2023

Annual Report

OPUS GLOBAL Nyrt.

Consolidated

IFRS

31.12.2023

OPUS GLOBAL Nyrt.

on the basis of the International Financial Reporting Standards adopted by the European Union

2023 Consolidated Annual Report

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OPUS GLOBAL Nyrt.
1062 Budapest, Andrássy út 59.
Corporate registration number: Cg.: 01-10-042533

tel.: + +36 1 433 0700
e-mail: info@opusglobal.hu
www.opusglobal.hu

Note:

In this report of the Board of Directors, OPUS GLOBAL Nyrt. is referred to as: "Parent Company", "Company", 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", "Group", "Group of Companies", "Holding".

Annual review by the OPUS Management

The recession that started in 2022 – caused by, among other things, the protraction of the Russian-Ukrainian war, record-high inflation and high energy and commodity prices – eased somewhat in 2023, and the Hungarian economy's performance took a positive turn in the last three months of the year. Despite the turbulent economic conditions, **OPUS Group was able to deliver exceptional performance in its strategic divisions**. The Group's four divisions of key importance to the national economy - Industrial Production, Energy, Agriculture and Food Industry and Tourism - all ended the year with outstanding figures. We are proud that **our broad, multi-industry and solidly based portfolio, which is unique in Hungary, was able to further strengthen the Group's fundamentals and contribute to value creation** in an extraordinary macroeconomic environment**.**

After a massive expansion in previous years, **2023 was a year of consolidation for the OPUS Group**. The **Group's focus, after significant growth, is improving on efficiency in strategic areas, exploiting synergies and eliminating duplication**. This has become important as a challenging economic environment can make previously stable companies very vulnerable.

In this spirit, the organisational structure of the **Construction Branch** has been simplified. Mészáros Építőipari Holding Zrt., 51% of which was owned by the Company and whose main activity was to perform the Asset Management tasks of its two subsidiaries, Mészáros & Mészáros Zrt. and R-KORD, was dissolved by a demerger on 30 September 2023. Following the transaction, the organisational structure of the Construction Branch was simplified, previous indirect owners became direct owners of Mészáros és Mészáros Zrt. and R-KORD Kft. with unchanged ownership shares.
The domestic industry's performance could not continue previous year's growth in 2023. As total output in the economy started to contract, the Industrial Division showed signs of decline also. Despite this, the Group's Construction Branch had a very successful and profitable year in 2023 and was able to increase its revenues significantly by 34.1%. The division is not only a key part of the Group's operation, but also contributes to Hungary's competitiveness through its involvement in major infrastructure investments.

In the **Energy Division**, now one of the largest energy suppliers in Hungary with a geographical coverage of 40% of the country, OPUS TIGÁZ Zrt. supplies gas to 1.27 million consumers in seven counties, while OPUS TITÁSZ Zrt., which supplies electricity to 784,000 customers in six counties, accounts for 41% of the Group's balance sheet total and 32% of its turnover, making it the largest division in terms of asset value and the second largest in terms of turnover within the OPUS Group. In the past year, the division's revenue growth exceeded 56%, taking operating income from nearly HUF 155 billion to more than HUF 240 billion by the end of 2023.

Aggregate EBITDA of the **Agriculture & Food Industry Division** is soared by nearly 70%, while its profit after tax doubled, despite the division's performance being significantly impacted by the EUR/HUF exchange rate fluctuation, given that the two largest companies in the division keep their books in EUR. The division has two high-tech grain processing factories that have undergone and are still undergoing significant improvements. The division's food companies - KALL Ingredients Kft. and VIRESOL Kft. - were previously under separate management, but in 2023 they were brought under common management, similar to the way TIGÁZ and TITÁSZ are managed in the Energy Division. Efficiency is also reflected in their ability to operate more sustainably, generate more profit and make organisational decisions more flexibly and quickly. With the planned split of the division's representative company in the Agriculture Division (Csabatáj Zrt.), the rationalisation of the division's structure has also been started. The Company entered into an agreement with Talentis Agro Zrt. with the aim of separating the financial assets of Csabatáj Zrt. that do not fit into its core agricultural activities, into a separate company. Thereafter, in the context of the sale and purchase transactions between the contracting parties, the share of the Company in Csabatáj Zrt., which will retain its core activity, will be eliminated, while the share of Talentis Agro Zrt. in the new company holding the financial assets not matching its core agricultural activity will be eliminated subsequent to the demerger.

The main players in the **Tourism Division** are the Hunguest Hotel chain and BALATONTOURIST, the market leading campsite operator. It is a great success that, while the number of overnight stays went up by 3.2% year-on-year nationwide in 2023, Hunguest's grew by 16.5%. Even with a 16.7% increase in capacity, due to the completion of certain developments, Hunguest achieved a higher growth rate than the national average. On a comparative basis, Hunguest recorded a 6.4% increase in the number of nights, above the national average. All this reflects Hunguest's unchanged popularity in the domestic market and its ability to increase its share of the market in terms of overnight stays for the year as a whole. In June 2023, the 4-star Hotel Aquarell wellness hotel in Cegléd entered Hunguest's operation, while the renovation of the 199 rooms and other facilities of Hunguest Szeged was completed on schedule in the last quarter of the year.

The Group is committed to optimising its processes and thereby continuously increasing efficiency. As a result of this effort, KZH INVEST Kft., KZBF INVEST Kft. and HUNGUEST Hotels Zrt. were dissolved by merger on 31 December 2023, their general legal successor is **Hunguest Szálláshelyszolgáltató Zártkörűen Működő Részvénytársaság**, which is directly owned by OPUS GLOBAL Nyrt. The simplified structure creates a more transparent, direct relationship with the Parent Company and allows for faster implementation of strategic objectives while minimising administrative burdens. However, Hunguest will continue to operate with unchanged governance, strategy and, of course, the usual high quality.

SZ és K 2005. Ingatlanhasznosító Kft. u.v.d,, a real estate development subsidiary in the **Asset Management Division** wholly owned by the Company, performed the Asset Management functions of the only real estate owned by the Company in Eger. In 2022, the Company sold the real estate and decided to liquidate the property, which was completed on 31.12.2022, and the Company was deleted from the

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Commercial Register by the Commercial Court of the Metropolitan Court of Budapest with effect from 1 March 2023. The Company sold its 4.385% direct stake **in MITRA Zrt.**, which is part of the same division, for portfolio streamlining purposes.

The Group has continued to pursue its strategy and its diversified portfolio has proven its resilience to the crisis, resulting in record sales, which exceeded HUF 500 billion in the third quarter. The Group continued to build on its four industry pillars and achieved a consolidated EBITDA of **HUF 88.21 billion, doubling its profit after tax from HUF 22.23 billion to HUF 44.89 billion**. **Its balance sheet total rose to HUF 1,072.65 billion, in line with organic growth.** The Group achieved an increase in its financial performances in 2023 by reducing the number of employees, with **4,457 people** working for the OPUS Group's profitability at the end of 2023, compared to **4,665** in 2022.

The financial situation of the Company allowed **OPUS GLOBAL Nyrt. to announce a share repurchase program** in the spring of 2023, under which it purchased shares **worth HUF 1 billion**, so that at the end of the year the Company directly held 1.25% of its shares, while the number of shares held by the Group in treasury at the end of 2023 represented almost 7% of the ordinary shares. **Investor confidence in OPUS GLOBAL Nyrt. has been strongly reinforced and it is now the 5th most capitalised company on the BSE.** Nothing could better support the rise in investor confidence than the **booming share price, which closed last year at HUF 382, up 335 percent.** Every year, the BSE rewards outstanding performance, with **OPUS GLOBAL Nyrt. being named the share with the highest share price increase in 2023 in the premium category of the Budapest Stock Exchange (BSE)**. The award was received by the CEO of the Company at the BSE Bests 2023 ceremony.

We also consider it a success that in August 2023, OPUS GLOBAL Nyrt. once again **received an outstanding credit rating** from the German independent rating agency Scope Ratings GmbH, **confirming the Company's BB/Stable rating**. **And the rating of the bonds issued by the Company was again BBB-**, four notches above the investment level required by the MNB, which, based on the rating report published by the rating agency, reflects the Company's strong financial risk profile and the holding company's sound cost coverage. In addition to the Company, Scope Ratings GmbH also affirmed the credit rating of its indirectly owned subsidiary OPUS TIGÁZ Gázhálózati Zrt. and its bond, which is included in the consolidation, with a BBB-/BBB- rating and a stable outlook during the year.

Importantly, with sustainability in mind, the Group has thus continued its ESG efforts in 2023, which are detailed in its Sustainability Report in line with regulatory recommendations and expectations. This year's Sustainability Report now covers all major business areas, is more comprehensive and more in line with international GRI standards. Of the three pillars of ESG, the Group's achievements are mainly in the area of environmental compliance, as food companies that support circular economy developments, for example, not only have a very high rate of material processing, but also recycle the by-products generated. In the Tourism Division, in addition to the continuous development of quality services, considerable attention is also paid to energy modernisation. Certain businesses are considered to be at the forefront of sustainability, as they have a high impact in their core business. One example is our Energy Division, which can make a major contribution to decarbonisation efforts, as it is an important economic player in security of supply, both environmentally and socially.

Management is committed to its future plans and strategy, the planned publication of which will demonstrate the Group's commitment to growth, profitability and transparent communication. By sharing its long-term vision, the Company seeks to strengthen the confidence of its investors and partners while achieving sustainable growth.

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I. 2023 Consolidated Financial Statements

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Consolidated Financial Statements

I.1. Consolidated Balance Sheet

Name (data in '000' HUF)	Notes	31.12.2023.	31.12.2022.
ASSETS	**II.3.-**		
Long-term assets			
Property, plant and equipment	2	486,741,882	489,108,176
Other intangible assets	3	9,589,316	9,287,616
Contract portfolio	10	19,607,564	32,846,526
Goodwill	4	88,636,529	88,638,199
Investment property	5.	3,563,112	1,716,000
Financial investments	6.	4,718,112	4,252,575
Long-term receivables from related parties	9	8,146,216	8,913,036
Deferred tax assets	30	1,996,432	2,415,668
Investments in associates accounted for using the equity method	7	2,708,235	2,473,512
Investments in other associates	8	73,334	57,338
right of use assets	11	7,411,971	5,654,665
Total Long-term assets		**633,192,703**	**645,363,311**
Current assets			
Inventories	12	33,463,969	37,737,050
Biological assets	13	202,100	261,867
Current income tax	14	3,223,263	2,810,335
Accounts receivable	15	57,506,415	71,228,353
Current receivables from related parties	15	15,421,946	4,639,417
Other receivables and prepaid expenses and accrued income	16	81,959,484	105,833,903
Cash and cash equivalents	17	247,679,196	174,218,420
Assets held for sale		-	487,488
Total current assets		**439,456,373**	**397,216,833**
Total assets		**1,072,649,076**	**1,042,580,144**

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LIABILITIES

Equity capital			
Issued capital	19	17,541,151	17,541,151
Own shares repurchased	20	- 5,279,843	- 3,562,249
Capital reserve	20	166,887,066	166,887,066
Capital reserves	20	- 119,811	- 137,842
Retained earnings of prior years	20	13,223,241	12,257,949
Profit for the reporting year	20	25,856,276	12,321,033
Revaluation difference	20	184,445	851,484
Equity allocated to owners of the parent company	**I.3.**	**218,292,525**	**206,158,592**
Non-controlling interest	22	137,486,186	137,103,294
Total equity	**I.3.**	**355,778,711**	**343,261,886**
Long-term liabilities			
Long term loans and borrowings	23	118,561,349	135,403,508
Government grants	24	112,483,648	49,153,142
Bonds issue	25	114,736,276	116,257,037
Other long-term liabilities	26	4,141,928	20,912
Long-term provisions	27	15,186,281	11,126,394
Long-term liabilities to related parties	28	2,374,876	9,362,746
Long-term financial leasing liabilities	29	5,615,453	4,241,199
Deferred tax liability	30	42,991,402	48,147,402
Total long term liabilities		**416,091,213**	**373,712,340**
Short-term liabilities			
Short term loans and advances	23	12,005,394	13,975,962
Trade payables	31	40,201,712	52,632,388
Advances received	32	73,317,874	124,617,146
Other short-term liabilities, accrued expenses and deferred income	33	102,624,903	93,972,808
Short-term liabilities to affiliated parties	34	65,005,170	36,310,455
Short-term leasing liabilities	29	2,059,769	1,555,442
Short-term provisions	27	785,744	1,405,012
Corporate income tax liability in the reporting year	14	4,778,586	1,136,705
Total short-term liabilities		**300,779,152**	**325,605,918**
Total liabilities		**716,870,365**	**699,318,258**
Total liabilities and equity		**1,072,649,076**	**1,042,580,144**

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I.2. Consolidated Income Statement

Name (data in '000' HUF)	**Notes II.3.-**	**31.12.2023.**	**31.12.2022.**
Sales revenue	35	643,788,064	513,877,201
Capitalised own performance	36	15,632,521	10,519,030
Other operating income	37	26,898,872	10,926,703
Total operating income		**686,319,457**	**535,322,934**
Materials, consumables and other external charges	38	526,590,142	394,653,575
Staff costs	39	46,455,721	43,736,896
Depreciation	2	45,472,454	40,323,889
Impairment	40	2,376,538	573,858
Goodwill impairment		-	-
Other operating costs and expenses	41	22,684,607	21,972,239
Total operating costs		**643,579,462**	**501,260,457**
EBITDA		**88,212,449**	**74,386,366**
Profit or loss on financial operations and earnings before interest and taxes (EBIT).		**42,739,995**	**34,062,477**
Financial income	42	43,921,562	33,691,472
Badwill	42	-	-
Financial expenses	42	34,271,025	36,984,237
Net financial income		**9,650,537**	**- 3,292,765**
Investments in associates accounted for using the equity method	**43**	**2,500**	**- 1,953,345**
Profit before taxes		**52,393,032**	**28,816,367**
Income tax expenses	44	7,503,437	6,587,726
Profit on continuing operation		**44,889,595**	**22,228,641**
Profit on discontinuing operation		**-**	**-**
Profit after taxes		**44,889,595**	**22,228,641**

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Consolidated Financial Statements

Name (data in '000' HUF)	**31.12.2023.**	**31.12.2022.**
Impact of fair valuation		
Impacts of exchange rate changes	- 781,033	373,722
Effects of deferred tax	17,085	- 57,423
Other comprehensive income	**- 763,948**	**316,299**
Total comprehensive income	**44,125,647**	**22,544,940**
Profit after taxes attributable to:		
Owners of the Parent Company	25,856,276	12,321,032
Non-controlling interest	19,033,319	9,907,610
Other comprehensive income attributable to:		
Owners of the Parent Company	- 649,554	278,118
Non-controlling interest	- 114,394	38,181
Total comprehensive income attributable to:		
Owners of the Parent Company	25,206,722	12,599,150
Non-controlling interest	18,918,925	9,945,791

I.3. Consolidated equity change

Notes II.3.-	20	21	21	21	21	21	21		22	
HUF '000'	Issued capital	Own shares repurchased	Capital reserve	Capital reserves	Retained earnings of prior years	Profit for the reporting year	Revaluation difference	Equity allocated to parent company owners	Non-controlling interest	Total equity
31 December 2021	**17,541,151**	**861,954**	**166,887,066**	**93,328**	**12,234,251**	**31,749,547**	**528,305**	**227,985,038**	**86,478,981**	**314,464,019**
Equity settlement	-	-	-	-	-	-	-	-	-	-
Transfer of profit and loss	-	-	-	-	31 749 547	-31 749 547	-	-	-	-
Profit for the reporting year	-	-	-	- 44 514	-	12 321 033	323 179	12 599 698	9 945 790	22 545 488
Capital increase	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-
Inclusion of subsidiaries	-	-	-	-	-	-	-	-	-	-
Removal of subsidiaries	-	-	-	-	-	-	-	-	- 1 280 380	- 1 280 380
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests while retaining control	-	-	-	-	-31 725 849	-	-	- 31 725 849	47 753 686	16 027 837
Change of business combinations	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	- 5 794 783	- 5 794 783
Increase/decrease of repurchased own shares	-	- 2 700 295	-	-	-	-	-	- 2 700 295	-	- 2 700 295
31 December 2022	**17,541,151**	**3,562,249**	**166,887,066**	**137,842**	**12,257,949**	**12,321,033**	**851,484**	**206,158,592**	**137,103,294**	**343,261,886**

Notes II.3.-	20	21	21	21	21	21	21		22	
HUF '000'	Issued capital	Own shares repurchased	Capital reserve	Capital reserves	Retained earnings of prior years	Profit for the reporting year	Revaluation difference	Equity per parent company	Non-controlling interest	Total equity
31 December 2022	**17,541,151**	**-3,562,249**	**166,887,066**	**-137,842**	**12,257,949**	**12,321,033**	**851,484**	**206,158,592**	**137,103,294**	**343,261,886**
Equity settlement	-	-	-	-	-	-	-	-	-	-
Transfer of profit and loss	-	-	-	-	12 321 033	- 12 321 033	-	-	-	-
Profit for the reporting year	-	-	-	18 031	-	25 856 276	- 667 039	25 207 268	18 918 925	44 126 193
Capital increase	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-
Inclusion of subsidiaries	-	-	-	-	-	-	-	-	-	-
Removal of subsidiaries	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests while retaining control	-	-	-	-	- 11 355 741	-	-	- 11 355 741	- 9 738 333	- 21 094 074
Change of business combinations	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	- 8 797 700	- 8 797 700
Increase/decrease of repurchased own shares	-	- 1 717 594	-	-	-	-	-	- 1 717 594	-	- 1 717 594
31 December 2023	**17,541,151**	**5,279,843**	**166,887,066**	**119,811**	**13,223,241**	**25,856,276**	**184,445**	**218,292,525**	**137,486,186**	**355,778,711**

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I.4. Consolidated cash - flow

Consolidated cash flow statement	Notes	31.12.2023	31.12.2022
HUF '000'			
Cash flow from operating activities			
Profit before taxes	**I.2.**	**52,393,032**	**28,816,367**
	II.3.-		
Items not involving a cash outflow recognised in profit or loss:			
Depreciation and amortization	2.,3., 10., 11.	45 472 454	40 343 890
Accounted impairment and reversal	40	2 376 538	557 313
Change in provisions	27., 37., 41.	3 627 317	6 685 659
Revaluation of investment property	5.	152 305	-70 000
Revenues from the sale of tangible and fixed assets		- 89 467	648 533
Earnings of related companies	42	291 865	1 953 345
Interest SWAP fair value impact	42	4 490 038	- 4 566 550
Impacts of exchange rate changes	42	1 499 747	3 505 290
Interest expense	42	16 061 521	14 152 865
Interest revenue	42	- 21 279 233	- 7 581 011
Dividends received	42	- 1 376 750	-
Change in the working capital:			
Change in trade and other receivables		22 110 719	- 29 945 854
Change in current assets		1 105 640	- 60 659 264
Changes of accounts payable and other liabilities		- 30 872 490	114 140 162
Capital gains tax expense		- 9 182 874	- 6 587 726
Net cash flow from operating activities		***86,780,362***	***101,393,019***
	II.3.-		
Cash flow from investment activities			
Dividends received	5.	1 376 750	
Purchase of tangible and intangible assets		- 50 622 347	- 60 763 514
Sale of tangible assets and intangible assets		424 133	2 182 979
Change of long-term financial assets		297 984	2 879 070
Change of lease items		-	-2 797 263
Changes of securities and shareholdings		- 540 914	67
Net cash received for sale of subsidiary		-	-
Net cash spent on acquisition of subsidiary	1	- 317 000	- 793 897
Interest received		20 572 614	6 993 509
Net cash flow from investment activities		***- 28 808 780***	***- 52 299 049***

Cash flow from financing activities			
Own share purchase	**I.3.**	- 1 717 594	- 2 700 295
Borrowing		4 044 806	8 678 518
Loan repayment		- 23 685 230	- 16 580 406
Lease instalment		- 2 095 214	817 510
Dividend payment	**I.3.**	- 8 797 700	- 5 794 783
Interest paid		- 17 207 488	- 8 397 800
Government grants		66 732 472	10 823 839
Bond issue (reimbursement)		- 1 500 000	- 1 500 000
Net cash flow from financing activities		***15 774 052***	***- 14 653 417***
Impacts of exchange rate changes		*- 284 858*	*6 069 178*
Net change in cash and cash equivalents	17	73,460,776	40,509,731
Balance of cash and cash equivalents at the beginning of the year	17	174,218,420	133,708,689
Year-end balance of cash and cash equivalents		**247,679,196**	**174,218,420**

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II. Supplementary notes to the Consolidated Financial Statements

II.1. General background

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.

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") was merged into the Company, a legal successor on 30 June 2019, as a merging company. As a result of the Merger, all assets of KONZUM Nyrt. were transferred to OPUS GLOBAL Nyrt, as general legal successor, which subsequent to the Merger has been carrying on its activity as a public limited company, in the same company form.

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. 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.

In 2023, the companies consolidated by the Company fall in the below divisions: Industrial Production, Agriculture and Food industry, Tourism, Asset Management and Energy Divisions.

2. Name and residential address of the person signing the annual report:

dr. Tibor Koppány Lélfai, CEO, 1025 Budapest Zöldkő utca 14-18.

3. Auditor of the Company:

Quercus Audit Könyvvizsgáló és Gazdasági Tanácsadó Kft.-(Registered office: 8200 Veszprém, Radnóti tér 2. C. ép.; company registration number: 19-09-512226; MKVK number: 002651), name of auditor personally responsible for the audit: András József Tölgyes (mother's name: dr. Katalin Zsilkó; address: 8200 Veszprém, Szajkó utca 14/B; member number in the Chamber of Auditors: 005572). The annual fee charged in 2023 for audits of the separate and the consolidated financial statements is HUF 27,000,000 + VAT.

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: Zoltán Szűcs (mother's name: Terézia Deli)

b) registration number: MK 178499

c) Register number: 6937

5. Lawyer's office representing the Company:

Kertész és Társai Ügyvédi Iroda, 1438 Budapest, Pf. 470/1.

6. Ownership structure of the Company

List and description of owners with stakes larger than 5% on 31 December 2023:

Name	Deposit manager	Number (pcs)	Participation (%)
KONZUM PE Magántőkealap	no	**152,139,007**	**21.68%**
Direct	no	**143,902,842**	**20.51%**
Indirect (through KPE INVEST Kft.)	no	**8,236 165**	**1.17%**
Lőrinc Mészáros	no	**163,581,686**	**23.31%**
direct	no	**146,314,411**	**20.85%**
Indirect (through Addition OPUS Zrt.)	no	**17,267,275**	**2.46%**
KONZUM MANAGEMENT Kft.	no	**49,809,673**	**7.10%**
OPUS GLOBAL Nyrt. (By way of subsidiaries 6.99%)	no	**49,047,141**	**6.99%**
Talentis Group Zrt.	no	**35,152,467**	**5.01**

7. 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 comprises standards and interpretations worded 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. Preparation of the statements based on the IFRS requires critical accounting estimates as well as executive decisions during the application of the Group's accounting policy, which affects the amount of assets, liabilities, revenues and expenses included in the financial statements. Actual amounts may differ from these estimates.

The 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 II.2

The Group's subsidiaries primarily maintain their accounting records and prepare their financial statements in accordance with the provisions of the Hungarian Accounting Act (Act C of 2000), except foreign subsidiaries that apply local laws and accounting standards in force. Subsidiaries prepare consolidation packages quarterly following IFRS rules, through which the Parent Company adjusts the financial statements sent by the members, prepared in accordance with local reporting standards, to comply with IFRS and consolidates them into the Group figures.

8. Details of the companies included in the scope of consolidation, and of the business combinations as at 31.12.2022

Name	Level of relatedness	Core business activity	Country of registration	Indirect/direct participation	Issuer's share on 31/12/2023	Issuer's share on 31/12/2022
Industrial Production						
Mészáros Építőipari Holding Zrt.	S	Asset Management (holding)	Hungary	Direct	-	51.00%
Mészáros és Mészáros Ipari, Kereskedelmi és Szolgáltató Zrt.	S	Other construction not elsewhere classified	Hungary	Direct	51.00%	51.00%
FELCSÚTI Ipari Park Kft.	A	Sale and purchase of own properties	Hungary	Indirect	12.75%	12.75%
Mészáros Hrvatska d.o.o	S	Engineering activities and technical consultancy	Croatia	Indirect	51.00%	51.00%
R-KORD Építőipari Kft.	S	Production of other electric equipment	Hungary	Direct	51.00%	51.00%
RM International Zrt.	S	Railway construction	Hungary	Indirect	51.00%	51.00%
Mészáros M1 Nehézgépkezelő Kft.****	A	Vehicle rental	Hungary	Indirect	-	20.7%
Wamsler SE Háztartástechnikai Európai Rt.	S	Manufacturing of not electric household appliances	Hungary	Direct	99.93%	99.93%
Wamsler Haus- und Küchentechnik GmbH	S	Trade of equipment	Germany	Indirect	99.93%	99.93%
Wamsler Bioenergy GmbH	S	Trade of equipment	Germany	Indirect	99.93%	99.93%
Agriculture and Food Industry						
Csabatáj Mezőgazdasági Zrt.	S	Miscellaneous activities	Hungary	Direct	74.18%	74.18%
KALL Ingredients Kereskedelmi Kft.	S	Manufacture of starches and starch products	Hungary	Direct	74.32%	83.00%
KALL Ingredients Trading Kereskedelmi Kft.	S	Wholesale of cereals, tobacco, sowing seeds and fodder	Hungary	Indirect	74.32%	74.32%

II 1. Supplementary Annex - General background

TTKP Energiaszolgáltató Kft.	S	Steam service and air conditioning	Hungary	Indirect	74.32%	74.32%
VIRESOL Kft.	S	Manufacture of starches and starch products	Hungary	Direct	84.30%	51.00%
			Energy			
MS Energy Holding AG	S	Asset Management (holding)	Switzerland	Direct	50.00%	50.00%
MS Energy Holding Zrt.	S	Asset Management (holding)	Hungary	Indirect	50.00%	50.00%
OPUS TIGÁZ Zrt. *	S	Gas supply	Hungary	Indirect	49.57%	49.57%
TURULGÁZ Zrt.	S	Leasing	Hungary	Indirect	49.57%	49.57%
Gerecsegáz Zrt.	S	Leasing	Hungary	Indirect	49.57%	49.57%
OPUS TITÁSZ Zrt.*	S	Electricity distribution	Hungary	Direct	50.00%	50.00%
OPUS E-LINE Kft.**	S	Construction of electrical, communication and technical utilities	Hungary	Indirect	7.48%	-
OPTESZ OPUS Zrt.*****	J	Business administration, Other executive counselling	Hungary	Indirect	49.99%	50.00%
			Asset Management			
OPUS GLOBAL Nyrt.	**P**	**Asset Management**	**Hungary**	**Parent company**	**Parent company**	**Parent company**
OBRA Ingatlankezelő Kft.	S	Lease, operation of own and leased properties	Hungary	Direct	100.00%	100.00%
Addition OPUS Zrt.	A	Asset Management	Hungary	Direct	24.88%	24.88%
SZ és K 2005. OPIMA Kft. "u.v.d."***	S	Lease, operation of own and leased properties	Hungary	Direct	-	(under liquidation)
MITRA Informatikai Szolgáltató Zrt. (in 2021 Takarékinfó Központi Adatfeldolgozó Zrt.)	A	Data processing, web hosting	Hungary	Direct	-	4.39%
KONZUM MANAGEMENT Kft.	A	Purchase and sale of own properties	Hungary	Direct	30.00%	30.00%
BLT Ingatlan Kft.	A	Asset Management (holding)	Hungary	Indirect	30.00%	30.00%
Zion Europe Ingatlanforgalmazó és Hasznosító Kft.	A	Lease, operation of own and leased properties	Hungary	Indirect	30.00%	30.00%
			Tourism			
KZH INVEST Korlátolt Felelősségű Társaság	S	Asset Management (holding)	Hungary	Direct	100.00%	100.00%
KZBF INVEST Vagyonkezelő Kft.	S	Asset Management (holding)	Hungary	Direct	100.00%	100.00%
HUNGUEST Hotels Szállodaipari Zrt.	S	Hotel Services	Hungary	Indirect	99.99%	99.99%
Relax Gastro & Hotel GmbH	S	Hotel Services	Austria	Indirect	99.99%	99.99%
Hunguest Hotels Montenegro d.o.o	S	Hotel Services	Montenegro	Indirect	99.99%	99.99%
Heiligenblut Hotel GmbH	S	Hotel Services	Austria	Indirect	99.99%	99.99%

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II 1. Supplementary Annex - General background

Balatontourist Idegenforgalmi és Kereskedelmi Kft	S	Camping Services	Hungary	Indirect	99.99%	99.99%
BALATONTOURIST CAMPING Szolgáltató Kft.	S	Camping Services	Hungary	Indirect	99.99%	99.99%

Notes:

S: Fully consolidated as a subsidiary; **A**: Qualified as affiliated company; P: Parent company; **J:** Jointly managed company;

* According to the agreement between the respective owners of OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt., OPUS GLOBAL Nyrt. holds additional management and control authorities in these two companies, on the basis of which they are considered consolidated subsidiaries in accordance with IFRS guidelines and the Accounting Act 2000.

** 10% OPUS E-Line Kft is owned by OPUS TITASZ Zrt., but it exercises majority voting rights (over 50%), on the basis of which it is included as a subsidiary.

*** The liquidation of SZ és K 2005 Kft. was completed in the first quarter of 2023 (see Chapter III.2.).

**** Mészáros M1 Nehézgépkezelő Kft. and MITRA Zrt. were sold in Q1 2023 (see Chapter III.2.)

***** The other main shareholder of OPTESZ OPUS Zrt. is Status Energy Magántőkealap, which also owns 49.99% of the company, which is equal to the voting rights.

