from accommodation. Due to these effects, if all other conditions remain unchanged, sales revenue from room prices were calculated to increase by 12.4 per cent, and the net profit by 7.9 per cent. Such a profit increase would have provided coverage for repeated significant (8%) hike in both the minimum wage set for unskilled workers and the minimum wage guaranteed for employees with secondary-school qualification, effective from January 2020, as both affect the overwhelming majority of our company's employees. Thus, according to our 2020 plans, as a result of the considerably increased real wages, we expected reduction in the emigration of skilled labour or a considerably lower ratio than required.

Based on the Government's announcement made on 18 March 2020, in relation to the pandemic situation, tourism was rated as a sector of outstanding significance, and major concessions were granted to both employees and employers in this area: thus a decision was adopted about contribution allowances, and the tourism development contribution was cancelled up to 30 June 2020, and these considerably facilitate the operation of our companies in this division in the current uncertain situation.

C. Description of the key companies in this division

HUNGUEST Hotels Zrt.

The company's history and key operating characteristics

HUNGUEST Hotels Szállodaipari Rt. was established in May 1996 by HUNGUEST Vagyonkezelő Rt., which was responsible for managing the trade union assets.

The hotel company was established because the opportunity was given for concentrating the management of the former major trade union resorts in a hotel chain that is competitive in the market. Once the chain entered the tourism market, it immediately began to adjust to the conditions of the market and increase efficiency by acting as a chain as well as separating various profiles. In accordance with the conditions, the hotel chain operated on the basis of three main strategic goals: thermal, vacation and business tourism. The objective was to establish a European standard, profitable hotel chain with a consistent image, guaranteeing the preservation of the value of the properties and an increase in that value with the investments as well as offering a favourable positon in the market as a dominant hotel operator.

HUNGUEST Hotels is Hungary's predominant hotel chain, owned only by Hungarians. The member hotels (a total of 26 branded and non-branded hotels) are located at the best known spas, holiday resorts, mountain areas and large cities, and offer services corresponding to the widest requirements: classical medicinal services, recreational, fitness and wellness services, conference facilities and diverse programme offers. In addition to 15 locations in Hungary, HUNGUEST Hotels are situated on the coast in Montenegro, at the feet of Grossglockner and in Murau in Austria, and in Transylvania. HUNGUEST Hotels is the chain of hotels that receives the highest number of foreign visitors, but the highest sales revenue earned from domestic guests and in rural areas can also be linked to them, and the company is also a market leader in the number of guest nights spent by foreigners in the countryside.

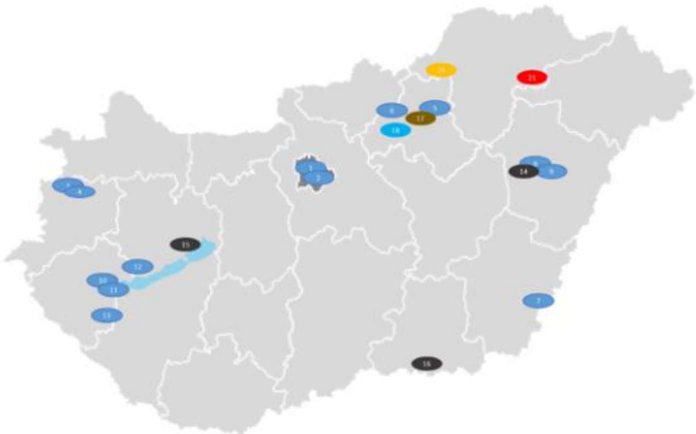
Hotels

- 26 hotels (including the franchise businesses: Hunguest Hotel Palota – Lillafüred, Hunguest Hotel Fenyő – Miercurea Ciuc)
- 4 countries (Hungary, Austria, Montenegro and Romania)
- 19 localities (Balatonalmádi, Budapest, Bükfürdő, Eger, Egerszalók, Galyatető, Gyula, Hajdúszoboszló, Hévíz, Lillafüred, Mátraháza, Nyíregyháza, Szeged, Tapolca, Zalakaros, Miercurea Ciuc, Heiligenblut, Herceg Novi and Murau-Kreischberg)
- more than 4100 rooms and nearly 8400 beds

The hotel chain also owns the overwhelming majority of the hotels in its operation.

In terms of the services offered, the majority of the hotels have wellness, medicinal spa and conference capacities.

Location of HUNGUEST Hotels in Hungary:



The ownership structure and operators of the hotels in the HUNGUEST Hotels chain and their impact on HUNGUEST Hotels Zrt.'s P/L:

Name of hotel/spa	Number of rooms	Locality	Owner as at 31/12/2019	Operator	Relationship	Impact on HUNGUEST Hotels Zrt.
Aqua Sol	142	Hajdúszoboszló	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Béke/Béke Gyógyfürdő	224	Hajdúszoboszló	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Apollo	55	Hajdúszoboszló	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Sóstó	123	Nyíregyháza	Nyíregyháza, City of County Rights	HUNGUEST Hotels Zrt	operation	Since 25/10/2019
Forrás/Napfényfürdő Aquapolis	196	Szeged	Ligetfürdő Kft (subsidiary of HUNGUEST Hotels Zrt.)	HUNGUEST Hotels Zrt	operation	Since 01/07/2018
Grandhotel Galya	126	Galyatető/Mátraszentimre	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Répce-Répce Gold	351	Bükfürdő	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Pelion	228	Tapolca	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Bál Resort	209	Balatonalmádi	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Erkel	308	Gyula	HUNGUEST Hotels Zrt		operation of a property of its own	during the entire period
Saliris/Saliris fürdő	204	Egerszalók	HUNGUEST Hotels Zrt		operation of a property of its own	Since 10/01/2018
Lifestyle	114	Mátraháza GYÖNGYÖS	Wellnesshotel Építő Kft.	HUNGUEST Hotels Zrt	operation	Since 10/01/2018

Flóra	190	Egerszalók	HUNGUEST Hotels Zrt	operation of a property of its own	during the entire period
Helios/Helios Gyógyfürdő	210	Hévíz	HUNGUEST Hotels Zrt	operation of a property of its own	during the entire period
Panoráma	205	Hévíz	HUNGUEST Hotels Zrt	operation of a property of its own	during the entire period
Freya	162	Zalakaros	HUNGUEST Hotels Zrt	operation of a property of its own	during the entire period
Millennium	122	Budapest	HUNGUEST Hotels Zrt	operation of a property of its own	during the entire period
Platánus	182	Budapest	HUNGUEST Hotels Zrt	operation of a property of its own	during the entire period
Sun Resort (CG)	229	Herceg Novi/ Montenegro	HUNGUEST Hotels Montenegro Doo. (indirect subsidiary of HUNGUEST Hotels Zrt.)	franchise with a subsidiary of its own	franchise fee for the entire period, the operator has been an indirect subsidiary since 01/07/2018
Heiligenblut (A)	113	Heiligenblut/ Austria	Heiligenblut Hotel GmbH (indirect subsidiary of HUNGUEST Hotels Zrt.)	franchise with a subsidiary of its own	franchise fee for the entire period, the operator has been an indirect subsidiary since 01/07/2018
Landhotel Post (A)	50	Heiligenblut/ Austria	Heiligenblut Hotel GmbH (indirect subsidiary of HUNGUEST Hotels Zrt.)	partner with a subsidiary of its own	the operator has been an indirect subsidiary since 01/07/2018
Relax Resort (A)	91	St. Georgen am Kreischberg Austria	Holiday Resort GmbH (a subsidiary of HUNGUEST Hotels Zrt.) Relax Gastro & Hotel GmbH (indirect subsidiary of HUNGUEST Hotels Zrt.)	partner with a subsidiary of its own	the operator has been an indirect subsidiary during the entire period
Alpenblick (A)	43	St. Georgen am Kreischberg Austria	OPUS GLOBAL Nyrt. Relax Gastro & Hotel GmbH (indirect subsidiary of HUNGUEST Hotels Zrt.)	partner with a subsidiary of its own	the operator has been an indirect subsidiary during the entire period
Palota	133	Miskolc-Lillafüred	a company not included in the holding	franchise	franchise fee for the entire period
Fenyő (RO)	100	Miercurea Ciuc/ Romania	a company not included in the holding	franchise	franchise fee for the entire period
Andrássy	41	Tarcal	Témadesign Kft.	Partner	

The first line in the table contains the data required for a comparison of the base year and the reporting period, and also shows when a particular hotel began to contribute to the company's business and in what status.

The above table does not contain data for Hotel Hullám in Keszthely, as it was only operated during the summer season both in 2018 and in 2019, or Club Aliga, which was operated only in the summer of 2019. In both cases a company-external property was operated on a temporary basis, and this had a direct impact on the company's business management (manifest in the form of hotel revenues and costs).

Since 1 January 2020, Ligetfürdő Kft., Legatum Kft., BLT Group Zrt., MB Hills Szállodaüzemeltető Kft. and Pollux Hotel Zrt. have been merged into HUNGUEST Hotels Zrt. After the merger of BLT Group Zrt., the three subsidiaries went into the direct ownership of HUNGUEST Hotels Zrt. as direct subsidiaries.

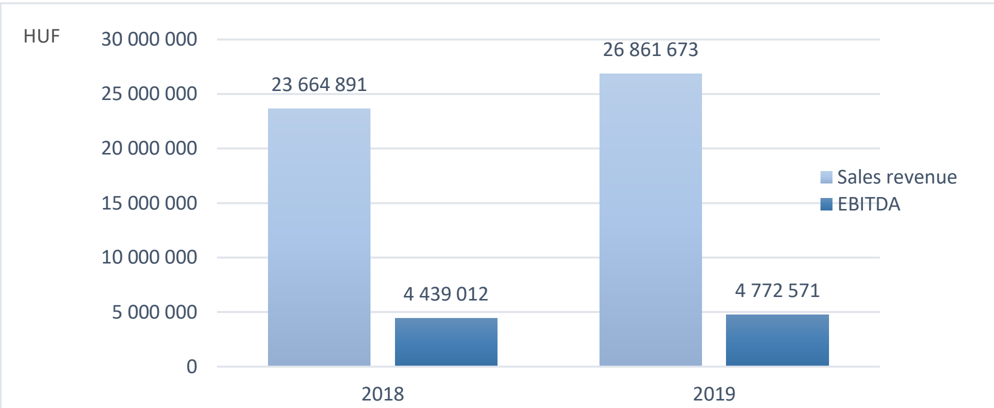
As a result of the merger of these subsidiaries, several high-value properties also increase the asset value of HUNGUEST Hotels Zrt, in 2020. Such are HUNGUEST Hotel Forrás and Napfényfürdő Aquapolis in Szeged, and Hotel Apollo at Hajdúszoboszló.

It is important to note that since 1 October 2019, HUNGUEST Hotel Sóstó in Nyíregyháza has also been a member of the hotel chain. The 123-room hotel is in the ownership of Nyiregyháza City of County Rights, and the local council has entered into a lease and operation contract with HUNGUEST Hotels Zrt. The previously established cooperation with the 41-room Andrássy Residence at Tarcal was closed on 6 January 2020, and thus the hotel is no longer part of the HUNGUEST Hotels chain.

Main features of the 2019 business management

The sales revenues and profits achieved by HUNGUEST Hotel Zrt. in 2018 and 2019 are shown in the chart below:

(The table has been compiled on the basis of the financial statements based on the Hungarian Accounting Act. The presented data does not include the subsidiaries' financial statements.)



In the business year 2019, the net sales revenue achieved by the Company was 13.5 per cent higher than the basis. The growth rate is also influenced by a change in the composition: 3 of the units only operated from 10 January, and 2 of them only from 1 July in 2018. Capacity further increased in the reporting period: one unit received guests in the summer months and one more from 25 October. As a combined effect of revenues and costs, HUNGUEST Hotel Zrt.'s operating profit was 1.3 per cent higher than the corresponding data in the business year 2018. The EBITDA exceeded the planned 4.7 per cent.

99.4 per cent of the revenue was generated from the operation of hotels and spas. Hotel sales revenues comprised 39.9 per cent room prices; 38.1 per cent income from catering; 15.5 per cent proceeds from medicinal and wellness services, and 6.5 per cent income from the sale of other services. The majority of revenues, i.e. 68.3 per cent, come from Hungarian guests.

Business management factors	2018	2019	Change %	Change amount
Room occupancy rate	68.70%	67.50%	-1.75%	0
Number of guest nights	1,563,831	1,661,400	6.2%	97,569
Net TREVPAR (HUF)	19,349	20,760	7.3%	1,411

In the majority of the above indicators HUNGUEST Hotels Zrt. developed above the market average. The number of guest nights rose in both the domestic and the foreign sectors by 4.9 and 9.3 per cent, respectively. Following 1,563,831 guest nights in 2018, the company achieved 1,661,400 guest nights in 2019, representing a 6.2 per cent increase.

Capacity utilization was considerably higher by 5.8 percentage points than the average of all hotels in Hungary, reaching 67.5 per cent in 2019. This, however, represents a slight decline year on year, when the occupancy rate of hotels operated by HUNGUEST Hotels Zrt. was 68.7 per cent. Decrease is also due to a significant increase in the number of rentable rooms, as shown in the table above.

In 2019 the company's gross income from hotel services (revenues from accommodation, catering, wellness and spa, as well as other hotel revenues) exceeded HUF 30 billion (including subsidiaries), nearly HUF 4 billion more than a year earlier. The 13.5 per cent increase is considerably higher than the 8.7 per cent rise in the total gross sales revenue of Hungarian hotels. However, it should also be noted at this point that the number of hotel rooms in the company's operation increased in 2019.

HUNGUEST Hotels Zrt. has undertaken a considerable share in the arrangement of holidays for disadvantaged persons since 2017. Within the framework of the Erzsébet Scheme, deprived people were granted vouchers worth between HUF 30,000 and HUF 60,000 in consideration for a contribution paid to the tender application, and could use them, among others, in HUNGUEST Hotels Zrt.'s specified hotels. In 2019 this scheme was closed, and thus in 2020 we may no longer calculate with proceeds and profit from this source.

The turnover generated by the use of SZÉP cards was also considerable, and in 2020 we expected continuation of the significant upswing seen in 2019. Increase was not expected to be as rapid as in 2019, but we still expected a double-digit growth.

Raw materials and consumables and other external charges increased by 17.2 per cent on 2018. The growth rate in staff expenses was faster (by 18.55%), due among others to the wage hike performed in 2019 at 8-per cent for both the minimum wage for unskilled workers and the guaranteed minimum wage for people with secondary-school qualifications.

Depreciation write-off increased more significantly (43.9%). This is explained by the fact that in addition to the depreciation of the tangible assets purchased in relation to regular operation, the hotel properties and their assets newly acquired by the company were also depreciated.

As a combined effect of changes in revenues and costs, the company's operating profit was 1.3 per cent higher than the corresponding data in the business year 2018. The EBITDA exceeded the planned 4.7 per cent.

The profit on financial operations was HUF 382,595,000 less than in 2018. One of the main reasons for this was that significant decrease in interest incomes and the considerable increase in the amount of interests payable due to the new loan taken by Hotel Saliris included in the company. Interest expenses were increased by the HUF 65.2 million additional interest payable on intercompany loans. The impact of the recognised rate change resulted in an additional profit of HUF 183.5 million.

The total value of liabilities was HUF 2.085 million less than in 2018. Liabilities were characterized by restructuring, due among others to the appearance of the loans of the newly overtaken properties.

We plan to significantly transform our company's financing. The loans owed to various banks and currently registered by subsidiaries will be refinanced, and as a result, subsidiary loans will be completely repaid. Thus HUNGUEST Hotels Zrt. will remain the only debtor to the bank consortium. Our bank financing will become a one-stop-shop transaction, the ramifying liaison will be streamlined, and the loan conditions will be uniform and meet the expectations corresponding to the integration efforts within the Company Group.

The Company's strategy and future vision

HUNGUEST Hotels intends to further strengthen its leading position in the Hungarian wellness hotel market with its increased portfolio.

The Company also plans changes in the Austrian subsidiaries: the four hotels of the HUNGUEST Hotels brand in Austria are currently operated or possessed by four companies in total. This causes a considerable amount of unnecessary work and cost, and so this is planned to be reduced by streamlining the corporate structure in 2020. As a first step, based on a previously concluded agreement, Hotel Alpenblick, owned by HUNGUEST Hotels Zrt.'s parent company, will be transferred to Holiday Resort GmbH, the Austrian subsidiary of HUNGUEST Hotels Zrt. Then the two subsidiaries having ownership of real properties are planned to be fused in 2020, and thus the ownership titles to all the four hotels in Austria will belong to a single company. The business years used by Heiligenblut Hotel GmbH and Relax Gastro & Hotel GmbH used to differ from and were adjusted to the calendar year. This had relevance for simplifying the consolidation of the data of OPUS GLOBAL Nyrt.'s Austrian subsidiaries, as the calculations performed to correct the different business years required significant additional energy.

In relation to the Austrian companies it should be noted that further increase is expected in seasonality. Global warming poses a risk to the profitability of the ski hotels and resorts operated by these companies, as the end of the skiing season, previously in mid-April, is at an increasingly earlier date, while opening at the beginning of December is also increasingly doubtful. At the same time, the significance of the summer season is increasing, as a rise is expected in hiking and excursions due to the more moderate temperature in the Austrian mountains.

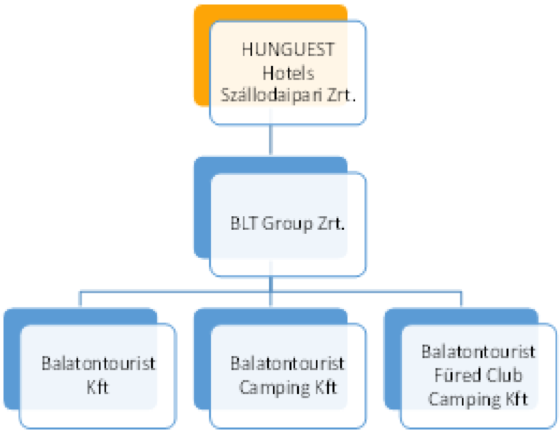
HUNGUEST Hotels Zrt. could be proud of a significant professional success in February 2020 when the chef of HUNGUEST Hotels Aqua-Sol of Hajdúszoboszló was ranked second in the final round of the Bocuse d'Or Hungary, despite being the only chef who has never worked in an á la carte restaurant. This success demonstrated the standard and efficiency of the professional work performed at our company.

With effect from 1 February 2020, the chief executive officer who had led HUNGUEST Hotels Zrt. for about 23 years resigned from the company's chief executive position. Both the composition and the headcount of the Board of Directors have changed. The position that became vacant by his resignation from membership in the Board of Directors was filled by Miklós Gál, CEO of OPUS GLOBAL Nyrt., who expressed the owner company's commitment to the activity of the tourism division. In addition, Jean-Paul Herzog, an internationally renowned hotel expert was also appointed in the Board of Directors. Previously, for 40 years he held high positions at the Hilton hotel chain, among others, in Budapest.

Balatontourist Kft.

The company's history and key operating characteristics

In addition to HUNGUEST Hotels Zrt., the other hotel industrial company of OPUS GLOBAL Nyrt.'s tourism division is the Balatontourist group offering campsite services. As a subsidiary of HUNGUEST Hotels Zrt., the Balatontourist group comprised 4 companies up to 31 December 2019 as per the following chart:



With effect from 31/12/2019 BLT Group Zrt. was merged into HUNGUEST Hotels Zrt., and then from 2020 Balatontourist Kft., Balatontourist Camping Kft. and Balatontourist Füred Club Camping Kft. went directly into HUNGUEST Hotels Zrt.'s ownership.

The core activity of the Balatontourist group is the operation of campsites at Lake Balaton. Within the chain of Balatontourist campsites, some of the campsites are operated by the Balatontourist group, while the other campsites are linked to the chain of campsites by marketing contracts.

The owners and operators of the accommodations are summed up in the following chart:

Name of accommodation	Name of the settlement:	Area	Operator	Owner	Note
Naturista Kemping	Balatonberény	(5.5) If:	Balatontourist Kft.	Local council of Balatonberény	In 2018, it was operated by Zala Kempingek Kft.
Füred Kemping	BALATONFÜRED	(19) If:	Balatontourist Füred Club Camping Kft.	Local Council of the city of Balatonfüred	In 2019 the leased area decreased.
Vadvirág Kemping	Balatonszemes	(15) If:	Balatontourist Camping Kft.	Capetown Real Estate Zrt.	
Napfény Kemping	Révfülöp	(7.2) If:	Balatontourist Kft.	Local Council of Révfülöp 60%, MNV Hungarian National Asset Management Company 40%	
Napfény-Garden Kemping	Révfülöp	(1.5) If:	Balatontourist Kft.	Local Council of Révfülöp	
Strand-Holiday Kemping	Balatonakali	(3) If:	Balatontourist Camping Kft.	Zion Europe Ingatlanforg.és Hasznosító Kft.	

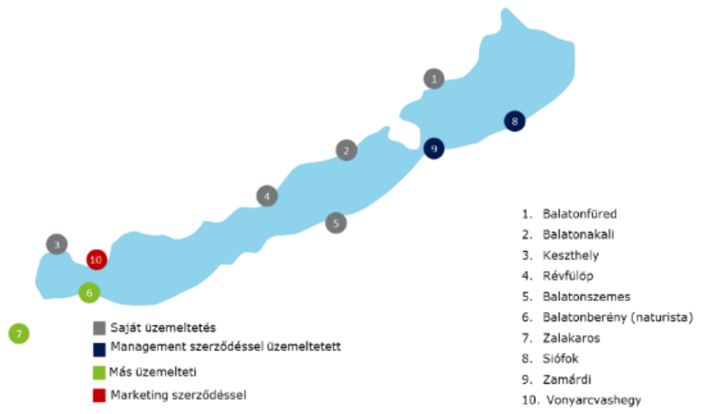
Zala Kemping	KESZTHELY	(8) If:	Balatontourist Camping Kft.	Realand Capital Zrt	Out of operations since 2019
Club Aliga	Balatonaliga	(50) If:	Balatontourist Camping Kft.	PRO-MOT Hungária Kft.	operated jointly with Hunguest Hotels Zrt.
Aranypart Kemping	SIÓFOK	(9.1) If:	Brovama Kft	Brovama Kft	marketing contract
Termal Kemping	Zalakaros	(4) If:	Györe László Józsefné e.v.	Queenstown Kft.	marketing contract
Park Kemping	Vonyarcvashegy	(4.7) If:	Zala Kempingek Kft.	Zala Kempingek Kft.	marketing contract
Kócsag Kemping	Balatonberény	(3.5) If:	Kócsag Kemping Kft.	Kócsag Kemping Kft.	marketing contract
Mirabella Kemping	Zamárdi	(6.7) If:	Brovama Kft	Brovama Kft	marketing contract
Balaton Kemping	Badacsonyörs	(6) If:	Badacsony Park Kft.	Badacsony Park Kft.	marketing contract

The table contains the Zala campsite in Keszthely, operated by Balatontourist Camping Kft. in 2018, which was closed in 2019 on the basis of the property owner's decision. In 2018 the Naturista Campsite at Balatonberény was still operated by Zala Kempingek Kft., on the basis of a lease and operating contract concluded with Balatontourist Kft., but since 2019 the campsite has been operated by Balatontourist Kft. The Club Aliga complex was operated jointly by Balatontourist Camping Kft. and Hunguest Hotels Zrt., but the accommodation was only provided by Hunguest Hotels Zrt. In 2020 neither the Balatontourist group nor HUNGUEST Hotels Zrt. have any relationship with Club Aliga.

Description of the main activities

Balalontourist has been operating campsites at Lake Balaton for 67 years and currently is the largest campsite operator in Hungary. The campsites are not owned but leased by the company from economic entities and local councils.

In terms of operation, the three most important members of the Balatontourist Group are BALATONTOURIST Kft., BALATONTOURIST CAMPING Kft. and Balatontourist Füred Club Camping Kft. In 2019 BLT Group Zrt. was the majority owner in all three companies. The consistent management of the companies is guaranteed by the same executive director.



Operated by the group
Operated under a management contract
Operated by others
Operated under a marketing contract

The largest part of the sales revenues of Balatontourist group are generated from the sale of accommodation. Within this framework, it provides services to a large number of individual guests, although part of the turnover is realized through resellers. Campsites operate seasonally, adjusted to the needs of the target groups, who visit the campsites along the shores of Lake Balaton in order to bathe in the lake and for recreation as main attractions.

In campsites 2 main types of accommodation can be distinguished:

- parcels and camping pitches separated by hedges, and
- roofed accommodation

The former are characterized by the fact that the guests bring the equipment required for camping, which is frequently highly expensive (worth up to 50 to 100 million), and the operator provides a plot of a specified size (pitch) for exclusive use or an undivided area where the guest can specify – within certain limits – the place of installation for his assets. Guest are always provided electricity connection and in the event of comfort plus camping pitches, also water supply and sewer.

The characteristic feature of roofed accommodations is that the guest likes the campsite feeling but he or she is unwilling to commit his money in expensive camping facilities, in storing them during the year and setting up an independent tent or caravan or awnings, thus the accommodation provider is required to provide the camping facility for the guest.

Types according to amenities in an ascending order:

- tents for rent, with at least 2 sleeping compartments, accommodating 4 to 6 people, allowing guests sleep in beds, and also providing cupboards and a kitchenette;
- caravans for rent,
- mobile homes on wheels, removable from their place, recreational vehicles compliant with the Hungarian Standards, similar to caravans but usually bigger in size (bw. 24 and 40 sq m) and have a patio; they are usually made of materials more similar to regular buildings that to caravans; usually accommodate 4 to 6 people (1 room of 12 sq m in size and 2 smaller rooms, all mod cons, a typical mobile home with a kitchen, a bathroom and a toilet).
- holiday homes, made of wood or brick, all mods con recreational units for 2 to 6 persons.

Waterfront plots and roofed accommodation are especially popular.

Within campsites numerous services are available for all the guests. The most important attraction is the campsite's own beach including pools equipped with water slides, water toys and other adventure elements for adults and children, playgrounds and playhouses, open air theatres, animation services, sporting and dining options, convenience shops offering camping facilities, beach goods and souvenirs, fire pits, excursion organization, money changers, and naturally, appropriate sanitary and water supply blocks for cooking, washing and washing dishes.

Main features of the 2019 business management

At the accommodation places operated by Balatontourist, the number of guest nights was 341,298 – up 0.7 per cent on the previous year. The number of guest nights spent in holiday homes was 59,101 – 5.9 per cent lower than in the previous year. In both types of accommodation, Balatontourist has more favourable data than the Balaton Region, thus the company's share has increased in both types of accommodation.Balatontourist received 39.4 per cent of the guest nights spent on campsites and 17.1 per cent of holiday home guest nights in 2019. Due to its intensive action in foreign markets, the Balatontourist group realized 45.5 per cent of its guest nights spent by foreigners in campsites and 22.2 per cent of its guest nights spent by foreigners in holiday homes in the Balaton Region.

In 2019 the gross income from accommodation fees per guest night was HUF 4,177 in Balatontourist group's campsites and HUF 6,486 in their holiday homes. This specific revenue exceeds the national average for campsites by 32.3 per cent and the national average for holiday homes by 43.1 per cent, and it is in both cases higher than the similar data for the Balaton Region.

In the 2019 business year, the Balatontourist group realised HUF 2,003,987,000 net as sales revenue. The represents increase by 9.76 per cent on the base. The growth rate is also influenced by a change in the composition. In 2019 additional sales revenues were generated from the operation of Club Aliga and from taking over the operation of Naturista campsite at Balatonberény, which was partly reduced by the 2019 loss of income from Zala campsite in Keszthely.

The operation of accommodation provided 100 per cent of the income. Campsite and holiday home accommodation incomes contributed 77.5 per cent of the sales revenue, while additional income came from rents paid by service provided operating on the territories of the campsites (5.9%), and from the sale of mediated public utility and accommodation services (8.4%) and other operation-related and additional services provided by the campsites (8.2%). The majority of revenues, i.e. 57.2 per cent come from foreigners.

Similarly to revenues, in the case of all the other cost elements it can be established that change in the composition and the higher number of units operated both affected increase relative to the basis. Thus raw materials and consumables and other external charges exceeded the basis by 14.96 per cent. The growth rate of staff expenses was higher than that (by 16.49%), due among others to the wage hike performed in 2019 – set in agreement with the 8-per cent rise in both the minimum wage for unskilled workers and the guaranteed minimum wage for people with secondary-school qualifications. Depreciation write-off increased more significantly (54.16%). This was predominantly due to the purchase of furnishings and fixtures related to the operation of the Club Aliga complex and requiring lump sum depreciation to a major extent.

Due to the favourable cafeteria taxation regulation, SZÉP card allowances generated considerable domestic turnover at campsites, and we also predict increase in this field in 2020. The value of payments made by SZÉP cards in 2019 exceeded the corresponding 2018 value by 26.84 per cent.

The Balatontourist group finances its operation from its own incomes. Due to the highly seasonal nature of the activity, preparation for the tourism season is financed from prepayments on accommodation charges collected from guests and sales representative partners and from reserves. At the moment the Balatontourist group does not have either development of liquidity loans.

The Company's strategy and future vision

According to Balatontourist's vision, the campsite portfolio available on the basis of long-term contracts can satisfy the different needs of different target groups for camping by Lake Balaton at high standard. The 4 and 5 star campsites operate in a sustainable and environmentally friendly manner, generating profit. The Balatontourist brand is associated with high-quality and reliable services. The efficiency of the work is also indicated by an increase in the number of regular guests.