II.2. Accounting Policy

Accounting Principles

9. 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

The consolidated financial statements include OPUS GLOBAL Nyrt. and the subsidiaries under its control. Control is generally presumed to exist when the Group directly or indirectly holds more than 50% of the voting rights of a company and benefits from its activities through its influence over the financial and operating activities of that company.

The Group controls an investee when it is exposed to, or has rights to, variable returns from its ownership interest in the investee and has the power to affect those returns through its power over the investee.

Accordingly, the Group controls the investee if, and only if, the entity receiving the investment, if the investor has all of the following:

(a) power over the investee;

(b) exposure to, or rights to, variable returns arising from its interest in the investee; and

(c) the ability to use its power over the investee to influence the amount of returns to which the investor is exposed.

The acquisition accounting method of accounting is applied to the acquired equity interests, based on the acquisition-date fair value of the assets and liabilities at the acquisition date, being the date on which control is obtained. The cost of the acquisition is the sum of the consideration and the non-controlling interests' interest in the acquired business. Companies acquired or disposed of during the year are included in the consolidated financial statements from the date of the transaction or up to the date of the transaction.

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II.2. Supplementary Annex - Accounting principles

Transactions between consolidated companies, balances and earnings and unrealised gains and losses are eliminated unless such losses indicate impairment of related assets. In preparing the consolidated financial statements, similar transactions and events are recorded using uniform accounting principles.

The share of the equity and profit or loss of non-controlling interest is presented as a separate line item in the balance sheet and Income Statement. For business combinations, the non-controlling interest is determined, either at fair value or at the fair value of the net assets of the acquired company attributable to the non-controlling owners. The choice of valuation method is made individually for each business combination. Following an acquisition, the non-controlling interest is the amount initially recognised, adjusted by the amount of any changes in the equity of the acquired company attributable to non-controlling interests. Non-controlling interests also benefit from total comprehensive income for the period even if this results in a negative balance of their interest.

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The interests of the Group and non-controlling interests are adjusted to reflect changes in their interests in subsidiaries. The amount by which the non-controlling interest is adjusted and the difference between the consideration received or paid is recognised in equity as attributable to owners of the company.

Related companies and joint organisations

A joint organisation is a contractual arrangement in which two or more parties (contractors) carry out an economic activity under joint control. Joint control is achieved when the strategic, financial and operational decisions relating to the activity require the unanimous agreement of the entrepreneurs. A jointly controlled entity is an undertaking that involves the creation of a company, partnership or other legal entity engaged in an economic activity, which is jointly controlled by the Group and the other venturers, and in which the investors have an interest in the net assets (rather than the individual assets and liabilities) of the entity.

An affiliate is an entity over whose financial and operating policies the Group has significant influence but which is not a subsidiary or a joint organisation.

The Group's investments in joint organisations and related parties are accounted for using the equity method. Under the equity method, investments in joint ventures and related parties are carried in the balance sheet at cost plus the post-acquisition change in the net asset value of the entity attributable to the Group. Goodwill relating to the business is included in the carrying amount of the investment and is not amortised. The Income Statement includes the Group's share of the profit or loss from the operations of the entity. If there is a recognised change in the equity of the entity, the Group also recognises its share and, where appropriate, discloses it as a change in equity.

The reporting dates of the joint organisations and related companies are the same as those of the Group and the accounting policies of the organisations are consistent with those followed by the Group in like transactions in similar circumstances.

Investments in joint organisations and related companies are reviewed for objective evidence of impairment at the balance sheet date. Where such evidence exists, the recoverable amount of the investment and the impairment loss to be recognised are determined. Whether losses can be reversed is determined by considering the reason for losses recognised in prior years.

On the cessation of significant influence in a joint organisation or related party, the Group re-evaluates the remaining interest and recognises it at fair value. The difference between the carrying amount of the related party and the fair value of the investment retained and the consideration given for its disposal is recognised in profit or loss.

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II.2. Supplementary Annex - Accounting principles

Business combinations

Business combination or asset purchase

In determining whether an acquired business is accounted for as a business combination or an asset acquisition, the Group shall consider the following:

- Performing a concentration test: optionally perform a so-called fair value concentration test. If the test is positive, the group of activities and assets is not a business and no further valuation is required. The test is positive if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.
- If the result of the fair value concentration test is negative, or if the entity chooses not to perform the test, the entity shall perform the assessment set out in paragraph B8-B12D of IFRS 3 to determine whether the transaction is a business combination.
- It is a business combination if the acquired activities and assets include inputs and processes that together contribute to the creation of outputs. An acquired process is considered substantive if it is critical to the continued production of the outputs, and the inputs acquired include an organised workforce that has the knowledge, experience or significantly contributes to the continued production of the outputs, and is unique or rare, i.e. cannot be replaced without significant cost or effort to continue operations.

Accounting of the purchase of assets

The Group recognises individually identifiable assets acquired (including assets that meet the definition and recognition criteria for intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The group allocates cost between individually identifiable assets and liabilities based on their relative fair values at the date of acquisition. Such a transaction or event does not give rise to goodwill or negative goodwill. If an asset was therefore overvalued, the difference is recognised in profit or loss.

Accounting of business combination

The acquisition accounting method of accounting is applied to the acquired equity interests, based on the acquisition-date fair value of the assets and liabilities at the acquisition date, being the date on which control is obtained. For business combinations, the external owners' interest is determined, at the Group's discretion, either at fair value or at the fair value of the net assets of the acquired company attributable to the external owners. Companies acquired or disposed of during the year are included in the consolidated financial statements from the date on which control is obtained until the date on which control is lost.

After the acquisition, the external shareholders' share is the amount initially recorded, adjusted by the amount attributable to external shareholders of changes in the capital of the acquired company.

Changes in the ownership interest in subsidiaries that do not result in a loss of control are recognised as equity transactions in the profit reserve.

Goodwill

The Group recognises goodwill at the acquisition date evaluated at the excess of (a) over (b) below:
(a) the sum of:
(i) the consideration transferred, evaluated in accordance with this IFRS, which generally requires fair value at the acquisition date;
(ii) the amount of any non-controlling interest in the acquired company; and
(iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interests in the acquired company.
(b) the net amount of identifiable assets acquired and liabilities assumed at the acquisition date.
If the amount of (b) above exceeds the amount of (a), it is accounted for as a preferential purchase. The negative goodwill is presented as a lump sum in the Income Statement.
Goodwill is not amortised, but the Group assesses each year whether there are any indications that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill arising on acquisition is allocated to the income-producing units or groups of income-producing units that benefit from the synergies of the combination, irrespective of whether the Group has any other assets or liabilities allocated to those units or groups.
After initial recognition, the Group recognises goodwill at cost less impairment.

Business combination achieved in stages

Where control of an entity is obtained by the Group in stages, goodwill is recognised only when control is obtained by the Group. In a situation where control of a subsidiary is acquired by the Group having previously held an investment in that entity, the Group evaluates the investment at the acquisition date as the date of acquisition of control on a prospective basis and the fair value of that investment at the date when control is acquired becomes the fair value of the Group's previously held equity interest in the acquired company at the acquisition date, which is included as part of the consideration paid. In the situation where the Group acquires an additional interest in a subsidiary, the difference between the non-controlling interest acquired and the consideration paid is accounted for as an equity transaction.

10. Accounting currency

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. Non-monetary instruments having a historical or prime costs in a foreign exchange or a foreign currency are recognised at the exchange rate valid at the time of acquisition or of inclusion among the related items. 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 Income Statement in financial earnings and expenses.

Accounts expressed in foreign currencies are converted to HUF at the official MNB rate applicable on the day of the transaction. Foreign exchange assets and liabilities as at the balance sheet date are revaluated at the end of the year at the official exchange rate disclosed by the MNB on the balance sheet date.

There is realized currency exchange rate difference upon the performance of the transactions, if the rates at the purchase and the performance differ. Exchange rate gains and losses are reported in the Income Statement. At the end of the year, the unrealized exchange rate difference is reported upon the revaluation of the existing foreign exchange items.

The Group owns a few foreign subsidiaries, which prepare their financial statements in their local currencies. The conversion of such financial statements into Hungarian Forint is performed as follows. The items entered in the balance sheet are to be converted at the rate issued by the MNB on the balance sheet date except for the equity, and shareholdings which is converted at a historical rate upon acquisition, and the items of the Income Statement 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 Income Statement as the profit or loss of the sale.

11. 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.

In 2023, the Group applied all IFRS standards, amendments and interpretations, which entered into effect on 1 January 2023, which were relevant from the aspect of the operation of the Group.

The Group's accounting policy is consistent with the one used in previous years.

Interpretations of existing standards that are relevant to the preparation of the Group's financial statements and <u>new standards that are not yet effective and that the Group will not apply before their effective date</u>:

- *Presentation of IAS 1 Financial Statements and 2 IFRS Practice Statement: Publication of accounting policies (Amendments)*

The amendments are to be applied in the year starting on or after 1 January 2023. The amendments provide guidance on the application of materiality judgements in accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose accounting policies that are 'significant' with the requirement to disclose accounting policies that are 'material'. The IFRS Practice Statement also provides guidance and illustrative examples to assist in applying the concept of materiality when making decisions about accounting policy disclosures.

The Group has assessed the accounting policy disclosures and prepared its financial statements for the current year accordingly.

II.2. Supplementary Annex - Accounting principles

- *IAS 8 Accounting policy, changes in accounting estimates and errors: Determining Accounting Estimates (Amendments)*

The amendments are effective for annual periods beginning on or after 1 January 2023 and apply to changes in accounting policies and accounting estimates that occur on or after the beginning of that period. The amendments introduce a new concept of accounting estimates, defined as monetary amounts in the financial statements that are subject to measurement uncertainty if they are not the result of a prior period error correction. The amendments also clarify what changes in accounting estimates mean and how they differ from changes in accounting policies and corrections of errors.

The amendments did not have a material impact on the Group's financial statements.

- *IAS 12 Income taxes: Deferred tax assets and liabilities arising from a single transaction (Amendments)*

The amendments are to be applied in the statements related to business years starting on or after 1 January 2023. The amendments narrow the scope of the exception for initial recognition under IAS 12 and specify how companies should account for deferred tax relating to assets and liabilities arising from a single transaction, such as leases and decommissioning liabilities. The amendments clarify that, to the extent that payments to settle a liability are deductible for tax purposes, it is a matter of judgement in light of the relevant tax law whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that give rise to the same taxable and deductible temporary differences on initial recognition. It applies only when the recognition of a lease receivable and a lease liability (or a decommissioning liability and a decommissioning asset component) results in taxable and deductible temporary differences that are not equal.

The amendments had no impact on the Group's financial statements.

- *IAS 12 Income taxes: International tax reform - Second pillar model rules (Amendments)*

The amendments will take effect immediately upon issuance, but certain disclosure requirements will take effect at a later date. The Organisation for Economic Co-operation and Development (OECD) published the second pillar model rules in December 2021, which ensure that large multinational corporations are subject to a minimum 15% tax rate. On 23 May 2023, the International Accounting Standards Board (IASB) issued the amendments to International Tax Reform - Second Pillar Model Rules - IAS 12. The amendments introduce a mandatory transitional exemption from the accounting for deferred taxes arising from the jurisdictional application of the second pillar model rules and impose disclosure requirements on the entities concerned regarding their potential exposure to second pillar income taxes. The amendments require the disclosure, in periods when second pillar legislation is (substantively) enacted but not yet effective, of known or reasonably estimable information that will assist users of financial statements in understanding an entity's exposure to second pillar income taxes. To meet these requirements, an entity shall disclose qualitative and quantitative information about its exposure to second-pillar income taxes at the end of the reporting period. Disclosure of the income tax expense related to the second pillar and disclosure for periods before the enactment of the legislation is required for annual reporting periods beginning on or after 1 January 2023, but is not required for interim periods ending on or before 31 December 2023.

The amendments are not expected to have an impact on the Group's financial statements.

II.2. Supplementary Annex - Accounting principles

Standards issued but not yet effective and not subject to early adoption

1) Standards/amendments not yet effective but adopted by the EU:

- *IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current (Amendments)*

The amendments are effective for annual periods beginning on or after 1 January 2024, with early application permitted or retrospective application required in accordance with IAS 8. The amendments aim to clarify the principles in IAS 1 for classifying liabilities as current or non-current. The amendments clarify the reporting of the right to defer settlement, the requirement that this right must exist at the end of the reporting period, that management's intention does not affect current or non-current classification, that a counterparty's options that may result in settlement by the entity's own equity instruments being transferred do not affect current or non-current classification. The amendments also specify that only the covenants that an entity must meet on or before the reporting date affect the classification of a liability. Additional disclosures are also required for long-term liabilities arising from loan agreements that are subject to a covenant that must be fulfilled within twelve months after the reporting period.

Management has assessed the expected impact of applying this standard and it is not significant.

- *IFRS 16 Leasing: Lease Obligations in Leaseback Transactions (Amendments)*

The amendments are effective for business years beginning on or after January 1, 2024, with early application permitted. The amendments are intended to improve the requirements that a seller-lessee applies in measuring a lease liability in a leaseback transaction under IFRS 16, but do not change the accounting for leases that are not related to leaseback transactions. A vendor-lessee shall define 'lease payments' or 'revised lease payments' so that the vendor-lessee does not recognise the portion of the gain or loss that relates to the right of use that it retains. The application of these requirements shall not prevent a vendor lessee from recognising in profit or loss the gain or loss on the partial or total termination of a lease. In accordance with IAS 8, a vendor lessee shall apply the amendment retrospectively to leaseback transactions entered into after the date of initial application, which is the beginning of the reporting period in which the entity first applies IFRS 16.

Management has assessed the potential application of the standard and it is not expected to have an impact on the financial statements.

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2) Standards/amendments not yet effective and not endorsed by the EU:

- *Statement of IAS 7 Cash Flows and Disclosure of IFRS 7 Financial Instruments - Supplier Financing Arrangements (Amendments)*

The amendments are effective for business years beginning on or after January 1, 2024, with early application permitted. The amendments add to the requirements already in IFRS and require an entity to disclose the terms of supplier financing arrangements. In addition, business entities shall disclose, at the beginning and end of the reporting period, the carrying amount of the financial liabilities of a vendor financing arrangement and the line items on which those liabilities are presented, and the carrying amount and line items of financial liabilities for which the financiers have settled the corresponding vendor payables. Business entities shall also disclose the type and effect of any non-monetary changes in the carrying amount of financial liabilities arising from vendor financing arrangements that prevent comparability of the carrying amount of financial liabilities. The amendments also require an entity to disclose, at the beginning and end of the reporting period, the maturity of financial liabilities to financiers and of similar trade payables that are not part of those arrangements. The amendments have not yet been adopted by the EU.

Management has assessed the potential application of the standard and it is not expected to have an impact on the financial statements.

- *IAS 21 The effect of changes in foreign exchange rates: Non-convertibility (Amendments)*

The amendments enter into effect for annual periods beginning on or after 1 January 2025, with early application permitted. The amendments specify how an entity should assess whether a currency is convertible and determine the spot exchange rate in the absence of convertibility. A currency is regarded as convertible into another currency if the entity is able to obtain access to the other currency within a time frame that permits a normal administrative delay through a market or exchange mechanism in which an exchange transaction creates enforceable rights and obligations. If a currency is not convertible into another currency, an entity shall estimate the spot exchange rate at the measurement date. The entity's objective in estimating the spot exchange rate is to reflect the exchange rate at which an orderly exchange transaction would occur between market participants under prevailing economic conditions at the measurement date. The amendments note that an entity may use an unadjusted observable rate or another estimation technique. The amendments have not yet been adopted by the EU.

Management has assessed the potential application of the standard and it is not expected to have an impact on the financial statements.

The adoption of the above amendments will not have a material impact on the Group's consolidated financial statements.

12. Financial year

The financial year of the Entity is the same as the calendar year, i.e. from 01.01.2023 to 31.12.2023.

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13. Events after the turn 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.

14. Discontinued activities

Should the Group decide to discontinue an activity, because the subsidiary in question is to be sold, and if the profit or loss related to the period in question is material and coming from the discontinued activity, then it is to be reported in the comprehensive Income Statement separately.

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Accounting principles applicable to balance sheet items

The Group has laid down the main accounting and valuation principles for the elements of the balance sheet according to the categories of (i) *financial instruments* and (ii) *non-financial instruments*.

Financial instruments

The Group’s consolidated balance sheet includes the following main financial instruments: cash and cash equivalents, accounts receivable, loans and borrowings, securities, investment property, assets held for sale and derivatives.

The Group's consolidated balance sheet includes the following financial liabilities: bonds and other securitised liabilities, amounts due to suppliers, banks and related companies, finance lease liabilities and derivative financial liabilities.

Categories of financial instruments (valuation principles)

Financial instruments within the scope of IFRS 9 are classified into three evaluation categories: those evaluated at amortised cost on initial recognition, those evaluated at fair value through other comprehensive income on initial recognition (FVOCI) and those evaluated at fair value through profit or loss on initial recognition (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 evaluated 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.

Amortised prime cost

Financial assets must be evaluated at amortised prime costs if they are held on the basis of a “keep and yield” 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 evaluated at fair value other comprehensive P/L are financial instruments held on the basis of a “keep and sell” 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 evaluated 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 evaluated at fair value through the P/L.

At initial recognition, the Group applies the Solely Payments of Principal & Interest (SPPI) test, primarily for loans and non-current financial instruments (collectively debt instruments), to verify that the financial instrument is always intended to collect contractual cash flows and that the interest on the loans reflects the time value of money, the credit risk and the profit margin.

The test also subsequently considers whether the financial instrument does not contain contractual terms that could result in a significant change or modification in the amount or timing of the contractual cash flows from the contractual terms (maturity adjustment, interest rate change or interest-free period) and therefore no longer meets the SPPI test.

Debt instruments shall be evaluated at amortised cost if the above SPPI test is met, or at fair value through profit or loss (FVTPL) if it is not met.

All equity instruments must be evaluated at fair value in the balance sheet, and recognise the impact in the change in fair value directly in the Income Statements 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 must be offset and the net amount presented in the balance sheet 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.

i.) Main financial instruments in the consolidated balance sheet

15. Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits. Cash equivalents are short-term highly liquid investments that carry a minimum risk of changes in value and are readily convertible into cash. The Group holds its cash only in banks with an appropriate risk rating.

16. Accounts payable and other receivables

Accounts and other receivables are initially recognised at fair value less transaction costs and subsequently evaluated at amortised cost using the effective interest method. On initial recognition, the fair value is the invoiced amount recognised, less the value of expected discounts and discounted if there are significant amounts outstanding beyond one year.

The outstanding amount of receivables in foreign exchange at the end of the period is revalued at the foreign exchange rate ruling at the balance sheet date and any unrealised gain or loss is recognised in the financial figures. Realised exchange gains or losses arising on the actual settlement of foreign currency items shall be recognised directly in the financial result using the exchange rate at the date of financial settlement.

Accounts and other receivables are subsequently evaluated at their value less an allowance for expected credit losses. Impairment is assessed on the basis of the expected credit loss and objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that indicates that the Group will not be able to collect the full amount due according to the original terms of the invoice. A written-off receivable is derecognised when it is deemed uncollectible. If trade receivables are expected to be settled in the ordinary course of business, typically within one year, they are recorded as current assets, otherwise they may be recorded as long-term receivables under non-current assets on a case-by-case basis.

17. Loans provided

Loans are initially recognised at fair value and subsequently evaluated at amortised cost using the effective interest method. Under IFRS 9, these instruments are evaluated at amortised cost as the business model is "keep and yield" and the contractual

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terms of these financial instruments provide for interest payments on principal and outstanding principal only at the specified dates.

The majority of the loans provided by the Group are to related parties and due to their significance, this is a separately disclosed item in the financial statements. The Group considers loans to unrelated parties as financial investments.

If the disbursement of the loan is not at market conditions (e.g. interest-free period or interest-free capital increase, replacement payment), the difference between the fair value and the transaction value is either recognised in profit or loss or treated as a capital increase to equity depending on the economic substance of the transaction.

The Parent Company does not recognise impairment losses on related party receivables and loans given as it has control over them or the joint owner exercises control over the collectability of the receivable. If the partner is no longer a related party, the Group includes it in the impairment calculation. An impairment loss is also recognised if there is clear evidence of impairment that has a material impact on the estimated future cash flows of the financial asset or group of assets. The Group assesses such cases individually.

18. Financial investments

The Group generally classifies financial investments where the business model used is "keep and yield", i.e. the Group's objective is to collect contractual cash flows (capital and interest on outstanding capital) at the times specified in the contractual terms. The Group carries these assets at amortised prime cost. Included (whether current or non-current) are securities, loans provided which the Group has categorised as loans to unrelated parties and all other investments carried at amortised prime cost.

The Company's subsidiaries have shareholdings that are not included at the group level due to their insignificant size or lack of management control or significant influence. The Group treats these interests as investments and evaluates them at fair value through profit or loss (FVTPL). Objective evidence of impairment, other than market observable "Level 3" evidence, is reviewed annually to identify any indications of impairment. If such evidence exists, the realisable value of the investment is determined and the change in value to be recognised is recognised as a change in fair value in the result from other financial operations.

19. Investment property

Investment property is property (land or a building or part of a building, or both) held for the purpose of rent, capital appreciation, or both, rather than used in the production of goods or provision of services or for administrative purposes. The cost model is used by the Group for investment property. After inclusion, the fair market value of investment property is determined with the assistance of an independent valuer. Gains and losses arising from changes in fair value are recognised in profit or loss for the period in the line item Earnings from other income and expense.

Investment property is derecognised on sale or when it is withdrawn from use and no income is expected from the 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.

20. Asset held for sale

An invested asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is the case when a sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it must be expected to be completed within one year of classification or a significant change in the sales plan or withdrawal of the plan is not probable. An invested asset classified as held for sale is evaluated at the lower of its carrying amount and fair value less costs to sell.

21. Financial liabilities

The financial liabilities falling within the scope of the IFRS 9 can be classified into two valuation categories: assets evaluated at amortised cost after acquisition and assets evaluated at fair value through profit or loss after acquisition (FVTPL). A financial liability may be designated as at fair value through profit or loss if the liability is held for trading or designated as at fair value through profit or loss or if it is a derivative. All liabilities should be classified as liabilities evaluated at amortised cost, except for derivatives and liabilities for which the fair value option has been applied by the Group. Net gain or loss recognised in profit or loss includes any interest paid on the financial liability. The Group determines the classification of the individual financial liabilities when they are acquired. The Group did not use the FVTPL option, except for derivatives.

22. Loan and bond liabilities

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. In the case of loans and debts on issued bonds, the transactions costs are directly attributed by the Group to the acquisition of the financial liability are also taken into consideration.

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.

23. Derivatives

To mitigate its interest rate risk, the Company occasionally enters into interest rate swaps (IRS or CIRS), which it evaluates at fair value through profit or loss (FVTPL). The initial fair value or changes in fair value are recorded as other receivables or other payables against the profit or loss on financial transactions, while the nominal value of the transactions is recorded in off-balance sheet accounts. The Company performs the fair value calculation using market observable inputs (Level II). The Company does not apply hedge accounting.

24. Leasing liabilities

When entering into a contract, the Group shall verify whether the contract is a lease. A contract is a lease if a third party transfers to the Group the right to control the use of an identified asset for a specified period of time in return for consideration. Assets (right of use assets) and liabilities (under leases) arising from a lease are evaluated initially at their present value. Lease liabilities include the net present value of the following lease payments: fixed charges, variable lease payments that are dependent on an index or rate, amounts expected to be paid by the Group under residual value guarantees; the exercise price of a call option if the Company is reasonably certain to exercise the option.

Lease payments are discounted at the implicit lease rate. If that rate is difficult to determine, which is typically the case for the Group's leases, the lessee should use an incremental (implicit) lessee rate. The Group determines the incremental lessee rate using a publicly available benchmark rate for the relevant market, taking into account the amount, currency, term, industry of the borrower and the subject of the financing. This is established by taking into account the base rate of the central bank, the average interest rate for car leases available as finance leases and the 3-month BUBOR rates which are the benchmark for the leasing market.

Interest on the lease liability is charged to finance costs over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

ii.) Main non-financial instruments in the consolidated balance sheet

25. 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.

The Group companies are valued on a weighted average price basis. Companies which, due to their industry specificities, use FIFO valuation do not significantly affect the overall valuation of the Group.

26. 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 evaluated, then these assets are to be reported at the actualised purchase price until their real values are reliable evaluated. 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.

27. 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 original purchase price of the assets is written off during the useful life of the assets from the date they are put into service. 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

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Buildings	1-3%
Machines, equipment	5-20%
Vehicles	20%
Other assets	12.5-25%

28. 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%

29.

30. 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.

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.

31. Right of use assets

According to the IFRS 16 standard on leases, the lessee must simultaneously account and quantify a right to use in the balance sheet among assets and a related financial liability among liabilities. The right-to-use asset is evaluated similarly to other non-financial assets and depreciation is also recognised accordingly. Initially, lease liabilities are evaluated 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 estimate of the lease term as at the commencement date is for the period for which the Group will continue the contract, including optional periods, with reasonable certainty under the terms originally agreed. The initial lease term is determined at the commencement date of the lease. In determining the lease term, the shortest reasonable and justifiable lease term possible shall always be used in case of doubt. The determination of the lease term is essentially a matter of management judgement and the Group generally uses asset-level estimates or assumptions (particularly for options and indefinite term arrangements).

The commencement date of a lease is the date on which the lessor makes a specific asset (e.g. the leased property, plant or equipment) available for use by the lessee. The commencement date is the date on which the lease term commences and

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the lease obligation and right to use asset are recognised. In determining whether a lessee is reasonably certain whether to exercise its option to extend a lease or not to exercise its option to terminate a lease, lessees and lessors consider all relevant facts and circumstances that may create an economic interest in the lessee and that provide a basis for exercising the option to extend the lease or not to exercise the option to terminate the lease.

The definition of lease payments is the same for both lessee and lessor. Lease payments are payments made by the lessee to the lessor in exchange for the right to use a specified asset during the lease term. Lease payments include the following items:

- fixed lease payments
- the fee payable when a call option is exercised (if expected to be exercised)
- variable lease payments that depend on a rate or index;
- residual value guarantees
- termination option charges (if the transaction is expected to be terminated).

At first, the lease liability is evaluated at discounted value. The discount rate used is the rate (implicit rate) that discounts the lease payments made and the unguaranteed residual value of the asset to the value of the underlying asset of the lease, taking into account the lessor's direct costs (if information is available). If the discount rate cannot be determined in the above manner, the incremental rate that would be available to finance a similar asset on similar terms (incremental rate) should be used.

Modification of a lease is a change in the scope of the lease or in the lease consideration that was not included in the original lease terms (for example, the addition or termination of the right to use one or more underlying assets or the extension or shortening of the contractual lease term). The modification may result only from a change in the consideration. The effective date of the modification is the date on which both parties accept the lease modification.

The lessee shall account for the lease modification as a separate lease if both of the following conditions are met: the modification extends the scope of the lease by adding the right to use one or more underlying assets and the lease consideration is increased by an amount equal to the specific price of the extension of scope or by any appropriate adjustment to the specific price, as specified in the terms of the specific agreement. If these conditions are met, the modification shall be considered a new lease separate from the original lease. An arrangement for the right to use one or more additional assets is accounted for as a separate lease (or leases) for which the requirements of IFRS 16 Leases apply, irrespective of the original lease.

When a lease is modified, revised lease payments are always discounted using a revised discount rate.

The Group has elected not to recognise right of use assets and lease liabilities for low-value (HUF equivalent of USD 5,000 at the MNB exchange rate at the date of identification of the asset as a right to use asset) 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 reports the right of use assets from leases in the right of use assets balance sheet line.
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.

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32. Goodwill (Goodwill & Negative Goodwill)

Goodwill is the positive difference between the acquisition cost ("purchase price") and the fair value of the identifiable net assets of an acquired subsidiary, related party or jointly controlled entity at the acquisition date.
The fair value of net assets acquired may include assets not recognised in the individual accounts of the acquired company but identified in the fair value evaluation performed at the acquisition date that are included in the consolidated accounts by the Group (PPA - purchase price allocation).
The unallocated purchase price is recognised in the consolidated balance sheet as goodwill, anticipating that the future earnings generating capacity of the company will increase the carrying amount of the acquired company and the value of the investment.
In case of a bargain purchase, when the purchase price is lower than the fair value of the net assets of the subsidiary acquired, the Company will recognize the difference as a lump sum in profit or loss and immediately recognize it as negative goodwill in consolidated profit or loss.
Due to the different industry specificities of the divisions within the Group, the Company performs the valuation of goodwill on a divisional basis. Therefore, in the annual goodwill test, the Company also performs a fair value evaluation of the assets (purchase price allocated to assets) identified during the acquisition purchase price allocation process and included in the Group's books.

The Group measures the amount of goodwill arising on its acquisitions by determining the recoverable amount of the relevant cash-generating units ('CGUs').
The Group determines the valuation in a consistent manner, using an income approach to measure the fair value of the income-producing units using a discounted cash flow approach. The individual CGUs are not necessarily the same as the Group's legal entities.
If the identified goodwill of an income-generating unit is less than its carrying amount, the Group first recognises an impairment loss by reducing the carrying amount of goodwill allocated to the unit and then allocates the impairment loss pro rata to the other assets of the unit based on the carrying amount of the assets.

Impairment is recognised as a separate line item in the Consolidated Income Statement. Impairment losses recognised for goodwill are not reversed.
When an investment is sold, the gain or loss on the sale includes the derecognition of the carrying amount of goodwill on the investment sold.

33. 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.