The company group is conducting negotiations in the interest of expanding the chain of campsites. The portfolio may be increase by leasing areas suitable for serving as campsites and already operating campsites. To date a contract has been concluded for one campsite: Deseda Campsite located near Kaposvár is expected to open in 2021, and the lease contract has been concluded with the owner of the property.

After 2019, in 2020 Balatontourist's Napfény Kemping was again rated "ADAC TIPP 2020", representing a high-standard service in the evaluation of campsites by the German car club (ADAC). Among the campsites around Lake Balaton, there is only one more campsite besides Napfény Kemping that has been awarded such an excellent rating.

D. Risks involved in the division

Our company places great emphasis on the management of the critical economic situation suffered – as a result of the corona virus pandemic – by tourism. At the moment of writing this business report, the impacts of the COVID-19 pandemic is unpredictable, but it is already clear that tourism is one of the sectors hardest hit.

At the moment the spread of the corona virus is the main risk, as it is clearly visible that it has a significant adverse impact on the international economy, and specifically tourism, although for the time being due to the immense loss of sales, the size of the impact cannot yet be calculated.

Regular operational risks:

HUNGUEST Hotels Zrt. has undertaken a considerable share in the arrangement of holidays for disadvantaged persons since 2017. Within the framework of the Erzsébet Scheme, deprived people were granted vouchers worth between HUF 30,000 and HUF 60,000 in consideration for a contribution paid to the tender application, and could use them, among others, in HUNGUEST Hotels Zrt.'s specified hotels. Change in certain elements of the government subsidy system, including the Erzsébet Scheme, with HUNGUEST Hotels Zrt.'s certain hotels playing a significant role in accepting the vouchers in 2019, may affect guest numbers, and thus the change in the cafeteria system subsidized by the state may have a considerable impact on the revenues earned by the companies in this division.

A significant competition has evolved in recent years in the tourism sector in Hungary, and several hotels have performed considerable developments. The market participants endeavour to increase turnover among foreign and Hungarian guests by improving the standard of services. The Kisfaludy Programme will only enhance this trend.

The efficiency of the economy influences the amount of savings the population can spend on travels.

Campsites operate seasonally, adjusted to the needs of the target groups, who visit the campsites along the shores of Lake Balaton in order to bathe in the lake and for recreation as main attractions. The same can be said of the ski hotels of the HUNGUEST hotel chain, as their operation is highly dependent on the length of the ski season in Austria.

E. Risk management

On 19 March 2020, the HUNGUEST Group, in line with the government and international regulations, announced the suspension of the operation of hotels in Hungary and abroad from 22 March 2020 for a definite period, thus guests are not welcome, as an expected result of which, the profitability of 2020 will be affected, which we need to acknowledge now. Due to the reservation cancellations typical in these times, planned renovation works and annual maintenance of HUNGUEST Hotels are rescheduled to these earlier times. We are also prepared for the total halt of tourism in Hungary and abroad. The greatest difficulty is the harmonisation of measures taken in order to minimize economic losses and to possibly keep human resources.

Based on the announcement of the government on 18 March 2020, tourism is an emphasised sector, and the government granted significant relief to the employees and employers in this sector, such as the decrease of contributions, and the suspension of tourism development contribution until 30 June 2020, which significantly eases the operation of businesses in this sector in these uncertain times.

Management of normal operational risks:

The name HUNGUEST Hotels and the related professional experience provide hotels operated based on uniform standards, offering a wide range of services in nineteen towns in four different countries.

HUNGUEST Hotels is the most well-known and one of the most popular hotel chains in Hungary. It is a well-known, well identifiable and credible brand. Based on independent researches, brand awareness and brand popularity of HUNGUEST Hotels are extremely high. In accordance with the management's expectations, the utilisation of the sales opportunities and features arising from the awareness of the HUNGUEST Hotels brand and the Frequent Guest Card Program may result in above average market growth.

As a result of significantly increasing real wages, the exodus of labour is expected to decrease, and may significantly be lower than necessary in the tourism sector also.

Administrative costs are expected by the Company to significantly decrease due to the merge of subsidiaries in 2020, thus separate company maintenance costs (e.g. audit fees, legal fees) are not payable for these companies. Properties owned by the Company have been operated by HUNGUEST Hotels, thus the merges will only affect the consolidated operating profit/loss by way of the decrease of administrative costs, and nevertheless, equity will also be beneficially impacted due to the decrease of corporate tax liability.

Seasonality is attempted by the Company to be eliminated by way of introducing more quality services and the continuous development of accommodation quality - both in camp sites and hotels -, so that the number of guest nights can increase even in off-season. The growth of summer tourism and the excursion segment is viewed by the Company as a real opportunity in Austrian hotels.

F. Environment protection

The members of HUNGUEST Hotels Group are committed to environment protection The Company acquired all possible operational certificates. 14 hotels have the Green Hotel qualification until the end of 2020. (Applications can be submitted to the Association of Hungarian Hotels and Restaurants. Certificates are given for two years. This is the second year.)

- Hunguest Grandhotel Galya, Galyatető
- Hunguest Hotel Aqua-Sol, Hajdúszoboszló
- Hunguest Hotel Bál Resort, Balatonalmádi
- Hunguest Hotel Béke, Hajdúszoboszló
- Hunguest Hotel Erkel, Gyula
- Hunguest Hotel Flóra, Eger
- Hunguest Hotel Forrás, Szeged
- Hunguest Hotel Freya, Zalakaros
- Hunguest Hotel Helios, Hévíz
- Hunguest Hotel Palota, Lillafüred
- Hunguest Hotel Panoráma, Hévíz
- Hunguest Hotel Pelion, Tapolca
- Lifestyle Hotel Mátra, Mátraháza
- Saliris Resort Spa és Konferencia Hotel

The Association of Hungarian Hotels and Restaurants introduced the Green Hotel call for offers in 1993 in order to promote the spread of environment consciousness. This honourable title certifies that environment protection, the support of sustainable growth as well as the love and respect of nature are priorities in these hotels. Amongst others, selective waste collection, energy efficiency and participation in local waste collection events are some of the practices in our hotels. Furthermore, we provide awareness-raising trainings to the employees of HUNGUEST Hotels, as we aim to ensure that they follow the green approach not only in their workplace but also in their everyday lives.

G. Strategy

For the sake of the long-term maintenance of the value of the hotel chain as well as the increase of its performance, market position and profitability, significant investments are to be implemented in the properties.

Amongst others, a significant investment and renovation program related to 15 facilities in the coming years is planned by the management. Relevant preparation is in progress, as detailed plans are completed, the official approval of which is pending. HUNGUEST Hotels Zrt. participated in the Kisfaludy Program with a comprehensive renovation plan related to 13 hotel complexes owned and 1 operated by the same. The management of HUNGUEST Hotels believes that occupancy rates and room prices and also guest satisfaction and brand attractiveness may further increase due to the renovations.

During the shut-down from 22 March, related to the pandemic, HUNGUEST Hotels will perform the planned renovation works and annual maintenance of the hotels.

HUNGUEST Hotels Zrt. started the project related to the modernisation of its brand in 2018. Several documents were put together and researches were conducted in 2019, based on which re-branding will continue in 2020. Final decision is expected to be made this year, and the new, updated brand elements will be introduced along with the renovation works.

HUNGUEST Hotels has an outstanding base of returning guests. The Frequent Guest Card Program launched in 1999 in the Hungarian tourism market was a pioneer, and by today, it became a major source of income for the hotel chain, with more than 110,000 individual customer cards. On an annual level, the turnover generated solely by the Frequent Guest Card Program is more than HUF 5 billion. The management of the company will keep up its commitment to the Frequent Guest Card Program in the future, which generates significant guest nights for the company.

Extensive growth to destinations in Hungary and abroad are amongst the long-term plans, where HUNGUEST Hotels can profitably operate based on its existing guest base. The following are considered independent strategic goals, which may significantly improve the position of the hotel chain:

- Takeover and operation of new hotels in Budapest.
- With the improvement of the physical condition of the hotels, hotel experience will be renewed and reformed.
- Besides physical renovation, the repositioning of the hotel chain is also necessary in line with the expectations of a new group of guests with higher paying capacity.

Along with the renovations, HUNGUEST Hotels started a comprehensive personnel reform, which focuses on young, talented hotel employees, who speak languages. And the program also includes the education of existing employees. A complex concept will be applied in the opening new hotels, significant elements of which are extraordinary friendly, informative, helpful staff, speaking several languages, the general room experience, uniform gastronomy concept, the atmosphere of spa services as well as comprehensive digital and traditional hotel services related to comfort aspects throughout the entire stay.

The vision of Balatontourist is to become a sustainable camp chain, which can provide high quality services to guests enjoying waterside vacations, and also ensure that different segmented target groups can find the properly equipped camp sites satisfying their special needs. The Balatontourist trademark means guarantee for the high quality of basic services (sanitary facilities, green areas, roads, restaurants, community areas, beaches).

Our goal is the completion of the preparation of the investments for the call for offers on camp development announced in 2020 based on a Government Decree. The comprehensive development of the majority of camp sites operated by the Balatontourist group is planned, including renovation and expansion of accommodation facilities, infrastructure and the variety of services. High-level draft development plans for four camp sites with industry designs and cost estimates were prepared in 2019. That of a fifth will be completed in March 2020.

Due to the unique camp site operating experiences of Balatontourist, the implementation of the integration of new camp sites will be uninterrupted. Latest trends show that the number of those interested in vacations in nature is significantly growing. Increasing demand, operational experience and the well-established brand name largely support the involvement of new camp sites into the Balatontourist group.

The Balatontourist group has already signed an agreement related to the operation of a new camp site, and the cooperation will begin in the spring of 2021, subsequent to the construction of the camp site. Further negotiations are in progress related to the transfer and operation of a further 4-5 camp sites.

H. Corporate governance - Management

The executives of the segment, whose expertise and experience especially contribute to the successful operation of the segment, including the subsidiaries:

Tibor Cserven

Acting CEO of HUNGUEST Hotels Zrt.

He started his career at Hungarocamion Rt., and DOMUS Lánc Kft., in economic positions, working as an accounting manager in the latter. In 1995, he started working in HUNGUEST Vagyonkezelő Rt., then its subsidiary, HUNGUEST Hotels Részvénytársaság, where he was in charge of the introduction of the hotel controlling system. In 2006, he was the financial and accounting executive of the hotel group, and then in 2013, he was promoted as Deputy CEO. From February 2020, he has also been working as the acting operative CEO of HUNGUEST Hotels Zrt.

He graduated as a business economist in 1993 in the College of Finance and Accountancy, then received a postgraduate qualification in tourism economy in the College of Commerce, Catering and Tourism. Since 2006, he has been a registered chartered accountant.

Besides his above qualifications, he has an intermediate level English certificate specialised in tourism and a basic certificate in German.

Jean-Paul Herzog

Member of the Directorate of HUNGUEST Hotels

Jean-Paul Herzog, the former Chairman of the Hilton Group in the Middle East and Africa, has a 50-year experience. Between 2007 and 2010, as the regional director of the corporation, he managed 45 hotels already in operation and 25 hotels before opening. In the four preceding years, he was directing Scandic Hotels, registered in Stockholm, within the Hilton chain, where he was in charge of 130 hotels. He was born in Switzerland, and graduated in SHL Schweizerische Hotelfachschule in Lucerne. He started his career in 1970 in Hilton, where in the coming decades, he managed several hotel openings, and lived in 19 cities throughout the years. He also worked in Budapest, as in 1982 he was appointed the director of Budapest Hilton, which was opened in 1976. Then, in the second half of the 1990's he was the Vice Chairman responsible for the Central Eastern European region. After four decades spent with Hilton, in 2011 and 2012, he was the Vice Chairman of the Turkish Dedeman Hotel Chain, and between 2017 and 2018, he was a member of the Directorate of the Central Eastern subsidiary of the Millennium&Copthorne Hotel Chain. At present, he works as an adviser, a lecturer and a coach.

Asset Management division

OPUS GLOBAL Nyrt. is one of the most diverse holdings in Hungary, which invests in economic sectors of strategic significance and great growth potential in Hungary and the Central Eastern European region. The Company has direct and indirect minority interest in significant businesses, which are managed in the OPUS Asset Management division.

OPUS GLOBAL Nyrt. developed its portfolio based on a conscious and consistently implemented strategy, and prepared the merge of KONZUM Nyrt., which was finalised on 30 June 2019. Besides the Parent Company, the Asset management division of OPUS manages primarily liquid businesses of minority ownership, besides the four main divisions. The Asset Management division includes subsidiaries, affiliated companies and companies managed as financial instruments as presented below:

A. Introduction of the main corporations in the division

OPUS GLOBAL Nyrt., as Parent Company

The Parent Company (hereinafter referred to as: "OPUS GLOBAL Nyrt.", "Parent Company", "Company", "Holding Centre") has been a member of the scope of issuers of the Budapest Stock Exchange since 1998, and since 2017, subsequent to a significant image redesign, has been managing the central administration of the holding structure, and ensuring capital market compliance for the entire Group. The Company has been continuously expanding the scope of investments.
Long-term, profitable management is intended by the Company maximising the use of existing portfolios, properties and resources. The Holding Centre has an active role in the management of the companies in the portfolio, ensuring high level value creation.

Subsidiaries in the Asset Management division as at 31.21.2019:

Name	Level of relation	Core business activity	Country of registration	Indirect/direct participation	Issuer's share 31.12. 2017	Issuer's share 31.12. 2018	Issuer's share 31.12. 2019
Asset management							
OBRA Ingatlankezelő Kft.	S	Lease, operation of own and leased properties	Hungary	Direct	100.00%	100.00%	100.00%
RÉVAY 10 Ingatlanfejlesztési Kft.	S	Lease, operation of own and leased properties	Hungary	Indirect	100.00%	100.00%	100.00%
SZ és K 2005. Ingatlanhasznosító Kft.	S	Lease, operation of own and leased properties	Hungary	Direct	100.00%	100.00%	100.00%
KPRIA Magyarország Zrt.	S	Engineering activities and technical consultancy	Hungary	Direct	40.00%	40.00%	51.09%

S - Subsidiary, P - Parent Company

OBRA Ingatlankezelő Kft.

RÉVAY 10 Ingatlanfejlesztési Kft. is owned by the single-person OBRA Kft., 100% of which is owned by OPUS GLOBAL Nyrt. RÉVAY 10 Ingatlanfejlesztési Kft. owns the historic building at Révay utca 10. The exclusive activity of OBRA Kft. is asset management. OBRA Kft. does not generate any revenue. From the aspect of the rationalisation of the holding portfolio, in March 2020, OBRA Kft. decided to merge into its subsidiary, Révay 10 Kft.

RÉVAY 10 Ingatlanfejlesztési Kft.

The Révai Office Building owned by Révay 10 Kft. is located in District 6, between St Stephen's Basilica and the Opera. In 1992, the building at Révay utca 10. was completely renovated by way of the development of the surrounding area, and as a result the former circular gallery is now an air-conditioned atrium bathing in natural light.
The main activity of the company is property lease, and its revenues are generated from the use of the property located at its registered office. Occupancy of the office building in 2019 was above 97%.

SZ és K 2005. Ingatlanhasznosító Kft.

SZ és K 2005 Kft., involved in property management, is a 100% subsidiary of the Holding. It performs the asset management duties of the property in Eger owned by the same, and is in search for beneficial property management options in cooperation with the Holding. The company's revenues are generated only from the lease of one part of the property.

KPRIA Magyarország Zrt.

The Company acquired 40% of KPRIA Magyarország Zrt. in 2017. The business is involved in technical counselling. Subsequent to the merger of OPUS GLOBAL Nyrt. - with 11.09% of the business interest of KONZUM Nyrt. - the company with a business share of 51.09%, as subsidiary was consolidated by the end of 2019. The Parent Company presented the company in the 2018 group-level consolidated report, as an affiliated company of 40% business interest in the Energy Division, while in 2019, it was reclassified to the Asset Management division. This change does not significantly affect the profit/loss of the divisions either in 2018 or 2019.

<u>The list of affiliated companies in the Asset Management division as at 31.21.2019:</u>

Name	Level of relation	Core business activity	Country of registration	Indirect/direct participation	Issuer's share 31.12.2017	Issuer's share 31.12.2018	Issuer's share 31.12.2019
Asset management							
STATUS Capital Kockázati Tőkealap-kezelő Zrt.	A	Other financial supplementary activities	Hungary	Direct	24.67%	24.67%	24.67%
Takarékinfó Központi Adatfeldolgozó Zrt.	A	Data processing web-hosting services	Hungary	Direct	24.87%	24.87%	24.87%
OPUS GLOBAL Befektetési Alapkezelő Zrt.	A	Fund Management	Hungary	Direct	-	merge	47.00%
KONZUM MANAGEMENT Kft.	A	Sale and purchase of own properties	Hungary	Direct	-	merge	30.00%
BLT Ingatlan Kft.	A	Asset management (holding)	Hungary	Indirect	-	merge	30.00%
Zion Europe Ingatlanforgalmazó és Hasznosító Kft.	A	Lease, operation of own and leased properties	Hungary	Indirect	-	merge	30.00%
CIG Pannónia Életbiztosító Nyrt.	A	Insurance	Hungary	Direct	-	merge	24.85%

A - Affiliated company

Affiliated companies are involved in the consolidation by the Group with the equity method:

STATUS Capital Tőkealap-kezelő Zrt.

OPUS GLOBAL Nyrt. purchased 24.67% of STATUS Capital Tőkealap-kezelő Zrt. in July 2017, and with this, the Issuer strengthened its presence in the field of fund management activities. STATUS Capital Zrt. acquired business interest in high potential businesses, such as Takarékinfó Központi Adatfeldolgozó Zrt. and Diófa Alapkezelő Zrt. STATUS Energy Magántőkealap managed by the Fund Manager was transferred to the Investment Fund Management scope of OPUS GLOBAL in July 2019.
STATUS Capital Zrt. has had OPUS shares since 2017, owning a total of 3.77% business share in OPUS GLOBAL Nyrt. as Parent Company.

Takarékinfo Központi Adatfeldolgozó Zrt.

OPUS GLOBAL Nyrt. purchased 24.87% of Takarékinfó Központi Adatfeldolgozó Zrt. in July 2017. The main activity of Takarékinfo Központi Adatfeldolgozó Zrt. is the IT and telecom support of the members in the cooperative bank sector by way of system operation, new developments, involving external partners, if necessary. The Company's services cover the entire scope of applications related to banks and financial institutions: application operation, architecture design, development, managed telecom services, information technology solutions.
The Group impaired this business interest in 2018, and based on the Company's business plan, this impairment was reversed by the end of 2019. The direct and indirect business share of the OPUS Group is 30.96%, considering that STATUS Capital Kockázati Tőkealap-kezelő Zrt. owns a further 24.69% in Takarékinfó Központi Adatfeldolgozó Zrt.

With the merge of KONZUM Nyrt., OPUS GLOBAL Nyrt. significantly increased the scope of affiliated companies in the Asset Management division on 30.06.2019:

OPUS GLOBAL Befektetési Alapkezelő Zrt.

One of the pillars of the Money and Capital Market, Insurance division of KONZUM Nyrt., was the 12 year old Alternatív Befektetési Alapkezelő (ABAK) of the formerly called Konzum Befektetési Alapkezelő Zrt.
The company decided the name change on 10 July 2019: OPUS GLOBAL Befektetési Alapkezelő Zrt.
The funds managed by the Fund Manager - Konzum PE Magántőkealap, METIS Magántőkealap, METIS 2 Magántőkealap and STATUS Energy Magántőkealap, taken over in July 2019, have business interests in numerous corporations listed by the Budapest Stock Exchange, amongst others they directly and indirectly own 48.62% of the ordinary shares of MKB Bank Zrt.
Besides public business interests, the Fund Manager primarily focuses its activity on corporations, operating in Hungary with interests and investments in the energy, financial and property sectors.

The Group does not have ownership interest in the above listed funds, and the Fund Manager is only involved in fund management. From 2019, OPUS GLOBAL Nyrt. has been consolidating OPUS GLOBAL Befektetési Alapkezelő Zrt. as an affiliated company in line with the IFRS standards.

CIG Pannónia Életbiztosító Nyrt.

The intent of KONZUM Nyrt. related to the acquisition of influence in CIG Pannónia Életbiztosító Nyrt. (CIG Nyrt.) and its subsidiary was announced in December 2017. The main activity of CIG Nyrt. is life insurance activity, and related insurance and ancillary financial activities. The non-life insurance activity of CIG Pannónia is performed by its 100% subsidiary, CIG Pannónia Első Magyar Általános Biztosító Zrt. (EMABIT). EMABIT is focused on Hungarian small and medium enterprises, state and local government institutes, corporations, trade chambers, associations and societies. On 24 October 2019, OPUS GLOBAL Nyrt. stated that its business interest in the CIG Pannónia Group was not considered strategic investment.

In the event of problems arising in EMABIT requiring additional funds, the Company does not intend to and will not provide capital expenditure or any other financial assistance, and did not assume any obligation related to the same. Subsequently, on 28 November 2019, the Company announced that negotiations were in progress with the owners of CIG Pannónia Életbiztosító Nyrt. related to the restructuring of the business interests. These negotiations were still in progress upon the preparation of the report.

KONZUM Management Kft.

KONZUM MANAGEMENT Kft. (In which the Issuer has a 30% minority ownership interest) has had OPUS shares since 2017, owning a total of 7.10% business share in OPUS GLOBAL Nyrt. as Parent Company. KONZUM Management Kft. is managed by the Parent Company, as an affiliated company along with its subsidiaries (BLT. Ingatlan Kft. és ZION Európa Kft.).

The list of business interests reported as financial investments in the asset management division as at 31.12.2019:

Name	Level of relation	Core business activity	Country of registration	Indirect/direct participation	Issuer's share 31.12. 2017	Issuer's share 31.12. 2018	Issuer's share 31.12. 2019
Asset management							
4iG Nyrt.	F	Other information technology and computer service activities	Hungary	Direct	13.79%	13.79%	9.95%
Appeninn Vagyonkezelő Holding Nyrt.	F	Sale and purchase of own properties	Hungary	Direct	-	merge	4.83%

F - Financial instrument

Appeninn Vagyonkezelő Holding Nyrt.

The property investment activity of KONZUM Befektetési és Vagyonkezelő Nyrt. was due to the 18.7% business interest in Appeninn Nyrt. The business interest was transferred to the OPUS Group by way of the merge of KONZUM Nyrt. on 30 June 2019. The main activities of Appeninn Nyrt. were lease of property and the related maintenance, operational and marketing services and property portfolio management. Since 1 January 2018, KONZUM Nyrt. Managed the company as a subsidiary based on a management agreement, however subsequent to the merge, based on the strategy of OPUS GLOBAL Nyrt. property management is no longer one of the main divisions, thus the sale of the business interest was decided. Likewise, as a result of the decrease of business interests, the management agreement was also terminated. In November 2019, shares were sold in two phases, as a result of which business shares decreased from 18.7% to 13.83%, and the business interest of the Parent Company decreased by a further 9%. On 31 December 2019, the Company had only 4.83% business share in Appeninn Nyrt., thus it is managed as fixed financial assets in the consolidation by the OPUS Group.
This activity was listed amongst terminated companies as at 31.12.2019, due to the reclassification from the former status of subsidiary to affiliated company.
Discontinued activities: The 2019 IFRS Consolidated Financial Statement of OPUS GLOBAL Nyrt. - Note.....)

Our Company however clearly expressed its intent to sell its remaining business shares in Appeninn Nyrt. of 4.83% and such sale - ensuring appropriate return - is intended to be performed by way of the assignment of Equilor Befektetési Zrt., an investment company.

4iG Nyrt.

In June 2018, OPUS GLOBAL Nyrt., as the member of the Coordinated Investor Group, submitted a public binding purchase offer to the Hungarian National Bank under a coordinated process, and as a result of the conclusion of the procedure, OPUS GLOBAL Nyrt. acquired 13.79% business interest in 4iG Nyrt. By the end of 2019, the Company business interest in 4iG Nyrt. Decreased to 9.95%.
The Group manages its business interest in 4iG Nyrt. as fixed financial instruments in the scope of the consolidation, and the evaluated of the same is performed at the closing stock exchange rate on the reporting date in accordance with the Accounting Policy.

B. Strategy

In order to achieve growth potential that generates profit on the medium and long term, OPUS GLOBAL Nyrt. provides financing options to the entities especially listed in one of the divisions within the scope of consolidation by way of the clear communication of its measures to the investors. Based on this strategy, the Group especially refrains from the future provision of financing with regard to the asset management items - which cannot be put in any specific division -, and these asset items are managed and maintained as financial investors, and sold based on business decisions for the purpose of the maintenance and increase of value.
The primary purpose of the business shares within the portfolios is the generation of the greatest possible profit either by way of dividends or transactions.

We regard the business shares in 4iG Nyrt., CIG Pannónia Nyrt. And Appeninn Holding as liquid investments, where our basic goal is the generation of the greatest possible profit. In our strategy division, such as Industry, Agriculture and Food industry, Tourism, and based on the expressed intent of acquisition (TITASZ, EKER), the Energy division, where OPUS GLOBAL Nyrt. is in a leadership position, we can perform integrations, which jointly are much more valuable than separately.

C. Corporate governance - Management

The operation of the Asset Management division is led by Miklós Gál, the CEO of OPUS GLOBAL Nyrt. whose expertise and experience especially contribute to the successful operation of the division, including the subsidiaries.

Miklós Gál

He has been the Chief Executive Officer of OPUS GLOBAL Nyrt. since July 2019.

He worked in several areas of GE Capital Services - Budapest Bank Rt. until 2005. From 2005, he was the Managing Director of Arthur Bergmann Budapest Kft., and then from 2012, the Chairman of the Directorate of Arthur Bergmann Budapest Zrt. He could use his money market experiences as the Chairman of the Directorate of 3A Takarékszövetkezet and as a member of the Directorate of Centrál Takarékszövetkezet. In this position, he had a significant role in the integration of cooperative banks. In 2018, he was elected member of the Directorate in Status Capital Zrt., a DBH Investment Zrt., and Diófa Alapkezelő.
He graduated as a certified economist specialised in bankruptcy law from the University of Pécs, Faculty of State and Law, then graduated as a certified economist fiduciary from Szent István University, Faculty of Economics and Social Studies.

Energy division

In these present times, the energy division of OPUS GLOBAL Nyrt. is going through a significant transformation, by way of which its centre of gravity within the industry may also be changed, and as a result of which it may become a determining component of the Group, contributing to the long-term, stable profitability of the same.

As the most significant element of the development of the energy division, on 15 November 2018, OPUS GLOBAL Nyrt. acquired 55.05% of Status Power Invest Kft., by way of which it also became a 40% indirect owner of Mátrai Erőmű Zrt.

With the decision of Mátrai Erőmű Zrt. of 12 November 2019, under a package deal, 100% business interests in Bükkábrányi Fotovoltaikus Erőmű Project Kft. and Halmajugrai Fotovoltaikus Erőmű Project Kft. were sold and 100% of Status Geo Invest Kft. (SGI) was purchased. Out of the SGI subsidiaries, the activity of Geosol Kft. is closely related to the activity of the power plant, and by the use of the alternative fuel supplied by the same (bio mass, ATAMIX), the power plant can significantly decrease the burning of fossil energy carriers, and the use of CO_2 quota.

In accordance with the strategic direction of its energy division, OPUS GLOBAL Nyrt., aims at the restructuring of its scope of activity in line with the economic and environmental challenges of the 21st century. As a first step of this strategy, on 23 December 2019, the Company contracted with Magyar Villamos Művek Zrt. (MVM), as buyer with regard to the sale of its business interest in Status Power Invest Kft. The closing date of the sales process was 26 March 2020, with regard to which, the lignite based energy production group was removed from the scope of consolidation.
https://www.bet.hu/newkibdata/128381123/OP_MA%CC%81TRA_AV_HU_20200326.pdf

On 7 February 2020, in line with the change of strategic directions, OPUS GLOBAL Nyrt. submitted a binding bid (Tender) - with all reasonable care - to E.ON Hungária Zrt. as seller in the call for offers related to 100% of E.ON Energiakereskedelmi Kft., (EKER).
(https://www.bet.hu/newkibdata/128354090/OPUS_Hird_EKER_HU_20200210.pdf)

In line with the future strategy of OPUS GLOBAL Nyrt. the Company signed a framework agreement related to the potential purchase of TITÁSZ Zrt., operating in the field of electricity distribution. The planned transaction requires a significant amount of loans.
(https://www.bet.hu/newkibdata/128308404/OPUS_Titasz_hirdetm%C3%A9ny_20191004_HU.pdf)

The list of subsidiaries in the energy division as at 31.12.2019:

Name	Level of relation	Core business activity	Country of registration	Indirect/direct participation	Issuer's share 31.12. 2017	Issuer's share 31.12. 2018	Issuer's share 31.12. 2019
Energy							
Status Power Invest Kft. (the parent company of the energy division)	S	Electricity production	Hungary	Direct	-	55.05%	55.05%
MÁTRA ENERGY HOLDING Zrt.	S	Asset management (holding)	Hungary	Indirect	-	40.00%	40.00%
Mátrai Erőmű Zrt.	S	Electricity production	Hungary	Indirect	-	40.00%	40.00%
Mátrai Erőmű Központi Karbantartó Kft.	S	Repair of industrial machines, equipment	Hungary	Indirect	-	40.00%	40.00%

Mátrai Erőmű Bányászati Mélyépítő Kft.	S	Other special qualification not listed in any other category	Hungary	Indirect	-	40.00%	40.00%
Status Geo Invest Kft.	S	Electricity production	Hungary	Indirect	-	-	40.00%
GEOSOL Kft.	S	Waste recycling	Hungary	Indirect	-	-	40.00%
Bakony-Sol Kft.	S	Wholesale of gas and fuel	Hungary	Indirect	-	-	40.00%

A. Introduction of the strategic steps related to the division based on the economic environment related to the division

One of the defined and highlighted strategic goals of OPUS GLOBAL Nyrt., as a stock exchange company operating in a holding structure is the establishment of a diversified energy portfolio in Central-Europe starting from Hungary.

In consideration of Hungary's energy strategy, and the compliance with climate targets, in the scope of the future energy expansion of OPUS GLOBAL Nyrt. highlighted emphasis will be put on electricity generation from renewable energy sources.

The second pillar of the strategy is the development of the trade portfolio, which may be implemented in several different ways. Electricity and natural gas need based on the consumption of the subsidiaries in the OPUS Group is enough for the establishment of an electricity trading company, which can flexibly and actively satisfy customer needs. At the same time, the continuously growing retail portfolio can also be developed in the SME sector, for local governments and in the large consumer segment. Thus, participation in the retail market is the main goal for the Group. The acquisition of EKER supported by the Company may accelerate this effort, nevertheless may also result in significant capital and bank limit burdens for OPUS GLOBAL Nyrt.

In 2018, based on the date of the Hungarian Energy & Utilities Regulatory Agency (Magyar Energetikai és Közműszabályozási Hivatal - "MEKH"), there were 150 companies in Hungary with electricity trading licence, out of which 99 licensed companies were active on the retail and wholesale markets. Out of these companies, only 55 had the so-called limited trading licence, based on which only wholesale activity may be performed, and 44 companies had retail licence - authorising the supply of users. The three most significant players of retail business are NKM-MVM, EKER and Innogy, which are available in 2/3 of the market, thus market concentration is significant.

In the official European competition proceeding related to the purchase of Innogy SE by EON, the approval of the acquisition was subject to amongst others the obligation to sell the free market division of Hungarian electricity, which was included in EKER. EKER sells electricity all over the country to almost 22,000 business clients, the size of its portfolio is 6,300 GWH, which is the second largest in the country (~23%). EKER performs other types of economic activities too, especially including, but not limited to natural gas trade, e-mobility, household size small power plants, public lighting, etc.

Even at present, upon the disclosure of the 2019 Annual Report of OPUS GLOBAL Nyrt. the award of the tender is still in progress, and the Company's successful participation is subject to several conditions. Based on the market competition and the process, the final outcome of the tender procedure is not yet known.

In accordance with § 93, Paragraph (2) of Act LXXXVI of 2007 on electricity, the preliminary approval of the Hungarian Energy and Public Utility Regulatory Authority (Magyar Energetikai és Közmű-szabályozási Hivatal) is necessary for the acquisition of direct influence and the exercise of related rights in any electricity company exceeding 25, 50 or 75% and reaching 100% of the votes. EKER is an electricity company with commercial licence to sell electricity to users, in which the Company aims to acquire 100% direct influence. In this respect, the legal conclusion of the transaction - if the bid wins - may only be performed with the preliminary approval provided by MEKH.

In accordance with Section 24 of Act LVII of 1996 on the prohibition of unfair and restrictive market practices, the decision of the Hungarian Competition Authority (Gazdasági Versenyhivatal) approving merger is also necessary for the acquisition of influence in EKER by the Company. The Hungarian Competition Authority, in its decision approving merger may include obligations and preliminary or posterior conditions for the implementation of the merge.

B. Sale of 55.05% of Status Power Invest Kft.

In October 2019, MVM (Magyar Villamos Művek Zrt. - Hungarian Electricity), one of the most significant energy groups of Hungary, integrated both horizontally and vertically expressed its interest in a letter, related to the acquisition of full control over MERT (Mátrai Erőmű Zrt.). Considering future opportunities, management immediately started negotiations with the potential partner, of which the Company informed the investors in special announcements made on 20 November 2019 and 23 December 2019.

https://www.bet.hu/newkibdata/128325412/OP_NYRT_M%C3%81TRA_SZNY_HU_20191120.pdf
https://www.bet.hu/newkibdata/128340126/OP_NYRT_M%C3%81TRA_AV_HU_20191222.pdf

OPUS GLOBAL Nyrt. as the direct owner and also the seller of 55.05% of the business interest of STATUS Power Invest Kft., based on the started and concluded negotiations and the agreement made between the Parties, concluded the transaction on 26 March 2020, with MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársasággal (MVM), as buyer.

In the course of the conclusion of the transaction, MVM as buyer and the Company as one of the sellers specified the purchase price of the 55.05% of business interest in Status Power Invest Kft. (SPI) as HUF 10,110,000,000.

https://www.bet.hu/newkibdata/128381123/OP_MA%CC%81TRA_AV_HU_20200326.pdf

Upon the completion of the sale of the SPI business interest, on 26 March 2020, the indirect influence of OPUS GLOBAL Nyrt. over Mátra Energy Holding Zrt., Mátrai Erőmű Zrt. and its subsidiaries was terminated.

As the agreements related to the transaction were concluded on 23 December 2019, but closure was only completed in the first quarter of 2020, the parent company reclassified the business share in Status Power Invest Kft. to assets for sale with regard to 31 December 2019. The Parent Company did not implement impairment for these business interests as at 31.21.2019, because the sale price of the business interest reached prime costs.

On the consolidated level, the Energy portfolio was listed in the Terminated activities, in the consolidated comprehensive income statement on 31.12.2019. In the consolidated balance sheet, it was indicated in Assets for sale and their liabilities. On 31.12.2019, the consolidated profit/loss of the discontinued activity is significantly influenced by the derecognition of net badwill of HUF 21,745,053,000 in revenues from financial transactions arising from the 2018 acquisition by the sold business interest in Status Power Invest Kft. and its subsidiaries.

(Detailed information: Profit/loss from discontinued activity: 2019 IFRS Consolidated Financial Statement of OPUS GLOBAL Nyrt. - Note 3.43)

C. Corporate governance - Management

The operation of the Asset Management division is led by Gábor Králik, whose expertise and experience especially contribute to the successful operation of the division, including the subsidiaries.

Gábor Králik

He has been the head of the Energy Division, and a member of the Directorate of OPUS GLOBAL Nyrt. since 2019.

In the beginning of his career, between 2001 and 2007, he was the expert, financial manager and then financial director of Hyperimpex Kft. In 2007, he took over the Controlling and Risk Management Division of EMFESZ Kft. From 2010, until the third quarter of the year, he was the economic head and member of the Board of Directors of MOL Energy Trade Ltd. and then the financial manager of the Swiss MOL Energy Trade International AG. Between 2010 and 2012, he was the strategic and business development manager of the MET Group, and was also an adviser to the Chief Executive Officer. Between 2013 and 2015, he was the Deputy Chief Executive Officer in charge of the natural gas division, and as the Chairman of the Directorate of Magyar Földgázkereskedő Zrt., he also worked in the MVM Group. From 2015 until 2018, he was the Chief Executive Officer of Főgáz Zrt., and the Strategic Deputy Chief Executive Officer of ENKSZ Első Nemzeti Közműszolgáltató Zrt. (at present: ENKSZ Első Nemzeti Közműszolgáltató Zrt.), and then from 2018, he has been the Chairman of the Board of Directors of ENKSZ.

He is an economist graduate of the Budapest University of Economic Sciences.

4.3. Management of the Group

When comparing the entire group's financial data, the significant transformation of the weight distribution of the Group's previous portfolio due to the 2018 acquisitions is a significant factor even though the performance of the new asset elements were only presented in the second half of 2018 and only a few months of performance was included in the consolidated data of the OPUS Group. With the merge of KONZUM Nyrt., the activity of the HUNGUEST Group was indicated already in the 2018 base data, thus there were no distorting effects in this regard.

The report compares the PROFORMA data with the 2019 consolidated financial statements, because from the aspect of comparability, this gives a more real picture, assuming the same group structure from the end of 2018. But we need to mention that in the second half of 2018, significant acquisitions were implemented by the Group, which have a significant impact on the comparability of the 2018 profit rows. For this to be understood, we need to highlight that in 2018, which can be regarded as the base period - both based on the facts and the PROFORMA statement - the acquired companies did not contribute to the Group's 2018 performance with their full year performance, while in 2019, their full year performance was indicated.

In 2018, transactions related to the scope of consolidation were concluded on the below dates:

Date	Start (end) of inclusion in the consolidation	Quality of the transaction	Name of the company
31.07.2018	01.08.2018	in kind contribution	*Subsidiaries of KALL Ingredients Kft.*
14.09.2018	01.10.2018	in kind contribution	*VIRESOL Kft.*
15.11.2018	01.12.2018	in kind contribution	Subsidiaries of Mészáros Építőipari Holding Zrt.
15.11.2018	01.12.2018	purchase	*Subsidiaries of Status Power Invest Kft.*

In the course of the comparisons, the rate of the breakdown of the division was determined by the Group along with the consolidation filter, considering all consolidation items.

With regard to the 2019 operation of the Group, Industrial manufacturing has the lowest level of Assets, of 32%, while the Agriculture and Food industry division contributes to 30%, the Tourism division makes up 14%, the Energy division makes up 18% and the Asset Management division contributes to 5%.

The breakdown of the share within Equity is as follows: Asset management division: 79%, Energy division: 7%, Industrial manufacturing: 11% and Tourism division: 2%.

The Group closed the year 2019 on the level of consolidation with a Balance sheet total of HUF 646,210,235,000 and Equity of HUF 287,555,166,000, while Total comprehensive profit/loss along with Continued and Discontinued activities amounted to HUF -34,396,434,000.

Discontinued activities

A significant element of the Group's IFRS consolidated statement in 2019 is the presentation of Discontinued activities, which includes the following:

- On 23 December 2019, OPUS GLOBAL Nyrt. signed an agreement with Magyar Villamos Művek Zrt. (MVM), as buyer on the sale of 55.05% business interest in status Power Invest Kft. The sales process was completed on 26 March 2020, with regard to which, the companies of the Energy division will be removed from the scope of consolidation only in 2020, subsequent to the closure. Thus the operation of the companies in the Energy sector is presented by the Company as Discontinued activities as at 31.12.2019.

- In the 2019 IFRS consolidated statement, Discontinued activities were inclusive of the companies, which had previously been consolidated as subsidiary by the legal successor, KONZUM Nyrt., however subsequent to the merge, as a result of the change of the status of these companies, they were reclassified, thus their profit/loss generated in the previous period was derecognised from reserves. These companies are the following:
    - The business share of 4.83% in Appeninn Nyrt. is recognised by the Group as financial instrument, as financial investment as at 31.12.2019,
    - OPUS GLOBAL Befektetési Alapkezelő Zrt. is managed by the Group as an affiliated company, based on the business interest of 47%.

(Detailed information: 2019 IFRS Consolidated Statement Note 3.42)

The p/l for the reporting year of these companies were reclassified to Discontinued activities on 31.12.2019. The consolidated p/l of Discontinued activities shows a loss of HUF 29,412,824,000.

Presentation of discontinued activities, profit and loss account:

Net earnings from discontinued activities	HUF '000'
Total operating income	94,141,150
Total operating costs	103,126,424
Financial transactions and earnings before interest and taxes (EBIT)	-8,985,274
Profit/loss from financial transactions	-20,521,723
Net profit or loss from discontinued activities	**-29,412,824**

Due to the sale of companies in the Energy division, the assets of the Energy division are recorded as Assets for sale by the Group, and the liabilities of the division are presented as Liabilities for sale. Accordingly, certain balance sheet rows significantly changed compared to the PROFORMA values:

Presentation of discontinued activities in the balance sheet:

Assets for sale	HUF '000'
Total Non-current assets	101,883,402
Total current assets	16,838,505
Total Assets for sale	**118,721,907**

Liabilities for sale	HUF '000'
Long-term liabilities	45,624,636
Short-term liabilities	19,317,193
Total equity capital and liabilities	**64,941,829**

Continued activities

Within continued activities, the 2019 operation of the Group is presented by filtering out the items reclassified as Discontinued activities form certain rows of the balance sheet and the profit row, thus they do not include the added value of filtered items, and only Assets for sale, Liabilities for sale are recognised in the balance sheet, and Net profit or loss from discontinued activities are recognised in the profit row.

The portfolio of the OPUS Group reached an enormous fundamental growth in the second half of the base year, primarily by the acquisition of businesses outstanding in their sector, as a result of which, in the course of the 2019 operation, the operating income of the Group grew by almost two and a half compared to the PROFORMA number of the previous year. In 2019, operating income was HUF 210,142,393,000 compared to the PROFORMA data of HUF 88,518,737,000. This growth is extremely significant even though revenues from discontinued activities - thus profit/loss of the entire year of 2019 of the energy companies - were filtered out, however the 2018 proforma still includes the energy revenues of December, just as in 2018, the revenue generated by the involvement of Appeninn Nyrt. recognised as a subsidiary of KONZUM Nyrt.

Consolidated financial data and shareholder information, income statement:

Unless otherwise indicated, data is indicated in thousand HUF

Main p/l data	Opus Global Nyrt. Consolidated audited factual data 31.12.2019	Opus Global Nyrt. Consolidated audited factual data 31.12.2018	Opus Global Nyrt. And Konzum Nyrt. Group PROFORMA total	2018 PROFORMA-2019 comparison	% change
Total operating income	210,142,393	54,085,672	88,518,737	121,623,656	137.40
Operating costs	213,446,555	57,307,926	81,502,764	131,943,791	161.89
Operating (business profit/loss) EBIT	-3,304,162	-3,222,254	7,015,974	-10,320,136	-147.09
EBIDTA	**24,082,162**	**-1,076,946**	**10,583,159**	**13,499,003**	**127.6**
Profit/loss from financial transactions	-3,176,911	24,071,319	24,114,887	-27,291,798	-
P/L before taxes	-6,481,073	20,849,065	31,130,860	-37,611,933	-
Net profit or loss from continued activities	**-4,809,872**	**20,729,954**	**29,701,092**	**-34,510,964**	-
Net profit or loss from discontinued activities	-29,412,824	4,041,720	4,041,720	-33,454,544	-
Total comprehensive income	-34,396,433	24,799,456	33,770,594	-68,167,027	-

Note: The data indicated in the table called consolidated financial data and shareholder information, profit and loss account are in line with the data indicated in the annual consolidated IFRS statements along with the 2018 and 2019 consolidated filters.

Within Operating income, the value of Revenues was HUF 198,935,865,000, while the value of own performance was HUF 7,263,618,000, and Other income amounted to HUF 3,942,910,000. From the 2019 revenues, Industrial manufacturing accounts for the largest portion with 68%, Agriculture and Food industry accounts and Tourism both account for 16-16%.

As expected, the rate of Agriculture and Food Industry will grow further in the coming years, as the test operation of VIRESOL Kft. will be concluded in 2020, and subsequent to the starting period, Kall Ingredients Kft. will also keep increasing production volume. The revenue of the Group in Hungary was HUF 155,011,619,000, while export revenues amounted to HUF 43,924,246,000 in 2019.

The value of **Capitalised own performance** can be related to the Agriculture and Food Industry division on the level of consolidation.

In 2019, the consolidated value of the Group's total **Operating costs** was HUF 213,446,555,000, which means an increase of HUF 131,943,791,000 compared to the PROFORMA data.
Within the segments, Industry makes up the highest part with 67%, which is due to the depreciation recognised on the contract portfolio, and another 19% is related to Agriculture and 13% to Tourism.

Comparison of Operating costs 2019-2018

Unless otherwise indicated, data is indicated in thousand HUF

Main p/l data	Opus Global Nyrt. Consolidated audited factual data 31.12.2019	Opus Global Nyrt. Consolidated audited factual data 31.12.2018	Opus Global Nyrt. And Konzum Nyrt. Group PROFORMA total	2018 PROFORMA-2019 comparison	% change
Purchase price of sold goods	0	0	2,434,979	2,434,979	
Raw materials, consumables and other external charges	158,794,421	37,932,573	47,943,995	-110,850,426	231.21
Personnel type expenses	21,657,740	7,234,241	16,024,802	-5,632,938	35.15
Depreciation	27,386,324	2,145,308	3,567,185	-23,819,139	667.73
Impairment	207,210	31,257	31,257	-175,953	562.92
Other operating costs and expenses	5,400,860	9,964,547	11,500,545	-4,642,396	-53
Operating costs	**213,446,555**	**57,307,926**	**81,502,764**	**-143,857,558**	**161.89**

The amount of **Raw materials, consumables and other external charges** within the Group was HUF 158,794,421,000, which is inclusive of the purchase price of sold goods. 70% of raw materials, consumables and other external charges is given by industrial manufacturing. Further 20% is due to the Agriculture and Food industry segment, while the rate of Tourism segment is only 9% on the level of consolidation. The most significant elements in raw materials, consumables and other external charges are material costs (37%) and used services (55%). Material costs are split amongst all segments, as it is a significant element everywhere. Agriculture is highlighted here, where the amount of material costs is HUF 27,383,395,000 (46% of total material costs). In the Industry segment, the amount of used services is outstanding, as the projects are implemented by the companies mostly through subcontractors.

The weight of segments significantly influences the figures of the entire group, which can clearly be seen in the numbers of personnel type expenses.

Staff costs also increased dynamically along with the Group's growth. At the end of 2019, due to the merge of KONZUM Nyrt., as a result of the inclusion of the Tourism segment, staff number increased from 3,943 to 5,864, comparing the numbers to the PROFORMA figures, we can see that 2019 did not bring significant changes. The number of blue collar workers was 3,825, while that of white collar workers was 2,038 in 2019.

The significant change in the value of **staff costs**, that is an increase of HUF 5,632,938,000 compared to the 2018 PROFORMA figures was due to the wage and staff management related to the structure and activity of the companies acquired by the Group, which was different from the previous practice. The number of staff did not significantly change, if we compare the general staff number to the PROFORMA reports, but in 2019, significant wage increase was applied in the entire economy, which also affected the Group's subsidiaries.

In 2019, staff costs included the below elements: wage costs amounted to HUF 15,562,965,313,000, other staff costs amounted to 2,713,460,000, and wage contributions were: HUF 3,347,353,000.

Considering the rate of staff costs, the largest part is made up by the Tourism segment - as the greatest human resources are in this segment -, with 49%, then the Industrial segment making up 28%, and the Agriculture and Food industry segment contributing to 22%. Asset Management only makes up for 1% to the total number of staff.

Changes of the number of staff in 2019 and 2018:

Number of staff (persons)	Opus Global Nyrt. Consolidated audited factual data 31.12.2019	Opus Global Nyrt. Consolidated audited factual data 31.12.2018	Opus Global Nyrt. And Konzum Nyrt. Group PROFORMA total	2018 PROFORMA-2019 comparison	% change
Industrial segment	931	988	988	-57	-5.77
Agriculture and Food industry segment	673	648	648	25	3.86
Asset management segment	23	5	5	18	360.00
Tourism segment	1,938	0	1,949	-11	-0.56
Total	3,565	1,641	3,590	-25	-0.70
Energy segment - Discontinued activity	2,299	2,302	2,302	-3	-0.13
Total	**5,864**	**3,943**	**5,892**	**-28**	**-0.48**

With regard to **Depreciation**, which makes up 13% of Operating costs, an increase of HUF 23,819,139,000 can be seen compared to the base period in 2019.

The Company, following the procedure set out by the IFRS 3 standard, allocated the real valuation (business valuation) of the acquired subsidiaries on the day of acquisition, for the identifiable assets owned by the subsidiaries (IFRS 13.15, IFRS 13. B31-B34.). Accordingly, upon the real valuation of construction companies involved in the Industrial manufacturing segment, PricewaterhouseCoopers Magyarország Kft. uncovered and in the course of the asset valuation, quantified the signed investment agreements already in the subsidiaries generating future funds as contract portfolio used as the basis of the evaluation. In the course of the first contribution (30.11.2018), OPUS GLOBAL Nyrt. involved these identified assets, thus the present value of future funds generated from the contract portfolio was recognised at HUF 101,299,000,000 in the Contract portfolios row.

Considering that the value of Contract portfolios was a part of the contribution valuation, which is already included in the equity of OPUS GLOBAL Nyrt. as a part of the capital increase related to the acquisition of construction companies, earnings from these agreements generated in the future may not repeatedly increase consolidated Equity.

In accordance with the standard, under the following valuations, will derecognise the Contract portfolio recorded under assets in line with the future schedule of the net funds of the contributed contract portfolio against profit/loss, recognising depreciation. Depreciation is based on the state of readiness of multi-year projects.

Depreciation of HUF 20,811,749,000 was recognised by the Group for 2019, in accordance with the IFRS and its Accounting Policy, a significant part of which was recorded against the profit/loss arising from contract portfolios.

The value of **Other operating costs** was HUF 5,400,860,000 in 2019, 73% of which was due to the Industrial manufacturing segment, 7% to the Agriculture and Food Industry, 19% to Tourism, and 1% to Asset Management.

The value of the EBITDA index, which presents the operation of the entire Group the best was HUF 24,082,162,000 as at 31.12.2019, which shows a significant, almost double, increase of HUF 13,499,003,000, even compared to the PROFORMA profit/loss.

On the level of operating profit/loss (EBIT), the Group recorded losses of HUF 3,304,162,000 on the level of consolidation, which, however, considering the depreciation recognised related to the contract portfolios, means technical and not real losses.

Considering only the actual activity in the construction companies newly involved in the Group, their contribution to consolidated data is significant, of a value of HUF 20.81 billion, arising from the performance of contract portfolios, increasing both Operating profit/loss and Profit/loss after taxes in 2019.

Breakdown of profit/loss from financial transactions 2019-2018:

Unless otherwise indicated, data is indicated in thousand HUF

Main p/l data	Opus Global Nyrt. Consolidated audited factual data 31.12.2019	Opus Global Nyrt. Consolidated audited factual data 31.12.2018	Opus Global Nyrt. And Konzum Nyrt. Group PROFORMA total	2018 PROFORMA-2019 comparison	% change
Revenues from financial transactions	7,265,979	25,821,434	28,513,208	21,247,229	-74.52
Expenses on financial operations	5,030,297	1,258,386	3,906,036	-5,282,344	135.24
Share from the profit/loss of companies valuated with the equity method	-5,412,593	-491,729	-492,286	762,224	154.83
Profit/loss from financial transactions	-3,176,911	24,071,319	24,114,887	27,291,798	-

In 2018, the Group, with the acquisition of energy companies, recognised a netted badwill item (HUF 24,694,142,000) as **Revenues from financial transactions** in the year of the acquisition, thus this item significantly increases the PROFORMA statement indicated as the basis, and also the factual data of 2018.

The composition of Expenses of financial transactions is as follows: Industry segment: 8% (this segment repaid its external loans by the end of the year), Agriculture and Food industry segment: 26%, Tourism: 16%, while Asset Management: 51%.

With regard to affiliated companies, the Group presents the profit/loss recognised by the equity method in the row **Share from the profit/loss of companies valuated with the equity method**.

Consolidated financial data and shareholder information, balance sheet:

Unless otherwise indicated, data is indicated in thousand HUF

Balance-sheet data (closing portfolio)	Opus Global Nyrt. Consolidated audited factual data 31.12.2019	Opus Global Nyrt. Consolidated audited factual data 31.12.2018	Opus Global Nyrt. And Konzum Nyrt. Group PROFORMA total	2018 PROFORMA-2019 comparison	% change
Balance sheet total	646,210,234	576,723,315	715,168,522	-68,958,288	-9.64
Cash and cash equivalents	79,553,252	98,586,675	104,614,784	-25,061,532	-23.96
Equity	287,555,166	280,354,151	347,700,959	-60,145,793	-17.30
Long-term liabilities	147,793,700	111,733,375	154,247,134	-6,453,434	-4.18
Short-term liabilities	210,861,368	184,635,789	213,220,429	-2,359,061	-1.11
Loans and advances	97,993,998	87,154,004	136,063,281	-38,069,283	-27.98
Profit-sharing by external members	84,667,963	111,897,426	128,327,364	-43,659,401	-34.02
External funds/balance sheet total	0.15	0.15	0.19	-0.04	-20.29
Number of staff (persons)	5,864	3,943	5,892	-28	-0.47

The data indicated in the table called consolidated financial data and shareholder information, balance sheet are in line with the data indicated in the annual consolidated IFRS statements along with the 2018 and 2019 consolidated filters.

The closing balance sheet total of the OPUS Group as at 31.12.2019 was HUF 646,210,234,000, which shows a decrease of HUF 68,958,288,000, by almost 10%.

A significant reason for the decrease of the balance sheet total was that the net value of the contract portfolio decreased by HUF 36,940,074,000, thus its value at the end of 2019 was HUF 64,358,926,000, and cash also decreased compared to the end of 2018 by HUF 25,061,532,000.

At the end of 2019, energy companies were reclassified to Assets for sale in the balance row and to Liabilities for sale on the liabilities side, as a result of which, certain rows changed significantly in comparison with the PROFORMA values.

The value of **Fixed assets** was HUF 370,341,275,000 in 2019, of which the value of properties and machines was HUF 181,342,076,000, which is 43% less than the value of 2018. The value of Goodwill was 92,773,107,000 in 2019, which shows a 10% increase compared to 2018. The detailed presentation of Goodwill can be found in Point 3.4 of the NOTE.

The value of **Current assets** was HUF 275,868,960,000, which includes Assets for sale of HUF 118,721,907,000, consequently, its value increased by 43% compared to 2018.

A new item in Current assets was Securities of a value of HUF 10,264,595,000. A significant part of this comes from the transactions, where in the end of 2019, the Parent Company spent the unused part of the funds arising from the bonds issue to purchase investment units of HUF 10,080,385,000 issued by MKB Vállalati Stabil Rövid Kötvény Befektetési Alap

The value of Biological assets, only related to the Agriculture and Food industry segment - hens and pullets - was HUF 133,068,000, which decreased by 27% compared to 31.12,2018. Only Csabatáj Zrt. has any biological assets.

The value of **Equity** on the liabilities side decreased by 17%, HUF 60,145,793,000 compared to the value of 31.12.2018. The latter base data is inclusive of the growth arising from the acquisitions of last year, thus the increase of equity reported related to the contract portfolio of construction companies.

The book value of OPUS shares owned by the Parent Company and the subsidiaries (Csabatáj Zrt.) was indicated in Own shares repurchased in Equity.

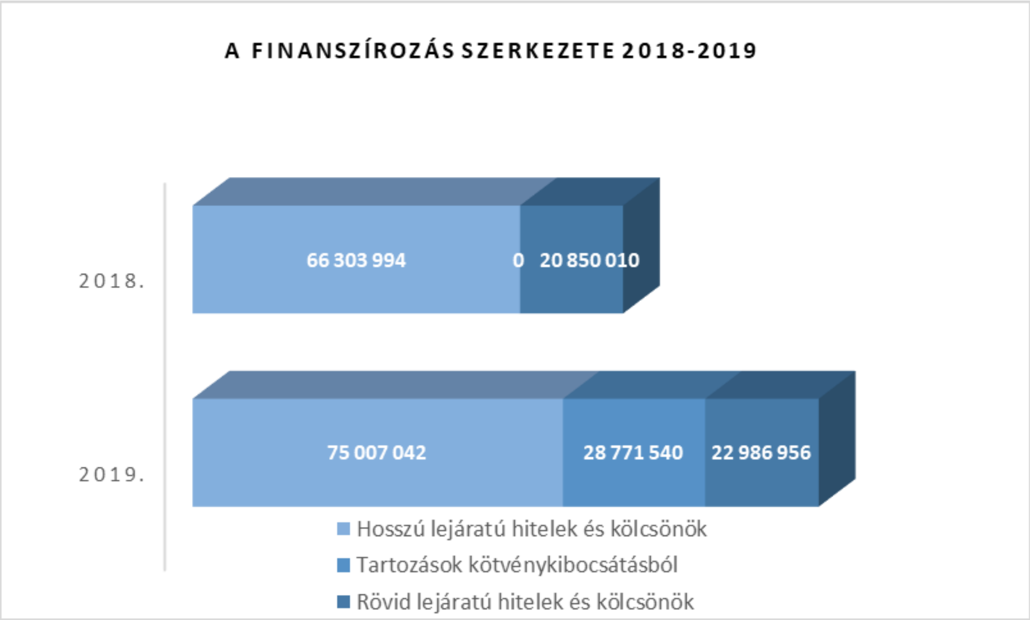
The **Value of business interest not granting controlling influence** was HUF 84,667,963,000 in 2019, while based on the 2018PRFORMA, this value was HUF 128,327,364,000, to which the performance of Appeninn Nyrt. greatly contributed, which was contributed in the base period as the 18.7% subsidiary of KONZUM Nyrt. On this basis, NCI caused a 34% decrease, which also contributed to the decrease of Equity.