34. Issued capital, Reserves and Own Shares

Ordinary shares are recognised as equity components.
Fair value differences identified on acquisition are recognised in the Capital reserve.
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. For the determination of the dividend rate, please refer to the Equity Correlation Table of OPUS GLOBAL Nyrt as the Parent Company.
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.

35. Government grants

Government grants are reported, when the provision of the same is probable, and the conditions related to the provision of the same are met. When the Government grants 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 Government grants are related to the acquisition of equipment, they are reported as deferred income, and are reported in income in equal amounts every year of the useful life of the equipment.

36. Deferred tax

The Group has identified corporate income tax as an income 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 income 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 in the country of operation, which will probably be valid at the time of the enforcement of tax receivables or the settlement of deferred tax liability.
Deferred tax is reported by the Group for the temporary differences of shares in subsidiaries, related party and jointly managed companies.
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.

37. Network development contribution, connection fee obligation page

Energy companies charge customers who are newly connected to the electricity and gas networks a fee for carrying out connection-related works. Customers must also pay a financial contribution to cover the costs of maintaining and upgrading the electricity and gas networks. The network development contribution entitles customers to use the Company's services. The companies acquire ownership of the assets created under the network development contribution and connection fee in accordance with the laws and regulations in force.

The facilitation of connection to the network and the development of the network are separate performance obligations under IFRS 15. The collection of the fees creates an obligation and the revenue is recognised when the performance

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obligations are fulfilled, i.e. when the connection works (providing access to the electricity and gas networks) are completed or the renovation works are carried out.

The companies should check in which of the obligations in the balance sheet they have already fulfilled the performance obligation. The relevant items should be removed from the liabilities. Where the performance obligation still exists, it should be recognised as a liability. In the subsequent valuation, the items for which the obligation to settle has already been fulfilled should be eliminated.
The network development contribution is not taxable income and therefore has no deferred tax effect (IFRS and taxable value is zero), while the connection fee is taxable income with a deferred tax effect.

38. Assets received free of charge - liability side

Asset transfers free of charge are mainly related to asset replacements. Investments carried out by external contractors on behalf of customers are taken over free of charge because, according to the laws and regulations in force, the electricity and gas distribution companies must own the network, system and plant management, metering and IT equipment necessary for the performance of their activities, as specified in the operating licence. Investments related to the replacement of assets (transfer of line rights and replacements) are taken over by the companies free of charge.

39. Advances

In accordance with IAS 21, the Company does not regard prepayments for goods and services as financial instruments because there is no legal obligation to receive (or an obligation to deliver) a fixed or determinable number of units of currency.

40. Off balance sheet items

Off balance sheet liabilities are not included in the balance sheet included in the consolidated annual statements and the Income Statement, unless they were acquired during business combinations. They are presented in the Supplementary 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 Income Statement, but should the inflow of economic benefits be probable, they are reported in the supplementary notes.

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Accounting principles applicable to the Income Statement items

41. 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.

The revenues realized on sales transactions appears when the conditions of the contracts are appropriately met. Sales revenues are exclusive of the value added tax. All revenues and expenditures are recognized in the relevant period on the basis of the principle of matching.

The basic principle of the IFRS 15 standard "Accounting of revenue from contracts with customers" is that the Group recognises revenue to depict the transfer of goods handed over or services provided to their customers in an amount that reflects the consideration (i.e. payment) to which the Group expects to be entitled in exchange for those goods or services. The new standard has resulted in a more detailed presentation of revenue, providing guidance for previously unclearly regulated transactions (e.g. revenue from services and contract amendments) and providing new guidance for multi-element agreements.

A new model coined the 5-step model was developed under this standard, including the identification of contract(s), the identification of the separate performance obligations, setting the transaction price, the allocation of the transaction price to the individual components, and the recognition of the price revenue allocated to the individual obligations.

Identification of performance obligations:

On conclusion of a contract, the Group must identify the goods and services it has promised to the buyer, in other words, the performance obligations it has undertaken. The Group can recognise the revenue when it has satisfied its performance obligation by delivering the goods promised or providing the service promised. Performance is completed when the buyer has obtained control over the asset (service), as indicated by:

- The Group has an existing title to receive the consideration for the asset.
- The proprietary title has been transferred to the buyer,
- The Group has physically transferred the asset,
- The buyer has a significant risk and capacity to benefit from the possession of this asset,
- The buyer has accepted this asset.

Setting the transaction price:

When a contract has been performed, the Group must recognise revenue from delivery, i.e. the transaction price allocated to the performance obligation. The transaction price is the amount to which the Group expects to be entitled in exchange for the transfer of goods and services. When determining the transaction price, it is important that the components of variable consideration (e.g. rebates and price concessions) should be taken into account. An expected value was calculated for an estimate of variable consideration, which was weighted by the Group by probability factors.

Recognition of revenue assigned to each liability

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The Group can recognise the revenue when it has satisfied its performance obligation by delivering the goods promised or providing the service promised. Performance is completed when the buyer has obtained control over the asset (service).

At the beginning of the contract, the Group should consider whether

- it will perform the obligation in a specified period of time, or
- at a specified time.

Goods or services are, in their standard form, actual assets, even if they have only been delivered or used for a moment (like most services). Control over assets means that the other party is capable of making a profit from owning the asset. The benefit of holding assets is a potential cash flow (a reduction in cash inflows or outflows) that can be obtained directly or indirectly, such as:

- using an asset for the production of goods or the provision of services,
- using an asset to increase the value of other assets,
- using the asset to settle liabilities or reduce expenses
- selling or exchanging the asset,
- it will offer the asset as collateral for a credit/loan, while
- retaining the asset.

It needs to be examined whether control has actually been or will actually be transferred and there is no repurchase obligation.

Revenue is recognized when control over the delivered goods or services has been transferred, which may take place

- in a period of time or
- at a specified time.

Special accounting of revenue by industry

Construction enterprises

42. Percentage of completion ("POC") revenue recognition

A significant portion of the Group's revenue is derived from construction activities and their projects over a number of years. The Company uses the percentage of completion ("POC") method of accounting for project revenue. Under this method of accounting, the Company estimates the total expected cost of a project and then calculates a percentage of completion (POC) at the end of a reporting period based on the actual costs incurred - accumulated costs. The revenue that can be recognised at the end of the period is the projected revenue multiplied by the percentage of completion. The turnover based on the actual accounting is adjusted to this POC calculation for both the cumulative and net period under review. Thus, only the amount corresponding to the actual degree of performance is recognised.

Energy businesses

43. MAVIR balancing payment

According to the laws and regulations in force, in order to ensure that distributors receive a share of the revenues from the distribution tariff and the distribution tariff for street lighting in proportion to their justified costs, a transparent accounting system linked to the system charges should be in place to allow for equalisation of payments between distributors. The settlement system shall be operated through a separate account established by the transmission system operator (MAVIR) for this purpose, funds to be paid into the separate account by the distributors and funds to be paid from the separate account to the distributors by the transmission system operator. According to the Accounting Act, payments are recognised by the companies as other expenses and repayment of the compensation part as other income.

44. Distributor's base fee and distributor's performance fee

According to the current MEKH regulations on electricity system charges and natural gas system charges and their application rules, the system user is obliged to pay to the Group's energy companies a distribution base charge and a distribution performance charge for the use of the distribution network, in addition to the traffic charges. The revenue from the two fixed charges is spread evenly over the financial year in accordance with IFRS 15.

Tourism

45. Loyalty card

HUNGUEST HOTELS operates an Individual Loyalty Card and VIP Loyalty Card program, within the framework of which a discount of up to 10% of the purchase made can be claimed on subsequent purchases (1 point = 1 HUF or a discount of up to % on the VIP card). Points can only be collected, redeemed and discounts can only be applied to Hunguest Hotels' own services before the specified expiration of the card.

The Company shall, on the basis of itemised analysis, recognise the points earned as a liability against sales, and redeemed points shall reduce the liability against sales.

Taxes and taxation rules affecting the Group

46. Corporate income tax

Corporate income 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.

Local business tax is not included in income taxes by the Company, they are recognised among other expenses. Local business tax is a turnover-based tax payable by companies operating in Hungary to the local government in the area where they operate. In calculating the tax base, the cost of materials, the purchase value of goods sold or the value of services provided indirectly may be deducted from the turnover. The tax rate varies from 0-2% per municipality depending on local regulations.

47. Special tax on energy suppliers and food companies

The members of the Group, which qualify as energy suppliers according to the interpretation of the District Heating Act, i.e. those that produce, supply and use district heating, as well as food companies producing bioethanol, starch and starch products, are liable to pay income tax on energy suppliers in the form of a special tax. The special tax, as an income-based tax, is considered by the Company as part of the profit tax. The tax base is the net revenue from the taxable activity.

48. Utility tax, land tax, building tax

Companies own utility lines and are therefore liable to pay utility taxes. As companies also own buildings and land, they are also liable to pay land tax and building tax. The person liable to pay the tax (for all three taxes) is the person who owns the utility line on the first day of the calendar year.

The rules for recognising the tax liability are set out in IFRIC 21. The interpretation states that a tax liability should be recognised when the event giving rise to the liability occurs. As utility tax, property tax and building tax is determined by the tax position at 1 January of the calendar year, the Company recognises the full tax liability as other expense at the beginning of the year.

49. Return per share

The basic value of return for the Parent company payable to common shareholders 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 earnings per share are calculated in a similar way as earnings per share. However, the calculation takes into account all dilutive shares outstanding by multiplying the dividends and yields on ordinary shares distributable by the dividends and yields on convertible shares that are eligible for inclusion in the period, adjusted for additional income and expenses arising on conversion, - the weighted average number of shares outstanding by the weighted average number of additional shares that would be outstanding if all the convertible shares were converted.

II 2. Supplementary Annex - Accounting Principles for Income Statement Items

Personal Allowances

50. Incentive bonus

The companies have an incentive scheme based on target agreements, subject to the fulfilment of performance requirements, under which employees can receive an incentive bonus based on the annual target and performance assessment.

In respect of short-term bonuses, the Company recognises a liability and an expense in accordance with IAS 19 when the companies have a present legal or constructive obligation to make payments as a result of past events and a reliable estimate can be made of the amount to be paid. The amount payable is charged to profit or loss over 12 months during the year.

51. Unused annual leave

The leave of employees of companies may be carried forward to the following year in certain circumstances.

Employee paid leave is classified as short-term employee benefits under IAS 19. The Standard distinguishes between two types of paid leave: accrued and non-accrued paid leave. The classification is based on whether the annual allocation that employees may use, if not fully utilised, can be carried forward.

52. Senior staff reward

Employees who have been with the company for a longer period (25-45 years) are entitled to a regular bonus under the collective agreement. For financial statements prepared in accordance with IFRS, the rules of IAS 19 apply.

Under IAS 19, other long-term employee benefits are defined as any employee benefit that is not settled within 12 months and must be earned by the employee during that period. An enterprise should recognise provisions for the amount expected to be paid in respect of a regular bonus because a constructive obligation exists under the collective agreement.

An actuarial calculation indicates that significant provisions are appropriate in companies with low turnover and a high proportion of employees with long service tenures.

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Accounting principles applicable to the estimates

53. 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 figures 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
- Valuation of financial investments
- When valuing goodwill, the Parent Company takes into account the return-based business value of subsidiaries based on future business plans
- 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 recognized for doubtful debts
- Determination of the value of provisions

54. Impairment of financial assets

The Company also performs impairment tests at each balance sheet date for financial assets evaluated at amortised cost and for financial assets evaluated at fair value. The IFRS 9 impairment model is based on the principle of expected loss. The Group uses the following two methods to measure impairment:

- 12-month expected credit loss (expected credit losses that occur as a result of events related to the non-payment of a financial instrument in the 12 months following the balance-sheet cut-off date), or
- expected credit loss over the life of the financial instrument, weighted by the probability of default (expected credit losses that occur during the life of the financial instrument as a result of events related to the non-payment of the financial instrument).

If the credit risk of the financial instrument is low at the reporting date, it is assumed that the credit risk of the financial instrument has not increased significantly and a 12-month expected credit loss may be applied.

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A change in the credit risk of a financial asset is not significant if the credit quality of the asset is low at the balance-sheet cut-off date. A credit loss is expected to be recognized over the life of the asset if the credit risk of the financial instrument has increased significantly since the asset was acquired at the balance-sheet cut-off date. The Company expects to incur a lifetime credit loss on its trade receivables from the date of inclusion. Irrespective of the above specified approach, impairment loss is also recognised if there is clear evidence of impairment that has a material impact on the estimated future cash flows of the financial asset or group of assets. The Company assesses such cases individually.

55. 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 evaluated 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.

The Group makes provisions for warranty type obligations, typically in the Industrial Production Division. This guarantee does not constitute a separate performance obligation and is provided in accordance with the Public Procurement Act.

II.3. Notes to the financial statements

1. Changes in business combinations in 2023 and 2022

Year 2023

In 2023, there were no significant new acquisitions in the OPUS Group. The following changes in the existing business combinations (in the value of shares and goodwill, as well as in ownership and subsidiary status) occurred in 2023:

a.) Mészáros Építőipari Holding Zrt., which was 51% owned by the Parent Company, was terminated by a demerging merger on 30 September 2023. The company was merged and its assets were distributed between its fully owned subsidiaries, Mészáros és Mészáros Zrt. and R-KORD. At group level, the transformation had no accounting impact on the value of existing participations and goodwill.

b.) With the accession of OPUS TITÁSZ Zrt. and OPUS TIGÁZ Zrt. to OPTESZ OPUS Zrt. by way of a merging demerger, the existing 50% direct shareholding of OPUS GLOBAL Nyrt. in OPTESZ OPUS Zrt. was reduced to 37.02%. During the transformation, the direct shareholding was accompanied by an indirect shareholding of 12.97%. Thus, the 49.99% ownership of the OPUS Group equals the 49.99% ownership of the STATUS ENERGY Magántőkealap. Due to the parity of ownership and voting rights, the owners have continued to define OPTESZ OPUSZ Zrt. as a jointly controlled company. The size of the interest was not affected by the transformation, but the net asset value of the Group decreased due to the demerger.

c.) In 2023, OPUS GLOBAL Nyrt. acquired the 33.3% stake of Duna Aszfalt Út és Mélyépítő Zrt. in VIRESOL Kft. for HUF 317 billion. As a result of the sale and purchase, the Company's direct shareholding in VIRESOL Kft. increased from 51% to 84.3%. The increase in ownership did not change the amount of goodwill recognised on the original acquisition.

d.) MITRA Informatikai Szolgáltató Zrt. which was accounted for as an associate, was sold in 2023 for a consideration of HUF 323,671,000.

e.) The Parent Company capitalised the short-term loans of HUF 19,632,000,000 and HUF 1,836,000,000 from KZH INVEST Kft. and KZBF INVEST Vagyonkezelő Kft. by converting the loans into shares, which did not change the 100% ownership.

f.) In 2023, OPUS GLOBAL Nyrt., as the sole 100% founding owner, completed the liquidation of SZ & K 2005. Ingatlanhasznosító Kft. without legal succession, after successfully selling the company's significant real estate assets.

Year 2022

Major changes in 2022 were the following:

a.) In 2022, OPUS TIGÁZ Zrt. acquired T-SZOL Zrt.'s 41.09% stake in TURULGÁZ Zrt. and two treasury shares (0.49% stake) owned by TURULGÁZ Zrt. for a total of HUF 197,000,000. Thus, OPUS TIGÁZ Zrt.'s already existing 58.42% stake in TURULGÁZ Zrt. was increased to 100%, and OPUS GLOBAL Nyrt. was included as a subsidiary in the group in 2022.

II.3. Supplementary Annex - Notes related to the financial statements

b.) OPUS TIGÁZ Zrt. acquired the 49.36% stake in Gerecsegáz Zrt., in which TURULGÁZ held 50.15%, from MVM Next Zrt. and the remaining 0.49% of the shares held by municipalities for a total of HUF 124,000,000. From 2022, OPUS GLOBAL Nyrt. also included Gerecsegáz Zrt. as a subsidiary in the group.

c.) In 2022, OPUS GLOBAL Nyrt. and STATUS ENERGY Magántőkealap established OPTESZ OPUS Zrt. with 50-50% joint control, which was incorporated into the OPUS Group as a jointly controlled entity. In order to facilitate rational and cost-efficient operations within the Energy Division, OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt. decided to transfer certain of their support functions by way of a demerging merger into OPTESZ OPUS Zrt. as a single service centre, which was completed in 2023.

d.) Due to the finalisation of the ownership structure of the Energy Division, OPUS Energy Kft. was merged into its direct subsidiary OPUS TITÁSZ Zrt. The merger did not change the Company's ownership interest in OPUS TITÁSZ Zrt.

e.) KALL Ingredients Kft. decided to increase its share capital, which was completed by the MKB Magántőkealap with a cash contribution of EUR 15,000,000. As a result of the share capital increase, the OPUS Group's direct shareholding in KALL Ingredients Kft. decreased from 83% to 74.32% and therefore the business combination did not change.

d.) R-Kord Kft held a 100% share in R-KORD Network Kft. The company was sold as a result of a business sale and R-KORD Network Kft. was removed from the scope of consolidation of the OPUS Group.

<u>Numerical impact of changes in business combinations</u>

The changes in business combinations resulted in the following net asset value impact in 2023 and 2022:

HUF '000'	**Notes**	**2023YE**	**2022YE**
Acquisition purchase price			
Gerecse and Turulgáz			990,163
Viresol		317,000	
<u>Net asset value of subsidiaries:</u>			
Cash and cash equivalents		-	196,266
Other assets		-	1,274,630
Liabilities		-	- 111,669
Net asset value		-	1,359,227
of which:			
Net asset value per Parent Company		-	673,769
Net asset value per non-controlling share		-	685,458
Goodwill /- Badwill	**II.3.4.**	**-**	**316,394**
Net cash flow of the acquisition	**I.4.**	**- 317,000**	**- 793,897***

The demerger of the assets of OPUS TITÁSZ Zrt. and OPUS TIGÁZ Zrt. into OPTESZ OPUS Zrt. outside the consolidation group without any change in business combination reduced the Group's net asset value by HUF 20.929 billion (of which intangible assets: HUF 8.112 billion, tangible assets HUF 7.671 billion and other assets HUF 5.146 billion).

* The change in net asset value and cash balance caused by the sale of R-KORD Network Kft. in 2022 was not separately disclosed as the net asset value of HUF 123,000,000 is not significant.

2. Property, plant and equipment

The below table presents the changes of the net value of tangible assets in the 2023 and 2022 business years.

HUF '000'	Properties	Machinery and equipment	Unfinished investments	Total
Gross value				
as at 31 December 2022	**439,156,061**	**260,268,910**	**29,619,467**	**729,044,438**
Changes of consolidation scope (growth)	-	1,475	-	1,475
Changes of consolidation scope (decrease)	-	- 223	-	- 223
Increase and reclassification	29,085,025	14,374,510	44,907,930	88,367,465
Decrease and reclassification	- 12,440,150	- 6,057,032	- 46,949,082	- 65,446,264
Change due to exchange rate changes	- 3,062,378	- 1,836,655	- 617,356	- 5,516,389
as at 31 December 2022	**452,738,558**	**266,750,985**	**26,960,959**	**746,450,502**
				Accrued depreciation
as at 31 December 2022	**131,276,775**	**108,659,487**	**-**	**239,936,262**
Changes of consolidation scope (growth)	-	1,057	-	1,057
Changes of consolidation scope (decrease)	-	- 223	-	- 223
Annual write-off	10,862,454	17,049,644	-	27,912,098
Decrease	- 3,761,386	- 4,379,188	-	- 8,140,574
as at 31 December 2022	**138,377,843**	**121,330,777**	**-**	**259,708,620**
				Net book value
as at 31 December 2022	**307,879,286**	**151,609,423**	**29,619,467**	**489,108,176**
as at 31 December 2022	**314,360,715**	**145,420,208**	**26,960,959**	**486,741,882**

VIRESOL Kft. and KALL Ingredients Kft., which have significant fixed assets and investment activity, and their non-Hungarian subsidiaries keep their books in EUR. In accordance with the Group's accounting policy, the EUR items in the balance sheet are translated at the exchange rate published by the MNB on the balance sheet date. The above movement table quantifies the effect of the closing and opening exchange rate differences on opening balances at the balance sheet date. The effect of exchange rate changes is shown separately as a year-on-year increase and decrease in the average exchange rate of the original transactions.

The net value of real estate includes the net value of the fair value difference of assets revalued on acquisition of the companies in the Energy Division (PPA allocation) of HUF 42,341,000,000 (31.12.2022: HUF 44,703,000,000) and the net value of the fair value difference of assets revalued on acquisition of the Tourism Division of HUF 14,947,564,000 (31.12.2022: HUF 15,880,216,000). The Company records these values separately in the consolidated accounts and reviews their current market value with the assistance of an independent expert at the annual valuation of the goodwill amounts at each year-end (see Note II.3.4).

As a result of the changes in the report year, the value of property, plant and equipment decreased by HUF 2,366,294,000 compared to the base period. Within non-current assets, 77% is made up by property, plant and equipment, while it makes up 45% of total assets.

3. Intangible assets

The below table summarizes the changes in the value of intangible assets in the 2022 and 2023 business years.

HUF '000'	Rights representing assets	Other	Total
Gross value			
as at 31 December 2022	**14,102,988**	**2,759,826**	**16,862,814**
Changes of consolidation scope (growth)	-	-	-
Changes of consolidation scope (decrease)	- 6,600	-	- 6,600
Increase and reclassification	4,220,820	6,261,431	10,482,251
Decrease and reclassification	- 11,719,087	- 459,097	- 12,178,184
Change due to exchange rate changes	- 6,943	- 5,982	- 12,925
as at 31 December 2022	**6,591,178**	**8,556,178**	**15,147,356**
Accrued depreciation			
as at 31 December 2022	**5,847,209**	**1,727,989**	**7,575,198**
Changes of consolidation scope (growth)	-	-	-
Changes of consolidation scope (decrease)	- 934	-	- 934
Annual write-off	895,284	1,202,689	2,097,973

Decrease	- 4,063,194	- 51,003	- 4,114,197
as at 31 December 2022	**2,678,365**	**2,879,675**	**5,558,040**
Net book value			
as at 31 December 2022	**8,255,780**	**1,031,836**	**9,287,616**
as at 31 December 2022	**3,912,814**	**5,676,503**	**9,589,316**

As a result of the changes in the report year in the scope of consolidation, the value of the Group's intangible assets increased by HUF 301,700,000 compared to the base period. Intangible assets made up 1.5% of Long- term assets as at 31 December 2023.

4. Goodwill

Goodwill change

The value of goodwill changed in 2023 and 2022 as follows:

HUF '000'	Notes	2023YE	2022YE
Opening value		88,638,199	88,482,765
Acquisition	II.3.1.	-	316,394
Sales	II.3.1.	- 1,670	- 160,960
Impairment		-	-
Closing value		**88,636,529**	**88,638,199**

There was no increase due to new acquisitions in 2023, only the derecognition of goodwill due to the liquidation of SZ és K 2005 reduced the year-end level last year. The 2022 increase was due to the inclusion of TURULGÁZ Zrt. and Gerecsegáz Zrt. as subsidiaries in the Group, as a result of the acquisition of a majority stake. The decrease was due to the exclusion of R-KORD Network Kft. from the Group, which was sold in 2022.

Goodwill impairment test

In accordance with the Group's accounting policy, the impairment of goodwill is tested annually and the Group reviews the indications of impairment at the record rate on 31 December each year.

The Group assesses each year whether there are any indications that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill arising on acquisition is allocated to the income-producing units or groups of income-producing units (‘CGU”) that benefit from the synergies of the combination, irrespective of whether the Group has any other assets or liabilities allocated to those units or groups. Where goodwill has historically been recognised for a trust holding (as a direct holding), the valuation is based on the business value of the indirect interests that are considered to be the ultimate income-producing unit of the direct investment. Currently, the Group measures the goodwill attributable to the holding companies KZBF INVEST Kft. and KZH INVEST Vagyonkezelő Kft. at the fair value of HUNGUEST Hotels Szállodaipari Zrt.

Despite the different industry specificities of the divisions, the Company seeks to perform valuations in a consistent manner using a yield-based business valuation methodology, with the involvement of external experts where necessary.

If the recoverable amount of the income producing unit is lower than its carrying amount, an impairment loss is recognised. Impairment of goodwill cannot be reversed in subsequent periods. After initial recognition, the Group recognises goodwill at cost less impairment.

The figures of the goodwill valuations performed for each CGU in 2023 are summarised below:

KZBF INVEST Kft. And KZH INVEST Kft. (HUNGUEST Hotels Zrt.)

The value of the Company's interest in these two companies is supported by the valuation of HUNGUEST Hotels Zrt., which is 100% owned by the two companies as a holding company. HUNGUEST Hotels Zrt. is one of Hungary's leading hotel chains, generating income from the operation of 18 hotels under its ownership. During the acquisition of HUNGUEST Hotels Zrt., the existing hotels were included in the consolidated books at market value and therefore a significant amount of purchase price was allocated to the value of the properties ("PPA allocation"). As the company owns significant marketable real estate assets, and due to the review of the stability of the PPA allocation, the Company carried out a market valuation of the investment using two business valuation methods:

(i) the business value calculated using the present value of future EBITDA and free cash flow yields as shown in the company's long-term business plan

(ii) the market value of the company's hotel assets, as determined by an independent real estate appraiser, using the present value of the hotels' future cash flow yields and the hotels' exit value discounted to present value.

Heiligenblut GmbH and Relax Gastro&Hotel Gmbh

Heiligenblut GmbH owns two seasonal hotels in the ski area of Heiligenblut am Großglockner in Carinthia, operated by Relax Gastro&Hotel Gmbh. The market value of the operating company was determined by the Company on the basis of the business value based on the company's future earnings potential, while the market value of the hotels was determined by the owner on the basis of an asset valuation of the hotel properties, which was carried out by an independent expert.

Hunguest Hotels Montenegro d.o.o

Hunguest Hotels Montenegro d.o.o. operates a direct beachfront hotel in Herceg Novi, Montenegro. The company owns a valuable portfolio of marketable beachfront hotel properties. The Company's market value was determined by considering the combination of (i) the value of the business calculated using the present value of future EBITDA and free cash flow yields as shown in the Company's long-term business plan and (ii) the market value of the Company's hotel property as determined by an independent property valuer.

Companies of the Mészáros Group

The Parent Company originally acquired three construction companies through Mészáros Építőipari Holding: Mészáros & Mészáros Kft, R-KORD Építőipari Kft and RM International Zrt.

According to Note II.31.a., on 30 September 2023, Mészáros Építőipari Holding was merged into its own subsidiaries Mészáros és Mészáros Zrt. and R-KORD Építőipari Kft. and the goodwill value was allocated between the two subsidiaries with the original goodwill value remaining unchanged. Although the holding structure has been eliminated by the merger, the initial unchanged goodwill value is still supported by the combined value of the three companies.

II.3. Supplementary Annex - Notes related to the financial statements

The activity of Mészáros és Mészáros Zrt. is related to the construction of bridges, roads, public utilities, hydraulic and building construction, and work related to the implementation of facilities related to environmental protection and nuclear energy.

The main activity of R-KORD Építőipari Kft. is the construction, maintenance, design and licensing of railway construction related safety and telecommunications installations and railway overhead lines.

RM International Zrt.'s main activity is the reconstruction, development and construction of the Hungarian section of the Budapest-Belgrade railway line under an international contract.

The specificity of the construction revenue is that it is derived from projects that are completed over a number of years. At the end of each reporting period, the companies review the progress of projects and update the schedule of future revenues and costs.

The value of the goodwill allocated to the three companies is supported by the Company using the yield-based business valuation method, discounting the cash flow earnings of the three companies based on the long-term business plan based on the contracts concluded to present value.

KALL Ingredients Kft. and VIRESOL Kft.

KALL Ingredients Kft. is a state-of-the-art corn processing company, producing a variety of sugar products, high quality medicinal and edible alcohol and animal feed.

VIRESOL Kft. is one of the most modern wheat processors in East-Central Europe. The company's main activity is the production of starch products, as well as maltodextrin, gluten and feed. Both plants were built with greenfield investments and sell a significant proportion of their products abroad.

The market value of the Comapnies shareholding was determined by an external expert on the basis of the present value of future EBITDA and free cash flow yields as shown in the business plans.

OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt.

The Company has defined two separate CGUs in the Energy Division, OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt.

OPUS TIGÁZ Zrt. is the country's largest pipeline natural gas distributor and its activities are based on regulated prices (tariffs set by the authorities). The company has no real competitors in its field of operation.

OPUS TITÁSZ Zrt is the leading electricity distributor in Hungary, its activities are also based on regulated prices and its market has the characteristics of a natural monopoly.

The Company does not recognise goodwill for any CGU, but has included its assets identified on acquisition ("PPA") in its consolidated financial statements at their fair value at the acquisition date. The fair value difference for the assets paid in the purchase price to operate the so-called DSO Distribution System Operator ("DSO assets") was determined by an independent expert using an income approach, which the Company accounts for separately as part of the business combination (PPA allocation).

The current carrying amount of the PPA allocation is HUF 27,640 million for OPUS TIGÁZ Zrt. and HUF 14,701 million for OPUS TITÁSZ Zrt.

As the income generating capacity of the two companies as separate CGUs is still determined by the DSO assets, the income-based fair value measurement of the DSO assets for the two CGUs was performed separately by independent experts.

For Gerecsegáz Zrt. and TURULGÁZ Zrt. acquired by OPUS TIGÁZ Zrt. in 2022, a total of HUF 316 million of goodwill was recognised in the consolidated books. The activity of both companies is pipeline ownership and leasing for OPUS TIGÁZ Zrt.,

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as OPUS TIGÁZ Zrt. performs natural gas distribution activities on the pipelines of the companies, so their goodwill value is indirectly determined by the valuation of the activity of OPUS TIGÁZ Zrt.

Summary

At the end of 2023, as a result of the valuations performed, no impairment was recognised on the Goodwill and PPA values.

Distribution of goodwill by CGU and division

As at 31.12.2023 and 31.12.2022, the Goodwill and PPA values allocated to each CGU were as follows:

	2023YE	2023YE	2022YE	2022YE
HUF '000'	Goodwill	PPA	Goodwill	PPA
Tourism Division	**15,653,738**	**14,947,564**	**15,653,738**	**15,880,216**
HUNGUEST Hotels Zrt. (KZB and KZH Invest Kft.)	13,295,797	14,947,564	13,295,797	15,880,216
Heiligenblut GmbH	1,419,481	-	-	-
Relax Gastro & Hotel GmbH	150,598	-	1,570,079	-
Hunguest Hotels Montenegro d.o.o	787,862	-	787,862	-
Industrial Production Division	**11,004,698**	-	**11,004,698**	-
Companies of the Mészáros Group	11,004,698	-	11,004,698	-
Agriculture and Food Industry Division	**61,661,699**	-	**61,661,699**	-
KALL Ingredients Kft.	35,348,481	-	35,348,481	-
Viresol Kft.	26,313,218	-	26,313,218	-
Energy Division	**316,394**	**42,341,000**	**316,394**	**44,703,000**
OPUSZ TIGÁZ Nyrt.	-	27,640,000	-	28,729,000
Turulgáz and Gerecsegáz	316,394	-	316,394	-
OPUSZ TITÁSZ Nyrt.	-	14,701,000	-	15,974,000
Asset Management Division	**-**	-	**1,670**	-
SZ és K 2005 Kft.	-	-	1,670	-
Total	**88,636,529**	**57,288,564**	**88,638,199**	**60,583,216**

The current value of the PPA values is included in the net value of tangible fixed assets under property, plant and equipment (see Note II.3.2).

5. Investment properties

In the Group's consolidated financial statements, the balance sheet value of investment properties was HUF 3,563,112,000 on 31 December 2022.

II.3. Supplementary Annex - Notes related to the financial statements

HUF '000'		2023YE	Discontinuation	Revaluation	Cost price	2022YE
Tamási, Szabadság út 2591 hrsz.	OPUS GLOBAL Nyrt.	98,000	-	2,000	-	96,000
Budapest, Révay u. 10	OBRA Kft.	1,770,000	-	150,000	-	1,620,000
7030 Paks, Kölesdi út 46. - 4710/21 hrsz.		76,800	-	3,524	73,276	-
7030 Paks, Kölesdi út 46. - 4710/30 hrsz.		214,100	- -	5,000	219,100	-
7030 Paks, Kurcsatov u. 24. Basement - 5122/203/A/2		1,100	-	61	1,039	-
7030 Paks, Kurcsatov u. 24. Basement - 5122/203/A/3		1,100	-	61	1,039	-
7030 Paks, Kurcsatov u. 24. ground floor - 5122/203/A/16	Mészáros és Mészáros Zrt.	33,000	- -	364	33,364	-
7031 Paks, Kurcsatov u. 24. ground floor - 5122/203/A/17		23,000	-	965	22,035	-
7030 Paks, Kurcsatov u. 24 1st floor - 5122/203/A/24		27,000	-	808	26,192	-
7031 Paks, Kurcsatov u. 24 1st floor - 5122/203/A/25		17,000	-	3,072	13,928	-
7032 Paks, Kurcsatov u. 24 1st floor - 5122/203/A/27		51,000	-	1,318	49,682	-
2063 Óbarok, Nagyegyháza suburbs 0336/12 hrsz.		1,219,000	- -	4,140	1,223,140	-
Mátrafüred, 6725 hrsz.	VIRESOL Kft.	32,012			32,012	-
Total		**3,563,112**	-	**152,305**	**1,694,807**	**1,716,000**

OBRA Kft. included in its long-term liabilities the loan with Magyar Bankholding Zrt (previously: Takarékban Bank Zrt.), in connection with which a mortgage lien has been registered on the real estate in Révay Street owned by the Company, a lien on the movable property together with the assignment of the property insurance, and a security deposit of EUR 49,000 on a pledge claim.

Investment properties are valued annually by the Company by an independent appraiser on the closing date of each year to determine the market value. In the fair value hierarchy, the valuation method is at Level 2 (IFRS 13). The independent valuer has also carried out the market comparable method, the yield method and a cost-based valuation. The fair value was finally determined on the basis of the value obtained by the market comparison method.

The following table illustrates the development of the income and related costs and expenses recognised in relation to the use of investment properties:

HUF '000'	2023YE	2022YE
Rental revenue	160,375	89,655
Revenue from operating fees	70,696	33,827
Total indirect/direct operating costs	73,476	50,944
of which: costs of repair, maintenance	*28839*	*10860*

6. Financial investments

The Company reports loans and borrowings granted as loans receivable that are not classified as receivables from related parties, which are classified as "held and yield" for the purpose of the business model and are therefore evaluated at amortised cost. The Company has categorised other non-current financial assets as at fair value through profit or loss on initial recognition.

The net value of the Group's Invested Financial Assets as at 31 December 2023 and 2022:

HUF '000'	2023YE	Change in exchange rates	Reversal of impairment	Impairment	Decrease	Increase	2022YE
Mészáros és Mészáros Zrt. - Status Property Magántőkealap	*2,400,000*	-	*129,086*	-	-	-	*2,270,914*
Mészáros és Mészáros Zrt. - Abraham Goldmann Bizalmi Vagyonkezelő Zrt.	*2,165,196*	*-15,636*	-	-	-	*386,608*	*1,794,224*
Műsor-Hang Zrt. - Loans provided	*135,530*	-	-	-	*23,333*	-	*158,863*
Other loans granted	*17,386*	-	-	-	*11,188*	-	*28,574*
Total	**4,718,112**	**-15,636**	**129,086**	**-**	**34,521**	**-**	**4,252,575**

7. Investments in associates accounted for using the equity method

According to Chapter II.2. of the Accounting Policy, OPUS GLOBAL Nyrt. considers companies in which the Group holds between 20% and 50% of the voting rights or over which the Group has significant influence but does not control as related companies.

The table below summarises the ownership structure in related companies as at 31 December 2023 and 2022:

Name of affiliated companies and joint ventures	Level of affiliation	Location	2023YE	2022YE	Core activity
			Ownership share %	Ownership share %	
KONZUM MANAGEMENT Kft.	A	Hungary	30.00	30.00	Holding - Purchase and sale of own properties
Addition OPUS Zrt.	A	Hungary	24.88	24.88	Holding-Asset Management
MITRA Informatikai Zrt.	A	Hungary	-	4.39	Information Technology
Mészáros M1 Nehézgépkezelő Kft.	A	Hungary	-	20.70	Vehicle rental

II.3. Supplementary Annex - Notes related to the financial statements

FELCSÚTI Ipari Park Kft.	A	Hungary	25.00	25.00	Sale and purchase of own properties
OPTESZ OPUS Zrt.	J	Hungary	49.99	50.00	Business administration, Other executive counselling

The Company sold its shareholdings in **MITRA Zrt** in 2023.

KONZUM MANAGEMENT Kft. is managed as an affiliated company by the Parent Company, together with its subordinated subsidiaries BLT Ingatlan Kft. and ZION Europa Kft., therefore the Company does not value these two companies separately.

R-KORD Építőipari Kft. decided to sell its 17.21% minority stake in **Mészáros M1 Nehézgépkezelő Kft**. and Mészáros és Mészáros Zrt.'s 23.39% minority stake. Following the transactions, the minority indirect holding of OPUS GLOBAL Nyrt. in Mészáros M1 Nehézgépkezelő Kft. ceased.

In 2022 **FELCSÚTI Ipari Park Kft.** had a 25% stake and was therefore reclassified from other participations to an affiliate.

In 2022, the Company established **OPTESZ OPUS Zrt.** jointly with Status Energy Private Equity Fund as a 50-50% jointly controlled entity, and these shareholdings changed to 49.99-49.99% in 2023, therefore is still considered a jointly managed company.

In the consolidated financial statements, the Company determines the value of its investment in affiliates using the equity method, whereby the post-acquisition share of the affiliates' post-acquisition changes of equity are recognised in the income statement against the carrying amount of the investments. The recoverable amount of an investment is reviewed annually and an impairment loss is recognised if it is materially lower than the carrying amount of the investment.

The value and aggregate movements of the Group's investments in affiliates at 31 December 2023 and 2022 were as follows:

HUF '000'

Name of affiliated companies and joint ventures	**Book value as at 31.12.2023**	**Increase/Decrease**	**Share of profit/loss**	**Book value as at 01.01.2023**
KONZUM MANAGEMENT Kft.	1,145,751	-	-	1,145,751
Addition OPUS Zrt.	1,100,000	682,958	-	417,042
MITRA Informatikai Zrt.	-	-277,751	-	277,751
Mészáros M1 Nehézgépkezelő Kft.	-	-622,969	-	622,969
FELCSÚTI Ipari Park Kft.	452,484	449,984	2,500	-
OPTESZ OPUS Zrt.	10,000	-	-	10,000
Total	**2,708,235**	**232,222**	**2,500**	**2,473,513**

II.3. Supplementary Annex - Notes related to the financial statements

The Group only recognises losses in excess of the value of an affiliate's interest when it has incurred a legal or constructive obligation or made payments on behalf of an affiliate. The Company has not currently identified any such contingent liability and has not recognised an impairment loss in respect of such contingent liability.

The following table presents the aggregate financial information of the affiliates as of December 31, 2023 and 2022:

HUF '000'

Balance sheet lines	**2023 YE**	**2022 YE**
Fixed assets	54,123,976	15,193,715
Current assets	18,814,735	1,686,987
Long-term liabilities	2,768,518	2,790,259
Short-term liabilities	7,871,546	816,362
Income statement	**2023 YE**	**2022 YE**
Sales revenue	33,686,364	76,727
Total comprehensive income	4,795,449	- 5,916
Dividend from affiliated companies	1,373,797	-

8. Investments in other associates

The Company's subsidiaries have shareholdings that are not included at the group level because of their immaterial size or the lack of significant management control. The Group treats these interests as investments and evaluates them at fair value through profit or loss (FVTPL).

The Group's unconsolidated equity investments that are carried at fair value were as follows:

HUF '000'	**2023YE**	**2022YE**
Magyar Tojás Kft.	*10,000*	*10,000*
Újházi Tyúk Kft.	*1,360*	*1,360*
Tojóhibridtartók Beszerző és Értékesítő Mezőgazdasági Szövetkezet	*30*	*30*
Gyulai Várfürdő Kft.	*28,000*	*28,000*
Gyulai Turisztikai Nonprofit Kft.	*215*	*215*
Hévízi Turisztikai Nonprofit Kft.	*210*	*210*
Bioenergie Heiligenblut GmbH	*1,102*	*1,102*
Zánkai Üdülő Egyesület	*885*	*885*
Kaposvári Turisztikai Nonprofit Kft.	*15,532*	*15,536*
Egerszalóki Gyógyforrást Üzemeltető Kft.	*16,000*	-
Total	**73,334**	**57,338**

Objective evidence of impairment, other than market observable "Level 3" evidence, is reviewed annually to identify any indications of impairment. Where such evidence exists, the recoverable amount of the investment and the impairment loss to be recognised are determined. No impairment was recognised in respect of Other ownership shares during the year.

9. Long-term receivables from related parties

The below table presents the Group's non-current receivables as at 31 December 2023 and 2022:

HUF '000'	2023YE	2022YE
Loan receivables	*8,146,216*	*8,913,036*
KONZUM MANAGEMENT Kft.	*248,972*	*221,307*
Addition OPUS Zrt.	*657,332*	*581,816*
Status Energy Kft.	*7,239,912*	*7,739,913*
FELCSÚTI Ipari Park Kft.	-	*370,000*
Total	**8,146,216**	**8,913,036**

The Group did not recognise any impairment for affiliated receivables beyond the year in 2023 or 2022.

10. Contract portfolio

In 2018, as a result of an independent expert's valuation of the construction companies integrated into the Group, the Group showed a portfolio of contracts capitalised as assets of HUF 84,843,840,000, based on the estimated market value of the companies' contract portfolio.

HUF '000'	
Gross value	
as at 31 December 2022	**84,843,840**
Changes of consolidation scope (growth)	-
Changes of consolidation scope (decrease)	-
Increase and reclassification	-
Decrease and reclassification	-
as at 31 December 2022	**84,843,840**
Accrued depreciation	
as at 31 December 2022	**51,997,314**
Changes of consolidation scope (growth)	-
Changes of consolidation scope (decrease)	-
Increase and reclassification	13,238,962
Decrease and reclassification	-
as at 31 December 2022	**65,236,276**
Net book value	
as at 31 December 2022	**32,846,526**
as at 31 December 2022	**19,607,564**

Following the procedure required by IFRS 3, the Group has allocated the difference between the fair values (business valuations) and carrying amounts of the subsidiaries acquired at the acquisition date to the identifiable assets held by the subsidiaries.

In accordance with the standard, the Company subsequently remeasures the contract portfolio recognised as assets in accordance with the future timing of net cash flows from the related projects and charged to profit or loss as a depreciation charge. Depreciation is based on the stage of completion of multi-year projects in accordance with the performance-based revenue recognition methodology described in the Accounting Policy.

Based on the above, the Group recognised a total of HUF 13,238,962,000 of depreciation in 2023, which significantly reduced the profit for the year on the contract backlog.

The breakdown of the contract portfolio by company for three years is shown in the following table:

HUF '000'	**2023YE**	**2022YE**	**2021YE**
Mészáros és Mészáros Zrt.	-	310,453	868,778
R-KORD Kft.	846,282	3,389,480	4,986,663
RM International Zrt.	18,761,282	29,146,593	34,772,745
Total	**19,607,564**	**32,846,526**	**40,628,186**

In 2023, no circumstances arose that would have justified the early amortisation of the contract portfolio or the recognition of an impairment loss.

11. Right of use assets

In 2023 and 2022, the Group leased a number of properties, land, machinery and vehicles, which were accounted for as right of use assets.

The table below illustrates the Group's Asset Use Right value as at 31 December 2023 and 2022 (HUF '000'):

Gross value		
as at 31 December 2022		**9,490,677**
Changes of consolidation scope (growth)		-
Changes of consolidation scope (decrease)		105,810
Increase and reclassification		4,126,378
Decrease and reclassification	-	1,491,776
		-
as at 31 December 2022		**12,231,089**

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Accrued depreciation	
as at 31 December 2022	**3,836,012**
Changes of consolidation scope (growth)	-
Changes of consolidation scope (decrease)	6,811
Annual write-off	2,216,489
Decrease	- 1,240,194
as at 31 December 2022	**4,819,118**
Net book value	
as at 31 December 2022	**5,654,665**
as at 31 December 2022	**7,411,971**

The recognition of the right of use assets as assets affected the following asset, liability and income categories at 31 December 2023 and 2022:

HUF '000'	**2023YE**	**2022YE**
right of use assets	7,411,971	5,654,665
Retained earnings of prior years	- 160,909	- 128,439
Profit for the reporting year	- 132,061	- 30,231
Long-term financial leasing liabilities	5,541,173	4,132,710
Short-term financial leasing liabilities	2,027,514	1,507,980
Other revenues	- 16,377	- 24,471
Materials, consumables and other external charges	- 2,522,008	- 2,092,145
Depreciation	2,193,170	1,906,140
Financial expenses	477,276	240,707

Total amount of lease payments made for leases:

HUF '000'	**2023YE**	**2022YE**
Paid-up capital	2,522,008	2,092,145
Interest paid	477,276	240,707
Total	**2,999,284**	**2,332,852**

Costs accounted for in relation to short-term leases and the leases of low-value assets:

HUF '000'	2023YE	2022YE
Short-term leases	145,124	363,419
Low-value leases	28,305	50,910
Total	**173,429**	**414,329**

Different categories of right of use assets within the Group:

HUF '000'	2023YE	2022YE
Buildings and lands	2,982,644	2,698,551
Machinery and equipment	140,723	209,869
Vehicles, machinery	4,288,604	2,746,245
Total	**7,411,971**	**5,654,665**

12. Inventories

Balance of the Group's stocks at 31 December 2023 and 2022:

HUF '000'	2023YE	2022YE
Materials	25,874,009	29,704,585
Unfinished production and semi-manufactured goods	3,738,482	2,552,940
Finished goods	2,419,625	2,448,614
Goods	1,431,853	3,030,911
Total	**33,463,969**	**37,737,050**

Goods, inventories purchased for sale, unfinished production and semi-manufactured goods and finished goods. Book value does not exceed net realizable value. Inventories account for 8% of the value of Current Assets, while they account for 3% of the value of all Assets.

A total of HUF 2,085,162,000 has been charged to inventories, of which HUF 1,526,317,000 in the current year (see Note II.3. 41).

13. Biological assets

Only Csabatáj Mezőgazdasági Zrt. in the Agriculture and Food Industry Division has any biological assets.
The biological assets beyond the year mainly consist of animals, field inventories and afforestation with no residual value.

The following tables illustrate the fair value of biological assets in HUF '000' per asset for the years ended 31 December 2023 and 2022:

HUF '000'	Pullet	Laying hen	Deep litter turkey	Value of cultivations	Fish	Afforestation	Total
Gross value							
as at 31 December 2023	**55,074**	**99,886**	**-**	**95,893**	**9,343**	**1,671**	**261,867**
Real value increase	60,879	-	302,772	467,121	3,652	-	834,424
Purchase	-	-	60,748	-	-	-	60,748
Sales	- 114,862	- 73,412	- 145,690	-	-	-	- 333,964
Other decrease	- 1,091	- 26,474	- 85,033	- 503,504	- 4,873	-	- 620,975
as at 31 December 2023	**- 0**	**0**	**132,797**	**59,510**	**8,122**	**1,671**	**202,100**

HUF '000'	Pullet	Laying hen	Value of cultivations	Fish	Afforestation	Total
Gross value						
31 December 2021	**70,868**	**83,790**	**54,410**	**-**	**1,671**	**210,739**
Real value increase	170,198	34,275	435,322	-	-	639,795
Purchase	58,469	-	-	9,343	-	67,812
Sales	-	- 10,032	-	-	-	- 10,032
Other decrease	- 244,461	- 8,148	- 393,839	-	-	- 646,448
31 December 2021	**55,074**	**99,886**	**95,893**	**9,343**	**1,671**	**261,867**

The following tables illustrate the estimated units of biological assets for 31 December 2022 and 2023:

	2023YE		2022YE	
Name of biological asset	**Estimated quantity**	HUF '000'	**Estimated quantity**	HUF '000'
Pullet	-	-	63,078 count	55,074
Laying hen	-	-	96,698 count	99,886
Deep litter turkey	226,578 kg	132,797	-	-
Value of cultivations	537.74 ha	59,510	618.87 ha	95,893
Fish	6,840 kg	8,122	5,000 kg	9,343
Afforestation	2 ha	1,671	2 ha	1,671
Total		**202,100**		**261,867**

The balance of subsidies granted for agricultural activity at 31 December 2022 was HUF 119,997,000, of which HUF 113,920,000 was recognised in the Income Statement (in 2021: HUF 253,917,000 and HUF 18,346,000 respectively).

14. Corporate income tax for the current year

The consolidated net balance of the corporate tax receivable and payable for the year under review was as follows between 31.12.2022 and 31.12.2023:

HUF '000'	2023YE	2022YE
Tax receivables in the reporting year	3,223,263	2,810,335
Tax payables in the reporting year	4,778,586	1,136,705
Total	**-1,555,323**	**1,673,630**

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The balances of the individual current year corporate tax assets and liabilities of the consolidated subsidiaries changed as follows between 31.12.2022 and 31.12.2023:

	Corporate income tax assets		Corporate income tax liabilities	
HUF '000'	2023YE	2022YE	2023YE	2022YE
Balatontourist Füred Club Camping Szolgáltató Kft.	-	-	-	-
Csabatáj Zrt.	-	6,116	7,252	-
Gerecsegáz Zrt.	-	262	511	-
HUNGUEST Hotels Szállodaipari Zrt.	-	-	122,673	5,036
KALL Ingredients Kft	-	182	4,054	-
KALL Ingredients Trading Kft.	-	163	115	-
KZBF INVEST Vagyonkezelő Kft.	1,124	1,149	-	-
KZH INVEST Kft.	606	606	-	-
Mészáros Építőipari Holding Zrt.	-	-	-	835,622
Mészáros és Mészáros Zrt.	-	-	2,721,181	
MS Energy Holding AG	11,177	2,360	-	-
MS Energy Holding Zrt.	-	-	122,955	6,361
OPUS E-LINE Kft.	-	-	4,332	-
OPUS GLOBAL Nyrt.	-	6,590	155,823	-
OPUS TIGÁZ Zrt.	-	459,108	981,941	-
OPUS TITÁSZ Zrt.	2,864,394	2,324,720	-	-
R-KORD Network Kft.	-	-	482,316	-
RM International Zrt.	-	-	175,433	-
Relax Gastro & Hotel GmbH	749	-	-	-
SZ és K 2005. Kft.	-	-	-	-
TURULGÁZ Zrt.	10,153	9,079	-	-
VIRESOL Kft.	335,060	-	-	289,686
Total	**3,223,263**	**2,810,335**	**4,778,586**	**1,136,705**

15. Trade receivables and short-term receivables from affiliated companies

The balance of the Group's trade receivables and short-term receivables at 31 December 2023 and 2022:

HUF '000'	**2023YE**	**2022YE**
Trade receivables	59,348,810	72,521,811
Current receivables from related parties	15,421,946	4,639,417
Trade receivables	3,716,174	1,655,035
Loan receivables	2,070,654	1,569,096
Assigned, assumed receivables	80,082	20,082
Advance payment	7,524,522	*337,138*
Other short term receivables from affiliated parties	2,030,514	*1,058,066*
Impairment for doubtful debts	-1,842,395	-1,293,458
Total	**72,928,361**	**75,867,770**

See Note II.3.47.a for a description of the IFRS 9 method used to calculate the required impairment.

The amount of impairment recognised for customers in the year under review is HUF 840,598,000 (see Note II.3.40).

16. Other receivables and accrued income

Balance of the Group's Other receivables and accrued income at 31 December 2023 and 2022:

HUF '000'	**2023YE**	**2022YE**
Advances paid to investment contractors	2,392,434	1,796,302
Advances given on inventories	561,878	318,506
Advances paid for services	11,653,086	22,364,225
Deferred income and costs	55,057,327	56,383,949
Other costs paid in advance	351,642	499,243
Receivables from employees	27,739	63,799
Tax assets	3,800,886	5,643,497
Receivables from local governments	323,619	237,470
Aids	104,359	66,120

Loans provided	33,608	38,489
Overpayment in accounts payable	911,044	2,546,157
Receivables from deposits and caution money	3,667,286	6,657,926
Receivables from the sale of business share	142,967	142,967
Card receivables	245,160	91,636
Transferred, overtaken and purchased receivables	-	154,690
SWAP transaction mark to market valuation	2,146,441	6,830,930
Asset identified during acquisition	-	-
Other receivables	540,008	1,997,997
Total	**81,959,484**	**105,833,903**

Other prepaid expenses and accrued income, costs typically include items that are expensed only in the next period at the time they are actually incurred.

In 2021, OPUS Energy Kft. took out a HUF 50 billion variable interest rate (3M BUBOR+2.3%) acquisition loan from Takarékbank Zrt. and MKB Bank Zrt. which loans were transferred to OPUS TITÁSZ Zrt. as a result of the subsequent merger. In order to reduce interest rate risk, the company entered into an interest rate hedge (IRS swap) for half of the capital debt amounting to HUF 25 billion, whereby it swapped the variable interest rate for a fixed interest rate of 5.16% for 6 years. The repayment of the principal started on 30.09.2023.

From 2021 onwards, interest rate swaps entered into will be reported at fair value through profit or loss (FVTPL) based on market observable inputs (Level II). The change in the current market value between reporting dates is recognised in the result on financial operations (see Note II.3. 42).

17. Cash and cash equivalents

On 31 December 2023 and 2022, the Group's cash and cash equivalents typically consisted of bank deposits and segregated security deposit accounts:

HUF '000'	2023YE	2022YE
Cash (HUF)	110,453	166,895
Cash (EUR)	74,741	20,355
Bank deposit (HUF)	156,515,165	97,728,330
Bank deposits (EUR)	7,377,322	13,317,540
Cash in other currencies	44,935,100	13,174,287
Short term tied deposits	38,666,414	49,811,013
Total	**247,679,195**	**174,218,420**

HUF '000'	2023YE	2022YE
Non-disposable liquid assets from the above	107,398,412	61,960,581

In the Consolidated Balance Sheet, overdrafts are included in current liabilities under "Short-term loans and borrowings". Term deposits have a maturity of 3 months or less.

The Parent Company accounts for more than 4.8% of the cash and cash equivalents balance at 31 December 2023.

The companies of the Group hold their cash and cash equivalents with more than 10 different major banks, so that their risk distribution is well diversified. The banks concerned are rated between Baa1/BBB+ and Ba1/BB+.

18. Assets held for sale

The property intended for sale by OPUS TIGÁZ Zrt. in the amount of HUF 188,132,000 was already identified under Assets held for sale, and the ABA property owned by OPUS GLOBAL Nyrt. Worth HUF 299,356,000. Both were sold in 2023.

19. Issued capital

Composition of subscribed capital:

	31 December 2023		31 December 2022	
HUF '000'	Count:	Nominal value (HUF):	Count:	Nominal value (HUF):
	701,646,050	25	701,646,050	25
Balance of Issued capital	**701,646,050**	**17,541,151,250**	**701,646,050**	**17,541,151,250**
Equity capital owned by the group	49,047,141	1,226,178,525	40,516,558	1,012,913,950
Shares outstanding	**652,598,909**	**17,541,151,250**	**661,129,492**	**17,541,151,250**

The Company only has ordinary shares with a nominal value of HUF 25 per share. The owners of the common shares are entitled to dividend as well as voting rights – one per share – at the Company's general meeting.

OPUS GLOBAL Nyrt.'s share capital remained unchanged, comprising at present 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.

<u>Own shares</u>

The General Meeting of Shareholders of OPUS GLOBAL Nyrt authorised the Board of Directors of OPUS GLOBAL Nyrt to acquire as treasury shares a number of ordinary shares equal to ten percent (10%) of its share capital. The Parent Company purchased a total of 3,266,782 shares and during the year the subsidiary R-KORD also purchased 5,263,801 shares, independently of the Parent Company's share purchase program. Thus, as at 31.12.2023, the number of shares held by the Group in treasury is 49,047,141 (see section III.1), representing 6.99% of the ordinary shares.

20. Capital elements on top of Issued capital

HUF '000'	2023YE	2022YE
Own shares repurchased	-5,279,843	-3,562,249
Capital reserve	166,887,066	166,887,066
Capital reserves	- 119,811	- 137,842
Retained earnings of prior years	13,223,241	12,257,949
Profit for the reporting year	25,856 276	12,321,033
Revaluation difference	184,445	851,484
Non-controlling interest	137,486 186	137,103,294

The increase in the repurchased treasury stock represents the repurchase of treasury stock in 2023 at cost.

21. Dividend

In 2023 and 2022, the Parent Company did not pay any dividend.
At the balance sheet date, there were no dividends that had been decided but not yet paid.