The value of **Long-term liabilities** was HUF 147,793,700,000 on 31.12.2019. Of this, the value of Provisions was HUF 1,970,764,000, 91% was due to the Industry segment. The value of Provisions was significantly - by HUF 17,137,476,000 - lower than in the end of 2018 considering that the balances of the companies of the Energy segment reporting the greatest provisions were reclassified by the Group to Liabilities for sale.

The value of **Current liabilities** was HUF 210,861,366,000, of which a significant item was liabilities for sale of HUF 64,941,829,000 already introduced several times

Loans and advances still make up for 27% of Liabilities (HUF 97,993,998,000).

On 25. October 2019, OPUS GLOBAL Nyrt. issued bonds of HUF 28,771,540,000, improving the Group's financing structure.



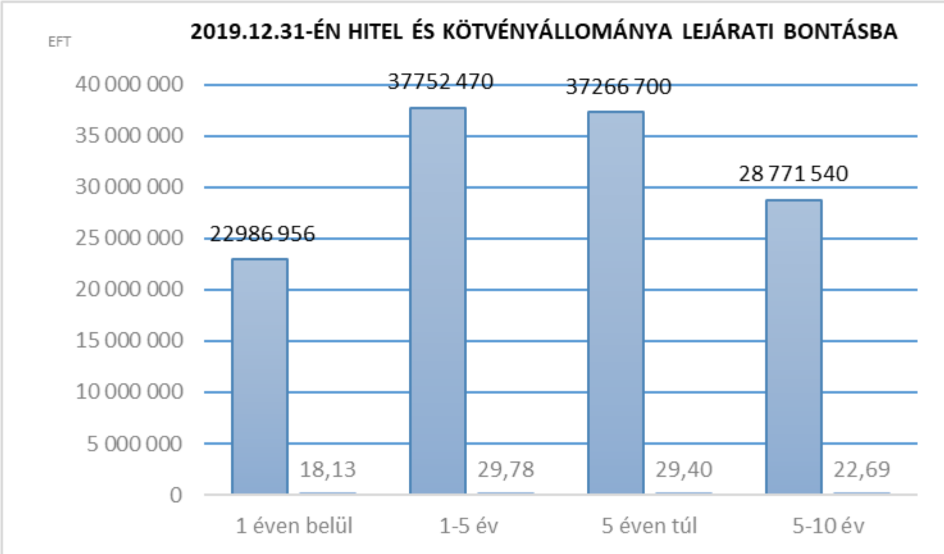
Note: The 2018 data come from the 2018 IFRS audited consolidated report of OPUS GLOBAL Nyrt

FINANCING STRUCTURE, 2018-2019
Long-term loans and advances
Debts from bond issue
Short-term loans and advances

The Group's loans increased by 13% compared to 2018, which was largely due to the Merger (HUF 21.138 million), which is significantly related to the Tourism segment, however, the opposite direction is also active, considering that as a result of the bonds issue, due to group financing, the Group significantly decreased the amount of bank loans in December 2019.

The structure of external financing also significantly changed in 2019, where bonds issued by OPUS GLOBAL Nyrt. of a value of HUF 28.770 million in the end of 2019 meant a new financing option. As a result of the restructuring of financing in 2019, the Group's loan structure became more beneficial from the aspect of both expiration and interests. The duration of 52.09% of the entire loan and bond portfolio was changed to more than 5 years, while the rate of loans due in one year was 18.13% in 2019. Furthermore, the Parent Company was able to take out 22.69% of the loans (bonds) for a duration of 10 years, with fixed (2.8%) interest, ensuring greater predictability of future payable interests.

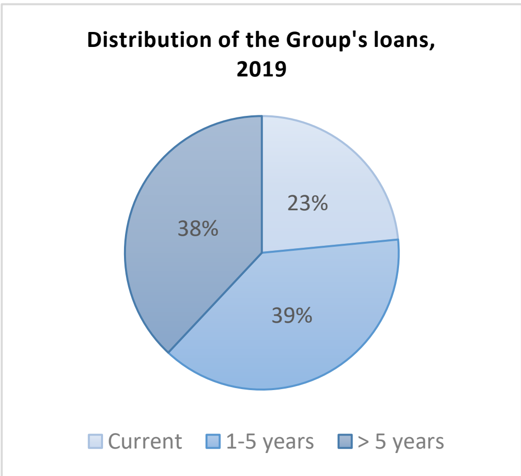
The breakdown of external financing of OPUS GLOBAL Nyrt. in 2019 (HUF '000'):

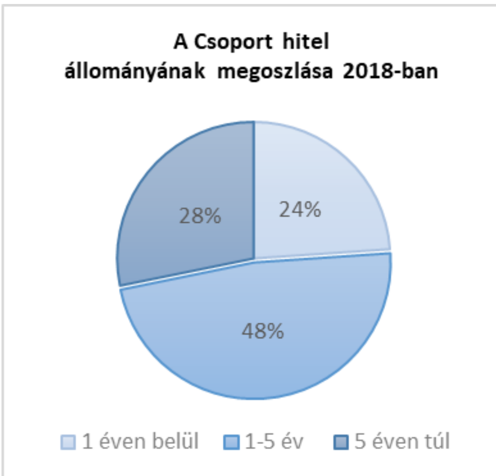


Loans and bonds by maturity, 31/12/2019

Current *1-5 years* *> 5 years* *5-10 years*

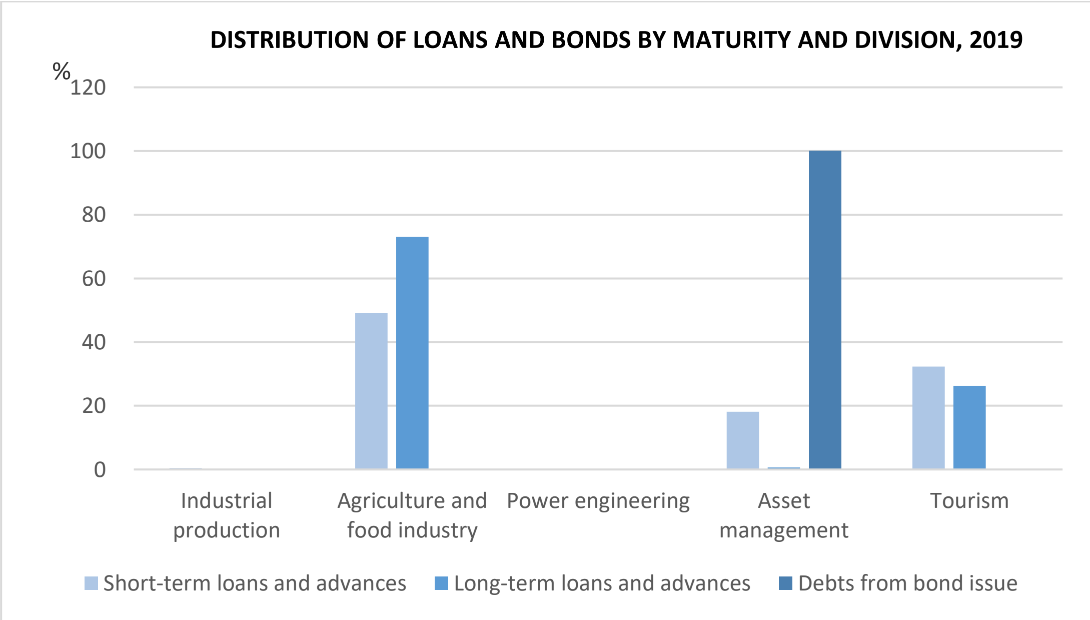
The structure of the Group's loans did not significantly change in 2019 compared to 2018. We need to mention that the rate of loans expiring in more than 5 years decreased from 48% to 39% in the entire loan portfolio.





Note: The 2018 data come from the 2018 IFRS audited consolidated report of OPUS GLOBAL Nyrt

The breakdown of loans between divisions in 2019:



The greatest amount of loans of HUF 66,103,023,000 can be seen in the Agriculture and Food industry segment within the Group on 31.12.2019. 73% of all long term loans is due to this. The amount of loans related to the Asset Management segment grew as a result of bonds issue in 2019 (the value of bonds: HUF 28,771,540,000, credit: HUF 4.6 billion). On 31.12.2019, short-term loans amounted to HUF 7,426,527,000 and the amount of long-term loans was HUF 19,712,218,000 in the Tourism segment.

The Energy segment was presented as a discontinued activity in liabilities for sale on 31.12.2019.

The amount of the Group's **Deferred tax liability** in 2019 was HUF 1,922,986,000, which shows a significant - 89% - decrease compared to 2018, which is related to the Tourism segment in 89%.

VI. PRESENTATION OF OTHER NON-FINANCIAL STATEMENTS

Events after the balance sheet cut-off date

In accordance with the strategic direction of its energy segment, OPUS GLOBAL Nyrt., aims at the restructuring of its scope of activity in a Hungarian way and line with the economic and environmental challenges of the 21st century. As a first step of this strategy, on 23 December 2019, the Company contracted with Magyar Villamos Művek Zrt. (MVM), as buyer with regard to the sale of its business interest in Status Power Invest Kft. The sales process was concluded on 26 March 2020, with regard to which, the lignite based energy production group is removed from the Group.

On 7 February 2020, in line with the efforts related to the restructuring of the energy segment, OPUS GLOBAL Nyrt. submitted a binding bid (Tender) - with all reasonable care - to E.ON Hungária Zrt. as seller in the call for offers related to 100% of E.ON Energiakereskedelmi Kft., (EKER).

(https://www.bet.hu/newkibdata/128354090/OPUS_Hird_EKER_HU_20200210.pdf)

Even at present, upon the disclosure of the 2019 Annual Report of OPUS GLOBAL Nyrt. the award of the tender is still in progress, and the Company's successful participation is subject to several conditions. Based on the market competition and the process, the final outcome of the tender procedure is not yet known.

In accordance with Section 93, Paragraph (2) of Act LXXXVI of 2007 on electricity, the preliminary approval of the Hungarian Energy and Public Utility Regulatory Authority (Magyar Energetikai és Közmű-szabályozási Hivatal - MEKH) is necessary for the acquisition of direct influence and the exercise of related rights in any electricity company exceeding 25, 50 or 75% and reaching 100% of the votes. EKER is an electricity company with commercial licence to sell electricity to users, in which the Company aims to acquire 100% direct influence. In this respect, the legal conclusion of the transaction - if the bid wins - may only be performed with the preliminary approval provided by MEKH.

In accordance with Section 24 of Act LVII of 1996 on the prohibition of unfair and restrictive market practices, the decision of the Hungarian Competition Authority (Gazdasági Versenyhivatal) approving merger is also necessary for the acquisition of influence in EKER by the Company. The Hungarian Competition Authority, in its decision approving merger may include obligations and preliminary or posterior conditions for the implementation of the merge.

OPUS GLOBAL Nyrt. and the German parent company of E.ON Hungária Zrt. entered into an agreement on the conditions of the purchase of E.ON Tiszántúli Áramhálózati Zrt. (Titász).

With the acquisition of Titász Zrt. with assets of HUF 100 billion, the Company's Directorate aims to strengthen the Company's strategic position, and ensure the Group's stable profitability. The transaction may be completed in the third quarter of 2020 subsequent to the due diligence of Titász, the conclusion of the final agreement and the approval by the Hungarian Competition Authority. The planned transaction requires a significant amount of loans.
(https://www.bet.hu/newkibdata/128308404/OPUS_Titasz_hirdetm%C3%A9ny_20191004_HU.pdf)

The Information Document prepared for the registration, into the multilateral trading system called XBond operated by the Market Operator, of 572 dematerialised, registered bonds called "OPUS GLOBAL 2029 Bond" of a nominal value of HUF 50,000,000 each, of a total nominal value of HUF 28,600,000,000 issued by the Company on 25 October 2019, was approved by the Budapest Stock Exchange (BSE) with its decision of 13 March 2020.

The Company would like to raise the attention of the Investors and other market players to the fact that by the approval of the Information Document, the Company's bond is not yet registered in the Xbond market, but the approval of the Information Document is only a precondition of the registration. Accordingly, bonds may not be traded yet. The registration of bonds to the Xbond market, and the beginning of trading of the same will requested by the Company in a separate procedure, if the conditions specified in the XBond General Terms of Business are met.

In accordance with decision 4/2019 (X.04.) of the extraordinary general meeting of 4 October 2019, OPUS GLOBAL Nyrt. - in order to achieve the strategic goals specified in the decision - aims at the implementation of the acquisition of own shares on the market. The purchase of own shares will be implemented based on the order given to MKB Bank Nyrt., in accordance with the Company's announcement of 23 March 2020 irrespective of its individual decision, in a period of a quarter (three months) from the beginning of 2020. The Company calculated and provided its order based on the market data of the previous one-year period, maximising the number of shares, which can be purchased at 10% of daily trading, and also specifying that the maximum number of shares that can be purchased is 3,000,000, that is a bit more than 0.4% of all the shares.

Risks

Risks related to environment protection, employment, respect of human rights, anti-corruption and bribery are examined and managed by the OPUS Group in the scope of operational risks. Operational risks also include the possibility of loss arising from inappropriately developed or faulty business processes, human errors, inappropriate system operation and external environment. A special feature of operational risks is that they are present in all organisational units, and the spectrum of possible risks is very wide. As a part of our business strategy, we perform frequent management screenings and operate an internal monitoring system in order to minimise operational risks. In this regard, all critical and risk-related areas are under continuous executive supervision.

Due to its activities, the Company is exposed to risks arising from changes in the market and financial conditions. Such changes may influence the results, the values of assets and liabilities. The purpose of financial risk management is to continuously reduce risks through its operative and financing activities.

As the provisions made in the annual report concerning the future carry numerous business, market and legal risks in addition to the above, under the given circumstances the actual results may considerably differ from the forecasts of the future.

Our Company puts a great emphasis on the analysis of as well as the recognition and management of risks and dangers as early as possible. Potential risks and dangers that may affect the segments have been identified. In our Company, we have separate procedures for the prevention, management and analysis of these identified risks. Based on our procedures, we frequently monitor and examine the scope of potential risks and dangers, aiming at the recognition of the same as early as possible and taking measures prior to their occurrence.

The Chief Executive Officer, as the head of the Holding Company, as well as the system of internal control, and operation organised in divisions, as a diversified operation are all parts of the risk management mechanism.

The Chief Executive Officer as the place of central control: The Chief Executive Officer is the head of the organisation supporting internal information flow, task delegation and evaluation, and with regard to corporate functions, operates the so-called Operative Board. The board is a forum held as frequently as deemed necessary by the Chief Executive Officer, but at least once a month, where the Chief Executive Officer, the Deputy Chief Executive Officers as well as the Heads of Divisions of the Company, and other employees, agents, and case experts invited by the Chief Executive Officer and the Deputy Chief Executive Officers are present. Besides the regular sessions of the Operative Boards, sessions may be held by divisions, if it helps efficient operation.

Internal control: The establishment and maintenance of efficient internal control is a significant duty of the Parent Company. With a view to the necessity to comply with the individual provisions of the Budapest Stock Exchange's Recommendations on Corporate Governance (Recommendation) – and especially those of Section 2.8 of the Recommendations – the Company maintains an internal supervisory body that corresponds to the diversified

considerations of the structure, that is flexible and capable of comprehending the special areas of the asset elements falling under the individual divisions and that is suitable for the enforcement of the requirements arising from the presence of the Company, as issuer, in the capital market (audit and financial, legal and business control).

Within this framework, the Company operates an internal audit unit reporting to the Supervisory Board. The internal audit tasks may be performed by an internal auditor employed by the Company in this job, or may be outsourced.

Operational risks affecting the Group:

Risks related to the corona virus

At present, the spread of corona virus is the most significant risk factor, as its negative impact on the international economy, and especially tourism is apparent, the magnitude of which is unpredictable due to the enormous loss. Upon the disclosure of the Report, the 2020 effects on the Hungarian and global economy, thus the subsidiaries of the Company cannot yet be seen.

The Group will take all precautionary measures that may help the slowdown of the pandemic, and keep up continuous operation. The safety of employees is a priority for the Group, therefore, based on industry recommendations, precautionary measures had been taken even before corona virus appeared in Hungary.

Macroeconomic risks

The Group and its profitability is exposed to the development of the general economic situation in Hungary. Macroeconomics are based on stable and strong foundations, however a possible negative tendency may adversely affect the demand for the Group's services, thus the Group's future profitability.

Subject to the right business environment, the Group may even enter new markets. The profitability of the Group's activity will be influenced by the general economic climate on the future target markets.

The general economic climate of the Group's markets is further significantly influenced by the economic climate of the European countries, which are in close economic relations with the same.

Furthermore, the economic policy, especially inflation, exchange rate policy and the interest rate environment may significantly influence the yield on stock investments.

General regulatory risks

The Group is operated in a complex regulatory environment, and its activities are significantly influenced by the regulatory environment, and the specialities of the legal structure. Unpredictable legal, operative, administrative, taxation and other regulatory changes may have a significant effect on the Group's business activity and financial profitability.

The Group shall use its best efforts in order to comply with the applicable laws and regulations. Nevertheless, possible non-compliance with the applicable laws and regulations may result in official proceedings and fines, or other legal consequences. Furthermore, possible future regulatory changes influencing the Group's activity many also adversely impact the Group's profitability.

Vis maior risks

Vis maior, wars, civil wars, natural disasters (e.g. earthquakes, floods, epidemics) may adversely impact the macro economy and the Group's profitability.

Risks related to raw materials

The availability of appropriate raw materials and components is indispensable for the performance of the Group's activities. If the raw materials and components necessary for the performance of the activities are not available, or can only be purchased for a higher price, the Group may experience a decrease of revenues and an increase of operating costs, adversely impacting the Group's overall profitability.

Risks related to transport costs

With regard to the performance of its activities, the Group is highly reliant on public roads and railway transportation. The increase of transportation costs may result in the increase of the Group's operating costs, adversely impacting the Group's profitability.

Human resources risks

At present, the Hungarian economy is fully employed, which in practice means that Hungarian labour force has a great bargaining power, and is moving to employers providing higher wages and better working environment. This tendency results in a severe wage competition amongst corporations. The retention of good quality employees requires higher and higher wages, which adversely affects profitability, and weighs on normal operation. The Group's performance and success is significantly dependent on the expertise, attitude and commitment of employees. By competitive conditions and training opportunities, the Group makes efforts in order to keep employees, but there is no guarantee that one or more experienced experts will not leave.

World market trends

The profitability of the Company's agriculture and food industry segment is significantly impacted by international and world market trends. The price of liquid sugar, which is a main product of the division is greatly dependent on the world market price of sugar, while the price of alcohol products is subject to Platts registration, thus it may occur in this industry that the price of the raw material and the end product made from the same do not correlate.

Weather risks

In 2019, due to the weather conditions, can production significantly decreased both in Europe and on the world market, and the quality of sugar beet was below the expected standard. This (as well as increased demand for bioethanol) will probably impact prices. Weather determines returns, which generally impacts the selling price. If the weather is good, average production is high on the national level, then purchase prices are lower. Bad weather results in more expensive production and lower return.

Weather has a significant impact on the profitability of hotels operated in the Tourism sector, especially seasonal hotels, such as ski hotels. But the profitability of Balatontourist camp sites is also dependant on the weather.

EU tenders

The greatest risk related to construction businesses is the implementation of the public procurement projects aided by the European Union, announced by the Hungarian government and financed by so-called Hungarian funds The profitability of businesses is subject to the volume of the awarded tenders.

COVID-19 EFFECTS

With Government Decree 40/2020. (III.11.), the Hungarian Government declared a state of emergency on 11 March 2020. Then in order to slow the spread of the COVID-19 pandemic, in a government decree the Hungarian Government limited border crossing and the official hours of non-vital shops. Simultaneously, the Government also adopted economy boosting measures, the most significant being the order on a debt repayment moratorium up to 31 December 2020.

The measures taken in relation to the pandemic have a significant but not critical impact on the operation of OPUS GLOBAL Nyrt. The management of OPUS GLOBAL Nyrt. made responsible decisions on the Group's most important tasks, and a multi-phase action plan adjusted to the different governmental measures is developed.

The Group will take all precautionary measures that may help the slowdown of the pandemic, and keep up continuous operation. The safety of employees is a priority for the Group, therefore, based on industry recommendations, precautionary measures had been taken even before corona virus appeared in Hungary.

No responsible expert that could predict the duration and extent of damage caused to the economy. As this is unprecedented, there are no generally applied practices, and thus the economic effects of such a worldwide pandemic are not known either.

At the time of the preparation of this business report, the effects of corona virus are unpredictable, but the fact that one of the great losers of the pandemic is tourism is apparent. The HUNGUEST Group, in line with the government and international regulations, announced the suspension of the operation of hotels in Hungary and abroad from 22 March for a definite period, thus guests are not welcome, as an expected result of which, the profitability of 2020 will be affected, which we need to acknowledge now. Tourism sector clearly expects the strengthening of domestic tourism subsequent to the ease of the pandemic, and Hunguest Hotels located in the country are most likely to benefit from this sooner than those in Budapest.

Due to the general reservation cancellations, Hunguest Hotels are rescheduling the previously planned renovation of 14 hotels, thus the accommodation shut down due to the pandemic will not be renovated partially open, but in several phases, fully shut down. Hotels that will be renovated in a later (second) phase are expected to be reopened in mid-summer. Due to three months of total shut-down and hotel renovations, the predicted company-level revenues are expected to fall significantly (approx. 50%) below that of the base year. The company immediately balanced the drastic loss of revenue by way of cost cutting measures, with which temporary losses can be partially compensated.

We are also prepared to the total halt of tourism in Hungary and abroad. The greatest difficulty is the harmonisation of measures taken in order to minimize economic losses and to possibly keep human resources. With regard to human resources decisions, we absolutely do take into consideration the government's measures taken in order to mitigate damages, and we ensure the preconditions of further development with technical and aesthetic renewals.

With regard to the government's decision on loan repayment moratorium, the OPUS Group, due to its solid financial foundations, will probably only use this option in the food industry and tourism companies, and loan repayment will be uninterrupted in the other segments.

So far, the economic effects of the pandemic had a lesser impact on the construction and food industry companies, in spite of the fact that procurement of raw materials is now more difficult due to slower transportation, but thanks to flexible responses, production is uninterrupted. And due to changed needs, the production of alcohol used as an ingredient in hand sanitizers was increased by KALL Ingredients Kft. and VIRESOL Kft, in the Food Industry division, with which increased domestic demand may be met. Our industry reputation is increased by the fact that the experts of KALL Ingredients Kft. and VIRESOL Kft. in the Food Industry division are involved in the development of the food rescue package proposal of the Hungarian Chamber of Commerce and Industry.

With regard to medium and long-term plans, we can say that at present, group-level processes are being optimised in order to minimise the negative impacts of the corona virus. If necessary, we can flexibly adjust the profile and production of certain companies to the changed needs. Raw material supply is reliable in the production units of OPUS GLOBAL Nyrt. shutdown is not expected in the construction industry, and projects are in progress as planned. The food industry division, as manufacturer of raw materials for the food industry is also one of the less impacted segments, certain segments may be prioritised by consumers, food supply is a priority.

Nevertheless, OPUS GLOBAL Nyrt. is benefiting from this situation, as due to its diverse portfolio, its operation may be kept more balanced compared to those, who are focused on a specific segment of the economy.

VI. APPROVAL OF THE DISCLOSURE OF THE FINANCIAL STATEMENTS

The financial statements were accepted by the Directorate of the Group's Parent Company on 9 April 2020 in decision No. 4-5/2020.(IV.09.) of the Directorate, and same was approved for disclosure in this format in decision No. 1-2/2020.(IV.09.) of the Company's Supervisory Board and the Audit Committee.

VII. DECLARATION

OPUS GLOBAL Nyilvánosan Működő Részvénytársaság (registered office: H-1062 Budapest, Andrássy út 59., hereinafter "Company") declares that the annual report for 2019, compiled by the Company according to the applicable accounting requirements and to the best of its abilities, provides a fair and reliable representation of the issuer's assets, obligations, financial position, profit and loss, and its executive summary gives a reliable representation of the issuer's situation, development and performance, giving details of the main risks and uncertainties.
It also represents that it will publish the corporate governance declaration provided in Section 95/B (1) Act C of 2000 on Accounting with the content specified in subsection (2) in the Responsible Corporate Governance Report based on 3:289 of the Civil Code and display it on the websites of the Company and of BSE.

9 April 2020

Dr. Mészáros Beatrix   Gál Miklós

2019 consolidated financial statement of OPUS GLOBAL Nyrt. prepared in accordance with the international financial standards adopted by the European Union

ANNEX NO. 2 DATA SHEETS RELATED TO THE FINANCIAL STATEMENTS (FS)

FS1. General information on financial data

Audited? Yes / No
Consolidated? Yes / No
Hungarian / IFRS (adopted by the EU) / other

As a result of the Group's decision, for the sake of better comparability, the Balance Sheet disclosed in the 2018 IFRS audited consolidated annual report is presented in a detailed breakdown the 2019 IFRS consolidated annual report helping comparability with the 2019 Balance Sheet and analysis.

The detailed introduction of the rows of the Balance Sheet does not mean that the value of Assets and Liabilities changed in comparison with the 2018 IFRS audited consolidated annual report.

.

Reclassification of the rows of the 2018 audited IFRS consolidated Annual Report - ASSETS			
Rows of the 2018 audited report	**HUF '000'**	**2018 balance sheet data (HUF '000') in the 2019 audited report**	**HUF '000'**
Financial investments	329,665	Securities (Current assets)	107,729
		Financial investments	221,936
Loans granted (the renamed to financial investments in 2019)	5,450,256	Non-current receivables from affiliated companies	714,145
		Financial investments	4,736,111
Accounts payable and other liabilities	27,247,120	Current receivables from affiliated companies	466,410
		Accounts receivable	26,780,710
Other receivables	30,516,865	Current receivables from affiliated companies	1,386,008
		Other receivables and accrued expenses and deferred income	29,130,857
TOTAL	**63,543,906**		**63,543,906**

Reclassification of the rows of the 2018 audited IFRS consolidated Annual Report - LIABILITIES			
Rows of the 2018 audited report	**HUF '000'**	**2018 balance sheet data (HUF '000') in the 2019 audited report**	**HUF '000'**
Accounts payable and other liabilities	161,764,009	Other short-term liabilities, accrued expenses and deferred income	124,915,187
of which: Accounts payable	*36,848,822*	Accounts payable	29,463,996
		Current liabilities to affiliated companies	7,384,826
Other Long-Term Liabilities	12,780,893	Other Long-Term Liabilities	8,649,609
		Long-term liabilities to related parties	4,131,284
TOTAL	**174,544,902**		**174,544,902**

FS2. Consolidated IFRS financial statements of OPUS GLOBAL Nyrt

Description (HUF '000)	Notes	**2019YE**	**2018YE**
ASSETS			
Non-current assets			
Property, Plant and Equipment	**3.2.**	181,342,076	212,866,840
Intangible assets	**3.3.**	814,225	627,287
Goodwill	**3.4.**	92,773,107	68,367,682
Investment property	**3.5.**	2,230,000	2,135,139
Financial investments	**3.6.**	4,827,470	4,958,047
Non-current receivables from affiliated companies	**3.7.**	1,108,408	714,145
Deferred tax assets	**3.28.**	1,761,918	572,163
Ownership interests	**3.6.**	18,934,711	3,429,219
Contract portfolio	**3.8.**	64,358,926	101,299,000
Right to use assets	**3.9.**	2,190,434	-
Total Non-current assets		**370,341,275**	**394,969,522**
Current assets			
Inventories	**3.10.**	17,540,748	22,051,808
Unfinished production from investment agreements	**3.10.**	82,259	2,528,842
Biological assets	**3.11.**	133,068	182,660
Corporate income tax assets in the reporting year	**3.12.**	267,442	109,438
Accounts receivable	**3.13.**	21,798,517	26,780,710
Accounts receivable from investment contracts	**3.13.**	-	422,656
Current receivables from affiliated companies	**3.13.**	45,652	1,852,418
Other receivables and accrued expenses and deferred income	**3.14.**	27,271,520	29,130,857
Securities	**3.15.**	10,264,595	107,729
Not untied cash	**3.16.**	108,279	7,653,619
Cash and cash equivalents	**3.16.**	79,444,973	90,933,056
Assets held for sale	**3.17.**	118,721,907	-
Total current assets		**275,868,960**	**181,753,793**
		-	
Total assets		**646,210,235**	**576,723,315**
LIABILITIES			
Equity	**3.18.**		
Subscribed capital	**3.19.**	17,541,151	13,409,612
Own shares repurchased	**3.19.**	- 405,879	- 405,879
Capital reserve	**3.19.**	166,887,066	132,733,654
Reserves	**3.19.**	8,033	-
Accumulated P/L	**3.19.**	46,100,380	- 2,814,508
P/L for the reporting year	**3.19.**	- 27,125,213	25,485,245
Revaluation difference	**3.19.**	- 118,335	48,601
Total equity per parent company		**202,887,204**	**168.456.725**
Non-controlling interest	**3.20.**	84,667,963	111,897,426
Total equity capital:		**287,555,167**	**280,354,151**
Long-term liabilities			
Long term loans and advances	**3.21.**	75,007,042	66,303,994
State aid	**3.22.**	25,432,248	1,795,616
Debts from bonds issue	**3.23.**	28,771,540	-
Other Long-Term Liabilities	**3.24.**	8,624,472	8,649,609
Provisions	**3.25.**	1,970,764	19,014,602
Long-term liabilities to related parties	**3.26.**	4,408,634	4,131,284

Long-term financial leasing liabilities	**3.27.**	1,656,014	71,226
Deferred tax liability	**3.28.**	1,922,986	11,767,044
Total long term liabilities		**147,793,700**	**111,733,375**
Short-term liabilities			
Liabilities for sale	**3.29.**	64,941,829	-
Short term loans and advances	**3.21.**	22,986,956	20,850,010
Accounts payable	**3.30.**	26,547,540	29,463,996
Other short-term liabilities, accrued expenses and deferred income	**3.31.**	92,971,560	124,915,187
Short-term liabilities to related parties	**3.32.**	2,142,555	7,384,826
Short-term financial leasing liabilities	**3.27.**	531,044	55,004
Corporate income tax liability in the reporting year	**3.12.**	739,885	1,966,766
Total short term liabilities		**210,861,368**	**184,635,789**
Total liabilities and equity		**646,210,235**	**576,723,315**

FS3. Consolidated IFRS comprehensive income statement of OPUS GLOBAL Nyrt

Name (data in thousand HUF)	Notes	**2019YE**	**2018YE**
Revenue	**3.33.,3.34.**	198,935,865	40,426,210
Value of capitalised own performance	**3.35.**	7,263,618	3,114,823
Other operating income	**3.36.**	3,942,910	10,544,639
Total operating income		**210,142,393**	**54,085,672**
Raw materials, consumables and other external charges	**3.37.**	158,794,421	37,932,573
Personnel type expenses	**3.38.**	21,657,740	7,234,241
Depreciation	**3.2.,3.3.,3.9.**	27,386,324	2,145,308
Impairment	**3.39.**	207,210	31,257
Other operating costs and expenses	**3.40.**	5,400,860	9,964,547
Total operating costs		**213,446,555**	**57,307,926**
EBITDA		**24,082,162**	**- 1,076,946**
Financial transactions and earnings before interest and taxes (EBIT)		**- 3,304,162**	**- 3,222,254**
Revenues from financial transactions	**3.41.**	4,040,243	1,352,606
Badwill	**3.41.**	3,225,736	24,468,828
Expenses on financial operations	**3.41.**	5,030,297	1,258,386
Share in investments recognised with the equity method	**3.41.**	- 5,412,593	- 491,729
Profit/loss from financial transactions		**- 3,176,911**	**24,071,319**
P/L before taxes		**- 6,481,073**	**20,849,065**
Deferred tax	**3.42.**	- 2,766,113	- 210,242
Income tax expense	**3.42.**	1,094,912	329,353
Net profit or loss from continued activities		**- 4,809,872**	**20,729,954**
Net profit or loss from discontinued activities	**3.43.**	**- 29,412,824**	**4,041,720**
Profit or loss after taxes		**- 34,222,696**	**24,771,674**
Impact of fair valuation		-	-
Impacts of exchange rate changes		- 118,335	26,743
Effects of deferred tax		9,679	1,039
Other comprehensive income		**- 173,737**	**27,782**
Total comprehensive income		**- 34,396,433**	**24,799,456**
Profit or loss after taxes			
Parent company		- 27,125,213	25,485,245
Non-controlling interests		- 7,097,484	- 713,571
Other comprehensive income			
Parent company		- 158,357	27,756
Non-controlling interests		- 15,380	26
Total comprehensive profit or loss			
Parent company		- 27,283,570	25,513,001
Non-controlling interests		- 7,112,864	- 713,545

FS4. Consolidated IFRS equity change of OPUS GLOBAL Nyrt.