22. External owners' business share

HUF '000'	2023YE	2022YE
Csabatáj Zrt.	681,798	709,935
Gerecsegáz Zrt.	241,184	231,677
KALL Ingredients Kft	2,075,439	2,050,058
KALL Ingredients Trading Kft.	16,361	15,525
Mészáros Építőipari Holding Zrt.	-	- 2,284,990
Mészáros és Mészáros Zrt.	19,134,400	10,190,168
Mészáros Hrvatska d.o.o.	- 527	94
MS Energy Holding AG	67,067	79,696
MS Energy Holding Zrt.	6,016,120	4,444,582

OPUS E-LINE Kft.		49,512		-
OPUS TIGÁZ Zrt.		36,811,219		36,971,263
OPUS TITÁSZ Zrt.		53,234,449		63,725,238
R-Kord Kft.		5,982,245		4,762,968
RM International Zrt.		11,983,759		15,592,249
TTKP Energiaszolgáltató Kft.	-	410	-	282
TURULGÁZ Zrt.		426,563		422,619
VIRESOL Kft.		766,528		191,845
Wamsler Bioenergy GmbH		14		33
Wamsler Haus- und Küchentechnik Gmbh		1,192		1,485
Wamsler SE	-	727	-	869

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Total non-controlling business interest	**137,486,186**	**137,103,294**
of which accumulated overall other profit per external owner	**- 114,394**	**38,181**
Mészáros Hrvatska d.o.o.	- 8	**36**
MS Energy Holding AG	- 810	- 64
KALL Ingredients Kft	- 86,637	36,906
KALL Ingredients Trading Kft.	103	1,242
VIRESOL Kft.	- 26,890	-
Wamsler Bioenergy GmbH	- 2	3
Wamsler Haus- und Küchentechnik Gmbh	- 150	58

23. Loans and advances

The existing loans and advances broken down by financial institution in 2023 and 2022 were as follows:

2023 YE						
Financial institutions and other creditors	**Collateral**	**Balance 31.12.2023**	**Currency**	**Balance in thousand HUF**	**of which long term HUF**	**of which short term HUF**
Erste Bank Zrt.	Property mortgage, right to buy, right of first refusal	24,897,907	EUR	9,530,421	8,405,585	1,124,836
MBH Bank Nyrt. (MKB Bank Zrt.)	Payment guarantee, bail bank account, mortgage	48,768,738	HUF	48,768,738	45,301,205	3,467,533
MBH Bank Nyrt. (MKB Bank Zrt.)	Property mortgages, movable mortgages, framework mortgages, pledges on receivables, assignment of collateral, pledge on shares, title guarantee, trademark pledge, surety, letters of authorisation for immediate collection	41,432,196	EUR	15,859,416	14,177,785	1,681,631
OTP Bank Nyrt.	Property mortgage, movable mortgages, lien on assets, bank account deposit, joint and several liability, owner's commitment	81,440	HUF	81,440	60,440	21,000
OTP Bank Nyrt.	Property mortgage, movable mortgages, lien on assets, bank account deposit, joint and several liability, owner's commitment	6,964,371	EUR	2,665,822	2,181,127	484,695
EXIMBANK Zrt.	Property mortgages, movable mortgages, framework mortgages, pledges on receivables, assignments of security, title guarantees, title commitments, share pledges, trademark pledges, sureties, letters of authorisation for immediate debit	93,304,992	EUR	35,715,285	32,359,526	3,355,759

MBH Bank Nyrt. (Takarékbank Zrt.)	Property mortgage, owner guarantee	11,400,408	EUR	4,363,848	3,933,815	430,033
MBH Bank Nyrt. (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 oerders,	10,572,551	EUR	4,046,961	3,622,458	424,503
MFB Zrt.	Property mortgage, movables lien, claims lien, business share lien, brand lien, joint and several liability	24,909,379	EUR	9,534,812	8,519,408	1,015,404
Total		48,850,178	HUF	48,850,178	45,361,645	3,488,533
		213,481,804	EUR	81,716,565	73,199,704	8,516,861
Balance 31.12.2023			HUF	**130,566,743**	**118,561,349**	**12,005,394**

2022YE						
Financial institutions and other creditors	**Collateral**	**Balance 31.12.2021**	**Currency**	**Balance in thousand HUF**	**of which long term HUF**	**of which short term HUF**
Erste Bank Zrt.	Property mortgage, right to buy, right of first refusal	27,158,681	EUR	10,870,262	9,965,386	904,876
MKB Bank Zrt.	Payment guarantee, bail bank account, mortgage	29,448,400	HUF	29,448,400	28,427,772	1,020,628
MKB Bank Zrt.	Property mortgages, movable mortgages, framework mortgages, pledges on receivables, assignment of collateral, pledge on shares, title guarantee, trademark pledge, surety, letters of authorisation for immediate collection	56,597,297	EUR	22,653,068	16,583,237	6,069,831
OTP Bank Nyrt.	Property mortgage, movable mortgages, lien on assets, bank account deposit, joint and several liability, owner's commitment	114,370	HUF	114,370	81,440	32,930
OTP Bank Nyrt.	Property mortgage, movable mortgages, lien on assets, bank account deposit, joint and several liability, owner's commitment	8,230,618	EUR	3,294,305	2,787,489	506,816
EXIMBANK Zrt.	Property mortgages, movable mortgages, framework mortgages, pledges on receivables, assignments of security, title guarantees, title commitments, share pledges, trademark pledges, sureties, letters of authorisation for immediate debit	98,226,236	EUR	39,315,051	37,345,322	1,969,729

Takarékbank Zrt.	Property mortgage, ban on alienation and encumbrance, movables encumbrance, surety agreement, surety encumbrance, claim lien, enchashment on bank account, transfer of insurance, share bail, letters of authorisation, direct debit.	25,000,009	HUF	25,000,009	24,383,772	616,237
Takarékbank Zrt.	Property mortgage, owner guarantee	12,286,314	EUR	4,917,597	4,559,111	358,486
MKB Bank Zrt. (Budapest Bank Zrt.)	Property mortgages, movable mortgages, receivables mortgages, sureties, letters of authorization for immediate debit, bailment liens	2,800,000	HUF	2,800,000	1,300,000	1,500,000
MKB Bank Zrt. (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 oerders,	-	EUR	-	-	-
MFB Zrt.	Property mortgage, movables lien, claims lien, business share lien, brand lien, joint and several liability	27,398,896	EUR	10,966,408	9,969,979	996,429
Total		57,362,779	HUF	57,362,779	54,192,984	3,169,795
		229,898,041	EUR	92,016,691	81,210,524	10,806,167
Balance 31.12.2022			HUF	**149,379,470**	**135,403,508**	**13,975,962**

The year-end amount of the Group's credits was HUF 130,566,743,000. Credits make up 18% of the entire sum of liabilities compared to the 21% in the base period. Within the Group, the Energy Division has the largest loan portfolio at 37%, while the Agriculture & Food Industry Division has 44%, the Tourism Division 18% and the Asset Management Division 1%.

No Group companies were sanctioned for credit covenants during the reporting period.

24. Government grants

The aggregate level of government grant at group level evolved as follows in 2023 and 2022:

HUF '000'	**2023YE**	**2022YE**
Opening value	49,153,142	38,329,303
Increase (taken out)	74,964,962	12,499,258
Decrease (unlock)	- 9,973,550	- 3,190,441
Change due to different exchange rate	- 1,660,906	1,515,022
Closing price	**112,483,648**	**49,153,142**

Certain subsidiaries of the OPUS Group received the following named government grants, the available budget for which at the balance sheet date was as follows:

II.3. Supplementary Annex - Notes related to the financial statements

HUF '000'	2023YE	2022YE
Csabatáj Zrt.	**119,997**	**253,917**
FVM-EMVA - Modernisation of animal housing facilities - Manure management - Machine procurement	119,997	253,917
Hunguest Hotels Szállodaipari Zrt.	**15,036,427**	**15,949,841**
Central Transdanubia Operational Program	111,945	114,681
North Hungary Operational program	40,133	41,118
North Great Plain Operational program	423,541	433,837
Ministry of Rural Development	4,667	4,761
South Great Plain Operational program	468,986	478,449
Széchenyi Plan Tourism Target	1,098,238	1,126,934
Provided by the European Union and the Hungarian Government - DAOP-2.1.1/G-2008-0001	2,430,025	2,477,084
Regional Development Operative Program Controlling Authority /ROP call for offers/	155,547	158,808
Energia Központ Nonprofit Kft./KEOP call for offers/	19,291	19,534
Kisfaludy Szálláshelyfejlesztési Konstrukció - Development of existing large capacity hotels and construction of new hotels	10,284,054	11,094,635
KALL Ingredients Kft	**14,412,843**	**13,537,915**
Ministry of Foreign Affairs and Trade - based on individual government decision EKD/FELD-2015/14	8,919,597	9,816,591
Ministry of national economy - GINOP 2.1.-15-2017-00048 - competitiveness and excellence cooperations innovation operative program	820,770	1,386,780
Pénzügyminisztérium - PM/15178- 14/2020 Subsidy for Health Care (ETP)	318,981	369,458
Pénzügyminisztérium - PM/7629- 17/2020 Investment program for large corporations (NBT)	1,809,067	1,891,632
Külgazdasági és Külügyminisztérium - VNT2020-1-0038 Subsidy for the improvement of competitiveness (VNT)	67,811	73,454
HIPA K+F - EKD/K+F-202/5	171,985	-
GINOP K+F - GINOP PLUSZ-2.1.1-21-2022-00233	445,000	-
BAR-1.1.1-21 European Commission's Brexit Compensation Fund grant for Hungarian businesses	198,275	-
Factory Rescue Program -HIPA/GYAR-2022-0002	1,661,357	-
OPUS TITÁSZ Zrt.	**72,356,080**	**7,998,600**
Under the Recovery and Resilience Instrument, the Prime Minister's Office - Nemzeti Hatóság	-	7,998,600
VHFO/76/2023-EM - Construction of the underlying distribution network improvements necessary for the implementation of the Nyíregyházi Industrial Park electricity network development	25,423,350	-

VHFO/433/2023-EM - Construction of the underlying distribution network improvements necessary for the implementation of the Nyíregyházi Industrial Park electricity network development	8,502,300	-
ÉZFF/140/2022-EM - Modification of the underlying distribution network for the supply of electricity demand in order to improve the infrastructure of the Debrecen South Economic Zone	26,458,714	-
VHFO/444/2023-EM - Construction of the underlying distribution network improvements necessary for the development of the electricity network of the North-Western Economic Zone in Debrecen	9,974,040	-
2022/MA/ETÁROLÁS/01/1 - Installation of grid-integrated electricity storage facilities in the supply area of OPUS TITÁSZ Zrt.	1,997,676	-
VIRESOL Kft.	**9,160,016**	**10,083,609**
KKM - wheat processing factory green field project - EKD/FELD-2017/15	5,383,015	5,821,392
Innovative developments in the field of cereal-based food industry and industrial researches - GINOP-2.2.1- 15- 2017- 200048	602,963	823,528
PM - Cation starch manufacturing plant and fodder complex- Z3480005	1,296,042	1,400,120
PM - Market research development -2019-1.1.1.-Piaci-KFI-2019-00072	23,320	94,955
KKM - Subsidy for the improvement of competitiveness - VNT2020-1-009	173,802	220,122
PM - Health Care Subsidy - ZS1200009	299,821	344,492
PM - Investment program for large corporations 2 - NBT2 PM/19147- 15/2020	1,381,053	1,379,000
Wamsler SE	**1,398,285**	**1,329,260**
PM - HIPA Energy efficiency level increase - HIPA-GYAR_2022-0299	189,504	-
NGM - NBT for Smart Manufacturing and Innovation Centre - NGM/27713-6/2019	1,208,781	1,329,260
Total	**112,483,648**	**49,153,142**

The schedule for the use of government grant is as follows:

23YE

000 HUF	**Total**	**within 1 year**	**Between 1 and 5 years**	**Over 5 years**
Government grants	112,483,648	8,444,648	7,027,537	97,011,463
of which: deferred income	103,771,556	1,780,352	7,027,537	94,963,667
Government grants	**112,483,648**	**8,444,648**	**7,027,537**	**97,011,463**

25. Bonds issue

II.3. Supplementary Annex - Notes related to the financial statements

In addition to bank loans and borrowings, the Group's other significant source of external financing is the proceeds from the bonds issued by OPUS GLOBAL Nyrt. and OPUS TIGÁZ Zrt:

HUF '000'	2023 YE	2022 YE
OPUS GLOBAL Nyrt. - MNB Growth Bond Program I.	28,702,532	28,717,990
OPUS GLOBAL Nyrt. - MNB Growth Bond Program II.	39,011,841	39,013,569
TIGÁZ Nyrt. - MNB Growth Bond Program	47,021,903	48,525,478
Total	**114,736,276**	**116,257,037**

Bonds of OPUS GLOBAL Nyrt.

Following its successful participation in the Growth Bond Program of the National Bank of Hungary (NKP), OPUS GLOBAL Nyrt. issued two bonds, on 25 October 2019 with a nominal value of HUF 28.6 billion (Bond I) and on 1 April 2021 with a nominal value of HUF 39 billion (Bond II). Both bonds were admitted to the BSE's multilateral trading facility, called Xbond.

The purpose of issuing the bonds is to raise capital and use it to implement the Company's acquisition plans and to renew and optimize its financing. The scope, number and industrial focus 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. The Issuer has used the proceeds of the private placement of Bond II to build up its energy portfolio, in line with its stated purpose in the offering.

Main data of the bond issue:

Name of Bond I	**“OPUS GLOBAL 2029 Bond”**
Series code:	OPUS2029
Security identifier (ISIN) listed in XBond	HU0000359278
Count:	572
Method of distribution:	private
Form:	dematerialized
Date of auction	25 October 2019
Policy period:	10 years
Expiration of bond:	29 October 2029
Total nominal value of the series:	HUF 28.6 billion
Amount of funds raised:	HUF 28.77 billion
Type of interest:	Fixed-interest
Rate of coupon:	2.80%

Date of entry to BSE:	30 March 2020

Name of security	**“OPUS GLOBAL 2031 Bond”**
Series code:	OPUS2031
Security identifier (ISIN) listed in XBond	HU0000360409
Count:	780
Method of distribution:	private
Form:	dematerialized
Date of auction	27 April 2021
Policy period:	10 years
Expiration of bond:	29 April 2031
Total nominal value of the series:	HUF 39 billion
Amount of funds raised:	HUF 39.03 billion
Type of interest:	Fixed-interest
Rate of coupon:	3.20%
Date of entry to BSE:	15 July 2021

Terms and book value of the Bonds

As from 29 October 2019 (inclusive) **Bond I** 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. In the case of Bond I, the effective interest rate was set at 2.733%, taking into account the subscription costs and the amount of the oversubscription.

The Company fully performed its interest payment obligation in 2023 and 2022 within the specified limits and conditions.

As from 29 April 2021 (inclusive) **Bond II** 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 April each year, i.e. from 29 April 2022 to 29 April 2031. In the case of Bond II, the effective interest rate was set at 3.194%, taking into account the subscription costs and the amount of the oversubscription. The Company fully met its interest payment obligations for the year 2022.

HUF ‘000’	**Bond I**		**Bond II**	
	31.12.2023.	**31.12.2022.**	**31.12.2023.**	**31.12.2022.**
Nominal value of bond	28,600,000	28,600,000	39,000,000	39,000,000
Oversubscription and issue costs (discount)	165,850	165,850	16,469	16,469

II.3. Supplementary Annex - Notes related to the financial statements

Book value at issue	28,765,850	28,765,850	39,016,469	39,016,469
Amortisation of discount from issue	(63,318)	(47,860)	(4,628)	(2,899)
Book value of bond	28,702,532	28,717,990	39,011,841	39,013,570
Interest expense at effective interest rate	785,343	785,343	1,246,271	1,246,216

The Issuer's credit rating

OPUS GLOBAL Nyrt. performed the independent credit rating procedure required as a precondition for participation in the Bonds Funding for Growth Scheme (BFFG) announced by the National Bank of Hungary (MNB), which is then reviewed every year. On 1 April 2021, the Company obtained a BBB- rating, four degrees higher than the investment level required by the MNB for the bonds to be issued: BBB- rating and maintained the BB rating for the Company. The analysis was carried out by the independent international rating agency Scope Ratings GmbH (Neue Mainzer Straße 66- 68 60311 Frankfurt am Main; registered office: Lennéstraße 5 10785 Berlin, Németország) (www.scoperatings.com) végezte.

As required by the Program, the Company completed the annually required credit rating review process in 2023, with the independent rating agency, as a result of which the rating agency maintained its **BBB- rating for the bond issuance and the issuer rating of BB/Stable.**

Bonds of OPUS TIGÁZ Zrt.

OPUS TIGÁZ Zrt. decided in its resolution of 2 March 2021 to participate in the Growth Bond Program announced by the MNB, and thus decided to issue bonds and to fulfil the obligations associated with it.

Main data of the bond issue:

The bonds issued by OPUS TIGÁZ Zrt. (TIGÁZ 2031/A) have the following parameters:

Name of security	„TIGÁZ 2031/A”
Series code:	TIGÁZ 2031/A
Security identifier (ISIN) listed in XBond	HU0000360292
Count:	1,000
Method of distribution:	private
Form:	dematerialized
Date of auction	03.2021. 22
Policy period:	10 years
Expiration of bond:	2031 03.24.
Total nominal value of the series:	HUF 50 billion
Amount of funds raised:	HUF billion
Type of interest:	Fixed-interest
Rate of coupon:	2.8%
Date of entry to BSE:	18 June 2021

The Growth Bond Program (NHP) requires a listing on the stock exchange, which the Company has fulfilled and the bonds were listed on the BSE on 18 June 2021.

The Issuer's credit rating

The annual review of the bond issuance took place and the independent credit rating agency Scope Ratings GmbH confirmed the previously established BB-/Stable Issuer and BB-/Stable ratings for the bonds issued in 2023.

Conditions and book value of the Bonds

On 24.03.2022, the first interest payments (HUF 1,400 million) and principal repayments (HUF 1,500 million) were made.

II.3. Supplementary Annex - Notes related to the financial statements

The Bond bears interest at 2.8% per annum on its nominal value from 24 March 2021 (inclusive). During the term of the Bonds, the interest is payable subsequently, on 24 March each year, i.e. from 24 March 2022 to 24 March 2031. The Group reports the value of the bonds and the related interest expense at amortised cost discounted at the effective interest rate.

Taking into account the underwriting costs and the amount of the oversubscription, the effective interest rate on the bond was 2.7909%.

HUF '000'	**31.12.2023.**	**31.12.2022.**
Nominal value of bond	50,000,000	50,000,000
Oversubscription and issue costs (discount")	31,908	31,908
Book value of bond upon issue	50,031,908	50,031,908
Bond repayments (cumulative)	(3,000,000)	(1,500,000)
Amortisation of discount from issue	(10,005)	(6,430)
Book value of bond	47,021,903	48,525,478
Interest expense at effective interest rate in the reporting year	1,315,482	1,363,826

Instalment schedule of bonds

The nominal principal of the three bonds will be repaid according to the following schedule:

data in '000'	Total	2024	2025	2026	2027	2028	2029	after 2029
OPUS GLOBAL Nyrt - MNB Growth Bond Program I	28,600,000	-	-	-	-	28,600,000		
OPUS GLOBAL Nyrt - MNB Growth Bond Program II	39,000,000	-	-	-	3,900,000	3,900,000	3,900,000	27,300,000
TIGÁZ Zrt . - MNB Growth Bond Program	47,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	38,000,000
Total	**114,600,000**	**1,500,000**	**1,500,000**	**1,500,000**	**5,400,000**	**34,000,000**	**5,400,000**	**65,300,000**

26. Other long-term liabilities

The Group's balance of other long term liabilities as at 31 December 2023 and 2022:

HUF '000'	2023YE	2022YE
KALL Ingredients Kft	38,635	-
OPUS GLOBAL Nyrt.	4,080,941	-
TURULGÁZ Zrt.	20,912	20,912
Wamsler SE	1,440	-
Total	**4,141,928**	**20,912**

Other long term liabilities present the extra-group obligations of the subsidiaries listed in the table. The liability recognised in OPUS GLOBAL Nyrt. is the obligation to pay a loan at par value to Viresol Kft. taken over from Duna Aszfalt Zrt. The liabilities resulting from the purchase price of the assumed loans are payable within three years, therefore the fair value of the contractual liabilities (resulting from the discounted present value difference due to the deferred payment) is HUF 3,469,915,000.

27. Provisions for expected liabilities

On 31 December 2022 and 2023, the Group's current and non-current provisions were as follows:

2023YE

000 HUF	Short-term provisions	Long-term provisions
Other provisions	611,259	3,898,501
For legal disputes	-	87,814
For guaranteed liabilities	103,571	9,720,170
Provisions for power plant disassembly	-	353,872
Senior employees/qualified for jubilee bonuses	16,895	898,933
For environmental liabilities	54,019	226,991
Total	**785,744**	**15,186,281**

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2022YE

000 HUF	Short-term provisions	Long-term provisions
Other provisions	665,531	3,944,552
For legal disputes	-	78,953
For guaranteed liabilities	352,223	6,025,685
Provisions for power plant disassembly	-	80,932
Senior employees/qualified for jubilee bonuses	14,758	725,403
For environmental liabilities	372,500	270,869
Total	**1,405,012**	**11,126,394**

Both short- and long-term provisions are allocated between the companies of the Group as follows:

HUF '000'	2023YE	2022YE
Heiligenblut Hotel GmbH	1,166	6,125
Hunguest Hotels Szállodaipari Zrt.	7,519	2,500
KALL Ingredients Kereskedelmi Kft.	98,215	68,741
Mészáros és Mészáros Zrt.	6,479,313	4,116,255
OPUS E-LINE Kft.	2,611	-
OPUS GLOBAL Nyrt.	187,928	231,624
OPUS TIGÁZ Zrt.	1,246,781	1,476,286
OPUS TITÁSZ Zrt.	450,076	175,152
Relax Gastro GmbH	22,424	24,426
R-Kord Kft.	3,225,239	2,122,588
RM International Zrt.	3,104,713	3,104,713
VIRESOL Kft.	68,609	27,196
Wamsler SE	456,579	456,984
Wamsler Bioenergy GmbH	9,227	4,103
Wamsler Haus- und Küchentechnik Gmbh	611,625	714,713
Total	**15,972,025**	**12,531,406**

The value of provisions was HUF 15,972,025,000, which shows a increase of HUF 3,440,619,000 compared to the base value. The Industrial Production Division accounted for 87% of the provisions in the reporting year, the Energy Division contributed to 11%, the Asset Management Division contributed to 1% to the provisions recognised in the year under review, and the Agriculture and Food Division made up for 1% of the provisions recognised. Provisions made by the Tourism Division is negligible.

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. Furthermore, a provision of HUF 91,245,000 was set aside in 2023 to cover environmental liabilities and industrial accidents and labour proceedings.

With regard to the subsidiaries of the Construction Branch, provisions were made in accordance with the principles specified in the accounting policy, based on which provisions of HUF 12,809,265,000 were made in 2023 by the subsidiaries for expected guarantee obligations. Warranty repairs only apply to compliance with the product specification and the buyer does not have a separate option to purchase the warranty. 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.

At the end of 2023, OPUS TIGÁZ Zrt. recorded a provision of HUF 1,246,781,000 for future regular and jubilee benefits, amounting to HUF 369,454,000 and for gas adjustment settlements, amounting to HUF 877,327,000.

OPUS TITÁSZ Zrt. OPUS TITÁSZ Zrt has made a provision of HUF 450,076,000, of which HUF 87,814,000 is for litigation, HUF 8,390,000 is other environmental provisions and HUF 353,872,000 is a future obligation for the rewards of the ordinary shares.

For the calculation of the benefits due under the collective agreement, the subsidiaries belonging to the Energy Division include an actuary at year-end.

OPUS GLOBAL Nyrt. has already started discussions with the competent Authority in 2020 to address as soon as possible the environmental liability of Marcali, presented as a contingent liability in previous years, in the spirit of commitment to sustainability guidelines and environmental concerns. In 2021, the preparatory works for the remediation of the damage started, and in this context the Company has created a provision of HUF 285,005,000 in accordance with the relevant standards, equal to the present value of future expenses, which has been reduced to HUF 187,928,000 by the end of 2023 as the works progress.

28. Long-term related liabilities

Amounts of long-term liabilities to affiliated companies as at 31 December 2023 and 2022:

HUF '000'	**2023YE**	**2022YE**
Loan liabilities	2,107,182	8,907,357
Talentis Agro Zrt.	260,000	-
Duna Aszfalt Zrt.	-	7,312,224
Konzum PE Magántőkealap	252,049	-
Status Energy Kft.	1,595,133	1,595,133
Other liabilities	267,694	455,389
Total	**2,374,876**	**9,362,746**

The debt to Duna Aszfalt Zrt. predominantly represented the liability arising from the loan granted to VIRESOL Kft. in 2022 (see Notes II.3.1.c and II.3. 26 and 33), which OPUS GLOBAL Nyrt. assumed in 2023 together with the buy-out of Duna Aszfalt Zrt.'s stake in VIRESOL Kft. Duna Aszfalt Zrt. was therefore classified as a related liability in 2022, but ceased to be so from

2023.

29. Leasing

The Group’s leasing liabilities as at 31 December 2023:

HUF '000'	Leasing liabilities	of which long term (‘000’ HUF)	of which short term (‘000’ HUF)
Balatontourist Camping Kft.	2,084,657	1,952,658	131,999
Balatontourist Idegenforgalmi és Kereskedelmi Kft.	89,833	73,264	16,569
Csabatáj Zrt.	267,795	241,480	26,315
Heiligenblut Hotel GmbH	1,051	-	1,051
Hunguest Hotels Szállodaipari Zrt.	521,161	407,352	113,809
KALL Ingredients Kft	108,212	74,378	33,834
Mészáros és Mészáros Zrt.	830,272	399,789	430,483
OPUS E-LINE Kft.	100,686	70,831	29,855
OPUS GLOBAL Nyrt.	73,915	32,312	41,603
OPUS TIGÁZ Zrt.	1,171,114	644,260	526,854
OPUS TITÁSZ Zrt.	1,985,201	1,456,693	528,508
R-KORD Kft.	68,773	46,092	22,681
RM International Zrt.	30,663	10,394	20,269
VIRESOL Kft.	264,417	169,364	95,053
Wamsler Haus- und Küchentechnik Gmbh	47,919	20,018	27,901
Wamsler SE	29,553	16,568	12,985
Total	**7,675,222**	**5,615,453**	**2,059,769**

The Group’s leasing liabilities as at 31 December 2022:

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HUF '000'	Leasing liabilties	of which long term ('000' HUF)	of which short term ('000' HUF)
Balatontourist Camping Kft.	155,999	89,834	66,165
Balatontourist Idegenforgalmi és Kereskedelmi Kft.	2,198,143	2,074,566	123,577
Csabatáj Zrt.	111,889	98,692	13,197
Heiligenblut Hotel GmbH	3,232	1,099	2,133
Hunguest Hotels Szállodaipari Zrt.	56,884	35,263	21,621
KALL Ingredients Kft	152,653	110,546	42,107
Mészáros és Mészáros Zrt.	569,949	305,044	264,905
OPUS GLOBAL Nyrt.	73,125	42,468	30,657
OPUS TIGÁZ Zrt.	1,230,703	719,848	510,855
OPUS TITÁSZ Zrt.	817,841	517,101	300,740
R-Kord Kft.	5,156	-	5,156
RM International Zrt.	32,433	9,490	22,943
VIRESOL Kft.	303,554	193,286	110,268
Wamsler Haus- und Küchentechnik Gmbh	46,295	20,952	25,343
Wamsler SE	38,785	23,010	15,775
Total	**5,796,641**	**4,241,199**	**1,555,442**

30. Deferred tax

The balance of deferred tax presented in the consolidated financial situation and reported in the earnings as at 31 December 2023 and 2022.

HUF '000'	Tax assets	Tax liability	Net
2022YE	2,415,668	48,147,402	- 45,731,734
2023YE	1,996,432	42,991,402	- 40,994,970

In calculating deferred tax, the Group compares the tax bases of assets and liabilities with their carrying amounts for tax purposes. If the difference is a temporary difference, i.e. the difference is reversed in the foreseeable future, a deferred tax asset or liability is recognised, depending on the taxable profit or loss. The Group assesses the recoverability of the asset before it is recognised. Assuming the tax rate remains unchanged in the periods when assets and liabilities become current tax, deferred tax is calculated using the tax rate in force in the country of operation of the subsidiaries, except where a higher tax rate is justified due to additional special taxes (mainly for the Hungarian companies of the Energy Division).

The following table shows the differences identified by the Group as at 31 December 2023 and 2022 that give rise to deductible and taxable tax differences:

II.3. Supplementary Annex - Notes related to the financial statements

HUF '000'	2023YE	2022YE
Property, Plant and Equipment	-31,550,029	-32,577,994
Intangible assets	304,965	15,908
Accounts payable and other liabilities	159,958	138,887
Deferral of losses	1,344,067	1,629,797
Development reserve	-359,624	-355,008
Provisions	1,787,805	1,686,722
Other effects due to consolidation	-12,682,112	-16,270,046
Total	**-40,994,970**	**-45,731,734**
Total deductible difference	-9,085,317	-12,798,732
Total taxable difference	-31,909,653	-32,933,002
Total	**-40,994,970**	**-45,731,734**
Total deferred tax assets	**1,996,432**	**2,415,668**
Total deferred tax liabilities	**42,991,402**	**48,147,402**

31. Trade payables

The below table presents the breakdown of consolidated trade liabilities by currency for 31 December 2022 and 2023:

HUF '000'	2023YE	2022YE
Trade payables HUF	37,017,398	43,559,616
Trade payables EUR	2,487,307	8,705,159
Other trade payables	361,379	120,088
Uninvoiced suppliers	335,628	247,525
Total	**40,201,712**	**52,632,388**

HUF '000'	2023YE	2022YE
Trade payables HUF	92.08%	82.76%
Trade payables EUR	6.19%	16.54%
Other trade payables	0.90%	0.23%
Uninvoiced suppliers	0.83%	0.47%

Total	**100%**	**100%**

32. Advance received

A particular industry feature of the Industrial Production and Energy Divisions in particular is that the initial funding requirements for high-value projects are financed by upfront payments from customers. Advances received were allocated to the Group's divisions as follows:

HUF '000'	2023YE	2022YE
Industrial production	68,298,366	116,972,846
Agriculture and Food industry	14,523	18,494
Asset Management	-	304,050
Tourism	1,647,735	1,519,661
Energy	3,357,250	5,802,095
Total	**73,317,874**	**124,617,146**

33. Other short-term liabilities, accrued expenses and deferred income

The Group's balance of other short term liabilities as at 31 December 2012 and 2022 were as follows:

Liabilities to employees include the salaries account as well as unused remuneration.

Accrued expenses include cost items accrued in the reporting period, while accrued income includes income items that are financially realised in the reporting period but actually relate to the following period.

HUF '000'	2023YE	2022YE
Payable taxes and customs (except capital gains tax expenses)	1,592,245	1,941,417
Liabilities to local governments	874,801	478,972
Liabilities to employees	2,560,981	1,779,366
Dividend payment obligations	3,317	5,782,108
Prepaid income	21,958,069	27,432,073
Accrued and deferred costs	38,500,250	46,653,314
Deferred income	17,592,067	1,443,911
Credit balance buyers	761,569	222,061
Deposit	127,432	286,354
Gift card, vouchers	966,889	695,047

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Long term debt security obligation	142,476	142,476
After loyalty point balance calculation	892,118	408,612
Products, stock in delivery	255,788	-
Accounts payable on unused holidays	95,147	101,310
Funds received for development	5,003,903	3,002,554
Small power station fuse	5,488,402	2,670,300
SWAP transaction mark to market valuation	-	193,922
Deferred purchase price of purchased receivables*	1,360,313	-
RRF (Recovery and Resilience Facility) advance payment	4,176,390	-
Other short-term liabilities	272,746	739,011
Total	**102,624,903**	**93,972,808**

*The "deferred purchase price of purchased receivables" is the current portion of the loan payment obligation to VIRESOL Kft. taken over from Duna Aszfalt Zrt. as described in Note II.3 26. The liabilities resulting from the purchase price of the assumed loans are payable within three years, therefore the fair value of the current portion of the contractual liabilities (resulting from the discounted present value difference due to the deferred payment) is HUF 979,038,000.

34. Short-term liabilities to affiliated parties

The Group's current liabilities to related parties as at 31 December 2023 and 2022:

HUF '000'	2023YE	2022YE
Trade payables	**47,292,512**	**33,401,954**
Herceghalmi Kereskedőház Kft.	20,004	757,667
Híd-Tám Kft.	14,464	14,464
Kontúr Csoport Kft.	2,825	4,591
Talentis Consulting Zrt.	-	223,986
V-Híd Zrt.	34,173,815	29,185,792
V-HÍD Network Kft.	5,057,787	-
Agrolink Zrt.	3,822,032	1,236,353
Fejér B.Á.L. Zrt.	262,342	184,150
OPTESZ OPUS Zrt.	2,707,973	-
Other trade payables	1,231,270	1,794,951
Other short-term liabilities	**17,712,658**	**2,908,501**
Duna Aszfalt Kft.	-	1,265,400
Talentis Group	-	596,600
V-Híd Zrt.	9,475,640	-
V-HÍD Network Kft.	2,252,697	-
OPTESZ OPUS Zrt.	3,711,252	-
Other short-term liabilities	2,273,069	1,046,501
Total	**65,005,170**	**36,310,455**

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35. Net sales revenues

Net sales by main sales categories for the Group as at 31 December 2022 and 2023:

HUF '000'	**2023YE**	**2022YE**
Steel structure sales	1,852,652	1,949,523
Alcohol sales	31,745,401	38,563,586
Connection fees taken over	2,263,139	4,747,416
Revenues from constructions	257,913,306	193,243,746
Sales revenue from gas distribution	54,033,739	41,342,535
Gluten sales	15,005,877	12,804,817
Revenues from property lease	318,651	306,228
Isosugar sales	48,050,609	40,467,625
Starch sales	10,970,178	11,753,143
Public storage	4,018,481	-
Revenues from agricultural activities	1,330,586	1,626,206
Leisure activities	3,486,245	3,138,309
Accommodation	16,436,571	12,638,165
Service fee	1,008,257	663,845
Fodder sale	17,052,419	21,167,926
Services further invoiced	1,718,839	1,420,456
Revenues from the sale of stoves, boilers, furnaces, fireplaces	10,511,680	12,171,233
Catering	14,504,333	10,810,396
Electricity distribution	114,029,039	8,684,969
Balancing mechanism for electricity distribution	- 812,304	6,827,515
Electricity sale	31,646,317	77,662,257
Other material sales	887,025	9,296,203
Other revenues	577,929	579,356
Other office rent	1,591,535	628,980
Other services	3,647,560	1,382,766
Total	**643,788,064**	**513,877,201**

The main geographical segments of the Group's activity:

HUF '000'		2023YE	2022YE
EU member states		632,635,894	500,637,953
	of which: Hungary	*513,957,967*	*387,843,155*
Non EU member states		9,711,578	12,247,055
Asian countries		1,168,719	834,714
Other		271,873	157,479
Total		**643,788,064**	**513,877,201**

36. Capitalised own performance

HUF '000'	2023YE	2022YE
Csabatáj Zrt.	- 149,363	664,257
HUNGUEST Hotels Zrt.	67,926	19,996
KALL Ingredients Kft	2,713,843	- 736,685
OPUS TIGÁZ Zrt.	2,170,133	2,221,208
OPUS TITÁSZ Zrt.	10,826,520	7,527,706
VIRESOL Kft.	- 229,693	615,987
Wamsler SE	233,155	206,561
Total	**15,632,521**	**10,519,030**

37. Other operating income

HUF '000'	2023YE	2022YE
Revaluation of investment property	150,305	70,001
Use of provisions	2,349,925	957,970
Earnings from the sale of property, plant and equipment machines and equipment, intangible assets	764,691	2,435,215
Received fines, penalties, demurrages and default interest	953,095	593,574
Subsidy received	19,216,625	1,736,052
Indemnification	358,456	919,090
Surplus	422,271	117,799

Retrospectively received discount	230,129	69,007
Finally received funds	2,222,691	1,548,975
Income from debt assumption	3,699	1,399,424
Other	226,985	1,079,596
Total	**26,898,872**	**10,926,703**

38. Materials, consumables and other external charges

HUF '000'	2023YE	2022YE
Cost of raw materials	173,756,005	167,995,157
Value of used services	236,271,384	170,016,196
Value of other services	4,011,226	3,270,040
Purchase price of sold goods	56,462,732	15,192,421
Value of sold (mediated) services	56,117,175	38,193,145
SEEAÉ reclassification correction	- 28,380	- 13,384
Total	**526,590,142**	**394,653,575**

39. Staff costs

HUF '000'	2023YE	2022YE
Wage costs	34,747,781	33,575,072
Other staff costs	6,683,684	5,180,587
Payroll contributions	5,026,084	4,922,942
Staff costs due to unused holidays	- 1,828	58,295
Total	**46,455,721**	**43,736,896**

data/person	2023YE	2022YE
Physical worker	2,489	2,461
Intellectual employee	1,968	2,204
Total closing number	**4,457**	**4,665**

43% of the personnel expenses are accounted for by Energy, 15% by Industrial Production, 25% by Tourism, 16% by Agriculture and Food and 1% by Property Management.

40. Impairment

In 2023 and 2022, impairment losses were recognised for the following balance sheet items:

HUF '000'	2023YE	2022YE
Impairment of inventories	1,526,317	148,765
Impairment of receivables	840,589	408,548
Impairment of tangible assets and intangible assets	9,632	16,545
Total	**2,376,538**	**573,858**

HUF '000'	2023YE	2022YE
Goodwill impairment	-	-
Total	**-**	**-**

41. Other operating costs and expenses

HUF '000'	2023YE	2022YE
Loss from the sale of property, plant and equipment, intangible assets	994	46,532
Taxes and contributions	11,188,645	9,885,526
Payable interest on arrears	194,110	55,398
Bad debt allowance	46,311	161,653
Forfeit, fine, penalty, indemnity paid	142,642	953,941
Surcharge on arrears	7	4,542
Write-off, write-down	137,244	113,494
Scrap, missing goods	121,239	381,863
Discounts given	241,916	161,825
Provisions	5,877,507	7,643,629
Aid	2,291,252	1,064,698
Missing, destroyed, discontinued intangible assets, tangible assets	804,967	111,733
CO2 quote	222,174	139,393
Payable due to damage	173,117	1,033,707
Book value of transferred receivables	9,972	65,816
Other	1,232,510	148,489
Total	**22,684,607**	**21,972,239**

42. Net financial income

HUF '000'	2023YE	2022YE
Dividend, profit-sharing received	1,376,750	26,003
Earnings from interest	21,279,233	7,581,011
Net exchange rate gain related to foreign exchange items without foreign exchange futures	14,340,339	17,650,550
Earnings from sale of business shares	46,989	-
SWAP market to market valuation	218,906	4,760,472
Other financial revenues	6,659,345	3,673,436
Badwill	-	-
Total revenues from financial operations	**43,921,562**	**33,691,472**
Interest expenses	16,061,521	14,152,865
Net exchange rate loss related to foreign exchange items without foreign exchange futures	12,840,592	21,156,722
Earnings from sale of business shares	-	-
Depreciation of shares and securities	337,184	1,085,490
SWAP market to market valuation	4,708,944	193,922
Other financial expenses	322,784	395,238
Total expenses of financial operations	**34,271,025**	**36,984,237**
Net P/L on financial operations	**9,650,537**	**- 3,292,765**

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43. Investments in associates accounted for using the equity method

The table below shows the net effect on the result for the year of the changes in equity accounted investments detailed in note II.3.7:

HUF '000'	2023YE		2022YE
Takarékinfo Zrt. / MITRA Informatikai Zrt.	-	-	44,675
Addition OPUS Zrt.	-	-	307,372
Mészáros M1 Autókereskedő Kft.	-	-	869,274
FELCSÚTI Ipari Park Kft.	2,500	-	2,500
KONZUM MANAGEMENT Kft.	-	-	803,236
TURULGÁZ Zrt.	-		73,712
Investments in associates accounted for using the equity method	**2,500**		**- 1,953,345**

44. Taxes on earnings

The Group's capital gains tax expense rates in certain years were as follows:

Corporate income tax by country:	2023YE	2022E
Hungary	9%	9%
Montenegro	9%	9%
Croatia	20%	20%
Switzerland*	13%	13%
Germany	15%	15%
Austria	25%	25%

Companies in the Energy and Food Industry Division have to pay a special tax of 31%, which greatly increases the tax liability and the effective tax rate. *In Switzerland the tax rate varies in a degressive manner between 13% and 17%.

The tax authority may inspect the books at any time within the time limits specified in the relevant legislation and may levy an additional tax with penalty or interest on arrears. The Management is not aware of any circumstance, from which the Group would have such significant obligation.

At consolidated level, the Group has recognised the following income tax and deferred tax expense for the years 2022 and 2023:

HUF '000'		2023YE		2022YE
Deferred tax expense		12,411,826		1,953,454
Capital gains tax expense in the reporting year	-	4,908,389		4,634,272
Income tax expenses		**7,503,437**		**6,587,726**

The main differences between the tax calculated on the basis of accounting profit and the current year's income tax, as well as the effective tax rate, are summarised in the table below (in '000' HUF):

HUF '000'		2023YE		2022YE
Profit before taxes		52,393,032		28,816,367
Profit before tax in the country of operation				
Calculated tax		8,127,747		4,928,378
Valid in the country of operation:				
Impact of tax base reducing items	-	5,112,822	-	6,058,515
Impact of tax base increasing items		3,342,316		4,447,582
Minimum tax and special tax		6,311,566		2,210,871
Tax allowance	-	256,981	-	894,044
Capital gains tax expense in the reporting year		12,411,826		4,634,272
Deferred tax expense	-	4,908,389		1,953,454
Income tax expenses		**7,503,437**		**6,587,726**
Effective tax rate		**14%**		**23%**

Members of the Group operate in several countries, so the effective tax rate applied in those countries differs from the profit tax rate prescribed by Hungarian law. The impact of this on the tax expense calculated on the basis of the uniform current profit tax rate of 9% is not significant, therefore the impact of the different profit tax rates is not shown separately in the above table. However, deferred tax was calculated using the effective tax rate in force in the country of operation of the subsidiaries plus the special tax.

Calculation of deferred tax (data in '000' HUF):

2023YE	Receivables	Liabilities
Opening deferred tax	2,415,668	48,147,402
Deferred tax asset changes	- 419,236	-
Deferred tax liability changes	-	- 4,950,205
Deferred tax of sold or acquired businesses	-	- 188,710
OCI	-	- 17,085
Total changes	- 419,236	- 5,156,000
Closing deferred tax	**1,996,432**	**42,991,402**

2022YE	Receivables	Liabilities
Opening deferred tax	2,175,833	45,833,325
Deferred tax asset changes	239,835	
Deferred tax liability changes	-	2,314,077
Deferred tax of sold or acquired businesses	-	63,365
OCI	-	- 57,423
Total changes	239,835	2,314,077
Closing deferred tax	**2,415,668**	**48,147,402**

45. Earnings per share (EPS)

	2023YE	2022YE
After-tax profit, thousand HUF (for the parent company)	44,889,595	22,228,641
Number of shares*	654,916,227	681,481,731
Earnings per share for the parent company (HUF)	38.5	18.5
Diluted earnings per share for the parent company (HUF)	38.5	18.5
Earnings per share from continuing operations (HUF)	67.4	33.1
Diluted earnings per share from continuing operations (HUF)	67.4	33.1
Earnings per share from discontinued operations	-	-
Diluted earnings per share from discontinued operations	-	-

*Note: The average number of ordinary shares was determined by calculating a weighted arithmetic average. When calculating the base value of earnings per share, the number of ordinary shares is the weighed average of ordinary shares marketed during the given period.

Diluted earnings per share is the same as undiluted earnings per share.

46. Division information

Business earnings mean the earnings arising from the sale to third persons, or other divisions. Internal transfer prices are based on current market prices. Divisional 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 divisions in 2023: Industrial Production, Agriculture and Food Industry, Tourism, Energy and Asset Management Divisions.

2023YE HUF '000'

Description	Industrial production	Agriculture and Food industry	Asset Management	Tourism	Energy	Consolidated
Net Sales Revenues	271,332,870	128,743,267	90,444	38,051,945	205,569,538	643,788,064
Capitalised own performance	233,155	2,334,787	0	67,926	12,996,653	15,632,521
Other operating income	2,709,158	2,669,166	198,421	824,717	20,497,410	26,898,872
Coverage 1	**274,275,183**	**133,747,220**	**288,865**	**38,944,588**	**239,063,601**	**686,319,457**
Materials, consumables and other external charges	216,017,087	101,255,083	1,284,595	18,213,616	189,819,761	526,590,142
Staff costs	6,820,142	7,590,690	651,777	11,306,222	20,086,890	46,455,721
Depreciation	14,435,907	6,302,259	59,623	3,088,649	21,586,016	45,472,454
Impairment	-312,659	1,673,105	4,397	187,285	824,410	2,376,538
Other operating costs and expenses	9,825,027	1,691,572	59,508	2,986,993	8,121,506	22,684,607
Coverage 2	**27,489,679**	**15,234,511**	**-1,771,035**	**3,161,823**	**-1,374,982**	**42,739,995**
Costs and expenses not directly allocated to any division						-
Operating profit/loss (EBIT)						**42,739,995**
Financial profit/loss						9,650,537
Investments in associates accounted for using the equity method						2,500
Profit before taxes						**52,393,032**
Profit on discontinuing operation						**-**
Profit after taxes						**44,889,595**
Total comprehensive income						**44,125,647**
Fixed assets	47,888,876	182,747,878	5,284,990	111,435,638	285,835,308	633,192,690
Current assets	219,659,757	44,088,456	11,514,204	8,132,783	156,061,186	439,456,386
Division assets	**267,548,633**	**226,836,334**	**16,799,194**	**119,568,421**	**441,896,494**	**1,072,649,076**
Assets not allocated to divisions						-
Total assets						**1,072,649,076**

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II.3. Supplementary Annex - Notes related to the financial statements

2022YE HUF '000'

Description	Industrial production	Agriculture and Food industry	Asset Management	Tourism	Energy	Consolidated
Net Sales Revenues	208,601,640	135,051,279	115,155	29,482,451	140,626,676	513,877,201
Capitalised own performance	206,561	543,559	0	19,996	9,748,914	10,519,030
Other operating income	1,567,676	4,531,208	179,395	1,269,564	3,378,860	10,926,703
Coverage 1	**210,375,877**	**140,126,046**	**294,550**	**30,772,011**	**153,754,450**	**535,322,934**
Materials, consumables and other external charges	168,230,083	119,472,782	1,013,587	15,992,496	89,944,627	394,653,575
Staff costs	6,960,092	6,199,687	449,196	8,924,711	21,203,210	43,736,896
Depreciation	9,023,837	5,509,035	44,907	2,360,850	23,385,260	40,323,889
Impairment	237,658	168,126	163	25,550	142,361	573,858
Other operating costs and expenses	10,135,851	1,196,278	112,151	1,677,779	8,850,180	21,972,239
Coverage 2	**15,788,356**	**7,580,138**	**-1,325,454**	**1,790,625**	**10,228,812**	**34,062 477**
Costs and expenses not directly allocated to any division						-
Operating profit/loss (EBIT)						**34,062,477**
Financial profit/loss						-3,292 765
Investments in associates accounted for using the equity method						- 1,953,345
Profit before taxes						**28,816,367**
Profit on discontinuing operation						**-**
Profit after taxes						**22,228,641**
Total comprehensive income						**22,544,940**
Fixed assets	59,930,101	189,487,780	4,890,024	102,793,387	288,262,019	645,363,311
Current assets	242,106,630	41,007,759	12,687,755	15,320,022	86,094,667	397,216,833
Division assets	**302,036,731**	**230,495,539**	**17,577,779**	**118,113,409**	**374,356,686**	**1,042,580,144**
Assets not allocated to divisions						-
Total assets						**1,042,580,144**

The values of reports based on divisions include the items, which can directly be assigned to the given division, which also include consolidation filters.

47. Financial risk management

The Group is primarily exposed to credit risk arising from its financial instruments, and market risk arising from exchange rate and interest rate movements. 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 managing financial risks is to reduce these risks through ongoing operational and financial activities.

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. Financial assets exposed to credit risks may include long- or short-term allocations and receivables from customers and other receivables.

The Group takes out credit insurance for customer limits, and requests prepayment of uninsured receivables. The Group has no trade receivables or contractual assets for which no impairment is recognised due to collateral.

The table below shows the Group's credit risk exposure at 31 December 2023 and 2022:

HUF '000'	**2023YE**	**2022YE**
Accounts receivable	57,506,415	71,228,353
Current receivables from related parties	15,421,946	4,639,417
Other receivables and prepaid expenses and accrued income	81,959,484	105,833,903
Financial investments	4,718,112	4,252,575
Long-term receivables from related parties	8,146,216	8,913,036
Total	**167,752,173**	**194,867,284**

The Group uses the following indicators to monitor changes in credit risk:

		2023YE	2022YE
Debt rate =	Long-term Liabilities / Long-term Liabilities + Equity	54%	52%
Equity ratio =	Equity capital / Long-term Liabilities + Equity	46%	48%
Loan to value ratio =	Liabilities / Short-term Liabilities	53%	57%
Indebtedness rate =	Liabilities / Total assets	67%	67%
Buyer turnover rate =	Buyer x 365 / Net Sales Revenues	33	51

Credit risk management

Wamsler SE takes out credit insurance for customer limits, and the Company requests prepayment of uninsured receivables.

In the Agriculture and Food division, credit insurance is taken out to cover trade receivables, and if the collateral does not cover the trade receivables, an advance is requested from the customer.

In the Tourism Division, trade receivables are continuously monitored by management. Trade receivables with a maturity of more than 30 days are assigned to a law firm for collection, while trade receivables with a maturity of more than 90 days are factored.

Impairment and the method for determining it

The Group determines impairment of trade receivables in accordance with IFRS 9 by estimating the expected loss over the term of the receivable. It uses the simplified practical approach for impairment models. The Group prepares experience-based adjustment tables for the valuation of trade receivables, taking into account future expectations. An impairment matrix determines expected loss rates in percentages by observing 3 years of historical losses and historical payment profiles, depending on maturity groupings, and then weighting expected credit losses over the term by the probability of default. The IFRS 9 impairment thus determined is recognised at group level, the impairment on the individual books differs.

The following impairment losses are recognised by the Group according to the impairment matrices:

Depreciation matrix 31 December 2023

000 HUF	Average non-payment rate	Gross book value	Impairment
Not overdue	0.40%	51,756,476	208,980
0- 30 days	1.29%	4,833,144	62,390
31- 90 days	12.43%	443,730	55,171
91- 180 days	78.49%	549,260	431,141
181- 360 days	57.61%	401,835	231,491
over 360 days	62.54%	1,364,365	853,222
Total	3.10%	**59,348,810**	**1,842,395**

Depreciation matrix 31 December 2022

000 HUF	Average non-payment rate	Gross book value	Impairment
Not overdue	0.26%	66,358,280	171,472
0- 30 days	6.80%	3,130,790	212,962
31- 90 days	6.83%	1,174,590	80,218
91- 180 days	39.67%	569,869	226,080
181- 360 days	40.92%	114,155	46,709
over 360 days	47.36%	1,174,127	556,017
Total	1.78%	**72,521 811**	**1,293,458**

The Group does not recognise impairment losses on affiliated party receivables and loans given as it has control over them or the joint owner exercises control over the collectability of the receivable. If the partner is no longer a related party, the Group includes it in the impairment calculation.

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.

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's management also watches whether the capital structures of its members comply with the local laws and regulations. Where necessary, it provides for additional capital payments. The Group monitors the ratio of equity to liabilities and the ratio of so-called debt to equity.

The ratio of so-called debt to equity at the end of the reporting period was as follows:

HUF '000'	2023YE	2022YE
Share of external owners	137,486,186	137,103,294
Equity per share of the parent company	218,292,525	206,158,592
Equity capital	**355,778,711**	**343,261,886**
Long-term liabilities	416,091,213	373,712,340
Short-term liabilities	300,779,152	325,605,918
Liabilities	**716,870,365**	**699,318,258**

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 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. To monitor this, as part of the annual planning cycle, the Group's subsidiaries prepare individual short and long-term capital and interest payment cash flow liquidity plans, which are monitored by the Parent Company at both individual and aggregate levels and action plans are implemented as necessary.

The table below sets out the schedule of the Group's financial liabilities and - where relevant - increased by interests by respective maturity groupings for the remaining period to contractual maturity at 31 December 2023:

	2023YE			
000 HUF	Total	within 1 year	Between 1 and 5 years	Over 5 years
Bank loans:	**149,521,783**	16,011,801	67,423,020	66,086,962
Bonds issue	**137,601,600**	4,822,800	34,809,600	97,969,200
Leasing liabilities	**7,675,222**	2,059,769	5,615,453	-
Trade payables	**40,201,712**	40,201,712	-	-
Liabilities to related parties	**67,380,046**	65,005,170	2,374,876	-
Other financial obligations	**184,863,290**	182,142,663	2,720,627	-
Financial liabilities	**587,243,653**	**310,243,915**	**112,943,576**	**164,056,162**

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The table below sets out the schedule of the Company's financial liabilities (principal and where relevant interest) by respective maturity groupings for the remaining period to contractual maturity at 31 December 2022:

000 HUF	2022YE Total	within 1 year	Between 1 and 5 years	Over 5 years
Bank loans:	**229,895,548**	28,383,114	114,886,881	86,625,553
Bonds issue	**140,417,600**	4,864,800	35,019,600	100,533,200
Leasing liabilities	**5,796,641**	1,555,442	4,177,776	63,423
Trade payables	**52,632,388**	52,632,388	-	-
Liabilities to related parties	**45,673,201**	36,310,455	9,362,746	-
Other financial obligations	**267,894,973**	218,610,866	49,284,107	-
Financial liabilities	**742,310,351**	**342,357,065**	**212,731,110**	**187,222,176**

The Group also monitors the development of its liquidity ratios:

		2023YE	2022YE
Current ratio =	Current assets / Short-term liabilities	1.5	1.2
Liquidity quick index =	Current assets - inventory / Short-term liabilities	1.3	1.1

d) 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.

Managing exchange rate risk:

The source of foreign exchange risk is, on the one hand, the Group's foreign exchange positions and the foreign exchange transactions used to hedge them.

Part of the Group's revenues of some of its subsidiaries are denominated in foreign currencies, which carries the risk of changes in foreign exchange rates. The Parent Company does not monitor and manage these risks at an aggregated Group

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level and does not apply predetermined thresholds at which the Company would automatically reduce its exposure to foreign currency risk by entering into derivative transactions. Foreign exchange risks are managed individually by the subsidiaries. Subsidiaries with the largest exposure, whose sales, operating costs and financing are determined by EUR, have changed their accounting to EUR basis (from 2021 Kall Ingredients Kft. and from 2023 VIRESOL Kft.) in order to reduce their foreign exchange risk. Therefore, the Group considers that its profitability is not significantly affected directly by exchange rate fluctuations (apart from the impact of inflation) and therefore does not perform a group-wide exchange rate sensitivity test. In order to manage certain open currency positions, subsidiaries may enter into forward foreign exchange contracts on an individual basis to hedge their exposures, which are fair valued at the reporting date. The Company does not apply hedge accounting in accordance with IFRS requirements.

The Group applies the below exchange rates expressed in HUF:

	Average rate		Instant rate at record date	
Currency	**2023YE**	**2022YE**	**2023YE**	**2022YE**
1 EUR =	381.95	391.33	382.78	400.25
1 USD =	353.25	373.12	346.44	375.68

The Group realised a total net exchange gain of HUF 1,499,747,000 in 2023 and a loss of HUF 3,506,172,000 in 2022 (see Note II.3. 42).

<u>Interest rate risk management:</u>

The Group manages interest rate risk primarily as part of its liquidity plan. The Group seeks to mitigate interest rate risk by tying up free cash, securing funds at favourable interest rates (bonds, government grants) and by maintaining an appropriate ratio of equity to debt at all times. Nevertheless, the Group's earnings are highly dependent on changes in the interest rate environment. To measure interest rate risks, the Company performed 2 sensitivity analyses.

a.) Effect of interest rate changes on net interest (in value and as a percentage)

The net interest recorded in the books and the calculated average interest rates are predominantly determined on the asset side by the interest recorded on time deposits and receivables from related companies, and on the liability side by the interest recorded on bank loans, payables to related companies and lease liabilities, which in aggregate developed as follows:

data in '000' HUF	**2023YE**	**2022YE**
Interest-bearing assets (average)	229,198,703	168,191,472
Interest-bearing liabilities (average)	154,792,741	169,682,251
Book value of interest income	21,279,233	7,581,011
Book value of interest expense	16,061,521	14,152,865
Net interest at book value '000' HUF	**5,217,712**	- **6,571,854**
Average interest rate on interest-bearing assets	9.28%	4.51%
Average interest rate on interest-bearing liabilities	10.38%	8.34%

The interest rate sensitivity table below shows how much the 2023 net interest would have changed relative to the book value if average interest rates had changed by 5-10-15%:

2023								
Percentage of interest change		-15.00%	-10.00%	-5.00%	0.00%	5.00%	10.00%	15.00%
	Changed interest rate	7.89%	8.36%	8.82%	**9.28%**	9.75%	10.21%	10.68%
15.00%	11.93%	- 383,401	680,561	1,744,522	2,808,484	3,872,446	4,936,407	6,000,369
10.00%	11.41%	419,675	1,483,637	2,547,598	3,611,560	4,675,522	5,739,483	6,803,445
5.00%	10.89%	1,222,751	2,286,713	3,350,674	4,414,636	5,478,598	6,542,559	7,606,521
0.00%	**10.38%**	2,025,827	3,089,789	4,153,750	**5,217,712**	6,281,674	7,345,635	8,409,597
-5.00%	9.86%	2,828,903	3,892,865	4,956,826	6,020,788	7,084,750	8,148,711	9,212,673
-10.00%	9.34%	3,631,979	4,695,941	5,759,902	6,823,864	7,887,826	8,951,787	10,015,749
-15.00%	8.82%	4,435,055	5,499,017	6,562,979	7,626,940	8,690,902	9,754,863	10,818,825

The interest rate sensitivity table below shows how much the 2022 net interest would have changed relative to the book value if average interest rates had changed by 5-10-15%:

2022								
Percentage of interest change		15.00%	10.00%	5.00%	0.00%	-5.00%	-10.00%	-15.00%
	Changed interest rate	3.83%	4.06%	4.28%	**4.51%**	4.73%	4.96%	5.18%
15.00%	9.59%	- 9,831,935	- 9,452,885	- 9,073,834	- 8,694,784	- 8,315,733	- 7,936,683	- 7,557,632
10.00%	9.17%	- 9,124,292	- 8,745,242	- 8,366,191	- 7,987,141	- 7,608,090	- 7,229,039	- 6,849,989
5.00%	8.76%	- 8,416,649	- 8,037,598	- 7,658,548	- 7,279,497	- 6,900,447	- 6,521,396	- 6,142,346
0.00%	**8.34%**	- 7,709,006	- 7,329,955	- 6,950,905	**- 6,571,854**	- 6,192,803	- 5,813,753	- 5,434,702
-5.00%	7.92%	- 7,001,362	- 6,622,312	- 6,243,261	- 5,864,211	- 5,485,160	- 5,106,110	- 4,727,059
-10.00%	7.51%	- 6,293,719	- 5,914,669	- 5,535,618	- 5,156,568	- 4,777,517	- 4,398,466	- 4,019,416
-15.00%	7.09%	- 5,586,076	- 5,207,025	- 4,827,975	- 4,448,924	- 4,069,874	- 3,690,823	- 3,311,773

b.) Effect of net interest on profit after tax

Net interest income represents a significant portion of the Company's profit before tax:

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HUF '000'	2023YE		2022YE
Profit before taxation - less interest expenditure	47,175,320		35,388,221
Net interest	5,217,712	-	6,571,854
Profit before taxes	**52,393,032**		**28,816,367**
Change in the net interest income	0.00%		0.00%
Change of P/L before taxes (%)	**52,393,032**		**28,816,367**

II.3. Supplementary Annex - Notes related to the financial statements

The tables below show how sensitive the size of 2023 and 2022 pre-tax profit is to increases and decreases in net interest income of 1-5-10%:

2023

% change of net interest	-10.00%	-5.00%	-1.00%	0.00%	1.00%	5.00%	10.00%
Nominal change of net interest	4,695,941	4,956,826	5,165,535	**5,217,712**	5,269,889	5,478,598	5,739,483
Profit before tax	51,871,261	52,132,146	52,340,855	**52,393,032**	52,445,209	52,653,918	52,914,803
% change of profit before tax	-0.996%	-0.498%	-0.100%	**0.00%**	0.100%	0.498%	0.996%

2022

% change of net interest	-10.00%	-5.00%	-1.00%	0.00%	1.00%	5.00%	10.00%
	2,816,137	2,972,589	3,097,751	3,129,041	3,160,331	3,285,493	3,441,945
Profit before tax	8,356,483	8,512,935	8,638,097	**8,669,387**	8,700,677	8,825,839	8,982,291
% change of profit before tax	-3.61%	-1.80%	-0.36%	**0.00%**	0.36%	1.80%	3.61%

48. 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'	**2023YE**	**2022YE**	**Evaluation principle**	**Real value hierarchy**
Financial investments	4,718,112	4,252,575		
of which: Loan	*152,916*	*187,437*	AC	
Capital investment	*4,565,196*	*4,065,138*	FVTPL	Level3
Shareholdings not included as an associated enterprise	73,334	57,338	FVTPL	Level3
Investment property	3,563,112	1,716,000	FVTPL	Level2
Long-term receivables from related parties	8,146,216	8,913,036	AC	
of which: Loan	*8,146,216*	*8,913,036*	AC	
Total Long-term financial assets	**12,937,662**	**13,222,949**	AC	
Accounts receivable	57,506,415	71,228,353	AC	
Current receivables from related parties	7,897,424	4,302 279	AC	
of which: Loan	*2,070,654*	*1,569,096*	AC	
Derivatives	2,146,441	6,830,930	FVTPL	Level2
Receivables from deposits and caution money	3,667,286	6,657,926	AC	
Overpayment in accounts payable	911,044	2,546,157	AC	
Other receivables	280,934	402,266	AC	

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of which: Loan	*33,608*	*38,489*	AC	
Cash and cash equivalents	247,679,196	174,218,420	AC	
Total short-term financial assets	**320,088,740**	**266,523,469**		
Total financial assets	**333,026,402**	**279,746,418**		
Long term loans and borrowings	118,561,349	135,403,508	AC	
Government grants	112,483,648	49,153,142	AC	
Bonds issue	114,736,276	116,257,037	AC	
Other long-term liabilities*	4,141,928	20,912	AC	
of which: Loan	-	-		
Long-term liabilities to related companies	2,374,876	9,362,746	AC	
of which: Loan	*2,107,182*	*8,907,357*		
Long-term financial leasing liabilities	5,615,453	4,241,199	AC	
Total Long-term financial liabilities	**357,913,530**	**314,438,544**		
Short term loans and advances	12,005,394	13,975,962	AC	
Trade payables	40,201,712	52,632,388	AC	
Dividend payment obligations	3,317	5,782,108	AC	
Funds received for development	5,003,903	3,002,554	AC	
Small power station fuse	5,488,402	2,670,300	AC	
Derivatives	-	193,922	FVTPL	Level2
Deferred purchase price of purchased receivables	1,360,313	-	AC	
RRF advance on aid	4,176,390	-	AC	
Other liabilities*	1,923,595	1,253,425	AC	
of which: Loan	-	-	AC	
Current liabilities from affiliated parties	65,005,170	36,310,455	AC	
of which: Loan	*423,308*	*227,694*	AC	
Short-term financial leasing liabilities	2,059,769	1,555,442	AC	
Total short-term financial liabilities	**121,195,640**	**117,376,556**		
Total financial liabilities	**479,109,170**	**431,815,100**		

Pursuant to IFRS 7:25,29, the fair values of financial assets and financial liabilities are not presented separately, as they are approximately equivalent to their carrying amounts.