HUF '000'	Subscribed capital	Own shares repurchased	Capital reserve	Reserves	Accumulated P/L	P/L for the reporting year	Revaluation difference	Equity per parent company	Non-controlling interest	Total equity capital
31 December 2018	**13,409,612**	**- 405,879**	**132,733,654**	**-**	**- 2,814,508**	**25,485,245**	**48,601**	**168,456,725**	**111,897,426**	**280,354,151**
Changes of the accounting policy										
Application of the IFRS 16 standard	-	-	-	-	- 5,142	-	-	- 5,142	2,488	- 2,654
Amended on 1 January 2019	**13,409,612**	**- 405,879**	**132,733,654**	**-**	**- 2,819,650**	**25,485,245**	**48,601**	**168,451,583**	**111,899,914**	**280,351,497**
merge of Konzum Nyrt.	826,308	-	37,458,643	-	19,125,852	-	-	57,410,803	16,429,937	73,840,740
Equity settlement	3,305,231	-	- 3,305,231	-	-	-	-	-	-	-
Book transfer of profit and loss	-	-	-	-	25,485,245	- 25,485,245	-	-	-	-
P/L for the reporting year	-	-	-	8,033	-	- 27,125,213	- 166,389	- 27,283,569	- 7,112,864	- 34,396,433
Capital increase	-	-	-	-	-	-	-	-	-	-
Acquisition subsidiaries	-	-	-	-	-	-	-	-	16,718	16,718
Involvement of subsidiaries	-	-	-	-	-	-	-	-	- 5,360,306	- 5,360,306
Removal of subsidiaries	-	-	-	-	-	-	-	-	- 16,823,492	- 16,823,492
Sale of a subsidiary	-	-	-	-	-	-	-	-	-	-
Transactions with NCI control	-	-	-	-	4,308,933	1	- 547	4,308,387	2,104,987	6,413,374
Change of business combinations	-	-	-	-	-	-	-	-	- 7,902,889	- 7,902,889
Dividend	-	-	-	-	-	-	-	-	- 8,584,042	- 8,584,042
Repurchased own shares, increase/decrease	-	-	-	-	-	-	-	-	-	-
31 December 2019	**17,541,151**	**- 405,879**	**166,887,066**	**8,033**	**46,100,380**	**- 27,125,212**	**- 118,335**	**202,887,204**	**84,667,963**	**287,555,167**

FS5. Consolidated IFRS cash flow statement of OPUS GLOBAL Nyrt

Consolidated cash flow statement	2019YE	2018YE
HUF '000'	**2019YE**	**2018YE**
Cash flow from operating activities		
P/L before taxes	- 6,481,074	20,849,065
Net profit/loss from discontinued activities	- 29,412,824	4,041,720
Change in other comprehensive profit, less taxes	- 173,736	26,743
Adjustments:		
Depreciation and amortization	27,386,323	2,145,308
Accounted impairment and reversal	207,210	31,257
Revaluation of investment properties	- 177,015	- 22,550
Revenues from the sale of tangible assets	- 43,168	- 1,036,265
Change of contract portfolio	16,128,325	-
Dividends received	-	- 61,893
Interest paid	4,177,892	668,598
Interest received	- 169,685	- 287,621
Change in the working capital		
Right to use assets	- 2,268,116	-
Change in trade and other receivables	2,345,613	- 54,608,659
(Other) change in current assets	- 758,669	- 20,750,543
Securities	- 10,156,866	-
*Cash related to discontinued activities	- 2,237,540	-
Changes of trade and other short term liabilities	- 26,964,308	275,857,317
Change in provisions	6,602,883	16,573,916
Deferred tax assets and liabilities	2,819,786	-
Income tax paid	- 1,094,912	13,644,006
Net cash flow from operating activities	***- 20,269,881***	***257,070,399***
Cash flow from investment activities		
Dividends received	-	61,893
Purchase of tangible and intangible assets	- 77,258,604	305,739,375
Revenue from the sale of tangible and intangible assets	463,659	6,515,806
Acquisition of financial investments	- 384,473	- 1,682,962
Sale of a subsidiary	9,066,983	
Acquisition subsidiaries	-	- 68,241,292
Net cash flow from investment activities	***- 68,112,435***	***- 369,085,930***
Cash flow from financing activities		
Issue of shares	-	128,964,232
Borrowing	59,249,605	75,477,145
Loan repayment	- 22,822,903	
Dividend payment	- 8,584,042	- 46,456
Interest paid	- 4,177,892	- 668,598
Interest received	169,685	287,621
State aid	24,288,240	
Income from the issue of bonds	28,771,540	- 6,202,800

Net cash flow from financing activities	***76,894,233***	***197,811,144***
Net change in cash and cash equivalents	- 11,488,083	85,795,613
Balance of cash and cash equivalents at the beginning of the year	90,933,056	5,137,443
Year-end balance of cash and cash equivalents	**79,444,973**	**90,933,056**

* The consolidated Cash flow statement of OPUS GLOBAL Nyrt. of 31.12.2019 was prepared with the assumption that cash flow movements from discontinued activities are also recognised as continued activities. Assets and liabilities in Discontinued activities will be sold in 2020, thus derecognition has no effect on the cash flow in 2019.

SUPPLEMENTARY NOTES TO
THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE IFRS ADOPTED BY THE EU

(31 DECEMBER 2019)

1. GENERAL BACKGROUND

1.1. *Legal situation and nature of activity*

OPUS GLOBAL Nyrt's legal predecessor was incorporated in 1912 under the name "Phylaxia Szérumtermelő Rt". The business that is more than 100 years old has been operating uninterrupted since its establishment. The Company's shares were admitted for listing on the Budapest Stock Exchange in January 1998, and since 3 October 2017, they have been registered among Premium shares.

The corporate name of the Company was changed to OPUS GLOBAL Nyrt. on 3 August 2017.

Registered office of the Company as from 19 June 2018: 1062 Budapest, Andrássy út 59.

In 2019, the companies consolidated by the Company fall in the below segments: Industrial manufacturing, Agriculture and Food industry, Tourism, Asset Management and Energy segment are presented, the companies of which will be presented in Discontinued activities at the end of the year.

As the second step of the merger, on 08.04.2019, the General Meeting with its Decision No. 3/2019 (IV.08.) made a final decision on the merge of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság (registered office: 1062 Budapest, Andrássy út 59.; company registration number: 01-10-049323; „KONZUM Nyrt." or "Merging Company"), as merging company into OPUS GLOBAL Nyrt., as receiving, legal successor company ("Merge"). The business organisation acting as the legal successor in the merger is OPUS GLOBAL Nyrt. As a result of the Merge, all assets of KONZUM Nyrt. are transferred to OPUS GLOBAL Nyrt. as general legal successor, which subsequent to the Merge, have been carrying on its activity as a public limited company, in the same company form. The process of the Merge was finalised on 30.06.2019.

Subsequent to the Merge, the OPUS GLOBAL Nyrt's share capital (subscribed capital) has been HUF 17,541,151,250 i.e. seventeen billion five hundred and forty-one million one hundred and fifty-one thousand two hundred and fifty Hungarian Forints. At present, the Company's share capital comprises of 701,646,050 i.e. seven hundred and one million six hundred and forty-six thousand fifty (Series A) ordinary shares, each representing HUF 25, i.e. twenty-five, Hungarian Forints, and equal rights.

1.2. *Name and residential address of the person signing the annual report:*

Chief Executive Officer of the Company: Miklós Gál, 2000 Szentendre, Vessző utca 8.

1.3. *Auditor of the Company:*

BDO Hungary Könyvvizsgáló Kft. (1103 Budapest, Kőér utca 2/A. Building C., company registration number:01-09-867785, tax number: 13682738-4-42, MKVK number: 002387), name of auditor personally responsible for the audit: Péter Kékesi, MKVK number: 007128, Chamber membership number: 007128.

1.4. *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: H-1188 Dated in Budapest, Tiszavirág u. 53/a.
c) Registration number: 196,131

1.5. Lawyer's office representing the Company:

Kertész és Társai Lawyer's Office, 1062 Budapest, Andrássy út 59.

Nadray Law Offices, H-1055 Budapest, Falk Miksa utca 3

1.6. 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 IFRS standards are published and filed in the form of a regulation in the Official Journal of the European Union (EU). 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 (thousand). 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. The actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an uninterrupted basis. The effects of changes in the accounting estimates are recognized in the current and future periods affected by the change. 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.

The financial year corresponds to the calendar year.

1.7. Changes of the accounting policy

The accounting policy is considered to be changed if:

- Such a change is supported by the decision of a statutory regulation or a decision of the body establishing the accounting standards.
- Change in the accounting policy provides more relevant and more reliable information on the financial situation, performance and cash flow of a business entity,
- The entity adapts a new standard that requires the application of an accounting policy different from the previously applied one,
- The business entity decides on a switch from one accounting method approved by IFRS to another also approved by IFRS.

Should the full accomplishment of the change be impossible, the amendment may be dispensed with.

As a result of the uncertainties inherent in the Group's business activity, numerous items in the financial statements cannot be accurately measured, only estimated.

The use of reasonable estimates is an essential part of preparing financial statements and does not undermine their reliability. An estimate may need revision if changes affecting the circumstances underlying the estimate take place or if new information or more experience justify. By its nature, the revision of an estimate does not relate to preceding periods and does not qualify as the correction of an error.

The parent company has several subsidiaries. In accordance with the accounting regulations, the annual impairment tests are performed by the Group in order to examine the value of investments representing ownership interests and shares. If the book value of the investment or share is permanently and considerably higher than its market value at the time of preparing the balance sheet, impairment is recognized, while if the book value of the investment or share is permanently and considerably lower than its book value at the time of preparing the balance sheet, impairment is reversed. The Group valuates shares on the basis of the expected future cash flow and the value of equity.

A business must disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is impracticable to estimate that effect.

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:

Changes in the accounting policy

The Group has compiled its financial statements in accordance with the provisions of all the standards and interpretations that entered into force on 31 January 2019.

The Group's accounting policy is consistent with the one used in previous years with the following exceptions:

IFRS 16 Leasing (effective from 1 January 2019)

On 13 January 2016, IASB published a new standard about the recognition of leasing transactions. The application of the new leasing standard will be mandatory for the companies that adopt the IFRS in respect of the reporting periods beginning on or after 1 January 2019. The new standard replaced the previous regulations set out in IAS 17 and IFRIC 4 on lease, and fundamentally changed the previous practice of accounting operative leasing.

The Group examined the impact of the amendment, which are presented in ***Note 3.9***.

The standards and interpretations issued by IASB but not yet adopted by the EU and not expected to have any impact on the Company’s financial statements:

When the financial statements were approved, the following standards and interpretations had already been issued but they had not yet entered into force.

- IFRS 17 Insurance contracts – (in force in business years starting on or after 1 January 2021, the EU has not yet approved this amendment).
- Amendment of IFRS 3 on “Business combinations” (n force in business years starting on or after 1 January 2020, this amendment has not yet been approved by the EU).
- Amendments in the presentation of IAS 1 – Accounting Policies, and changes in IAS 8 – Accounting Estimates and Errors: Specification of the level of significance (in force in business years starting on or after 1 January 2020).
- IFRS 99 – “Financial Instruments”, IAS 39 – “Financial Instruments”: Presentation and valuation and IFRS 7, “‘Financial instruments”: Amendment of the disclosure (in force in business years starting on or after 1 January 2020).

The abovementioned standards and amendments are not expected to significantly affect the Group’s consolidated profit/loss.

In 2019 the Group applied all the IFRS standards, amendments and interpretations effective as from 1 January 2019 and relevant for the operation of the Company.

Other new/amended standards or interpretations will probably not have a significant effect on the Group’s financial statements.

2. KEY 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. This date may be a day in the year, that is the date of exact acquisition, or exact sale.

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.

Affiliated companies and joint ventures

Affiliated companies are 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 affiliated 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.

Affiliated 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 affiliated 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 affiliated 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 affiliated 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 affiliated or jointly managed business.

The loss of unrealized profits related to the transactions between the Group and the affiliated or jointly managed businesses shall be filtered out up to the value of the business share in the affiliated or jointly managed business. The accounting policy of affiliated and jointly managed businesses is amended, if necessary in order to ensure the uniform accounting policy in the Group.

If the affiliated business simultaneously prepares a 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 financial statements have been compiled on the basis of the direct cost principle, with the exception of the cases where IFRS requires the application of a different method of valuation, as described 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 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.

The foreign exchange transactions performed in a currency other than HUF are initially recognised at the exchange rate valid on the day of performing 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. Any exchange rate gain or loss is recognized in the oncome statement. The existing exchange rate difference not realized during the revaluation of the existing foreign exchange and foreign currency items are recognized at the end of the year.

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 comprise cash and cash equivalents, accounts receivable, other loans and receivables, and derivative and non-derivative financial assets held for trading.

Financial liabilities usually arise from claims for the repayment of money and other financial assets. They mainly include bonds and other securitized liabilities, trade debtors, liabilities to banks and affiliated companies, financial leasing obligations and derivative financial liabilities.

Financial assets

The report related to the Group's consolidated financial situation includes the following financial assets: accounts receivable, loans provided cash and cash equivalents. The financial assets falling within the scope of the IFRS 9 standard can be classified into three valuation categories: assets measured at amortised cost after acquisition; assets measured at fair value through other comprehensive income after acquisition (FVOCI) and assets measured at fair value through profit or loss after acquisition (FVTPL).

The Group's financial assets are classified upon initial valuation in accordance with their nature and objectives. In order to determine the category of a financial instrument, first it needs to be clarified if the given financial asset is a debt instrument or a capital investment. Capital investments must be measured at fair value through the P/L, but at the time of initial recognition the business may decide to measure capital investments not held for trading at fair value through the other comprehensive P/L. If the financial asset is a debt instrument, the following considerations apply to their rating and classification.

1062 Budapest, Andrássy str. 59.
Company registration number: 01-10-042533
tel.: +36 1 433 0700
e-mail: info@opusglobal.hu
www.opusglobal.hu

Amortised prime cost

Financial assets must be measured at amortised prime costs if they are held on the basis of a business model to collect contractual cash flows, and the contractual conditions of the financial asset generate cash flows, at a specified point in time, that only constitute payments of the principal and the interest on any principal outstanding.

Fair value through other comprehensive profit or loss

Assets measured at fair value other comprehensive P/L are financial instruments held on the basis of a business model that achieves its objective by collecting contractual cash flows and the sale of financial assets, and the contractual conditions of the financial asset generate cash flows, at a specified point in time, that only constitute payments of the principal and the interest on any principal outstanding.

Fair value to P/L

The category of financial assets measured at fair value through the P/L includes financial assets not included in any of the above two categories of financial assets, or at the time of their initial presentation they were specified as measured at fair value through the P/L.

When checking compliance with the SPPI requirements, the Group checks whether cash flows from the contract are consistent with the basic lending arrangements.

In order to be able to establish whether contractual cash flows only contain principal and interest, the Group checks the contractual terms and conditions of the financial instrument. It also checks whether the contract contains contractual terms and conditions that make the amount or timing of the contractual cash flows change in a manner that prevents the financial instrument from meeting the SPPI criterion.

All other debt instruments must be measured at fair value through profit and loss (FVTPL).

All equity instruments must be measured at fair value in the balance sheet, and recognise the impact in the change in fair value directly in the profit and loss accounts except for the equity instruments in respect of which the entity uses the Other comprehensive income option (FVOCI). The Company did not avail itself of the FVOCI option. The Group did not use the FVOCI option.

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.2.3. Financial liabilities

The Group's consolidated statement of the financial position includes the following financial liabilities: accounts payable and other short-term liabilities, loans, issued own shares, and bank overdrafts. Their recognition and valuation are included in the relevant parts of the Notes to the financial statements as follows:

The Group valuates each financial liability at its fair value valid at the time of its initial recognition. In the case of loans and debts on issued bonds, the transactions costs directly attributable to the acquisition of the financial liability are also taken into consideration.

The financial liabilities falling within the scope of the IFRS 9 can be classified into two valuation categories: assets measured at amortised cost after acquisition and assets measured at fair value through profit or loss after acquisition (FVTPL). The Company determines the classification of the individual financial liabilities when they are acquired. The Group did not use the FVTPL option.

Loans, advances and issued bonds are recognized in the statements of the financial position at the amortised cost calculated by the effective interest rate method. The profits and losses related to loans, advances and bonds are recognized in the income statement during the calculation of depreciation by the effective interest rate method and when the financial liability is deregulated. Amortization is accounted as financial expenditure in the statement on income.

2.2.4. Inventories

The inventory prime costs comprise the acquisition costs, the conversion costs and the costs required for bringing the inventories at their current places and in their current condition.

In the balance sheet the Company recognizes purchased inventories at average historical cost reduced by impairment and increased by any recognized reversed impairment, while it recognizes self-manufactured inventories at production cost reduced by impairment and increased by any recognized reversed impairment.

Inventories are recognized at historical cost less impairment for unnecessary or obsolete stocks or at their 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 property

Property is recognised as investment property if the entity maintains it in order to make income from rental fees or value increase, or both, and not for subsequent sales, product manufacturing, service provision or business administration.

At the time of their initial appearance, investment properties are measured at prime cost. Following acquisition, the fair value of investment properties is determined with the involvement of an independent appraiser. At the end of each reporting period, these properties are recognized at fair value, and any differences are represented in the comprehensive income statement. The initial cost of a property includes all costs incurred during the acquisition of the given property.

Investment properties are derecognized upon sale or if they are withdrawn from use, and no yield is expected from sale. The profit or loss incurred on account of the derecognition of the property is recognized in the profit or loss of the reporting period.

2.2.7. Tangible assets

Intangible assets are recognized at value at cost reduced by accumulated depreciation and impairment.

The cost of a tangible asset comprises its purchase price less discounts and rebates, including any import customs, non-refundable taxes and all indirect costs of shipping the asset to the place of operation and required for its commissioning in the way considered desirable by the management. The estimated costs of dismantling and removing the asset and site restoration are also included in the prime cost if under the IAS 37 standard a provision can be made for the liability.

Tangible assets are depreciated by the straight-line 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

Concessions, licences and similar rights (only those related to real properties)	2%-20%
Other concessions, licences and similar rights (distribution right)	6%-20%
Intellectual properties, software	20%-33%

2.2.9. Goodwill

Goodwill means the positive difference between the purchase value of the identifiable net assets of the acquired subsidiary, the affiliated company or the jointly managed company and the real value of the same. Goodwill is not amortised, but the Group examines every year whether the book value is not likely to be returned. When evaluating Goodwill, the parent company shall take into consideration the income generating capability of the subsidiaries (as money making units).

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. Amortisation cannot be reported for the costs arising in the development period. 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 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 cashflow plans.

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. Impairment is the difference between the book value and the recoverable amount 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. When the balance sheet is compiled, provisions are revised in light of the best current estimate.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking the risks and uncertainties characteristic of the obligation into account. If a provision is measured using the cash flow likely required for the payment of the existing obligation, then the book value of the provision is the present value of such cash flows.

If some or all of the expenditures required to settle a provision is expected to be reimbursed by another party, such a receivable may be recognized as an asset if it is virtually certain that the entity will receive the reimbursement and the amount receivable is reliably measurable.

Existing obligations arising from onerous contracts are recognized as 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

Ordinary shares are recognised as equity components.

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.

With regard to the members of the Group performing construction activities, the accounting of revenues and costs is performed by the performance-based accounting (percentage/stage of completion method - POC). In this case, revenues and costs corresponding to the level of readiness are presented in the profit/loss, which means that only profit/loss in compliance with real performance is reported.

2.2.15. Capital gains tax

Local business tax and innovation contribution are not included in income taxes; they are recognised among 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 Company's profit before taxes adjusted for any tax-base reducing or increasing items. 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.

Separate tax for energy suppliers

The members of the Group, which qualify as energy suppliers in accordance with the interpretation of the district heating act, performing the generation, supply and use of district heating are obliged to pay energy supplier's income tax. The tax base is the net revenue from the taxable activity.

2.2.16. 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.

2.2.17. Leasing

The Group started the application of the new leasing standard on 1 January 2019 (Note XXXX). According to the IFRS 16 standard on leases, the lessee must simultaneously account and quantify a right to use among assets and a related financial liability among liabilities. The right-to-use asset is measured similarly to other non-financial assets and depreciation is also recognised accordingly. Initially, lease liabilities are measured at present value during the lease term, and this present value is calculated with the help of the implicit interest rate if such an interest rate can be accurately specified. If this interest rate is difficult or impossible to determine, the lessee may use the incremental borrowing rate for discounting purposes.

The Group has decided not to recognise assets encumbered by use rights and leasing liabilities in the case of small-value assets and short-term leases. The Group recognises the lease charges related to such a leasing as costs by the linear method during the lease term. The Group presents the assets encumbered by the right of use under leasing in the balance sheet line "Tangible assets", in the same line where other assets of the same character are presented.

Leasing liabilities were calculated from the commencement date of the lease contract, and the licence assets and leasing liabilities were determined by discounting with the incremental borrowing rate. The difference between the net value of the licence asset and the balance of the leasing liability as at 1 January 2019 was recognised in the profit reserve. Previously, in the case of assets recognised as financial leasing, the Group determined the book value of the leasing liability directly at the book value of the asset encumbered by use rights and of the leasing liability presented before the adoption of the new system, at the time of the initial application.

The Group applied the following practical solutions allowed by the standard during the first application of IFRS 16:

- reliance on the previous valuations in relation to deciding whether a contract was a lease contract or included leasing,
- the recognition of operative leasing with a term to maturity less than one year on 1 January 2019 is considered as short-term leasing
- dispensing with the initial direct costs in the determination of the right to use at the time of initial application and
- the application of subsequent valuation when the term of the leasing is set, if the contract includes options for the renewal or termination of the leasing.

2.2.18. State aid

State aids are reported, when the provision of the same is probable, and the conditions related to the provision of the same are met. When the state aid is used for covering costs, then they are to be reported (in other revenues) in the period, when the costs to be covered arise. When state aids are related to the acquisition of equipment, they are reported as deferred incomes, and are reported in incomes in equal amounts every year of the useful life of the equipment.

2.2.19. Deferred tax

Corporate income tax was determined in accordance with the Hungarian tax laws. 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 assets are recognized to the extent taxable profits (or reversible deferred tax assets) against which such deferred tax assets can be offset are likely to be made in the future.

Deferred tax is reported by the Group for the temporary differences of shares in subsidiaries, associate and jointly managed companies.

Deferred tax is calculated by the liability method on the balance-sheet cut-off date in respect of the temporary differences between the tax base of assets and liabilities and their carrying value recognised for reporting purposes. The settlement of deferred taxes on the basis of balance-sheet data is based on the disclosure of cumulated 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.

In an approach based on the balance-sheet data, if the tax balance value of an asset exceeds its book value recognized in the accounting balance sheet, it will generate deferred tax assets. In addition to impairments recognized for trade debtors, such cases may also take place when the extent of accounting depreciation exceeds the depreciation permitted by the Tax Act, if additional impairment is accounted for the inventories, or if accelerated depreciation is accounted for tangible assets and intangible assets.

Deferred tax assets may be recognized in the case of deductible temporary differences, accrued unused tax assets or tax losses, to the extent taxable profits are likely to be made in the future and these temporary differences and unused tax assets can be offset against them.

The carrying value of deferred tax assets is revised on every balance-sheet cut-off date and reduced to the extent that sufficient taxable profit is unlikely to be made for using part or whole of such deferred tax assets.

The amount of deferred tax asset and tax liability is determined at the time the tax asset is paid or liability is settled on the basis of the statutory tax rates valid on or after the balance-sheet cut-off 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.

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 presented in the Notes, unless the outflow of funds representing economic benefit is a remote option of a very slight probability. 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.

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 procedure includes the decisions adopted on the basis of the available information and the relevant factors. Such estimates are based on the best knowledge of the Management with regard to current events, but actual results can differ.

The estimates are updated on a regular basis. 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
- When evaluating Goodwill, the parent company shall take into consideration the value of the equity of the subsidiaries.
- 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

3. NOTES RELATED TO THE ITEMS OF THE FINANCIAL STATMENTS

(Unless otherwise indicated, data are specified in thousand HUF)

3.1. Details of business combinations

Name of company	Form	Country	Scope of activity	Ownership share	
				2019	2018
KALL Ingredients Kft.	Increase of share capital	Hungary	Manufacture of starches and starch products	83.00%	100.00%
4iG Nyrt.	Decrease	Hungary	Other information technology and computer service activities	9.95%	13.79%
KPRIA Kft.	merge	Hungary	Engineering activities and technical consultancy	51.09%	40.00%
KZH INVEST Kft.	merge	Hungary	Asset management (holding)	100.00%	-
KZBF INVEST Vagyonkezelő Kft.	merge	Hungary	Asset management (holding)	100.00%	-
KONZUM MANAGEMENT Kft.	merge	Hungary	Sale and purchase of own properties	30.00%	-
OPUS GLOBAL Befektetési Alapkezelő Zrt.	merge	Hungary	Fund Management	47.00%	-
CIG Pannónia Biztosító Nyrt.	merge	Hungary	Insurance	24.85%	-
Appeninn Vagyonkezelő Holding Nyrt.	merge	Hungary	Sale and purchase of own properties	4.83%	-

(The table presents only the changes in the reporting year)

On 31 July 2018, OPUS GLOBAL Nyrt. obtained 100 per cent of KALL Ingredients Kft. in in-kind contribution. In the summer of 2019, capital increase was performed in KALL Ingredients Kft. on the one hand by OPUS GLOBAL Nyrt., and on the other hand, by MFB Invest Zrt. in the course of which, the subscribed capital of KALL Ingredients Kft. increased to EUR 7 million by the end of 2019., with regard to which the business interest of OPUS GLOBAL Nyrt. decreased to 83%, while MFB Invest Zrt. acquired 17% of business interest.