* The exception is the deferred payment liability to Duna Aszfalt Zrt. described in Notes II.3.26 and 33 and included in other liabilities (HUF 5,441,254,000), the discounted present value of which (HUF 4,448,953,000) represents the fair value.

49. Transactions with affiliated parties

The IAS 24 standard specifies that disclosure of connections with affiliated 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.

II.3. Supplementary Annex - Notes related to the financial statements

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 affiliated 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.

In accordance with the above rules, the Group's identified items with affiliated parties: affiliated receivables, payables, income, costs and expenses were as follows at 31 December 2023:

2023YE	Receivables from affiliated parties by balance sheet line (HUF '000)						
Name of the affiliated party	Long-term loan and interest receivables from affiliated parties	Accounts receivable	Short-term loan and interest receivables from affiliated parties	Assigned/assumed receivables	Advance payment	Other affiliated receivables	Total
Affiliated company	906,304	332	414,740	-	-	-	**1,321,376**
Jointly managed company	-	1,614,928	-	-	24,500	1,667,847	**3,307,275**
Other affiliated parties	7,239,912	2,100,914	1,655,914	80,082	7,500,022	362,667	**18,939,511**
Total	**8,146,216**	**3,716,174**	**2,070,654**	**80,082**	**7,524,522**	**2,030,514**	**23,568,162**

2023YE	Liabilities to related parties by balance sheet line (HUF '000)							
Name of the affiliated party	Long-term affiliated debt and interest payable	Long-term portion of liability assigned/assumed	Long-term liabilities	Accounts payable	Short-term affiliated debt and interest payable	Short-term portion of liability assigned/assumed	Other affiliated receivables	Total
Affiliated company	-	-	-	-	-	-	-	**-**
Jointly managed company	-	-	-	2,710,259	-	-	3,711,252	**6,421,511**
Other affiliated parties	2,107,181	227,695	40,000	44,582,253	423,308	227,694	13,350,404	**60,958,535**
Total	**2,107,181**	**227,695**	**40,000**	**47,292,512**	**423,308**	**227,694**	**17,061,656**	**67,380,046**

2023YE	Revenues from related parties by balance sheet line (HUF '000)			
Name of the affiliated party	Sales revenue	Other operating income	Financial income	Total
Affiliated company	561	-	195,201	**195,762**
Jointly managed company	138,069	155	639,216	**777,440**

Other affiliated parties	9,122,563	28,803	1,049,087	**10,200,453**
Total	**9,261,193**	**28,958**	**1,883,504**	**11,173,655**

2023YE			**Costs and expenses to related parties by balance sheet line (HUF '000')**			
Name of the affiliated party	**Costs of materials**	**Used service**	**Other services**	**Staff costs**	**Financial expenses**	**Total**
Affiliated company	-	46,331	-	-	-	46,331
Jointly managed company	-	29,852,948	-	-	-	29,852,948
Other affiliated parties	17,757,205	95,186,801	23,245,678	164,049	419,660	136,773,393
Total	**17,757,205**	**125,086,080**	**23,245,678**	**164,049**	**419,660**	**166,672,672**

The Group's identified items with affiliated parties: affiliated receivables, payables, income, costs and expenses were as follows at 31 December 2023:

2022YE	Receivables from affiliated parties by balance sheet line (HUF '000)						
Name of the affiliated party	Long-term loan and interest receivables from affiliated parties	Accounts receivable	Short-term loan and interest receivables from affiliated parties	Assigned/assumed receivables	Advance payment	Other affiliated receivables	Total
Affiliated company	1,173,124	-	377,719	-	-	24,484	**1,575,326**
Jointly managed company	-	-	100,438	-	-	-	**100,438**
Other affiliated parties	7,739,912	1,655,035	1,090,939	20,082	337,138	1,033,582	**11,876,689**
Total	**8,913,036**	**1,655,035**	**1,569,096**	**20,082**	**337,138**	**1,058,066**	**13,552,453**

2022YE	Liabilities to related parties by balance sheet line (HUF '000)							
Name of the affiliated party	Long-term affiliated debt and interest payable	Long-term portion of liability assigned/assumed	Long-term liabilities from additional payment	Accounts payable	Short-term affiliated debt and interest payable	Short-term portion of liability assigned/assumed	Other affiliated receivables	Total
Affiliated company	-	-	-	-	-	-	-	**-**
Jointly managed company	-	-	-	-	-	-	-	**-**
Other affiliated parties	8,907,357	455,389	33,401,954	361,166	227,694	1,862,000	457,641	**45,673,201**
Total	**8,907,357**	**455,389**	**33,401,954**	**361,166**	**227,694**	**1,862,000**	**457,641**	**45,673,201**

2022YE	Revenues from related parties by balance sheet line (HUF '000)			
Name of the affiliated party	Sales revenue	Other operating income	Financial income	Total
Affiliated company	-	-	43,587	**43,587**
Jointly managed company	184	-	51,268	**51,452**
Other affiliated parties	12,546,346	58,466	675,493	**13,280,305**
Total	**12,546,530**	**58,466**	**770,348**	**13,375,344**

2022YE	Costs and expenses to related parties by balance sheet line (HUF '000')					
Name of the affiliated party	Costs of materials	Used service	Other services	Staff costs	Financial expenses	Total
Affiliated company	-	-	-	-	-	-
Jointly managed company	-	-	-	-	-	-
Other affiliated parties	18,422,160	78,438,191	187,052	105,047	1,548,293	98,700,743
Total	**18,422,160**	**78,438,191**	**187,052**	**105,047**	**1,548,293**	**98,700,743**

The turnover of transactions within the Group were filtered out during the consolidation.

In related party transactions, the parties entered into the transactions on the basis of the market prices applied between independent parties.

50. Remuneration of the Board of Directors, the Supervisory Board and the Audit Committee in the Holding Centre

The members of the Board of Directors received the following benefits:

data in '000' HUF	2023YE	2022YE
Short-term benefits (honorarium)	16,800	13,911
Total	**16,800**	**13,911**

The members of the Supervisory Board and the Audit Committee received the following benefits:

data in '000' HUF	2023YE	2022YE
Short-term benefits (honorarium)	8,400	7,363
Total	**8,400**	**7,363**

The Company did not make any loans to members of management in 2023 or 2022.

Balance of loans granted to members of the Board of Directors:

data in '000' HUF	2023YE	2022YE
Loans granted to members of the Board of Directors	-	-
Rate on loans granted to members of the Board of Directors	-	-
Total	**-**	**-**

51. Contingent and future liabilities of the Parent Company

As the Parent Company, OPUS GLOBAL Nyrt. has provided the following guarantees for loans and other payment obligations to its subsidiaries (in thousands HUF):

Name of entitled entity	Name of existing payment obligation	Currency denomination of liability	Total liability limit in given currency denomination	Total liability in HUF	Expiration (year)	Current liabilities HUF
EXIMBANK Zrt. / MKB Bank Nyrt.	KALL Ingredients Kereskedelmi Kft. Isosugar factory Investment guarantee for loan "A"	EUR	107,010,729	40,962	28.06.2033	24,531
MFB Zrt. / MKB Bank Nyrt.	KALL Ingredients Kereskedelmi Kft Isosugar factory Investment guarantee for loan "B"	EUR	42,500,000	16,268	30.09.2033	7,885
MKB Bank Nyrt.	KALL Ingredients Kereskedelmi Kft. Aid guarantee	HUF	626,062,800	626	31.07.2025	626
OTP Bank Nyrt.	HUNGUEST Hotels Zrt. Payment guarantee to refinance an existing loan	EUR	12,828,285	4,910	30.09.2029	2,666
Takarékbank Zrt.	HUNGUEST Hotels Zrt. Payment guarantee for loan redemption	EUR	11,055,552	4,232	31.10.2033	3,954
Takarékbank Zrt.	OBRA Kft. Payment guarantee*	HUF	50,000,000	50	31.12.2026.	50
Budapest Bank Zrt.	KZH Invest Kft. Payment guarantee. Pledge on business share (KZH INVEST Kft. share)**	EUR	8,070,000	3,089	25.06.2033	2,946
Budapest Bank Zrt.	KZBF Invest Kft. Payment guarantee. Pledge on business share (KZB INVEST Kft. share)**	EUR	3,020,000	1,156	25.06.2033	1,101

52. EVENTS AFTER THE BALANCE SHEET DATE

As a post balance sheet date event, on 1 January 2024, KZH INVEST Kft. and KZBF INVEST Vagyonkezelő Kft. merged with their subsidiary HUNGUEST Hotels Zrt. The above companies were still accounted for as independent subsidiaries and direct investments at 31 December 2023.

Given that OPUS GLOBAL Nyrt. is the sole owner of KZBF INVEST Kft. and KZH INVEST Kft. and that KZBF INVEST Kft. and KZH INVEST Kft. are currently jointly 99.99 per cent shareholders of HUNGUEST Hotels Zrt., OPUS GLOBAL Nyrt. is therefore indirectly currently a 99.99 per cent shareholder of HUNGUEST Hotels Zrt. Since HUNGUEST Hotels Zrt. merged with its two majority shareholders, there will be no new players in the ownership structure of the new company created by the Merger, and the stake of OPUS GLOBAL Nyrt. in the newly established Hunguest Szálláshelyszolgáltató Zrt. will not change.

On 29 September 2023, Csabatáj Zrt., which is included in the scope of consolidation of OPUS GLOBAL Nyrt., with a 74.18% stake, entered into an agreement with Talentis Agro Zrt., according to which the financial assets of Csabatáj Zrt. not included in its core agricultural activities would be demerged into a separate company by 31 August 2024 at the latest (demerger). Thereafter, in the context of the sale and purchase transactions between the contracting parties, the share of OPUS GLOBAL Nyrt. in Csabatáj Zrt., which will retain its core activity, will be eliminated, while the share of Talentis Agro Zrt. in the new company holding the financial assets not matching its core agricultural activity will be eliminated subsequent to the demerger.

In accordance with the note given by OPUS GLOBAL Nyrt. On 20 October 2023 to its investors, the Company would purchase treasury shares in an auction on 29 February 2024 for a maximum total consideration of HUF 2,000,000,000,000, provided that the purchase price per share shall not deviate from the closing price of the previous trading day by more than 30% and shall not exceed the value of the equity capital and reserves per share calculated on the basis of the consolidated financial statements for 2022, i.e. HUF 489. The Company shall accept bids in the **Auction** to the extent that the number of treasury shares, calculated with the shares to be acquired in the Auction, does not exceed ten percent of the Company's share capital at any time and the total consideration does not exceed HUF 2,000,000,000. The auction will be conducted with the assistance of an investment service provider.

On 31 January 2024, the Parent Company sold its 100% stake in **OBRA Ingatlankezelő Zrt.** to OPTINVEST Belváros Zrt. In addition to the purchase price, the Buyer also assumed the repayment of the outstanding liabilities of OBRA Kft. The value of the purchase price exceeded the value of the share in OBRA Kft. As of 31 December 2023, OBRA Kft. is still included in the accounts as a shareholding.

53. External risk effects

Covid-19 effects

With health data continuing to improve, the Government announced in early March 2022 that, as the fifth wave of the epidemic was coming to an end, restrictions would be lifted but the health emergency would remain in place, partly because of the Government's ability to act and partly because of the risk of further waves.

One of the biggest losers of the pandemic, which has been going on in several waves, has clearly been tourism, not only in our country but also worldwide. However, after several months of shutdown, in 2022 the performance of the Tourism Division approached the record year of 2019, and in 2023 it exceeded it in several areas. Growth was seen in all areas, including domestic and international overnight stays and the events market.

Ukraine-Russia war and inflation

A major factor of uncertainty for 2022 was the prolongation of the Ukrainian-Russian armed conflict and the impact of mutual sanctions. This was reflected in the rise in raw material and energy prices, which affected the parent company Opus to a lesser extent, but almost all divisions of the Group without exception. Average inflation was in the range of 10+% in 2022 and energy prices - although on a downward trend towards the end of the year - remained significantly above pre-2021 levels, which negatively impacted the profitability of the Group's companies. As a result of the energy and cost rationalisation programs launched, and despite rising operating costs due to inflation below 10% in 2023, the Group was able to increase its operating profit.

54. Global minimum tax

Law LXXXIV of 2023 transposed EU Directive 2022/2523 into domestic law and adopted the principle of a global minimum tax. The global minimum tax applies to groups of companies with annual turnover according to the consolidated accounts of the ultimate parent company of more than EUR 750 million in at least two of the four preceding financial years, so that the Company is subject to the Act at a consolidated level and is required to apply the Act from 2024. The Company made a preliminary risk assessment in its consolidated accounts for 2023, based on which it does not expect any significant additional tax burden in the coming years.

The Group currently operates in 5 countries outside Hungary: Austria, Germany, Switzerland, Montenegro and Croatia.

For countries outside Hungary, the total stock of tangible assets is less than EUR 50 million. Thus, the Group currently exhausts the requirements of the "initial stage exclusion" (Article 49 of the Global Minimum Tax Directive) and may reduce the 15% additional tax to zero over the next 5 years.

However, this exemption must be met each year and may be eliminated at a later date, taking into account the Group's strategic plans. Thus, the Group has also looked into the possibility of fulfilling other exemptions based on the so-called Safe Harbour rules. The relevant result by country can be seen in the table below:

Country	**De Minimis test** (De minimis)	**Effective tax rate test** (Simplified ETR)	**Routine profit tax** (Routine profit test)
Austria	Yes	Yes	Yes
Germany	Yes	Yes	No
Switzerland	Yes	Yes	Yes
Montenegro	Yes	Yes	No
Croatia	Yes	Yes	Yes
Hungary	No	No	No

The current effective tax rate in Hungary is 14%, so even if the "initial phase exclusion" were to expire, the additional tax would still represent an additional tax burden of less than 1% on the Group's Hungarian operations.

II.4. Publication of the Annual Report

Approval of the disclosure of the financial statements

The financial statements have been approved by the Board of Directors and the Supervisory Board of the Company on 27 March 2024 by resolution of the Board of Directors 11/2024 (03.27.) and by resolution of the Supervisory Board and Audit Committee 4/2024 (03.27.), the consolidated Annual Report 2023 has been authorised for publication in this form.

Budapest, 26 April 2024

dr. Koppány Tibor Lélfai

OPUS GLOBAL Nyrt.

Chief Executive Officer

III. Business Report

III.1. Business Report – Presentation of the Group

III.1. Presentation of the Group

History and current portfolio of the Company

The Company has a history of 100 years, dating back to its 1912 foundation. The Company's main activity was initially the production of veterinary pharmaceuticals, which was soon supplemented by the production of human vaccines. In the 1950s it was the leading and world-class pharmaceutical company, bringing together all the vaccine production institutes in Hungary. During privatisation, in 1991 the various activities performed by the Company were divided and outsourced.

The Company has been a member of the Budapest Stock Exchange ("BSE") since 1998, and its shares were introduced to the BSE on 22 April 1998.

After several reorganisations and restructuring, the veterinary activities were discontinued in 2009 and several subsidiaries were sold.

Since the profile change in 2009, the Company continued operation in a holding structure, primarily engaging managing companies of various profiles an in Asset Management.

2018 marked a significant milestone in the life of the Company, when, in parallel with the management transformation, a significant portfolio expansion was achieved, during which the Company enriched its investments with high value assets. The Group then established its strategic divisions and built its food and construction portfolio. As a result of these acquisitions, OPUS GLOBAL Nyrt. became one of the leading companies on the BSE and entered the premium category of the stock exchange, and has since been a member of the BSE's flagship index baskets, with a portfolio of industrial and manufacturing companies in several key sectors of the Hungarian economy. These are the data of the company formed this way:

Company name: OPUS GLOBAL Nyilvánosan Működő Részvénytársaság

The Company's main activity: 64 20 '08 Management activities of holding companies

Company registration number: Companies Court of the Court of Budapest Cg. 01-10-042533

Address of the company: 1062 Budapest, Andrássy út 59.

Telephone: (36-1) 433-07-00

Registered internet access to the Company:www.opusglobal.hu

E-mail address of the company: info@opusglobal.hu

In 2019, OPUS GLOBAL Nyrt. further expanded its already diversified portfolio by way of the merger with KONZUM Nyrt, and established the tourism leg of the Group. As a result of the merger, which took place on 30 June 2019, OPUS GLOBAL Nyrt. became the successor company, which has developed its operational structure along a conscious and consistently implemented strategy. In 2021, following this strategic direction, the OPUS Group, in the course of the development of its energy business, acquired indirect stakes in well-known energy companies such as TIGÁZ and TITÁSZ, building up its Energy Division.

III.1. Business Report – Presentation of the Group

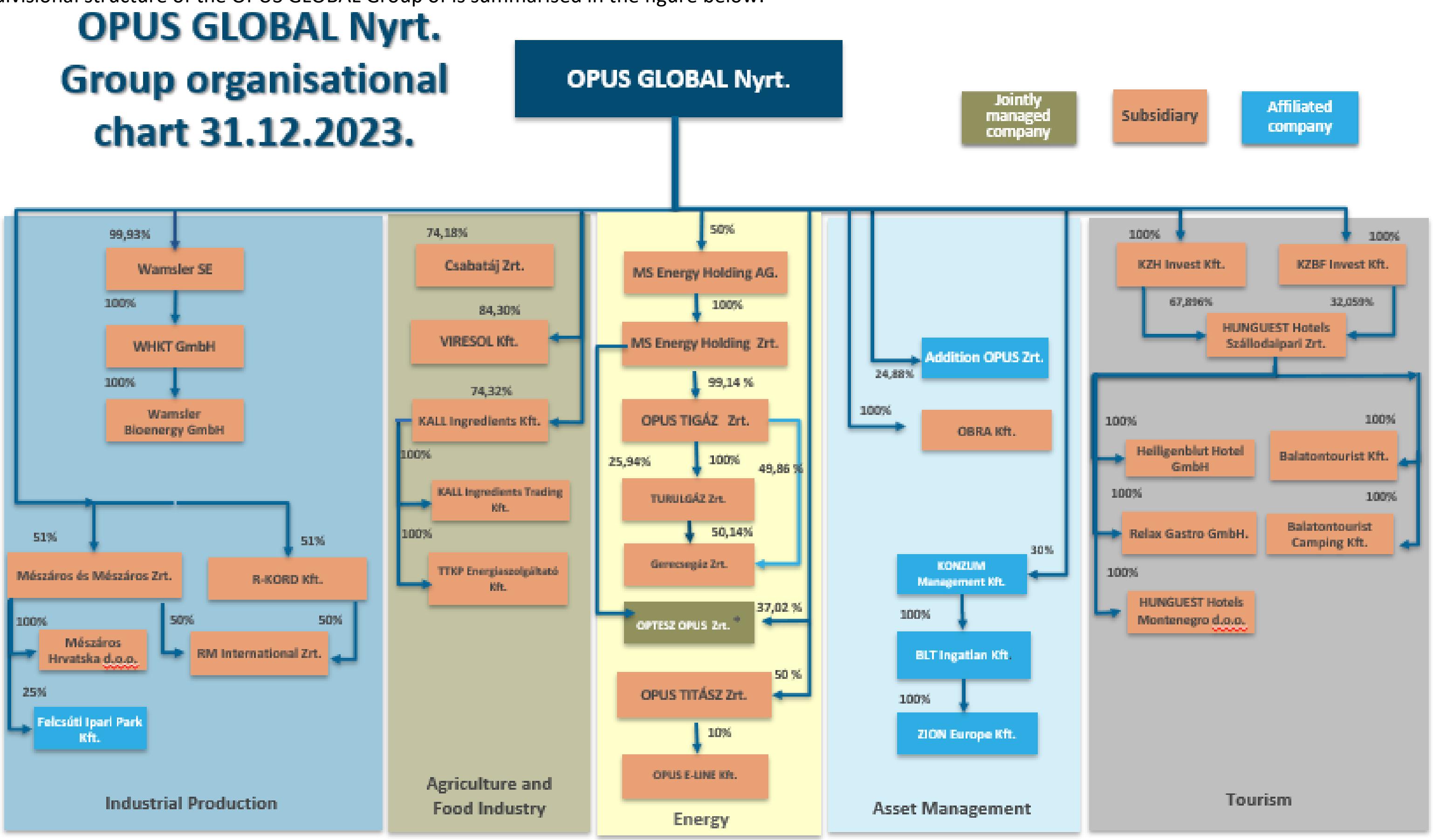
The OPUS Group's portfolio includes a group of long-term investments in companies that are major players in strategic industries (tourism, energy, food, industry). The other part of the portfolio, the Asset Management Division, is where the Holding manages its liquid investments (Asset Management).

As a result, in 2023, the scope of the Company's holding company activities from a business perspective can be broken down into five main divisions as follows:

- **Industrial Production**
- **Agriculture and Food Industry**
- **Energy**
- **Tourism**
- **Asset Management**

III.1. Business Report – Presentation of the Group

The divisional structure of the OPUS GLOBAL Group of is summarised in the figure below:



III.1. Business Report – Presentation of the Group

Organisational Structure and Executive Officers

The Company has set up a new operational structure for the holding centre as of 1 September 2022, based on the leadership of three main departments, the Finance Directorate, the Corporate Governance Directorate and the Group Governance Directorate.

The newly set up directorates will be responsible for setting the strategic direction of the OPUS Group, which, thanks to the conscious building of the Group in recent years and the above-average expansion of its portfolio, now has an economic weight and potential that plays a significant role in shaping the success of the Hungarian economy. Further development of this economic strength and further exploitation of its potential is a major task and challenge.

The Company also considers it a priority to operate an organisation capable of fully exploiting the benefits of its stock exchange presence while fully meeting the obligations that this entails. The enlargement of the new Board of Directors with members with strong expertise and experience in large corporate management, as well as the appointment of the new CEO and the new management, also serve this purpose.

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

Nature	Name	Position	First day of the appointment	Last day of the appointment	Equity ownership
BD	József Vida	Chairperson	03.05.2022.	03.05.2027.	-
BD/SE	Dr. Koppány Tibor Lélfai	member Chief Executive Officer	03.05.2022. 10.05.2022. *	03.05.2027. -	415,418
BD/SE	Szabolcs Makai	member Head of the Food Industry Division	03.05.2022. 29.11.2021.	03.05.2027. -	6,500
BD/SE	László Görbedi	member Head of the Industrial Production Division	03.05.2022. 21.04.2021.	03.05.2027. -	-
BD/SE	Ádám Détári-Szabó	member Head of the Tourism Division	03.05.2022. 21.04.2021.	03.05.2027. -	-
BD/SE	Balázs Torda	member Head of the Energy Division	03.05.2022. 21.04.2021.	03.05.2027. -	-
BD/SE	Zoltán Péter Németh	member	03.05.2022.	03.05.2027.	-
SB:	Tünde Konczné Kondás	Chairperson	03.05.2022.	03.05.2027.	-
SB, AC	János Tima	member	03.05.2022.	03.05.2027.	-
SB, AC	Dr. Éva Szilvia Gödör	member	03.05.2022.	03.05.2027.	-
SB	Katalin Keresztyénné Deák	member	11.11.2022	03.05.2027.	-
AC		Chairperson	11.11.2022**	03.05.2027.	-
SP	Attila Medgyesi	Deputy CEO	10.10.2022*	-	236,448

DIR: Member of the Board of Directors AC: Members of the Audit Committee SP: strategic employee
*SB: Member of the Supervisory Board *first day of employment ** first day of membership*

III.1. Business Report – Presentation of the Group

The heads of each business division also serve as members of the Board of Directors of OPUS GLOBAL Nyrt. in addition to their operational management responsibilities. The detailed CVs of the senior executives are included in the Company's Corporate Governance Report 2023.

Equity market presence: OPUS Shares and Ownership Structure

OPUS share data

The share capital of OPUS GLOBAL Nyrt. consists of 701,646,050 (i.e. seven hundred million six hundred and forty-six thousand and fifty dematerialised ordinary shares of Series A with a nominal value of HUF 25 (i.e. twenty five forints) each ("Shares").

Based on Resolution 362/2017 of the CEO of Budapesti Értéktőzsde Zrt, the ordinary shares of OPUS were classified as Premium Shares as from 3 October 2017 as specified below:

Name of security	OPUS share
Security code (ISIN) listed on the stock exchange	HU0000110226
Ticker	OPUS
Currency of trading	HUF
Shares (number)	701,646,050
Issued capital of the Issuer*	HUF 17,541,151,250
Share category	Premium
Method of producing the security	dematerialized
Type of security	ordinary share
Share type	registered
Face value	HUF 25
Date of the launch of the Stock Exchange security	22 April 1998
Issue price	HUF 700
Series and series number	Grade A
List of rights related to the security	full

The Company maintains the share ledger on its own.

Ownership structure

Breakdown of shareholders as at 31 December 2022:

Type	Number (pcs)	Participation (%)
Domestic private person	283,532,106	40.41
Foreign private person	103,334	0.01%
Domestic institute	396,544 570	56.52%
Foreign institute	21,466,040	3.06%
Total	**701,646,050**	**100.00%**

III.1. Business Report – Presentation of the Group

List and description of owners with stakes larger than 5% on 31 December 2023:

Name	Deposit manager	Number (pcs)	Participation (%)
KONZUM PE Magántőkealap	no	**152,139,007**	**21.68**
direct	no	**143,902,842**	**20.51%**
indirect (through KPE INVEST Kft.)	no	**8,236 165**	**1.17%**
Lőrinc Mészáros	no	**163,581,686**	**23.31%**
direct	no	**146,314,411**	**20.85%**
Indirect (through Addition OPUS Zrt.)	no	**17,267,275**	**2.46%**
KONZUM MANAGEMENT Kft.	no	**49,809,673**	**7.10%**
OPUS GLOBAL Nyrt. (By way of subsidiaries 6.99%)	no	**49,047,141**	**6.99%**
Talentis Group Zrt.	no	**35,152,467**	**5.01**

Own shares

The General Meeting of Shareholders of OPUS GLOBAL Nyrt. on 27 April 2023, by its resolution 8/2023 (IV.27.) authorised the Board of Directors to acquire a maximum of ten percent (10%) of the Company's share capital as own shares for a period of 12 months. The purpose of the program is to reduce the share capital of OPUS GLOBAL Nyrt. as reported under consolidated IFRS.

Within the framework of the above scheme, the Company purchased a total of 3,266,782 shares, while at the same time it transferred 834,995 shares to Mészáros és Mészáros Zrt. and 893,552 shares to R-KORD Kft. in an OTC transaction. In addition, R-KORD Kft. purchased a further 5,263,801 shares in an OTC transaction.