In decision No. 3-7/2018 (XII.03.) of the extraordinary general meeting of OPUS GLOBAN Nyrt. (”First General Meeting”) of 3 December 2018, as well as decision No. 2-6/2018 (XII.03.) of the extraordinary general meeting of KONZUM Nyrt. (First General Meeting) of 3 December 2018, the shareholders expressed their consent with regard to the proposed merge of the OPUS GLOBAL Nyrt. AND KONZUM Nyrt., which is performed by KONZUM Nyrt. merging into OPUS GLOBAL Nyrt. (“Merge”). By way of the resolution of the Second General Meeting held on 08.04.2019, the decision-making bodies of OPUS GLOBAL Nyrt. and KONZUM Nyrt. approved of the time schedule for the Merger by granting all the consents required for the merger. The merger was completed by 30.06.2019.

After KONZUM Nyrt’s termination by merger, its general legal successor became OPUS GLOBAL Nyrt. During the merger, KONZUM Nyrt. will cease to exist, while the legal predecessor OPUS GLOBAL Nyrt. will continue to operate with an unchanged corporate legal status. Consequently, as a result of the transformation, while the company form and company registration number of OPUS GLOBAL Nyrt. will remain unchanged, OPUS GLOBAL Nyrt. became KONZUM Nyrt’s legal successor, acquiring direct interest in the business interests of KONZUM Nyrt. in effect on 30.06.2019.

OPUS GLOBAL Nyrt. acquired 40% of KPRIA Magyarország Zrt, in which KONZUM Nyrt. had a 11.09% share prior to the Merger. Subsequent to the Merger, the total rate of business share increased to 51.09%.

3.2. *Property, Plant and Equipment*

The below table presents the changes of the net value of tangible assets in the 2019 and 2018 business years.

HUF '000'	Properties	Machinery and equipment	Unfinished investments and advances	Total
Gross value				
31 December 2018	**92,349,413**	**234,778,955**	**40,041,071**	**367,169,439**
Changes of consolidation scope (growth)	68,343,707	6,217,192	338,164	74,899,063
Changes of consolidation scope (decrease)	- 54,178,919	- 201,026,059	- 2,442,450	- 257,647,428
Increase and reclassification	9,733,429	6,412,106	17,808,858	33,954,393
Decrease and reclassification	- 2,405,098	- 5,262,208	- 6,370,975	- 14,038,281
as at 31 December 2019	**113,842,532**	**41,119,986**	**49,374,668**	**204,337,186**
				Accrued depreciation
31 December 2018	**29,153,382**	**125,149,218**	**-**	**154,302,600**
Changes of consolidation scope (growth)	7,594,586	5,307,488	-	12,902,074
Changes of consolidation scope (decrease)	- 29,312,987	- 119,736,699	-	- 149,049,686
Annual write-off	2,008,779	3,786,313		5,795,092
Decrease	- 541,392	- 413,578	-	- 954,970
as at 31 December 2019	**8,902,368**	**14,092,742**	**-**	**22,995,110**
				Net book value
31 December 2018	**63,196,031**	**109,629,738**	**40,041,071**	**212,866,840**
as at 31 December 2019	**104,940,164**	**27,027,245**	**49,374,668**	**181,342,076**

As a result of the changes in the report year in the scope of consolidation, the value of property, plant and equipment decreased by HUF 31,524,746,000 compared to the base period. Within non-current assets, 49% is made up by property, plant and equipment, while it makes up 28% of total assets.

3.3. Intangible assets

The below table summarizes the changes in the value of intangible assets in the 2019 and 2018 business years.

HUF '000'	Rights representing assets	Other	Total
Gross value			
31 December 2018	**1,988,073**	**1,191,807**	**3,179,880**
Changes of consolidation scope (growth)	168,439	722,047	890,486
Changes of consolidation scope (decrease)	- 15,756	-	- 15,756
Increase and reclassification	94,745	194,757	289,502
Decrease and reclassification	- 793,284	- 161,525	- 954,809
as at 31 December 2019	**1,442,217**	**1,947,086**	**3,389,303**
Accrued depreciation			
31 December 2018	**1,741,328**	**810,865**	**2,552,193**
Changes of consolidation scope (growth)	124,465	472,354	596,819
Changes of consolidation scope (decrease)	- 688,039	- 71,713	- 759,752
Annual write-off	63,781	136,822	200,603
Decrease	- 14,595	- 190	- 14,785
as at 31 December 2019	**1,226,940**	**1,348,138**	**2,575,078**
Net book value			
31 December 2018	**246,745**	**380,942**	**627,687**
as at 31 December 2019	**215,277**	**598,948**	**814,225**

The Group's value of intangible assets in the end of the reporting year was HUF 814,225,000. Intangible assets made up 0.2% of invested assets as at 31 December 2019. As a result of the changes in the reporting year in the consolidation scope, the value of intangible assets increased by 30% compared to the base year.

3.4. Goodwill

When evaluating Goodwill, the parent company shall take into consideration the income generating capability of the subsidiaries (as money making units). Two significant items are represented in the amount of goodwill. One is the goodwill related to the acquisition of 100% of KALL Ingredients Kft. of HUF 39,270,576,000, and the other is the goodwill related to the acquisition of 51% of VIRESOL Kft. of HUF 26,313,218,000. As a result of the acquisitions performed in the report year, the value of goodwill reported in assets increased by HUF 24,405,425,000 compared to the base period. In 2019, the reason for the increase was that due to the merge of KONZUM Nyrt., the Group grew by a new segment, Tourism, as a result of which goodwill increased by HUF 16,179,844,000. Another reason for the growth was the exact determination of the estimate related to the goodwill of the Mészáros Építőipari Holding Zrt. Group (with which NCI decreased).

HUF ‘000’	2019YE	2018YE
Heiligenblut Hotel GmbH	1,419,481	-
Holiday Resort Kreischberg Murau GmbH	526,241	-
Hunguest Hotels Montenegro doo	787,862	-
HUNGUEST Hotels Szállodaipari Zrt.	-	-
KZH INVEST Kft.	12,960,268	-
Legátum '95 Kereskedelmi és Szolgáltató Kft.	254,296	-
Legjobb Napok Kft. „Liquidation in progress”	-	-
Ligetfürdő Ingatlanfejlesztő és Fürdőüzemeltető Kft.	-	-
MB Hills Szállodaüzemeltető Kft.	135	-
POLLUX HOTEL Zrt.	31,589	-
Relax Gastro & Hotels GmbH	150,598	-
Balatontourist Idegenforgalmi és Kereskedelmi Kft. (Badwill)	- 359,149	-
BALATONTOURIST CAMPING Szolgáltató Kft.(Badwill)	- 167,103	-
Balatontourist Füred Club Camping Szolgáltató Kft.(Badwill)	- 398,157	-
BLT Group Zrt.	973,918	-
EURO GENERÁL Zrt.	1,086	1,086
KALL Ingredients Kft	39,230,343	39,230,343
KALL Ingredients Trading Kft.	40,233	40,233
Mészáros Építőipari Holding Zrt.	11,004,798	2,779,352
SZ és K 2005. Kft.	1,670	1,670
TTKP Energiaszolgáltató Kft.	1,780	1,780
VIRESOL Keményítő-és Alapanyaggyártó és Forgalmazó Kft.	26,313,218	26,313,218
Total	**92,773,107**	**68,367,682**

The Group examined whether there are signs related to the possibility that the book value of goodwill will not be returned. Based on the impairment tests performed in the reporting year based on the profit-making capability of money-making units, impairment was not recognised.

3.5. Investment properties

HUF ‘000’	2018YE	Revaluation	Recapitalisation	Derecognition	2019YE
Aba, külterület 0442/30 hrsz. (OPUS GLOBAL Nyrt.)	349,700	- 41,385	1,685	-	310,000
Békéscsaba, Berényi u. 103. (Csabatáj Zrt.)	122,000	- 1,000	-	-	121,000
Budapest, Révay u. 10. (Révay 10 Kft.)	1,391,200	157,800	-	-	1,549,000
Eger, Szövetkezet út 1. (SZ és K 2005. Kft.)	99,800	60,200	-	-	160,000
Gárdony, Határ u. hrsz.: 7830/29 (Kőrösi Ingatlan Kft.)	83,839	-	-	83,839	-
Tamási, Szabadság u. 94. (OPUS GLOBAL Nyrt.)	88,600	1,400	-	-	90,000
Total	**2,135,139**	**177,015**	**1,685**	83,839	**2,230,000**

In the Group's consolidated financial statements, the balance sheet value of investment properties was HUF 2,230,000,000 on 31 December 2019. The property in Gárdony owned by Kőrösi Ingatlan Kft. was sold in the reporting year. The above balance sheet value reflects the estimated real value of investment properties, for the determination of which the Group applied an external appraiser expert.

3.6. Financial investments, loans provided, business shares

The net value of the Group's other financial investments on 31 December 2019 and 2018 were as follows:

HUF '000'	2019YE	2018YE
Business share	18,934,711	3,429,219
Financial investments	4,827,470	4,958,047
Total	**23,762,811**	**8,387,266**

Financial investments include the loan of HUF 242,266,000 granted in 2018 to MŰSOR-HANG Zrt. In 2019, the value of loans provided to the Company decreased due to repayments, thus the value of HUF 223,480,000 and loans provided by subsidiaries of HUF 2,261,000 are recorded.

Securities representing long term loans of HUF 4,510,612,000 of R-KORD Kft. were presented in Fixed financial assets.

The Group's business shares as at 31 December 2019:

HUF '000'	2019YE	2018YE
4iG Nyrt.	6,193,540	295,643
Magyar Tojás Kft.	11,000	11,000
Mészáros M1 Autókereskedő Kft	2,023,955	2,018,176
STATUS Capital Zrt.	1,100,000	1,100,000
Takarékinfo Zrt.	426,500	-
Újházi Tyúk Kft.	4,400	4,400
R-Kord Network Kft.	1,800	-
KONZUM MANAGEMENT Kft.	4,820,075	-
OPUS GLOBAL Befektetési Alapkezelő Zrt.	164,903	-
Appeninn Vagyonkezelő Holding Nyrt.	853,959	-
CIG Pannónia Életbiztosító Nyrt.	3,305,050	-
Gyulai Várfürdő Kft.	28,000	-
Gyulai Turisztikai Nonprofit Kft.	215	-
Hévízi Turisztikai Nonprofit Kft.	210	-
Bioenergy Heiligenblut Gmbh	1,104	-
Total	**18,934,711**	**3,429,219**

The significant increase of business interests of HUF 15,515,492,000 is due to the merge of KONZUM Nyrt. into OPUS GLOBAL Nyrt. performed on 30.06.2019 (HUF 9,143,987,000).

OPUS GLOBAL Nyrt. has had 24.87% business interest in Takarékinfo Zrt. since 2017, the prime cost of which (HUF 426,500,000) was impaired by the end of 2018 due to the risk of a single high value expense in Takarékinfo Zrt. In accordance with the review of 31.12.2019, however, such capital loss is not threatening any more in Takarékinfo Zrt., thus based on the equity evaluation of Takarékinfo Zrt., the Group decided to reverse the impairment of the business interest.

With regard to CIG Pannónia Biztosító Nyrt. further impairment was recorded by the Group as a result of the consideration of the market position of the business interest, based on the rate of CG Pannónia Nyrt.'s equity.

The Company did not qualify its business interest in Appeninn Nyrt. as strategic investment, thus due to the decrease of business share, the agreement on control was also terminated. On 31 December 2019, the Company had only 4.83% business share in Appeninn Nyrt., thus it is managed as fixed financial assets in the consolidation by the OPUS Group. The Company clearly expressed its intent to sell its remaining business shares in Appeninn Nyrt. of 4.83% and such sale - ensuring appropriate return - is intended to be performed by way of the assignment of Equilor Befektetési Zrt., an investment company.

The Group manages its business interest in 4iG Nyrt. as fixed financial instruments in the scope of the consolidation, and the evaluated of the same is performed at the closing stock exchange rate on the reporting date in accordance with the Accounting Policy.

3.7. Non-current receivables from affiliated companies

The below table presents the Group's non-current receivables as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Loan receivables	895,408	714,145
Other non-current receivables from affiliated companies	213,000	-
Total	**1,108,408**	**714,145**

3.8. Contract portfolio

In 2018, as a result of an independent expert's valuation of the construction companies integrated into the Group, the Group reports equipment sharing of HUF 101,299,000,000 in the below companies, based on the estimated market value of the companies' contract portfolio.

HUF '000'	
Gross value	
31 December 2018	**101,299,000**
Changes of consolidation scope (growth)	-
Changes of consolidation scope (decrease)	-
Increase and reclassification	-
Decrease and reclassification	- 16,128,325
as at 31 December 2019	**85,170,675**
Accrued depreciation	
31 December 2018	**-**
Changes of consolidation scope (growth)	-
Changes of consolidation scope (decrease)	-
Annual write-off	20,811,749
Decrease	-
as at 31 December 2019	**20,811,749**
Net book value	
31 December 2018	**101,299,000**
as at 31 December 2019	**64,358,926**

HUF '000'	2019YE	2018YE
Mészáros és Mészáros Kft.	16,215,944	41,224,000

R-KORD Kft.	10,932,982	22,865,000
RM International Zrt.	37,210,000	37,210,000
Total	**64,358,926**	**101,299,000**

The Company, following the procedure set out by the IFRS 3 standard, allocated the real valuation (business valuation) of the acquired subsidiaries on the day of acquisition, for the identifiable assets owned by the subsidiaries (IFRS 13, IFRS 3), when contributing the construction companies. Accordingly, upon the real valuation of construction companies involved in the Industrial manufacturing segment, PricewaterhouseCoopers Magyarország Kft. uncovered and in the course of the asset valuation, quantified the signed investment agreements already in the subsidiaries generating future funds as contract portfolio used as the basis of the evaluation. In the course of the first contribution (30.11.2018), OPUS GLOBAL Nyrt. involved these identified assets, thus the present value of future funds generated from the contract portfolio was recognised at HUF 101,299,000,000 in the Contract portfolios row.

Considering that the value of Contract portfolios was a part of the contribution valuation, which is already included in the Group's equity as a part of the capital increase related to the acquisition of construction companies, earnings from these agreements generated in the future may not repeatedly increase consolidated Equity.

In accordance with the standard, under the following valuations, will derecognise the Contract portfolio recorded under assets in line with the future schedule of the net funds of the contributed contract portfolio against profit/loss, recognising depreciation. Depreciation is based on the state of readiness of multi-year projects.

The Group, based on the above-mentioned, recognised depreciation of HUF 20,811,749,000, which significantly decreased the earnings from contract portfolios.

The value of Contract portfolio makes up 17% of non-current assets, and 10% of total Assets.

3.9. Right to use assets

Changes in the accounting policy

On 13 January 2016, IASB published a new standard about the recognition of leasing transactions. The application of the new leasing standard is mandatory for companies that adopt the IFRS in respect of the reporting periods beginning on or after 1 January 2019. The new standard has replaced the current regulation set out in IAS 17 on leasing, and have fundamentally changed the previous practice of accounting operative leasing.

Concerning the application of IFRS 16 on leasing standards, the Group decided the following:

- the Group will not apply the new leasing standards retroactively,
- the Group reviewed its contract portfolio to establish whether or not they were lease agreements or contained lease on 1 January 2019, i.e. at the time of first application;
- the Company will not apply the standard to short-term lease contracts (maturing within a year) and to lease contracts that were concluded for an indefinite term and that can be terminated at any time;
- the Company will not apply the standard to leased, underlying assets of small value unless their one-off value exceeds (approximately) USD 5000 when new.

The impact of the new IFRS 16 accounting standard on the key indicators

HUF '000' Description	2019YE In accordance with IAS 17	Impact of the adoption of IFRS 16	2019YE In accordance with IAS 16
Property, Plant and Equipment	**181,508,569**	**- 166,493**	**181,342,076**
Reclassification of financial leasing from the line "Property, plant and equipment"	-	166,493	**166,493**
Increase according to the ruled of the new IFRS 16 standard	-	2,023,941	**2,023,941**
Right to use assets	**-**	**2,190,434**	**2,190,434**
Equity	**287,017,773**	**- 35,604**	**286,982,169**
Lease liabilities, total	**122,424**	**2,064,634**	**2,187,058**
Long-term lease liabilities	54,323	1,601,691	1,656,014
Current lease liabilities	68,101	462,943	531,044
Raw materials, consumables and other external charges	**159,424,003**	**- 629,582**	**158,794,421**
Depreciation	**26,807,638**	**578,686**	**27,386,324**
Expenses on financial operations	**4,940,752**	**89,545**	**5,030,297**

HUF '000'

Description	**2019YE**
EBITDA, adjusted for the IFRS 16 impact	23,452,580
Impacts of the IFRS 16 standard	629,582
EBITDA, including the IFRS 16 impact	**24,082,162**

3.10. Inventories, and unfinished production from investment agreements

The balance of the Group's inventories as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Materials	11,452,801	16,087,855
Unfinished production and semi-manufactured goods	2,457,673	2,329,719
Finished goods	2,637,609	1,823,434
Goods	992,665	1,810,800
Total	**17,540,748**	**22,051,808**

Goods, inventories purchased for sale, unfinished production and semi-manufactured goods and finished goods. Book value does not exceed net realizable value.

The decrease of inventories of a value of HUF 4,511,060,000 was largely impacted by the reclassification of inventories related to the sale of 55.05% of Status Power Invest Kft. to the row of Assets for sale. By way of the sale of companies in the Energy segment, it is the companies in the Industrial manufacturing segment, which have high-value inventories, making up 66% of the value of inventories.

HUF '000'	2019YE	2018YE
Unfinished production from investment agreements	82,259	2,528,842
Total	**82,259**	**2,528,842**

Unfinished production from investment agreements was reported with regard to the construction companies in the Industrial manufacturing segment, joining the Group by way of the 2018 acquisitions in the reporting year. On 31.12.2018, the value recognised in the row of Accounts receivable from investment agreements was reclassified in the reporting period to Unfinished production from investment agreements, unifying performance-related accounting applied by the members of the construction segment of the Group (percentage/stage of completion method - POC).

3.11. Biological assets

HUF '000'	2019YE	2018YE
Pullet	28,882	30,482
Hen	59,376	138,143
Soil work not assigned to agricultural segment	34,854	-
Value of cultivations	8,285	7,335
Lucerne planting 2019.	-	1,140
Lucerne planting 2020	-	1,140
Autumn wheat ökoland	-	2,767
Afforestation	1,671	1,653
Total	**133,068**	**182,660**

Only Csabatáj Mezőgazdasági Zrt. in the Agriculture and food industry segment has any biological assets.

3.12. Corporate tax in the reporting year

	Corporate tax assets		Corporate tax liabilities	
HUF '000'	2019YE	2018YE	2019YE	2018YE
Balatontourist Idegenforgalmi és Kereskedelmi Kft	-	-	2,102	-
BALATONTOURIST CAMPING Szolgáltató Kft.	2,720	-	-	-
Balatontourist Füred Club Camping Szolgáltató Kft.	122	-	-	-
BLT Group Zrt.	100	-	-	-
Csabatáj Zrt.	611	5,289	-	-
EURO GENERÁL Zrt.	-	10,791	13,827	-
HUNGUEST Hotels Szállodaipari Zrt.	12,129	-	-	-
KALL Ingredients Trading Kft.	-	31	32	-
Kőrösi Ingatlan Kft.	-	-	2,811	-
KPRIA Magyarország Zrt.	2	-	-	-
KZBF INVEST Vagyonkezelő Kft.	562	-	-	-
KZH INVEST Korlátolt Felelősségű Társaság	416	-	-	-
Legátum '95 Kereskedelmi és Szolgáltató Kft.	547	-	-	-
Ligetfürdő Ingatlanfejlesztő és Fürdőüzemeltető Kft.	7,787	-	-	-

Mátra Energy Holding Zrt.	-	-	-	368
Mátrai Erőmű Központi Karbantartó Kft.	-	-	-	65
MÁTRAI ERŐMŰ Zrt.	-	-	-	1,578,991
MB Hills Szállodaüzemeltető Kft.	-	-	-	21,176
Mészáros Építőipari Holding Zrt.	-	-	19,308	-
Mészáros és Mészáros Kft.	-	-	701,708	-
OBRA Kft.	222	-	-	-
OPIMA Kft.	120	120	-	-
OPUS GLOBAL Nyrt.	109,848	-	-	322,881
POLLUX HOTEL Zrt.	-	-	97	-
Révay 10 Kft.	444	982	-	-
R-KORD Kft.	112,462	58,077	-	-
Mátrai Erőmű Bányászati Mélyépítő Kft.	-	926	-	-
Status Power Invest Kft.	-	-	-	8,905
SZ és K 2005. Kft.	29	-	-	-
VIRESOL Kft.	11,544	-	-	34,380
Wamsler Haus- und Küchentechnik Gmbh	6,212	6,042	-	-
Wamsler SE	1,565	27,180	-	-
Total	**267,442**	**109,438**	**739,885**	**1,966,766**

3.13. Trade receivables and short-term receivables from affiliated companies

The balance of the Group's trade receivables as at 31 December 2019 and 2018:

HUF '000'		2019YE	2018YE
Trade receivables		22,073,723	26,822,.959
Accounts receivable from investment contracts		-	422,656
Current receivables from affiliated companies		45,652	1,852,418
	Trade receivables	-	235,559
	Loan receivables	-	1,374,579
	Other receivables	45,652	242,280
Impairment for doubtful debts		- 275,206	- 42,249
Total		**21,844,169**	**29,055,784**

Trade receivables from investment agreements in the industrial manufacturing segment, namely EURO-GENERÁL Zrt. is specified based on the level of readiness as at 31.12.2018. The value indicated in the row of Accounts receivable from investment agreements was reclassified to Unfinished production from investment agreements in the reporting period (NOTE 3.10.).

3.14. *Other receivables and accrued expenses and deferred income*

The balance of the Group's other receivables as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Advances paid to investment contractors	826,124	2,390,406
Advances paid for inventories	145,443	243,546
Advances paid for services	4,612,177	3,476,865
Deferred income and accrued expenses	2,318,776	1,821,969
Other costs paid in advance	67,871	931,537
Receivables from employees	26,115	24,294
Tax assets	2,117,438	3,968,244
Receivables from local governments	176,766	414,242
Aids	67,791	90,441
Loans granted	5,164,555	13,415,788
Trade overpayment	14,394	18,685
Receivables from deposits and caution money	1,015,338	1,417,128
Receivables from the sale of business share	4,810,581	642,030
Card receivables	20,724	-
Transferred, overtaken and purchased receivables	4,770,815	-
Other receivables	1,116,612	275,682
Total	**27,271,520**	**29,130,857**

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.

3.15. *Securities*

The balance of the Group's securities as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Konzum PE Magántőkealap	106,125	106,125
MKB Vállalati Stabil Rövid Kötvény Befektetési Alap	10,158,470	-
Other securities	-	1,604
Total	**10,264,595**	**107,729**

3.16. *Not untied cash and cash equivalents, Cash and cash equivalents*

Not untied cash of the Group is mostly made up of bank deposits as well as separated and tied deposit accounts. This amount as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Not untied cash	108,279	7,653,619
Total	**108,279**	**7,653,619**

The balance of the Group's cash and cash equivalents as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Cash (HUF)	62,702	26,972
Cash (EUR)	32,394	8,945
Bank deposit (HUF)	23,630,646	74,889,711
Bank deposit (EUR)	16,366,553	3,417,037
Cash in other currencies	52,678	-
Short term tied deposits	39,300,000	12,590,391
Total	**79,444,973**	**90,933,056**

3.17. Assets held for sale

Assets can be allocated to the Energy segment in accordance with the agreements made on 23 December 2019, confirming the intent of Status Power Invest Kft. related to sale were reclassified to Assets for sale, the related balance sheet rows of which are as follows:

HUF '000'	2019YE
Property, Plant and Equipment	101,428,385
Intangible assets	128,852
Goodwill	-
Investment property	-
Financial investments	120,787
Non-current receivables from affiliated companies	-
Deferred tax assets	127,696
Ownership interests	-
Contract portfolio	-
Right to use assets	77,682
Total Non-current assets	**101,883,402**
Inventories	7,541,294
Unfinished production from investment agreements	-
Biological assets	-
Corporate income tax assets in the reporting year	41,553
Accounts receivable	5,039,690
Current receivables from affiliated companies	-
Accounts receivable from investment contracts	-
Other receivables and accrued expenses and deferred income	1,313,492
Securities	-
Not untied cash	664,936

Cash and cash equivalents	2,237,540
Total current assets	**16,838,505**
Total Assets for sale	**118,721,907**

3.18. Subscribed capital

Composition of subscribed capital:

	31 December 2019		31 December 2018	
HUF '000'	Number of shares	Nominal value	Number of shares	Nominal value
	701,646,050	25	536,384,476	25
Balance of subscribed capital	**701,646,050**	**17,541,151,250**	**536,384,476**	**13,409,611,900**
Equity capital owned by the group	17,904,454	447,611,350	17,904,333	447,608,325
Shares outstanding	**683,741,596**	**17,093,539,900**	**518,480,143**	**12,962,003,575**

The Company has only common shares, and the nominal value of each 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 meeting.

On the liabilities side, in the row of repurchased own shares, shares are indicated at purchase value, while in Note 3.18, at nominal value.

KONZUM Nyrt. merged into OPUS GLOBAL Nyrt. on 30.06.2019. Since that date, the Company's share capital (subscribed capital) has been HUF 17,541,151,250 i.e. seventeen billion five hundred and forty-one million one hundred and fifty-one thousand two hundred and fifty Hungarian forints. HUF 826,307,870 i.e. eight hundred and twenty six million three hundred and seven thousand eight hundred and seventy Hungarian forints were provided from the Company's share capital (subscribed capital) simultaneously with KONZUM Nyrt.'s merger into the Company, and HUF 3,305,231,480 i.e. three billion three hundred and five million two hundred and thirty one thousand four hundred and eighty Hungarian forints were made available with a view to the calculation of the swap ratio determined during the merger of KONZUM Nyrt. into the Company and to the fulfilment of the obligations incurred in relation to the merger.

At present, the share capital of OPUS GLOBAL Nyrt. comprises of 701,646,050 i.e. seven hundred and one million six hundred and forty-six thousand fifty (Series A) ordinary shares, each representing HUF 25, i.e. twenty-five, Hungarian forints, and equal rights.

3.19. Capital elements on top of subscribed capital

HUF '000'	2019YE	2018YE
Own shares repurchased	-405,879	-405,879
Capital reserve	166,887,066	132,733,654
Reserves	8,033	-
Accumulated P/L	46,100,380	- 2,814,508
P/L for the reporting year	- 27,125,213	25,485,245
Revaluation difference	-118,335	48,601
Non-controlling interest	84,667,963	111,897,426

Dividend

The Company did not pay any dividend in 2019.
On the balance sheet date, there was no dividend, which was decided, but not paid.

3.20. External owners' business share

HUF '000'	2019YE	2018YE
Bükkábrányi Fotovoltaikus Erőmű Projekt Kft.	-	224,797
Csabatáj Zrt.	660,956	689,433
EURO GENERÁL Zrt.	346,153	527,710
Halmajugrai Fotovoltaikus Erőmű Project Kft.	-	302
KALL Ingredients Kft	1,069,805	-
KALL Ingredients Trading Kft.	10,352	-
Status Geo Invest Kft.	- 5,339,559	-
Kőrösi Ingatlan Kft.	36,532	35,675
KPRIA Zrt	9,196	-
Mátra Energy Holding Zrt.	1,519,991	- 2,140,603
Mátra Erőmű Központi Karbantartó Kft.	482,428	471,592
Mátrai Erőmű Bányászati Mélyépítő Kft.	285,888	107,641
MÁTRAI ERŐMŰ Zrt.	49,646,828	57,885,027
Mészáros Építőipari Holding Zrt.	- 2,630,088	2,235
Mészáros és Mészáros Kft.	14,360,720	22,828,497
OPIMA Kft.	273	404
R-KORD Kft.	5,752,086	12,851,888
RM International Zrt.	18,152,610	18,148,074
Status Power Invest Kft.	- 224,064	- 113,626
TTKP Energiaszolgáltató Kft.	117	-
VIRESOL Kft.	525,178	375,700
Wamsler Bioenergy GmbH	27	26
Wamsler Haus- und Küchentechnik Gmbh	652	647
Wamsler SE	1,882	2,007
Total non-controlling business interest	**84,667,963**	**111,897,426**
of which accumulated overall other profit per external owner	**- 15,380**	**26**
KALL Ingredients Kft	- 15,506	-
KALL Ingredients Trading Kft.	107	-
Wamsler Bioenergy GmbH	1	1
Wamsler Haus- und Küchentechnik Gmbh	18	25

1062 Budapest, Andrássy str. 59.
Company registration number: 01-10-042533
tel.: +36 1 433 0700
e-mail: info@opusglobal.hu
www.opusglobal.hu

3.21. Loans

The existing loans and advances broken down by financial institution in 2019 and 2018 are as follows:

2019YE						
Financial institutions and other creditors	**Collateral**	**Balance 31.12.2019**	**Currency**	**Balance HUF '000'**	**Long-term HUF '000'**	**Short-term HUF '000'**
Erste Bank Zrt.	Property, purchase, pre-emption, bank account right, security deposit agreement, assignment agreement, brand name lien agreement, owner's commitment	31,538,558.00	EUR	10,424,124	9,665,814	758,310
K&H Bank Zrt.	Property, purchase right, bank account lien, security deposit agreement, assignment agreement, brand name lien agreement, share deposit agreement, movables lien agreement, lien agreement on receivables, joint and several liability, lien agreement on ownership, purchase right related to ownership, owner's commitment	868,981	HUF	868,981	100,000	768,981
MKB Bank Zrt.	Property mortgage, movables lien, claims lien, business share lien, brand lien, joint and several liability	875,554	HUF	875,554	-	875,554
MKB Bank Zrt.	Property mortgage, movables lien, claims lien, business share lien, brand lien, joint and several liability	45,522,026.36	EUR	15,045,926	10,133,891	4,912,035
OTP Bank Nyrt.	Property mortgage, joint and several liability, security deposit agreement, payment invoice	692,299	HUF	692,299	478,881	213,418
OTP Bank Nyrt.	Property mortgage, lien on assets, bank account deposit, joint and several liability, owner's commitment	9,496,869	EUR	3,138,905	2,720,384	418,521
EXIMBANK Zrt.	Property mortgage, movables lien, claims lien, business share lien, brand lien, joint and several liability	953,698	HUF	953,698	-	953,698
EXIMBANK Zrt.	Property mortgage, movables lien, claims lien, business share lien, brand lien, joint and several liability	115,807,196.70	EUR	38,276,563	35,500,984	2,775,579
Takarékbank Zrt	Property mortgage, ban on alienation and encumbrance, movables encumbrance, surety agreement, surety encumbrance, claim lien, enchashment on bank account, transfer of insurance	6,644,980	HUF	6,644,980	-	6,644,980
Takarékbank Zrt	Properties, OPUS GLOBAL Nyrt. Share, claim encumbrance	7,400,955.35	EUR	2,446,164	2,224,052	222,112

Budapest Bank Zrt	Properties, movables, security deposit right, collection right on bank accounts of the debtor held by other banks	9,078,806	HUF	9,078,806	5,257,200	3,821,606
Budapest Bank Zrt	Property mortgage, fame type movables lien, claims lien, guarantee transfer, business share lien, owner's guarantee, owner's commitment, authorisation letter for immediate collection orders,	11,001,481.00	EUR	3,636,210	3,030,175	606,035
MFB Zrt.	Property mortgage, movables lien, claims lien, business share lien, brand lien, joint and several liability	17,500,000.00	EUR	5,784,091	5,784,091	-
Other loans and advances	-	117,751	HUF	117,761	111,570	6,191
Other loans and advances	-	111,570	EUR	9,936	-	9,936
Total		19,232,069	HUF	19,232,079	5,947,651	13,284,428
		238,297,149.06	EUR	78,761,919	69,059,391	9,702,528
Balance 31.12.2019			HUF	**97,993,998**	**75,007,042**	**22,986,956**

2018YE

Financial institutions and other creditors	Collateral	Balance 31.12.2018	Currency	Balance HUF '000'	Long-term HUF '000'	Short-term HUF '000'
K&H Bank Zrt.	Real estates and movables	130,000	HUF	130,000	115,000	15,000
MKB Bank Zrt.	Real estates and movables	2,009,844	HUF	2,009,844	-	2,009,844
MKB Bank Zrt.	Real estates and movables	28,756,723.00	EUR	11,745,484	8,639,212	3,106,272
Raiffeisen Bank Zrt.	Real estates and movables	8,571,429	EUR	2,755,800	1,837,567	918,233
OTP Bank Nyrt.	Real estates and movables	156,925	HUF	156,925	126,000	30,925
OTP Bank Nyrt.	Real estates and movables	-	EUR	-	-	-
EXIMBANK Zrt.	Real estates and movables	512,957	HUF	512,957	-	512,957
EXIMBANK Zrt.	Real estates and movables	95,450,821.00	EUR	40,102,474	40,102,474	-
Gránitbank Zrt.	Properties and movables/security deposit	5,010,133	HUF	5,010,133	1,762,383	3,247,750
Takarékbank Zrt	Security deposit agreement	10,473,468	HUF	10,473,468	892,980	9,580,488
Takarékbank Zrt	Properties/OPUS GLOBAL Nyrt. share	4,818,979.92	EUR	1,549,350	535,148	1,014,202
Budapest Bank Zrt	Real estates and movables	10,000.00	EUR	3,215,100	3,215,100	-
MFB Zrt.	-	17,500.00	EUR	5,626,425	5,626,425	-

Other credits and loans	-	3,856,379	HUF	3,856,379	3,451,705	404,674
Other credits and loans		30,062.65	EUR	9,665	-	9,665
Total		22,149,706	HUF	22,149,706	6,348,068	15,801,638
		137,655,515.57	EUR	65,004,298.00	59,955,926.00	5,048,372.00
Balance 31.12.2018			HUF	**87,154,004**	**66,303,994**	**20,850,010**

The year-end amount of the Group's credits was 97,993,998,000. Credits make up 27% of the entire sum of liabilities compared to the 29% in the base period. Within the Group, the Agriculture and Food Industry segment has the largest amount of credit with 67%, while the Tourism sector accounts for 28%, the Asset Management segment represents 5% and the Industry segment makes up for 0.1%.

Loan covenants:

There was no condemnation in the reporting period.

3.22. State aid

HUF '000'		2019YE	2018YE
Hunguest Hotels Szállodaipari Zrt.		**2,571,662**	-
	Central Transdanubia Operational Programme	122,891	-
	North Hungary Operational Programme	104,566	-
	North Great Plain Operational Programme	127,369	-
	North Great Plain Operational Programme	337,357	-
	Environment and Energy Operational Programme	42,950	-
	Ministry of Rural Development	5,044	-
	South Great Plain Operational Programme	506,841	-
	Széchenyi Plan Tourism Target	178,422	-
	Széchenyi Plan Tourism Target	674,778	-
	Széchenyi Plan Tourism Target	111,621	-
	Széchenyi Plan Tourism Target	359,823	-
Ligetfürdő Ingatlanfejlesztő és Fürdőüzemeltető Kft.		**2,618,262**	**-**
	Provided by the European Union and the Hungarian Government - DAOP-2.1.1/G-2008-0001	2,618,262	-
Legatum '95 Kft.		**188,852**	**-**
	Regional Development Operative Program Controlling Authority /ROP call for offers/	168,588	-
	Energia Központ Nonprofit Kft./KEOP call for offers/	20,264	-
KALL Ingredients Kft		**10,253,328**	**-**
	Ministry of Foreign Affairs and Trade - based on individual government decision EKD/FELD-2015/14	9,196,055	-
	Ministry of national economy - GINOP 2.1.-15-2017-00048 - competitiveness and excellence cooperations innovation operative program	1,057,273	-
Wamsler SE		**1,711,654**	**500,000**
	Investment subsidy for large corporations - NGM	-	500,000
	Magyar Gazdaság Fejl-i Központ Rt. (MAG Zrt) - GOP aid 2017 press brake and plate cutting machine	15,858	-

National Labour Office - DT-NO/17/2013 professional qualification	5,101	-
Ministry of national economy - NBT intelligent manufacturing and innovation centre	1,690,695	-
VIRESOL Kft.	**8,088,490**	**866,645**
KKM - wheat processing factory green field project - EKD/FELD-2017/15	5,781,416	**-**
Innovative developments in the field of cereal-based food industry and industrial researches - GINOP-2.2.1-15-2017-200048	886,070	366,645
Investment subsidy for large corporations - NGM	-	500,000
PM - Cation starch manufacturing plant and fodder complex- Z3480005	1,421,004	-
R-KORD Kft.	**-**	**428,971**
Intelligent integrated railway supervision system - GINOP-2.2.1-15-2017-00098	-	230,048
Competitiveness and excellence cooperations program - 2018-1.3.1-VKE-2018-00040	-	198,923
Total	**25,432,248**	**1,795,616**

3.23. Debts from bonds issue

HUF '000'	2019YE	2018YE
OPUS GLOBAL Nyrt. - Bond NKP program	28,771,540	-
Total	**28,771,540**	-

OPUS GLOBAL Nyrt. (hereinafter referred to as Issuer) privately issued bonds of a nominal value of HUF 28,6 billion on 25 October 2019, subsequent to the effective participation in the Bond Funding for Growth Scheme of the Hungarian National KELER Zrt. dated the securities on 29 October 2019.

The purpose of the bonds issue was the raising of capital for the implementation of the Company's acquisition plans as well as the renewal and optimization of the Company's financing. 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 Issuer shall take responsibility for the compliance with the obligations based on the Bond with all of its assets.

Main data of the bond issue:

Series code:	**OPUS2029**
Description	"OPUS GLOBAL 2029 Bond"
ISIN code:	HU0000359278
No. of pieces:	572
Face value:	50,000,000 HUF
Method of distribution	private
Form:	dematerialized
Date of auction	25 October 2019
Policy period:	10 years
Expiration of bond:	29 October 2029
Total face value of the series:	HUF 28,6 billion

Total amount of funds involved (face value*average sale price*number of bonds):	**HUF 28,77 billion**
Type of interest:	Fixed-interest
Rate of coupon:	2.80%
Average sale price:	100.60%
Average yield	2.73%
Date of entry to BSE:	**30 March 2020**

The annual interest of bonds is 2.80% of their nominal value from 29 October 2019 (inclusive). Interest is payable during the policy period of the Bonds on an annual basis with a posterior effect, from 29 October 2020 to 29 October 2029.

The registration of the bonds of the Company called "OPUS GLOBAL 2029 Bond" in the multilateral trading system called XBond operated by Budapest Értéktőzsde Zrt. was approved by the Chief Executive Officer of the BSE on 26.03.2020, based on which, the Bonds may be traded from 30.03.2020.

<u>The purpose of the issue and the use of incoming funds:</u>

The Issuer aims to spend the funds coming from the private issue of the Bonds on refinancing and further acquisitions, which will further increase the Group's revenues and stability on the market, especially in the energy sector.

With regard to group financing, in November 2019, OPUS GLOBAL Nyrt. provided member loans to Wamsler SE, KALL Ingredients Kft. and VIRESOL Kft. in order to decrease their external exposure. These amounts were spent by the subsidiaries on the restructuring of loans, which were less beneficial than the above member loan.
Upon the reporting date in 2019, the Issuer - with the purpose of investment - spent the unused part of the funds coming from the bonds on the purchase of investment units issued by MKB Vállalati Stabil Rövid Kötvény Befektetési Alap of an amount of HUF 10,158 million.

<u>The Issuer's credit rating</u>

OPUS GLOBAL Nyilvánosan Működő Részvénytársaság performed the independent credit rating procedure as a necessary precondition for the participation in the Bond Funding for Growth Scheme issued by the Hungarian National Bank, supporting corporate financing. The Company's bonds were rated BBB-, which is four ranks higher than the level expected by the Hungarian National Bank, and the Company itself was rated BB by Scope Ratings GmbH (Neue Mainzer Straße 66-68 60311 Frankfurt am Main, registered office: Lennéstraße 5 10785 Berlin, Germany) an independent international credit rating agency, which performed the analysis.

3.24. Other Long-Term Liabilities

The Group's balance of other long term liabilities as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Holiday Resort Kreischberg Murau GmbH	59,494	-
KALL Ingredients Kft	35,499	269,960
MÁTRAI ERŐMŰ Zrt.	-	3,054
VIRESOL Kft.	8,529,479	8,376,595
Total	**8,624,472**	**8,649,609**

Other long term liabilities present the extra-group obligations of the subsidiaries listed in the table.

3.25. Provisions for expected liabilities

The balance of the Group's provisions as at 31 December 2019 and 2018:

HUF '000'	2019YE	2018YE
Other provisions	253,067	612,944
For legal disputes	8,779	13,200
For guaranteed liabilities	1,635,020	977,142
Provisions for mine closure and power plant disassembly	-	17,411,316
Provisions for unused holidays	73,898	-
Total	**1,970,764**	**19,014,602**

HUF '000'	2019YE	2018YE
Csabatáj Zrt.	837	-
EURO GENERÁL Zrt.	2,009	-
Heiligenblut Hotel GmbH	30,891	-
DMH Hungary Kft.	3,495	-
Hunguest Hotels Szállodaipari Zrt.	69,321	-
KALL Ingredients Kereskedelmi Kft.	31,357	-
Mátrai Erőmű Központi Karbantartó Kft.	-	44,159
MÁTRAI ERŐMŰ Zrt.	-	17,411,316
Mészáros és Mészáros Kft.	1,004,483	445,009
OPUS GLOBAL Nyrt.	-	5,738
Relax Gastro GmbH	22,266	-
R-KORD Kft.	626,130	462,449
VIRESOL Kft.	13,601	-
Wamsler SE	88,501	119,525
WBI GmbH	-	24,266
WHKT GmbH	77,873	502,140
Total	**1,970,764**	**19,014,602**

The value of provisions was HUF 1,970,764,000, which shows a decrease of HUF 17,043,838 compared to the base value. 92% of provisions were due to the Energetics segment in the base year, and the largest value is representative by the provision for mine closure and power plant disassembly made by MÁTRA ERŐMŰ Zrt. With regard to the previously mentioned agreement made on 23 December 2019 on the sale of the business share of Status Power Invest Kft., high-value provisions, which can be allocated to the Energy segment in the reporting year were reclassified to Liabilities for sale. Thus, in the reporting year, the guarantee provisions made by the companies in the Industrial manufacturing segment represents 91% of the entire provisions, while 7% is made up by the Tourism segment, 2% by the Food Industry segment.

Wamsler Haus- und Küchentechnik GmbH specified provisions as a percentage value related to the turnover of the last two months of the year. The basis of provisions in Wamsler SE is 1.5 thousandths of the turnover. Provisions were made in order to comply with environmental liabilities, marketing of research and development as well as procedures related to accidents and labour matters.

With regard to the subsidiaries of Mészáros Építőipari Holding Zrt., provisions were made in accordance with the principles specified in the accounting policy, based on which provisions of HUF 1,630,613,000 were made in 2019 by the subsidiaries for expected guarantee obligations. With regard to construction and repair works, the amount of provisions is equal to 1% of the difference between the revenues related to the number of jobs in the reporting year and the costs of subcontractors.

In 2017, OPUS GLOBAL Nyrt. made provisions for the obligations expected in connection with Holiday Resort Kreischberg Murau GmbH, sold to KONZUM Nyrt. in 2017, in consideration of the fact that in accordance with the agreement on the transfer of business interests, the Company, as seller was obliged to act with regard to the activities preceding the transfer of Holiday Resort Kreischberg Murau GmbH. Provisions were released in 2019 due to the merger of KONZUM Nyrt. into OPUS GLOBAL Nyrt.

3.26. *Long-term liabilities to affiliated companies*

Amounts of long-term liabilities to affiliated companies as at 31 December 2019 and 2018:

HUF ‘000’	2019YE	2018YE
Loan liabilities	4,408,634	4,119,490
Other liabilities	-	11,794
Total	**4,408,634**	**4,131,284**

3.27. *Leasing*

The Group’s leasing liabilities as at 31 December 2019 and 2018:

2019YE			
HUF ‘000’	**Leasing liabilities**	**Long-term**	**Short-term**
Balatontourist Camping Kft.	26,357	15,361	10,996
Balatontourist Füred Club Camping Kft.	979,504	873,026	106,478
Balatontourist Idegenforgalmi és Kereskedelmi Kft.	303,866	251,591	52,275
Csabatáj Zrt.	273,300	199,740	73,560
Heiligenblut Hotel GmbH	25,730	18,685	7,045
Hunguest Hotels Szállodaipari Zrt.	182,020	98,874	83,146
KALL Ingredients Kft	96,674	33,329	63,345
Mészáros és Mészáros Kft.	89,941	39,724	50,217
OPUS GLOBAL Nyrt.	11,670	7,145	4,525
Relax Gastro GmbH	5,189	3,528	1,661
R-KORD Kft.	9,129	-	9,129
VIRESOL Kft.	148,180	102,023	46,157
Wamsler Haus- und Küchentechnik Gmbh	35,498	12,988	22,510
Balance 31.12.2018	**2,187,058**	**1,656,014**	**531,044**

2018YE			
HUF ‘000’	**Leasing liabilities**	**Long-term**	**Short-term**

Csabatáj Zrt.	13,402	13,402	-
KALL Ingredients Kft	96,248	46,788	49,460
Mediaworks Hungary Zrt	-	-	-
Mészáros és Mészáros Kft.	11,794	7,552	4,242
OPUS GLOBAL Nyrt.	4,786	3,484	1,302
Balance 31.12.2018	**126,230**	**71,226**	**55,004**

3.28. *Deferred tax*

The balance of deferred tax presented in the consolidated financial situation and reported in the earnings as at 31 December 2019 and 2018.

HUF '000'	Tax assets	Tax liability	Net
31 December 2018	572,163	11,767,044	- 11,194,881
31 December 2019	1,761,918	1,922,986	- 161,068

3.29. *Liabilities for sale*

Liabilities, which can be allocated to the Energy segment in accordance with the agreements made on 23 December 2019, confirming the intent of Status Power Invest Kft. related to sale were reclassified to Liabilities for sale, the related balance sheet rows of which are as follows:

HUF '000'	2019YE
Long term loans and advances	8,855,711
State aid	651,608
Debts from bonds issue	-
Other Long-Term Liabilities	10,932
Provisions	23,646,721
Long-term liabilities to affiliated companies	1,202,351
Long-term financial leasing liabilities	42,131
Deferred tax liability	11,215,182
Long-term liabilities	**45,624,636**
Short term loans and advances	4,599,627
Accounts payable	9,238,778
Other short-term liabilities, accrued expenses and deferred income	3,718,759
Short-term liabilities to related parties	1,721,681
Short-term financial leasing liabilities	36,372
Corporate income tax liability in the reporting year	1,976
Short term liabilities	**19,317,193**

Total equity capital and liabilities	**64,941,829**

3.30. Accounts payable

The below table presents the breakdown of consolidated trade liabilities by currency for 31 December 2018 and 2019:

HUF '000'	2019YE	2018YE
Trade payables HUF	21,971,865	23,232,722
Trade payables EUR	4,436,370	4,856,475
Other trade payables	2	286,085
Uninvoiced suppliers	139,303	1,088,714
Total	**26,547,540**	**29,463,996**

HUF '000'	2019YE	2018YE
Trade payables HUF	83%	79%
Trade payables EUR	17%	16%
Other trade payables	0%	1%
Uninvoiced suppliers	1%	4%
Total	**26,547,540**	**29,463,996**

3.31. Other liabilities and deferred income

The Group's balance of other short term liabilities as at 31 December 2019 and 2018 were as follows:

HUF '000'	2019YE	2018YE
Advance payments from buyers	78,963,632	98,407,882
Payable taxes and customs (except capital gains tax expenses)	367,209	3,060,363
Liabilities to local governments	27,768	2,948
Loan granted by a member	105,798	
Liabilities to employees	916,215	1,354,581
Dividend payment obligations	216	24,037
Prepaid income	80,100	422,056
Accrued and deferred costs	7,884,672	3,983,119
Deferred incomes	102,199	14,320,915
Credit balance buyers	150,156	2,064
Uninvoiced suppliers	184,339	333,158
Expired trade receivables	481,138	-
Deposit	61,310	48,878
Leasing	-	72,048
Contingent liabilities	64,377	-
Gift card, vouchers	424,477	-
Aids for development	60,926	-
Liabilities due to shares not presented for dematerialisation	-	17,605
Credit balance bank accounts	-	459,116

Long term debt security obligation	1,179,723	1,441,923
Loan liabilities to STATUS MPE	311,815	203,194
Loan liabilities to Konzum PE	1,017,576	726,180
Other short-term liabilities	587,914	35,120
Total	**92,971,560**	**124,915,187**

Liabilities to employees include the salaries account as well as unused remuneration.

Other short term liabilities and accrued expenses and deferred income shows a decrease of HUF 31,943,627,000 compared to the base year, the main reason for which was its removal from the Energy segment.

3.32. Short-term liabilities to related parties

The Group's current liabilities to related parties as at 31 December 2019 and 2018:

HUF '000'	**2019YE**	**2018YE**
Loan liabilities	-	929,374
Advances	-	3,536,610
Trade payables	992,560	2,363,997
Other liabilities	1,149,995	554,845
Total	**2,142,555**	**7,384,826**

3.33. Net sales revenues

HUF '000'	**2019YE**	**2018YE**
Manufacturing of parts, machinery product manufacturing	-	32,764
Alcohol sales	10,183,858	3,012,487
Sale of other products	-	172,937
Revenues from constructions	127,082,545	16,493,842
Revenues from property lease	128,058	141,872
Isosugar sales	11,973,264	2,169,796
Revenues from trade activities	-	552,273
Revenues from agricultural activities	1,491,601	1,512,757
Leisure activities	3,364,995	-
Accommodation	14,046,536	-
Fodder sale	7,092,976	1,422,107
Revenues from the sale of stoves, boilers, furnaces, fireplaces	7,479,405	9,070,173
Catering	11,597,089	-
Electricity sale	-	5,768,643
Other services	2,321,437	-
Raw material sale	1,027,096	-
Other	1,147,005	76,559
Total	198,935,865	40,426,210

3.34. Revenues per geographical regions

The main geographical segments of the Group's activity:

HUF '000'	2019YE	2018YE
EU member states	194,164,182	38,300,995
of which: Hungary	155,011,619	26,521,133
Non EU member states	2,918,432	1,898,994
Asian countries	235,752	74,789
Other	1,617,499	151,432
Total	**198,935,865**	**40,426,210**

3.35. Value of capitalised own performance

HUF '000'	2019YE	2018YE
Csabatáj Zrt.	182,812	125,870
EURO GENERÁL Zrt.	- 369,949	336,452
Hunguest Hotels Montenegro doo	7,416	-
HUNGUEST Hotels Zrt.	29,452	-
KALL Ingredients Kft	2,226,771	1,972,620
Kőrösi Ingatlan Kft.	- 5,111	1,200
Mátrai Erőmű Központi Karbantartó Kft.	-	- 45,363
MÁTRAI ERŐMŰ Zrt.	-	312,695
Relax Gastro & Hotels GmbH	- 7,608	-
R-Kord Építőipari Kft.	4,129	-
RM International Zrt.	58,132	-
VIRESOL Kft.	4,974,229	309,363
Wamsler SE	163,345	101,986
Total	**7,263,618**	**3,114,823**

3.36. Other operating income

HUF '000'	2019YE	2018YE
Revaluation of investment properties	140,717	46,750
Use of provisions	64,507	100,371
Book value of transferred receivables	-	2,532,897
Earnings from the sale of real estate, machines and equipment, intangible assets	463,659	6,523,751
Received fine, penalty, housage, interest on arrears	206,565	-
Subsidy received	750,910	981,150
Indemnification	314,210	56,819
Surplus	161,691	11,463

Retrospectively received discount	91,613	3,250
Finally received funds	109,520	2,613
Write-off of impairment, write-off of depreciation over planned amount	939,236	154,032
Earnings from assets for sale	157,800	-
Other	542,482	131,543
Total	**3,942,910**	**10,544,639**

3.37. Raw materials, consumables and other external charges

HUF '000'	2018YE	2018YE
Cost of raw materials	59,112,582	14,563,246
Value of used services	87,781,561	12,836,264
Value of other services	1,420,785	842,306
Purchase price of sold goods	3,799,402	2,333,442
Value of sold (mediated) services	5,934,307	7,357,315
Correction due to the IFRS 16 lease standard	- 629,582	-
Correction due to POC settlement	1,563,695	-
SEEAÉ reclassification correction	- 188,329	-
Total	**158,794,421**	**37,932,573**

3.38. Personnel type expenses

HUF '000'	2019YE	2018YE
Wage costs	15,562,965	5,399,531
Other personnel expenses	2,713,460	650,477
Payroll contributions	3,347,353	1,184,233
Staff costs due to unused holidays	33,962	-
Total	**21,657,740**	**7,234,241**

data/person	2019YE	2018YE
Physical worker	3,825	2,661
Intellectual employee	2,039	1,282
Total closing number	**5,864**	**3,943**

The breakdown of personnel expenses is as follows: 49% - Tourism, 28% - Industrial manufacturing, 22% Agriculture and food industry, 1% - Asset management segment.

3.39. Impairment

HUF '000'	2019YE	2018YE
Reversed impairment	2,527	-
Assessed impairment	209,737	31,257
Total	**207,210**	**31,257**

HUF '000'	2019YE	2018YE
Impairment of inventories	34,610	28,735
Impairment of receivables	172,600	2,522
Total	**207,210**	**31,257**

3.40. *Other operating costs and expenses*

HUF '000'	2019YE	2018YE
Loss from the sale of real estate, machines and equipment, intangible assets	42,259	7,945
Taxes and contributions	1,863,970	158,966
Payable interest on arrears	6,053	3,890
Bad debt allowance	368,607	546
Forfeit, fine, penalty, indemnity paid	86,270	25,295
Surcharge on arrears	22,933	39,911
Write-off, write-down	114,235	766
Waste products	43,990	28,651
Discounts given	169,237	127,558
Provisions	763,217	210,899
Accelerated depreciation	-	3,080
Revaluation of investment properties	73,080	24,200
Aid	1,245,035	851,578
Missing, destroyed, discontinued intangible assets, tangible assets	46,380	685,712
Book value of sold tangible assets	378,232	5,479,541
CO2 quote	-	671,110
Payable due to damage	70,325	172,212
Other	107,037	1,472,687
Total	**5,400,860**	**9,964,547**

3.41. *Profit/loss from financial transactions*

HUF '000'	2019YE	2018YE
Dividend, profit-sharing received	-	61,893
Earnings from interest	169,685	287,621
Net exchange rate gain related to foreign exchange items without foreign exchange futures	881,510	816,009
Earnings from sale of business shares	2,469,054	-
Other financial revenues	519,994	187,083
Badwill	3,225,736	24,468,828
Total earnings from financial transactions	**7,265,979**	**25,821,434**
Interest expenses	4,177,892	668,599

Net exchange rate loss related to foreign exchange items without foreign exchange futures	273,014	578,768
Depreciation of shares and securities	-	2
Exchange rate loss of fixed financial assets	-	3
Other financial expenses	579,391	11,014
Total expenses of financial transactions	**5,030,297**	**1,258,386**
Takarékinfo Zrt.	426,500	- 491,729
CIG Pannónia Életbiztosító Nyrt.	- 4,283,863	-
Mészáros M1 Autókereskedő Kft	22,255	-
KONZUM MANAGEMENT Kft.	89,668	-
OPUS GLOBAL Befektetési Alapkezelő Zrt.	- 1,667,153	-
Share in investments recognised with the equity method	**- 5,412,593**	**- 491,729**
Net earnings from financial transactions	**- 3,176,911**	**24,071,319**

3.42. 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:

	2019YE	2018YE
Corporate tax Hungary	9%	9%
Montenegro	9%	9%
Corporate tax Germany	15%	15%
Corporate tax Austria	25%	25%

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 (data in thousand HUF):

2019YE	**Hungary**	**Austria**	**Montenegro**	**Germany**	**Total**
P/L before taxes	- 5,741,692	- 299,138	- 25,275	- 414,968	- 6,481,073
Expected capital gains tax calculated with the capital gains tax rate of the Company	- 505,432	- 74,785	- 2,275	- 62,245	- 642,462
Tax base correction	12,414,210	98,793	3,653	74,265	12,587,268
Corrected profit or loss before tax	11,908,778	24,008	1,379	12,020	11,944,806
Corporate tax	**1,071,790**	**6,002**	**15,317**	**1,803**	**1,094,912**

2018YE	**Hungary**	**Austria**	**Germany**	**Total**
P/L before taxes	25,008,969	-	- 118,184	**24,890,785**
Expected capital gains tax calculated with the capital gains tax rate of the Company	2,250,807	-	- 17,728	**2,233,080**
Tax base correction	1,385,548	-	31,601	**1,417,149**

Corrected profit or loss before tax	3,636,356	-	13,873	**3,650,229**
Corporate tax	**327,272**	**-**	**2,081**	**329,353**

Calculation of deferred tax (data in thousand HUF):

2019YE	**Receivables**	**Liabilities**
Opening deferred tax	572,163	11,767,044
Opening deferred tax correction with the involvement of Konzum Nyrt.	158,911	4,650,342
Deferred tax asset changes	1,021,165	
Deferred tax liability changes		- 14,494,400
Deferred tax of sold or acquired businesses	-	-
OCI	9,679	-
Total changes	***1,030,844***	***- 14,494,400***
Closing deferred tax	**1,761,918**	**1,922,986**

2018YE	**Receivables**	**Liabilities**
Opening deferred tax	230,700	378,472
Deferred tax asset changes	340,424	11,388,572
Deferred tax liability changes	-	-
Deferred tax of sold or acquired businesses	-	-
OCI	1,039	-
Total changes	341,463	11,388,572
Closing deferred tax	**572,163**	**11,767,044**

HUF '000'	**2019YE**	**2018YE**
Deferred tax expense	- 2,766,113	- 210,242
Capital gains tax expense in the reporting year	1,094,912	329,353
Capital gains tax expense	**- 1,671,201**	**119,111**

3.43. Profit/loss from discontinued activities

HUF '000'	**2019YE**
Revenue	86,253,475
Value of capitalised own performance	2,772,974
Other operating income	5,114,701
Total operating income	**94,141,150**
Raw materials, consumables and other external charges	44,604,836
Staff costs	24,459,032
Depreciation	11,490,763
Impairment	8,955
Other operating costs and expenses	22,562,838
Total operating costs	**103,126,424**

Financial transactions and earnings before interest and taxes (EBIT)	**-**	**8,985,274**
Revenues from financial transactions		6,379,764
Expenses on financial operations		3,271,724
P/L from sale	-	23,629,763
Profit/loss from financial transactions	**-**	**20,521,723**
P/L before taxes	**-**	**29,506,997**
Deferred tax	-	264,174
Income tax expense		170,001
Net profit or loss from discontinued activities	**-**	**29,412,824**

3.44. Earnings per share (EPS)

	2019YE	**2018YE**
After-tax profit (for the parent company)	- 27,125,213	25,485,245
Number of shares*	683,741,666	358,969,940
Earnings per share (HUF)	-39.7	71.0
Diluted earnings per share (HUF)	-39.7	71.0
Earnings per share from continuous activities (HUF)	-7.0	57.7
Diluted earnings per share from continuous activities (HUF)	-7.0	57.7
Earnings per share from discontinued activities	-43.0	11.3
Diluted Earnings per share from discontinued activities 0,0	-43.0	11.3

The determination of the average number of common shares was performed by the calculation of weighed arithmetic average. When calculating the base value of earnings per share, the number of ordinary shares is the weighted average of ordinary shares marketed during the given period.

Diluted earnings per share is the same as undiluted earnings per share.

3.45. 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 2019: Industrial manufacturing, Agriculture and Food industry, Tourism, Asset Management and Energy segment, the elements of which will be sold by the Company in 2020. The Group presents the segment information to the Management based on the breakdown of these business segments.

Description	Industrial manufacturing	Agriculture and Food industry	Energy	Asset management	Tourism	Consolidated
Net Revenues	135,301,677	31,971,925	-	166,745	31,495,518	198,935,865
Own performance capitalized	-149,454	7,383,812	-	0	29,260	7,263,618
Other operating income	1,520,473	1,330,260	-	224,773	867,404	3,942,910
Coverage 1	**136,672,696**	**40,685,997**	**-**	**391,518**	**32,392,182**	**210,142,393**
Raw materials, consumables and other external charges	111,606,315	32,431,621	-	435,205	14,321,280	158,794,421
Staff costs	6,064,624	4,809,736	-	251,180	10,532,200	21,657,740
Depreciation	21,750,522	3,435,629	-	53,136	2,147.,37	27,386,324
Impairment	69,512	137,698	-	0	0	207,210
Other operating costs and expenses	3,922,712	367,338	-	74,851	1,035,959	5,400,860
Coverage 2	**-6,740,989**	**-496,025**	**-**	**-422,854**	**4,355,706**	**-3,304,162**
Costs and expenses not directly allocated to any segment						-
Operating profit/loss (EBIT)						**-3,304,162**
Financial profit/loss						-3,176,911
P/L before taxes						**-6,481,073**
Net profit or loss from discontinued activities						**-29,412,824**
Profit or loss after taxes						**-34,222,696**
Total comprehensive income						**-34,396,433**
Fixed assets	92,471,922	174,228,844	-	21,859,290	81,781,219	370,341,275
Current assets	116,881,850	19,054,396	118,721,907	12,723,069	8,487,738	275,868,960
Segment assets	**209,353,772**	**193,283,240**	**118,721,907**	**34,582,359**	**90,268,957**	**646,210,235**
Assets not allocated to segments						-
Total assets						**646,210,235**

The values of reports based on segments include the items, which can directly be assigned to the given segment, which also include consolidation filters.

4. 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, valuations 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 2019 and 2018:

HUF '000'	**2019YE**	**2018YE**
Accounts receivable	21,798,517	26,780,710
Accounts receivable from investment contracts	-	422,656
Current receivables from affiliated companies	45,652	1,852,418
Other receivables and accrued expenses and deferred income	27,271,520	29,130,857
Securities	10,264,595	107,729
Financial investments	4,827,470	4,958,047
Non-current receivables from affiliated companies	1,108,408	714,145
Total	**65,316,162**	**63,966,562**

		2019YE	2018YE
Debt rate =	Long-term Liabilities / Long-term Liabilities + Equity	34%	28%
Equity ratio =	Equity / Long-term Liabilities + Equity	66%	72%
Loan to value ratio =	Liabilities / Short-term Liabilities	23%	32%
Indebtedness rate =	Liabilities / Total assets	56%	51%
Buyer turnover rate =	Buyer x 365 / Net Revenues	40	242

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. The Directorate 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:

HUF '000'	2019YE	2018YE
Loans and advances	97,993,998	87,154,004
Cash	79,553,252	98,586,675
Net debt	**18,440,746**	**- 11.432.671**
Equity	**287,555,167**	**280,354,151**
Net Equity	**269,114,421**	**291,786,822**

OPUS GLOBAL Nyrt.
1062 Budapest, Andrássy út 59.
Cg.: 01-10-042533

phone: +36 1 433 0700
email: info@opusglobal.hu
www.opusglobal.hu

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.

		2019YE	2018YE
Liquidity index =	Current assets / Short-term liabilities	1.3	1.0
Liquidity quick index =	Current assets - inventory / Short-term liabilities	1.2	0.9

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:

HUF '000'	2019YE	2018YE
Profit-sharing by external members	84,667,963	111,897,426
Long-term liabilities	147,793,700	111,733,375
Short-term liabilities	210,861,368	184,635,789
Liabilities	358,655,068	296,369,164
Equity per share of the parent company	**202,887,204**	**168,456,725**

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:

OPUS GLOBAL Nyrt.
1062 Budapest, Andrássy út 59.
Cg.: 01-10-042533

phone: +36 1 433 0700
email: info@opusglobal.hu
www.opusglobal.hu

	Average rate		Instant rate at record date	
Currency	**2019YE**	**2018YE**	**2019YE**	**2018YE**
€ 1 =	326.03	318.87	330.52	321.51
1 USD =	290.65	270.25	294.74	280.94

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. It performed sensitivity tests for these key variables. 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.

The result of the interest sensitivity analysis (percentage of interest change) For the activity to be performed:

HUF '000'		2019YE
Loans granted		6,285,704
	Non-current receivables from affiliated companies	895,408
	Other loan receivables	5,164,555
	Other loans granted	225,741
Long term loans		79,415,676
	Long term loans	75,007,042
	Long-term liabilities to affiliated companies	4,408,634
Short-term loans		24,422,145
	Short-term loans	22,986,956
	Other loan liabilities	1,435,189
Interest received		169,685
Interest paid		4,177,892
Net interest		-4,008,207
0.5%		
Change of interest received		31,429
Change of interest paid		519,189
Change of net interest		-487,761
Change of net interest (%)		12%
1%		
Change of interest received		62,857
Change of interest paid		1,038,378
Change of net interest		-975,521
Change of net interest (%)		24%
2%		
Change of interest received		125,714
Change of interest paid		2,076,756
Change of net interest		-1,951,042
Change of net interest (%)		49%
-0.5%		
Change of interest received		-31,429
Change of interest paid		-519,189
Change of net interest		487,761
Change of net interest (%)		-12%
-1%		
Change of interest received		-62,857
Change of interest paid		-1,038,378
Change of net interest		975,521
Change of net interest (%)		-24%
-2%		
Change of interest received		-125,714
Change of interest paid		-2,076,756
Change of net interest		1,951,042
Change of net interest (%)		-49%

At actual interest rates	**2019YE**

Profit before taxation - less interest expenditure	-10,489,280
Net interest payment	- 4,008,207
P/L before taxes	**- 6,481,073**
1%	
Profit before taxation - less interest expenditure	-10,489,280
Net interest payment	- 4,048,289
P/L before taxes	**- 6,521,155**
Change of P/L before tax	**- 40,082**
Change of P/L before tax (%)	**0.62%**
5%	
Profit before taxation - less interest expenditure	-10,489,280
Net interest payment	- 4,208,617
P/L before taxes	**- 6,681,483**
Change of P/L before tax	**- 200,410**
Change of P/L before tax (%)	**3.09%**
10%	
Profit before taxation - less interest expenditure	-10,489,280
Net interest payment	- 4,409,028
P/L before taxes	**- 6,881,894**
Change of P/L before tax	**- 400,821**
Change of P/L before tax (%)	**6.18%**
-1%	
Profit before taxation - less interest expenditure	-10,489,280
Net interest payment	- 3,968,125
P/L before taxes	**- 6,440,991**
Change of P/L before tax	**40,082**
Change of P/L before tax (%)	**-0.62%**
-5%	
Profit before taxation - less interest expenditure	-10,489,280
Net interest payment	- 3,807,797
P/L before taxes	**- 6,280,663**
Change of P/L before tax	**200,410**
Change of P/L before tax (%)	**-3.09%**
-10%	
Profit before taxation - less interest expenditure	-10,489,280
Net interest payment	- 3,607,386
P/L before taxes	**- 6,080,252**
Change of P/L before tax	**400,821**
Change of P/L before tax (%)	**-6.18%**

5. 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. The listed financial assets and liabilities are indicated at book value.

HUF '000'	2019YE	2018YE
Cash and cash equivalents	**79,553,252**	**98,586,675**
Financial investments	4,827,470	4,958,047
Non-current receivables from affiliated companies	1,108,408	714,145
Non-current assets	**5,935,878**	**5,672,192**
Loans granted	225,741	5,450,256
Trade receivables, trade receivables from investment contracts, current receivables from affiliated companies	21,798,517	27,203,366
Other financial instruments	27,317,172	30,983,275
Securities	10,264,595	107,290
Total loans and receivables	**59,606,025**	**63,744,187**
Loans	97,993,998	87,154,004
Debts from bonds issue	28,771,540	-
State aid	25,432,248	1,795,616
Other long term financial liabilities	14,689,120	12,852,119
Trade payables	26,547,540	29,463,996
Other financial liabilities and derivatives	95,645,158	132,355,017
Other financial liabilities in total	**289,079,604**	**263,620,752**

Note: The 2018 comparative data was prepared in accordance with the reclassification between balance sheet rows.

6. TRANSACTIONS WITH RELATED PARTIES

The IAS 24 standard specifies that disclosure of connections with related parties, the transactions made with them and the open balances coming from the same shall be made in the consolidated and separate financial statements presented in accordance with IFRS 10 consolidated financial statements standard or the IAS 27 consolidated and separate financial statements by the investor having joint control or controlling interest in the parent company or the subject of the investment.

A business is affiliated, if the business unit and the business unit preparing the statement are the members of the same group, if one business unit is an affiliated business of another business unit, or the joint business of the same, if a key executive in the business or the parent company is a relative of a private person in the above-mentioned, subsidiary, affiliated business, joint business owned by the private person or its close relative.

The private person or its close relative is also an affiliated party, if the private person exercises control or joint control over the unit preparing the statement; has significant influence on the business unit preparing the statement; or is a key executive at the business unit preparing the statement or a parent company of the same.

Transactions with related parties are any transactions, which are made between one another, irrespective of the fact whether they charge any fee or not.

Close relatives of private persons: family members, who assumingly influence the given person, or whom the given private person assumingly influences in the transactions made with the business.

Significant items (above HUF 5 million), receivables, liabilities, revenues, costs and expenses identified in accordance with the above rules and made by OPUS GLOBAL Nyrt. as Parent Company are as follows:

2019YE	Receivables from related parties		
Name of the related party	**Balance-sheet row**	**Description of the activity**	**Amount / thousand HUF**
HOLIDAY Resort Kreischberg Murau GmbH	Non-current receivables from affiliated companies	Loan granted by a member	267,268
HUNGUEST Hotels Szállodaipari Zrt.	Non-current receivables from affiliated companies	Loan granted by a member	879,743
KALL Ingredients Kft	Non-current receivables from affiliated companies	Loan granted by a member	10,298,329
KONZUM Management Kft.	Non-current receivables from affiliated companies	Loan granted by a member	163,394
KZBF Invest Vagyonkezelő Kft.	Non-current receivables from affiliated companies	Loan granted by a member	6,054
KZBF Invest Vagyonkezelő Kft.	Current receivables from affiliated companies	Bill of exchange and related interest	1,487,317
KZH Invest Kft.	Current receivables from affiliated companies	Bill of exchange and related interest	15,901,067
Ligetfürdő Ingatlanfejlesztő és Fürdőüzemeltető Kft.	Non-current receivables from affiliated companies	Loan granted by a member	276,173
OBRA Kft.	Non-current receivables from affiliated companies	Loan granted by a member	255,384
Relax Gastro GmbH	Non-current receivables from affiliated companies	Loan granted by a member	259,145
Relax Gastro GmbH	Current receivables from affiliated companies	accounts receivable	82,259
Révay 10 Kft.	Non-current receivables from affiliated companies	Loan granted by a member	60,359
STATUS Capital Zrt	Non-current receivables from affiliated companies	Loan	732,014
SZ és K 2005. Kft.	Non-current receivables from affiliated companies	Loan granted by a member	50,129
VIRESOL Kft.	Non-current receivables from affiliated companies	Loan granted by a member	1,775,179
Wamsler SE	Non-current receivables from affiliated companies	Loan granted by a member	5,954,780

2019YE	Liabilities to related parties		
Name of the related party	**Balance-sheet row**	**Description of the activity**	**Amount / thousand HUF**
HUNGUEST Hotels Szállodaipari Zrt.	Short-term liabilities to related parties	Bill of exchange and related interest	823,121

KONZUM PE Magántőkealap	Other short-term liabilities, accrued expenses and deferred income	Loans received	1,017,577
Status MPE	Other short-term liabilities, accrued expenses and deferred income	Loans received	311,815
Wamsler SE	Long-term liabilities to affiliated companies	Long-term part of the licence	8,592
Wamsler SE	Short-term liabilities to related parties	Short-term part of the licence	6,066
Wellnesshotel Építő Zrt.	Short-term liabilities to related parties	Trade payables, interest on arrears	992,560

2019YE	Revenues from related parties		
Name of the related party	**Profit row**	**Description of the activity**	**Amount / thousand HUF**
EURO GENERÁL Zrt.	Revenues from financial transactions	Dividend	100,000
HOLIDAY Resort Kreischberg Murau GmbH	Revenues from financial transactions	Loan interest	7,138
HUNGUEST Hotels Szállodaipari Zrt.	Revenues from financial transactions	Interest on loan and bill of exchange	18,191
KALL Ingredients Kft	Revenues from financial transactions	Loan interest	31,185
KZBF Invest Vagyonkezelő Kft.	Revenues from financial transactions	Interest on bill of exchange	33.,05
KZH Invest Kft.	Revenues from financial transactions	Interest on bill of exchange	358,789
Ligetfürdő Ingatlanfejlesztő és Fürdőüzemeltető Kft.	Revenues from financial transactions	Loan interest	8,714
Mészáros Építőipari Holding Zrt.	Revenues from financial transactions	Dividend	5,128,164
OBRA Kft.	Revenues from financial transactions	Loan interest	5,243
Relax Gastro GmbH	Revenues from financial transactions	Loan interest	6,668
Relax Gastro GmbH	Revenue	Operating fee	79,767
STATUS Capital Zrt	Revenues from financial transactions	Loan interest	19,869
VIRESOL Kft.	Revenues from financial transactions	Loan interest	6,562
Wamsler SE	Revenues from financial transactions	Loan interest	34,631
Wamsler SE	Revenue	Licence and SAP maintenance	13,048

2019YE	Costs and expenses related to related parties		
Name of the related party	**Profit row**	**Description of the activity**	**Amount / thousand HUF**
FLAMINGO 24 Kft.	Raw materials, consumables and other external charges	Events, advertising, representation	6,054
HUNGUEST Hotels Szállodaipari Zrt.	Expenses on financial operations	Interest on bill of exchange	7,105
Mészáros M1 Autókereskedő Kft	Raw materials, consumables and other external charges	Vehicle repair, lease fee	5,233
Status MPE	Expenses on financial operations	Loan interest	8,621
KONZUM PE Magántőkealap	Expenses on financial operations	Loan interest	35,064

Based on the IAS 24 Standard, the Group identified the group level relations with affiliated parties, transactions with the same and the related open balances, based on which receivables from related parties on group level was HUF 12,051,152,000, liabilities of HUF 8,861,278,000, costs and expenses of HUF 23,988,884,000 and revenues of HUF 5,712,310,000 were recognised.

The turnover of transactions within the Group were filtered out during the consolidation.

Transactions with related parties were made by the Parties as independent parties taking into account the applicable market prices.

7. REMUNERATION OF THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD AND THE AUDIT COMMITTEE

Transactions related to the Board of Directors

The members of the Board of Directors received the following benefits:

data in HUF	**2019YE**	**2018YE**
Short term remuneration (**honorarium,** premium)	10,973,913	12,486,000
Total	**10,973,913**	**12,486,000**

The members of the Supervisory Board and the Audit Committee received the following benefits:

data in HUF	**2019YE**	**2018YE**
Short term remuneration (**honorarium,** premium)	7,200,000	7,200,000
Total	**7,200,000**	**7,200,000**

The Group does not provide any loans to the members of the management.

Loan balance of the members of Board of Directors:

data in HUF	**2019YE**	**2018YE**
Loan provided for the members of the Board of Directors	-	-
Interest related to the loan provided for the members of the Board of	-	-
Total	**-**	**-**

OPUS GLOBAL Nyrt.
1062 Budapest, Andrássy út 59.
Cg.: 01-10-042533

phone: +36 1 433 0700
email: info@opusglobal.hu
www.opusglobal.hu

8. CONTINGENT AND FUTURE LIABILITIES OF THE PARENT COMPANY

Name of receiver	Name of the contingent liability	Amount of the liability	Expiration (year)	Annual debt service
EXIMBANK Zrt. / MKB Bank Nyrt.	KALL Ingredients Kereskedelmi Kft. Joint and several liability related to the investment loan	EUR 77,010,730.08	31.12.2030	EUR 9.2 million
MFB Zrt. / MKB Bank Nyrt.	KALL Ingredients Kereskedelmi Kft. Joint and several liability related to the investment loan	EUR 24,998,222.00	31.12.2030	EUR 2.7 million
Takarékbank Zrt	RÉVAY 10 Ingatlanfejlesztési Kft. Joint and several liability	Up to an EUR amount equal to maximum HUF 50 million	31.12.2026	EUR 201,825.4 million
Takarékbank Zrt	Guarantee, joint and several liability provided for the loan related to Holiday Resort Kreischberg MURAU GmbH	3 months instalment + interest (EUR 159,000)	31.12.2027*	EUR 636,000

*Subsequent to the change of ownership, we requested the termination of joint and several liability several times from Takarékbank, but termination has not be performed to date.

Name of receiver	Name of the contingent liability	Amount of the liability	Expiration (year)	Annual debt service
Budapest Bank Zrt	KZH Invest Kft. Joint and several liability Lien on the business interest (on the business interest in KZH INVEST Kft.)	HUF 4.12 billion	25.06.2033	~HUF 395 million
Budapest Bank Zrt	KZBF Invest Kft. Joint and several liability	HUF 1.54 billion	25.06.2033	~HUF 147 million
OTP Bank Nyrt.	Legatum '95 Kft. (Legal successor from 01.01.2020: HUNGUEST Hotels Zrt.) Joint and several liability	HUF 400 million	15.04.2026	
OTP Bank Nyrt.	Ligetfürdő Kft. (Legal successor from 01.01.2020: HUNGUEST Hotels Zrt.) Joint and several liability	EUR 9,496,869	31.08.2027	

Between 1991 and 1998, KONZUM Nyrt. - operating in another ownership structure - owned and used the property located at 39-41 Kossuth Street, Marcali, H-8700, where MM Rt. “under liquidation” and MMW Fémipari Zrt. “under liquidation” pursued a joint activity. In 2012 the expert tests conducted on the spot revealed chlorine and other hydrocarbon contamination in the soil, which, established by expert estimation, was due at most in 2.88 per cent to the activity of KONZUM Nyrt. Based on official supervisory decisions adopted since then and reviewed by the Curia, the three companies are jointly and universally responsible for indemnification and monitoring. As the above-mentioned two businesses have been terminated since then, the competent authority requested a consultative procedure in the course of 2018 to repeatedly clarify the circumstances.

The Company resorts to all available remedies to prevent any consequences of the procedure that would be disproportionate or unfair to the Company. The Legal Predecessor assigned an expert for the performance of measures and the update of the previous cost calculation related to the performance of the activity, who put together a document called “2019 condition check of the environment monitoring system”, however based on their industry approach - considering that in the past 20 years, the localisation of contamination could have changed, and new more cost effective methods were developed in the area of remediation - they question the performance of the intervention as planned, which would benefit the Company, thus the Company took measures in this direction.

The Company requested the rescheduling of past performance deadlines as well as the review and examination of the obligation based on the new standards from the Government Office of County Somogy, District Office of Kaposvár, firstly by way of a personal meeting and then in a written petition.

Regarding the uncertainty of its outcome and of the financial consequences, the Company does not include this item in its report until the latter is closed.

The Company - in accordance with the relevant standards - did not set aside reserves for this matter due to the uncertainty of its future outcome, as based on present information, expected future costs cannot reliably be estimated.

9. EVENTS AFTER THE BALANCE SHEET DATE

In accordance with the strategic direction of its energy segment, OPUS GLOBAL Nyrt., aims at the restructuring of its scope of activity in a Hungarian way and line with the economic and environmental challenges of the 21st century. As a first step of this strategy, on 23 December 2019, the Company contracted with Magyar Villamos Művek Zrt. (MVM), as buyer with regard to the sale of its business interest in Status Power Invest Kft. The sales process was concluded on 26 March 2020, with regard to which, the lignite based energy production group is removed from the business interest up for sale subsequent to closure.

On 7 February 2020, in line with the efforts related to the restructuring of the energy segment, OPUS GLOBAL Nyrt. submitted a binding bid (Tender) - with all reasonable care - to E.ON Hungária Zrt. as seller in the call for offers related to 100% of E.ON Energiakereskedelmi Kft., (EKER).

(https://www.bet.hu/newkibdata/128354090/OPUS_Hird_EKER_HU_20200210.pdf)

Even at present, upon the disclosure of the 2019 Annual Report of OPUS GLOBAL Nyrt. the award of the tender is still in progress, and the Company's successful participation is subject to several conditions. Based on the market competition and the process, the final outcome of the tender procedure is not yet known.

In accordance with Section 93, Paragraph (2) of Act LXXXVI of 2007 on electricity, the preliminary approval of the Hungarian Energy and Public Utility Regulatory Authority (Magyar Energetikai és Közmű-szabályozási Hivatal - MEKH) is necessary for the acquisition of direct influence and the exercise of related rights in any electricity company exceeding 25, 50 or 75% and reaching 100% of the votes. EKER is an electricity company with commercial licence to sell electricity to users, in which the Company aims to acquire 100% direct influence. In this respect, the legal conclusion of the transaction - if the bid wins - may only be performed with the preliminary approval provided by MEKH.

In accordance with Section 24 of Act LVII of 1996 on the prohibition of unfair and restrictive market practices, the decision of the Hungarian Competition Authority (Gazdasági Versenyhivatal) approving merger is also necessary for the acquisition of influence in EKER by the Company. The Hungarian Competition Authority, in its decision approving merger may include obligations and preliminary or posterior conditions for the implementation of the merge.

OPUS GLOBAL Nyrt. and the German parent company of E.ON Hungária Zrt. entered into an agreement on the conditions of the purchase of E.ON Tiszántúli Áramhálózati Zrt. (Titász).

With the acquisition of Titász Zrt. with assets of HUF 100 billion, the Directorate of OPUS GLOBAL Nyrt. aims to strengthen the Company's strategic position, and ensure the Group's stable profitability. The transaction may be completed in the third quarter of 2020 subsequent to the due diligence of Titász, the conclusion of the final agreement and the approval by the Hungarian Competition Authority. The planned transaction requires a significant amount of loans.

(https://www.bet.hu/newkibdata/128308404/OPUS_Titasz_hirdetm%C3%A9ny_20191004_HU.pdf)

The Information Document prepared for the registration, into the multilateral trading system called XBond operated by the Market Operator, of 572 dematerialised, registered bonds called "OPUS GLOBAL 2029 Bond" of a nominal value of HUF 50,000,000 each, of a total nominal value of HUF 28,600,000,000 issued by the Company on 25 October 2019, was approved by the Budapest Stock Exchange (BSE) with its decision of 13 March 2020. The first day of trading is 30 March 2020.

In accordance with decision 4/2019 (X.04.) of the extraordinary general meeting of 4 October 2019, OPUS GLOBAL Nyrt. - in order to achieve the strategic goals specified in the decision - aims at the implementation of the acquisition of own shares on the market. The purchase of own shares will be implemented based on the order given to MKB Bank Nyrt., in accordance with the Company's announcement of 23 March 2020 irrespective of its individual decision, in a period of a quarter (three months) from the beginning of 2020. The Company calculated and provided its order based on the market data of the previous one-year period, maximising the number of shares, which can be purchased at 10% of daily trading, and also specifying that the maximum number of shares that can be purchased is 3,000,000, that is a bit more than 0.4% of all the shares.

10. COVID-19 EFFECTS

By Government Decree 40/2020. (III.11.), the Hungarian Government declared a state of emergency on 11 March 2020. Then in order to slow the spread of the COVID-19 pandemic, in a government decree the Hungarian Government limited border crossing and the official hours of non-vital shops. Simultaneously, the Government also adopted economy boosting measures, the most significant being the order on a debt repayment moratorium up to 31 December 2020.

The measures taken in relation to the pandemic have a significant but not critical impact on the operation of OPUS GLOBAL Nyrt. The management of OPUS GLOBAL Nyrt. made responsible decisions on the Group's most important tasks, and a multi-phase action plan adjusted to the different governmental measures is developed.

The Group will take all precautionary measures that may help the slowdown of the pandemic, and keep up continuous operation. The safety of employees is a priority for the Group, therefore, based on industry recommendations, precautionary measures had been taken even before corona virus appeared in Hungary.

No responsible expert that could predict the duration and extent of damage caused to the economy. As this is unprecedented, there are no generally applied practices, and thus the economic effects of such a worldwide pandemic are not known either.

At the time of the preparation of this business report, the effects of corona virus are unpredictable, but the fact that one of the great losers of the pandemic is tourism is apparent. The HUNGUEST Group, in line with the government and international regulations, announced the suspension of the operation of hotels in Hungary and abroad from 22 March for a definite period, thus guests are not welcome, as an expected result of which, the profitability of 2020 will be affected, which we need to acknowledge now. Tourism sector clearly expects the strengthening of domestic tourism subsequent to the ease of the pandemic, and HUNGUEST Hotels located in the country are most likely to benefit from this sooner than those in Budapest.

Due to the general reservation cancellations, HUNGUEST Hotels are rescheduling the previously planned renovation of 14 hotels, thus the accommodation shut down due to the pandemic will not be renovated partially open, but in several phases, fully shut down. Hotels that will be renovated in a later (second) phase are expected to be reopened in mid-summer. Due to three months of total shut-down and hotel renovations, the predicted company-level revenues are expected to fall significantly (approx. 50%) below that of the base year. The company immediately balanced the drastic loss of revenue by way of cost cutting measures, with which temporary losses can be partially compensated.

We are also prepared to the total halt of tourism in Hungary and abroad. The greatest difficulty is the harmonisation of measures taken in order to minimize economic losses and to possibly keep human resources. With regard to human resources decisions, we absolutely do take into consideration the government's measures taken in order to mitigate damages, and we ensure the preconditions of further development with technical and aesthetic renewals.

With regard to the government's decision on loan repayment moratorium, the OPUS Group, due to its solid financial foundations, will probably only use this option in the food industry and tourism companies, and loan repayment will be uninterrupted in the other segments.

So far, the economic effects of the pandemic had a lesser impact on the construction and food industry companies, in spite of the fact that procurement of raw materials is now more difficult due to slower transportation, but thanks to flexible responses, production is uninterrupted. And due to changed needs, the production of alcohol used as an ingredient in hand sanitizers was increased by KALL Ingredients Kft. and VIRESOL Kft, in the Food Industry division, with which increased domestic demand may be met. Our industry reputation is increased by the fact that the experts of KALL Ingredients Kft. and VIRESOL Kft. in the Food Industry division are involved in the development of the food rescue package proposal of the Hungarian Chamber of Commerce and Industry.

With regard to medium and long-term plans, we can say that at present, group-level processes are being optimised in order to minimise the negative impacts of the corona virus. If necessary, we can flexibly adjust the profile and production of certain companies to the changed needs. Raw material supply is reliable in the production units of OPUS GLOBAL Nyrt. shutdown is not expected in the construction industry, and projects are in progress as planned. The food industry division, as manufacturer of raw materials for the food industry is also one of the less impacted segments, certain segments may be prioritised by consumers, food supply is a priority.

Nevertheless, OPUS GLOBAL Nyrt. is benefiting from this situation, as due to its diverse portfolio, its operation may be kept more balanced compared to those, who are focused on a specific segment of the economy.

11. APPROVAL OF THE DISCLOSURE OF THE FINANCIAL STATEMENTS

The financial statements were accepted by the Company's Directorate and Supervisory Board on 9 April 2020 in decision No. 4-5/2020. (04.09.) of the Directorate, and the 2019 consolidated Annual Report was approved for disclosure in this format in decision No. 2-3/2020. (04.09.) of the Supervisory and the Audit Committee.

OPUS GLOBAL Nyrt.
1062 Budapest, Andrássy út 59.
Cg.: 01-10-042533

phone: +36 1 433 0700
email: info@opusglobal.hu
www.opusglobal.hu