After these movements, the amount of treasury shares held by the Company and the Group was as follows, based on the total number of 701,646,050 shares issued:

Changes in the volume of own shares relative to the total share capital:

	Participation (31 December 2023)		Participation (31 December 2022)	
	number	%	number	%
Corporate: OPUS GLOBAL Nyrt.	8,746,481	1.25%	7,208,246	1.03%
Subsidiaries[1]: Csabatáj Zrt.	12,500,000	1.78%	12,500,000	1.78%
Mészáros és Mészáros Zrt.	8,826,056	1.26%	7,991 061	1.13%
R-KORD Kft.	18,974,604	2.70%	12,817,251	1.83%
Total	**49,047,141**	**6.99%**	**40,516 558**	**6.52%**

[1] *Companies included in the consolidation.*

III.1. Business Report – Presentation of the Group

Stock market perception

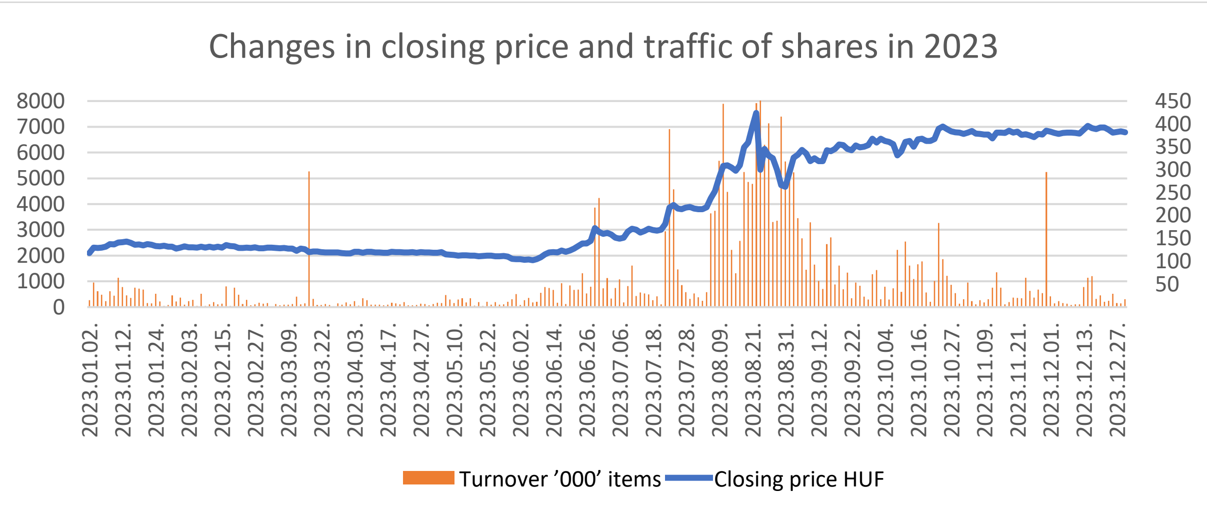
During the last basket review of the Budapest Stock Exchange on 7 September 2023, the weight of OPUS shares in the BUX index changed from 1.6913% to 2.3774%. In the BUMIX index OPUS shares are listed with a share of 16.2928 %. It is also important from a stock market perspective that, OPUS shares have been continuously included in the MSCI, then MSCI Hungary Small Cap, MSCI Emerging Markets Small Cap and MSCI ACWI Small Cap Indices, and also from 2018, by the decision of the Vienna Stock Exchange (Wiener Börse AG), in the CECE Index, the closing rate on 31 December 2023 was HUF 382 (on 31 December 2022, it was HUF 118).

Key shareholder information is shown in the table below:

Share data	31.12.2023.	31.12.2022.	Change between 31.12.2021 and 31.12.2022 in %
Closing rate (HUF)	382	118	100.00%
Number of shares listed on the Stock Exchange	701,646,050	701,646,050	100.00%
Weighted number of shares* (# of items)	654,916 227	681,481,731	96.21%
Market capitalization (HUF billion) (balance-sheet cut-off date)	268.1	82.8	100.00%

*Consolidated group data

The price of OPUS shares in 2023 was as follows:



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Corporate registration number: Cg.: 01-10-042533

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e-mail: info@opusglobal.hu
www.opusglobal.hu

III.1. Business Report – Presentation of the Group

Investor analyses

Equilor Befektetési Zrt.

In order to strengthen transparency, the management decided to join the BSE's analysis quotation program from 2020, under which the securities of OPUS GLOBAL Nyrt. were analysed by Equilor Befektetési Zrt. In order to participate in the program, OPUS GLOBAL Nyrt. undertook to publish its reports and financial statements on a quarterly basis as from 2020, and the Company has fully complied with this requirement and ensures this compliance in the process. This opens up an opportunity for the designated investment service provider to conduct independent analyses of the company on a quarterly basis. The analyses, which are completely separate and independent from the Company, is available at the following link: https://www.bet.hu/Kibocsatok/BET-elemzesek/elemzesek/opus-global-elemzesek

Scope Ratings GmbH

In order to implement its financing and growth plans announced in line with its strategy, the Company carried out two bond issues under the Growth Bond Program ("NKP") announced by the National Bank of Hungary ("MNB").

It raised HUF 28.6 billion (10-year fixed rate of 2.80%) in 2019 and HUF 39 billion (10-year fixed rate of 3.20%) in 2021. For detailed parameters of the bonds, see Note II.3.17.

In both cases, the credit rating review process was carried out by the independent international rating agency Scope Ratings GmbH (www.scoperatings.com) and assigned a BBB- rating for the bond issue and a + BB/Stable rating at the corporate level. Scope Ratings performs the rating every year. In 2023, it issued two ratings on 28 February and 3 August. In both cases, the Company kept the four rankings above the investment level required by the MNB for the bonds issued: BBB- rating and the Company received an issuer monitoring rating of BB Stable.

https://www.bet.hu/newkibdata/128850658/OPUS_SCOPE_HU_20230228.pdf

III.2. Main events of the 2023 business year

Disclosure information and Stock Market relations

The Company shall keep its shareholders and people interested informed of the events and actions affecting the Company Group and 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.

The Investment relationship contact, Dávid Hegyvári has been in charge of the duties related to investment contacts, and the overall capital market communication.

Contact details: + 36 1 433 0701, info@opusglobal.hu; hegyvari.david@opusglobal.hu

Main business events of 2023

Change of portfolio and business combination

OPUS GLOBAL Nyrt., as the sole founder, previously decided to dissolve the 100% directly owned real estate company **SZ és K 2005 Ingatlanhasznosító Kft.** without legal succession and at the same time ordered its liquidation with effect from 1 September 2022. SZ és K 2005 Ingatlanhasznosító 2005. Kft. has exclusively managed the property in Eger, owned by the same and has been looking for favourable utilisation of the property for several years. Subsequent to the sale of the property above its book value, the decision to liquidate the company was made in order to rationalise the economic activities of the Group.

The Company Court of the Court of Budapest ordered the deletion of SZ és K 2005 Ingatlanhasznosító Kft. from the Company Registry with effect from 1 March 2023.

https://www.bet.hu/site/newkib/hu/2023.03./OPUS_GLOBAL_Nyrt._-_Rendkivuli_tajekoztatas_128852025

OPUS GLOBAL Nyrt. increased its ownership interest in **VIRESOL Keményítő- és Alapanyaggyártó és Forgalmazó Kft**. (hereinafter as "VIRESOL Kft"), registered as a subsidiary, by acquiring the 33.3% stake in VIRESOL Kft. held by Duna Aszfalt Út és Mélyépítő Zrt. on 31 March 2023. As a result of the sale and purchase, the Company's direct shareholding in VIRESOL Kft. increased from 51% to 84.3%, further strengthening the Company's dominant position in the food industry.

https://www.bet.hu/site/newkib/hu/2023.03./OPUS_GLOBAL_Nyrt._-_Rendkivuli_tajekoztatas_-_Viresol_128866277

In the course of the Transaction, the claims of Duna Aszfalt Zrt. against Viresol under the member loan are also transferred to OPUS GLOBAL Nyrt. by way of a transfer of contract. The consideration for the claims to be transferred is: HUF 6,219,627,810, payable in 5 instalments until 15.12.2027.

In line with its strategy and its need for profiling, OPUS GLOBAL Nyrt.made a decision to sell its minority stake of 4,385 ordinary shares with a nominal value of HUF 1,000 each, totalling 4.385%, in **MITRA Informatikai Szolgáltató Zrt**. At the same with this transaction, Addition OPUS Zrt. (in which OPUS GLOBAL Nyrt. holds a 24.88% stake) also sold its 4,355 shares in MITRA Zrt. with a total nominal value of HUF 1,000 each and a total stake of 4.355%.

https://www.bet.hu/newkibdata/128867354/OP_MITRA_HU_20230331.pdf

III.2. Business Report - Main events of the 2023 business year

51% of Mészáros Építőipari Holding Zrt., as a subsidiary included in the consolidation was owned by OPUS GLOBAL Nyrt. The main activity of the subsidiary is to carry out the Asset Management tasks of its two wholly owned Mészáros és Mészáros Ipari, Kereskedelmi és Szolgáltató Zrt. and R-KORD Építőipari Kft. The Parent Company has made a decision to simplify and improve efficiency within the Group, one of the most significant steps of which is to streamline its organisational structure. Mészáros Építőipari Holding Zrt. was dissolved by means of a demerger and the assets of the company were distributed between Mészáros és Mészáros Zrt. and R-KORD Kft. Subsequent to this transaction, the organisational structure of the Construction Branch was simplified, as with the termination of Mészáros Építőipari Holding Zrt., OPUS GLOBAL Nyrt. Became a direct owner in Mészáros Építőipari Holding Zrt. and R-KORD Kft. from indirect owner, leaving its shareholding of 51% unchanged. The merger was based on the balance sheets of the companies as of 30 September 2023.

The supreme bodies of KZBF INVEST Vagyonkezelő Korlátolt Felelősségű Társaság ("KZBF INVEST Kft.") and KZH INVEST Korlátolt Felelősségű Társaság ("KZH INVEST Kft."), owned by OPUS GLOBAL Nyrt, have decided to merge HUNGUEST Hotels Zrt., KZBF INVEST Zrt. and KHZ INVEST Zrt. by way of a merger (the "Merger"). The planned date of the Merger is the 31st day of the 12th month of 2023. The legal successor company will continue to operate under the name Hunguest Szálláshelyszolgáltató Zártkörűen Működő Részvénytársaság ("Hunguest Zrt."). Given that OPUS GLOBAL Nyrt. is the sole owner of KZBF INVEST Kft. and KZH INVEST Kft. and that KZBF INVEST Kft. and KZH INVEST Kft. Were jointly 99.99 per cent shareholders of HUNGUEST Hotels Zrt., OPUS GLOBAL Nyrt. was therefore indirectly a 99.99 per cent shareholder of HUNGUEST Hotels Zrt. Since HUNGUEST Hotels Zrt. merged with its two majority shareholders, there will be no new players in the ownership structure of the new company created by the Merger, and the stake of OPUS GLOBAL Nyrt. in Hunguest Zrt. will not change.

https://www.bet.hu/newkibdata/128956166/OP_rendkiv_tajekoztatas_HH_KZH_KZBF_%C3%B6sszeolvad%C3%A1s_HU_20230926.pdf

On 29 September 2023, Csabatáj Zrt., which is included in the scope of consolidation of OPUS GLOBAL Nyrt., with a 74.18% ownership interest, entered into an agreement with Talentis Agro Zrt., according to which the financial assets of Csabatáj Zrt. not included in its core agricultural activities would be demerged into a separate company by 31 August 2024 at the latest (demerger). Thereafter, in the context of the sale and purchase transactions between the contracting parties, the share of OPUS GLOBAL Nyrt. in Csabatáj Zrt., which will retain its core activity, will be eliminated, while the share of Talentis Agro Zrt. in the new company holding the financial assets not matching its core agricultural activity will be eliminated subsequent to the demerger.

https://www.bet.hu/newkibdata/128959736/OPUS_rendk%C3%ADv%C3%BCli%20t%C3%A1j%C3%A9koztat%C3%A1s_CST_20230929_HU.pdf

OPUS TIGÁZ Zrt., which is included in the consolidation of OPUS GLOBAL Nyrt. with a shareholding of 49.57%, acquired a 5% share in OPUS E-LINE Kft. by means of a sale and purchase agreement concluded on 28 November 2023. As a result of the transaction, the Company's current indirect shareholding in OPUS E-LINE Kft. of 5% in the share capital of OPUS E-LINE Kft. was increased by an additional 2.48%.

https://www.bet.hu/newkibdata/128984921/OP_rendkiv_tajekoztatas_OPUS_E_LINE_Kft_HU_20231128.pdf

III.2. Business Report - Main events of the 2023 business year

Corporate law changes and events

Talentis Group Beruházás-szervező Zártkörűen Működő Részvénytársaság ("Talentis") sold a total of 13,254,862 shares of OPUS common stock in over the counter transactions. The number of directly owned OPUS shares with voting rights was changed from 46,998,875 to 33,744,013 as of 13 January 2023, therefore the proportion of direct voting rights of Talentis in the Company decreased from 6.70% to 4.81%, therefore falling below the 5% threshold pursuant to Article 61 (3) of Act CXX of 2001 on Capital Markets.
https://www.bet.hu/site/newkib/hu/2023.01./OPUS_GLOBAL_Nyrt._-_Tulajdonosi_bejelentes_128833220

On 13 January 2023, R-KORD Építőipari Kft., indirectly owned by OPUS GLOBAL Nyrt., purchased 5,263,801 ordinary shares of OPUS GLOBAL Nyrt. at an average price of HUF 129.77 per share. Subsequent to the transaction, R-Kord Kft. holds 18,081,052 ordinary shares of OPUS GLOBAL Nyrt. Subsequent to the transactions, the number of treasury shares held directly and indirectly by OPUS GLOBAL Nyrt. increased from 40,516,558 to 45,780,359, therefore increasing its voting rights to 6.52%.
https://www.bet.hu/site/newkib/hu/2023.01./OPUS_GLOBAL_Nyrt._-_Sajat_reszveny_tranzakcio_128833254

On April 27, 2023, the General Meeting, having been informed of the auditor's report, approved the Company's individual and consolidated annual accounts and annual report for 2022, prepared in accordance with IFRS, with all the annexes thereto, subject to the relevant written report of the Supervisory Board and the Audit Committee.
https://www.bet.hu/newkibdata/128879324/OG_KGY_hatarozatok_kozzetetel_HU_20230427.pdf

OPUS GLOBAL Nyrt., as a Premium listed issuer on the Budapest Stock Exchange, is committed to following the ESG recommendations and has undertaken to incorporate them into its long-term reporting obligations, as the Sustainability Report provides an opportunity to present the Group in a more comprehensive and transparent manner. The OPUS Group's first stand-alone Sustainability Report, prepared in line with international sustainability reporting standards, quantifies the Group's sustainability achievements to date in 2022. The Company aims to continue to meet ESG regulatory requirements, the needs of investors and partners, and the requirements for sustainable operations and growth.
https://www.bet.hu/newkibdata/128878655/OPUS_ESG%20jelent%C3%A9s_2022_HU.pdf

OPUS GLOBAL Nyrt. has issued its Corporate Governance Report and Statement on Corporate Governance Practices based on the Corporate Governance Recommendations published by the Budapest Stock Exchange (8 December 2020), which was approved by the General Meeting of Shareholders of the Company by its resolution No. 5/2023 (04.27).
https://www.bet.hu/newkibdata/128879698/OPUS_FTJ_2022_HU.pdf

On June 15, 2023, the Company published its consolidated financial statements for the first quarter of 2023, prepared in accordance with IFRS, which were approved by the Board of Directors of the Group Parent Company on June 12, 2023 in Resolution 28/2023 (06.12), by the Audit Committee of the Company in Resolution 3/2023 (06.12) and by the Supervisory Board of the Company in Resolution 3/2023 (06.12).
https://www.bet.hu/site/newkib/hu/2023.06./OPUS_GLOBAL_Nyrt._-_Negyedeves_jelentes_2023_q1_128910630

Pursuant to Regulation No 596/2014/EU on market abuse, the persons performing executive duties at the Company informed the Company that on the trading days of 24 April 2023 and 21 and 22 June 2023 they purchased 651,866 registered OPUS ordinary shares with a nominal value of HUF 25 each for a total net value of HUF 79,749,010.

https://www.bet.hu/site/newkib/hu/2023.04./OPUS_GLOBAL_Nyrt._-_Rendkivuli_tajekoztatas_-_Vezeto_allasu_szemely_reszveny_tranzakcioja_128877202

III.2. Business Report - Main events of the 2023 business year

https://www.bet.hu/site/newkib/hu/2023.06./OPUS_GLOBAL_Nyrt._-Vezetoi_feladatokat_ellato_szemely_tranzakcioja_128913248https://www.bet.hu/site/newkib/hu/2023.06./Vezetoi_feladatokat_ellato_szemely_tranzakcioja_128914022

The General Meeting of Shareholders of OPUS GLOBAL Nyrt. on 27 April 2023, by its resolution 8/2023 (IV.27.) authorised the Board of Directors to acquire a maximum of ten percent (10%) of the Company's share capital as own shares for a period of 12 months. The purpose of the program is to reduce the share capital of OPUS GLOBAL Nyrt. as reported under consolidated IFRS. The program was announced on 21 July 2023.
Rules of the **own share purchase program**:

- if the number of own shares reaches ten percent of the Company's share capital at any time or the aggregate consideration for the ordinary shares purchased under the program reaches HUF 1,000,000,000, the program will be closed, regardless of any other conditions
- no later than 31 January 2024, a maximum of 100,000 ordinary shares per trading day may be purchased on the Budapest Stock Exchange at the current market price according to the trading offers
- the consideration per share must not exceed the value of the equity per share calculated on the basis of the consolidated accounts for 2022, i.e. HUF 489
- no own shares are purchased under the share buy-back program during the 30-day period preceding the publication of the interim (quarterly) financial reports and the annual report, as well as during any delay periods.

https://www.bet.hu/newkibdata/128927513/OPUS_r%C3%A9szv%C3%A9ny%20visszav%C3%A1s%C3%A1rl%C3%A1si%20program_20230721_HU.pdf

Under the **share repurchase program**, OPUS GLOBAL Nyrt purchased 2,383,750 own shares between July 27, 2023 and August 30, 2023, increasing the initial number of 7,208,246 shares to 9,591,996 shares, resulting in 48,164,109 own shares and a 6.86% own share percentage at Group level. The individual purchases were made at prices ranging from 212.7 HUF/share to 419.8 HUF/share, for a total of 686,603,184 HUF, representing an average price of 288.03 HUF/share.

https://www.bet.hu/newkibdata/128943936/OPUS_r%C3%A9szv%C3%A9ny%20visszav%C3%A1s%C3%A1rl%C3%A1si%20program_20230830_HU.pdf

https://www.bet.hu/site/newkib/hu/2023.08./OPUS_GLOBAL_Nyrt._-_Sajat_reszveny_tranzakcio_128943906

Talentis Group Group Beruházás-szervező Zártkörűen Működő Részvénytársaság ("Talentis"), which is closely related to persons performing managerial functions at the Company under Regulation (EU) No 596/2014 on market abuse, purchased a total of 1,408,454 OPUS shares in stock exchange transactions between 31 July 2023 and 15 August 2023, bringing the total number of shares held by Talentis to 35,152,467, representing 5010%, therefore again exceeding the 5% threshold set in Article 61 (3) of Act CXX of 2001 on the the Capital Market.

The main organs of **KZBF INVEST** Vagyonkezelő Korlátolt Felelősségű Társaság (“KZBF INVEST Kft.”) and **KZH INVEST** Korlátolt Felelősségű Társaság (“KZH INVEST Kft.”) owned by the Részvénytársaság ("HUNGUEST Hotels Zrt."), and OPUS GLOBAL Nyrt, owning all together 99.99% of the shares of HUNGUEST Hotels Zrt., have made a decision on the merger of HUNGUEST Hotels Zrt., KZBF INVEST Zrt. and KHZ INVEST Zrt. by way of a merger (the "Merger"). The planned date of the Merger is the 31st day of the 12th month of 2023. The legal successor company will continue to operate under the name Hunguest Szálláshelyszolgáltató Zártkörűen Működő Részvénytársaság ("Hunguest Zrt."). Given that OPUS GLOBAL Nyrt. is the sole owner of KZBF INVEST Kft. and KZH INVEST Kft. and that KZBF INVEST Kft. and KZH INVEST Kft. are currently jointly 99.99 per cent shareholders of HUNGUEST Hotels Zrt., OPUS GLOBAL Nyrt., therefore, indirectly became a 99.99 per cent shareholder of HUNGUEST Hotels Zrt. Since HUNGUEST Hotels Zrt. merged with its two majority shareholders, there will be no new players in the ownership structure of the new company created by the Merger, and the stake of OPUS GLOBAL Nyrt. in Hunguest Zrt. will not change.

https://www.bet.hu/newkibdata/128956166/OP_rendkiv_tajekoztatas_HH_KZH_KZBF_%C3%B6sszeolvad%C3%A1s_HU_20230926.pdf

On 29 September 2023, **Csabatáj Zrt**., which is included in the scope of consolidation of OPUS GLOBAL Nyrt., with a 74.18% ownership interest, entered into an agreement with Talentis Agro Zrt., according to which the financial assets of Csabatáj Zrt. not included in its core agricultural activities would be demerged into a separate company by 31 August 2024 at the latest (demerger). Thereafter, in the context of the sale and purchase transactions between the contracting parties, the share of OPUS GLOBAL Nyrt. in Csabatáj Zrt., which will retain its core activity, will be eliminated, while the share of Talentis Agro Zrt. in the new company holding the financial assets not matching its core agricultural activity will be eliminated subsequent to the demerger.

https://www.bet.hu/newkibdata/128959736/OPUS_rendk%C3%ADv%C3%BCli%20t%C3%A1j%C3%A9koztat%C3%A1s_CST_20230929_HU.pdf

On 29 September 2023, the Company published its **consolidated financial statements for the first half of 2023**, prepared in accordance with IFRS, which were approved by the Board of Directors of the Group's parent company on 25 September 2023, by the Board of Directors in its resolution 40/2023 (09.25.), by the Audit Committee of the Company in its resolution 3/2023 (09.25.) and by the Supervisory Board of the Company in its resolution 3/2023 (09.52.).

https://www.bet.hu/newkibdata/128959706/OPUS_GLOBAL_2023Q2_KONSZ_Jelentes_HU.pdf

On 17 October 2023, OPUS GLOBAL Nyrt. announced that the **share repurchase program** launched by the Company on 21 July 2023 was closed on 16 October 2023. Under the share repurchase program, the Company purchased a total of 3,266,782 shares for HUF 999,999,817, representing an average price of HUF 306.1 per share. This increased the initial number of 7,208,246 shares to 10,475,028 shares, representing 49,047,141 treasury shares and 6.99% treasury share percentage at Group level.

https://www.bet.hu/newkibdata/128967508/OPUS_r%C3%A9szv%C3%A9ny%20visszav%C3%A1s%C3%A1rl%C3%A1si%20program_20231017_HU.pdf

https://www.bet.hu/newkibdata/128973884/OPUS_szavazati%20jog_20231031_HU.pdf

On 18 October 2023, OPUS GLOBAL Nyrt. transferred the ownership of 834,995 ordinary shares of OPUS GLOBAL Nyrt. to **Mészáros és Mészáros** Zrt., a company directly owned by OPUS GLOBAL Nyrt. in an over-the-counter transaction. Following the transactions, the number of treasury shares held directly by OPUS GLOBAL Nyrt. decreased from 10,475,028 shares to 9,640,033 shares and the number of treasury shares held directly by Mészáros és Mészáros Zrt. increased from 7,991,061 shares to 8,826,056 shares. Subsequent to the transaction, OPUS GLOBAL Nyrt. directly and indirectly continued to directly and indirectly hold a total of 49,047,141 treasury shares (6.99%).

https://www.bet.hu/newkibdata/128968174/OP_saj%C3%A1t%20r%C3%A9szv%C3%A9ny%20%C3%A1llom%C3%A1ny%20v%C3%A1ltoz%C3%A1s_20231018_HU.pdf

On 20 October 2023, OPUS GLOBAL Nyrt. informed its investors that the Company would purchase treasury shares in an auction on 29 February 2024 for a maximum total consideration of HUF 2,000,000,000,000, provided that the purchase price per share shall not deviate from the closing price of the previous trading day by more than 30% and shall not exceed the value of the equity capital and reserves per share calculated on the basis of the consolidated financial statements for 2022, i.e. HUF 489. The Company shall accept bids in the **Auction** to the extent that the number of treasury shares, calculated with the shares to be acquired in the Auction, does not exceed ten percent of the Company's share capital at any time and the total consideration does not exceed HUF 2,000,000,000. The auction will be conducted with the assistance of an investment service provider. All technical details will be disclosed to Shareholders by the Company in the form of a Special Notice.

https://www.bet.hu/newkibdata/128969381/OPUS_r%C3%A9szv%C3%A9ny%20aukci%C3%B3_20231020_HU.pdf

OPUS GLOBAL Nyrt. transferred the ownership of 893,552 ordinary shares of OPUS GLOBAL Nyrt. to **R-KORD Kft.** directly owned by the same. Following the transactions, the number of treasury shares held directly by OPUS GLOBAL Nyrt. decreased from 9,640,033 shares to 8,746,481 shares and the number of treasury shares held directly by R-KORD Építőipari Kft. increased from 18,081,052 shares to 18,974,604 shares. Subsequent to the transaction, OPUS GLOBAL Nyrt. directly and indirectly continued to directly and indirectly hold a total of 49,047,141 treasury shares (6.99%).

https://www.bet.hu/newkibdata/129000097/OP_saj%C3%A1t%20r%C3%A9szv%C3%A9ny%20%C3%A1llom%C3%A1ny%20v%C3%A1ltoz%C3%A1s_20231229_HU.pdf

Investor analyses

OPUS GLOBAL Nyrt. was rated two times in 2023 by the independent international credit rating agency **Scope Ratings GmbH** (www.scoperatings.com) for its participation in the Growth Bond Program (NKP) of the Hungarian National Bank (MNB), issued by the MNB, on 28 February 2023 and 3 August 2023.
The Issuer Rating in both case: BB/Stable, and rating of the bonds issued: BBB-.
Based on the rating, the Company is rated four rankings above the investment level required by the MNB for the bonds issued: BBB- rating and the Company received an issuer monitoring rating of BB Stable. The Company also publishes the monitoring report in full in its original English language in the attached reference, as in case of any question of interpretation, the English language document referred to shall prevail.

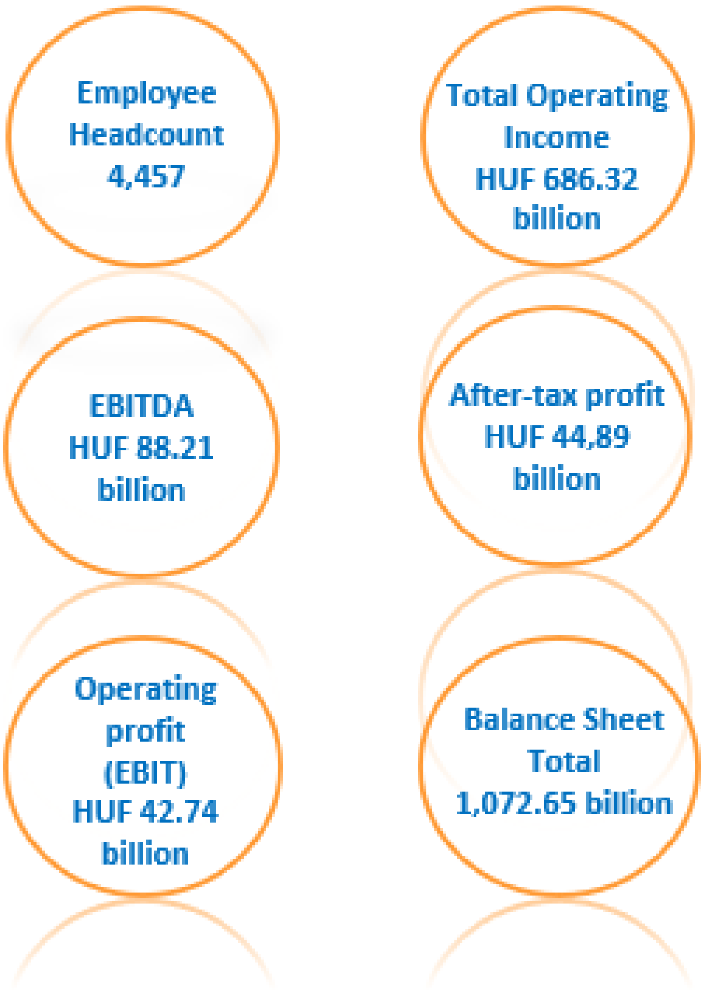
https://www.bet.hu/newkibdata/128850658/OPUS_SCOPE_HU_20230228.pdf

https://www.bet.hu/site/newkib/hu/2023.08./OPUS_GLOBAL_Nyrt._-_Rendkivuli_tajekoztatas_128934174
https://scoperatings.com/ratings-and-research/rating/EN/174858

Scope Ratings GmbH, an independent credit rating agency, has also reviewed the credit rating OPUS TIGÁZ Gázhálózati Zrt., which is an indirectly owned subsidiary of OPUS GLOBAL Nyrt. included in the consolidation (hereinafter referred to as: "OPUS TIGÁZ"), and also the bonds issued by the same, name: Tigáz 2031/A, identification number: ISIN HU0000360292. Scope Ratings GmbH, as the Company's credit rating agency, has assigned an issuer rating of BBB-/Stable to OPUS TIGÁZ Zrt. and has also assigned a BBB-/Stable rating to the bonds issued. The English version of the rating agency's report is available in the attached link.
https://www.bet.hu/newkibdata/128866301/OP_TIG%C3%81Z%20min%C5%91s%C3%ADt%C3%A9se_HU_20230331.pdf

III.3. Presentation of the Group's 2023 financial activity

Highlighted data



III.3. Business Report – Presentation of the 2023 Business Activity of the Group

OPUS GLOBAL Nyrt. has developed its portfolio according to a conscious and consistently implemented strategy.

As a result, in 2023 on business terms, the Company's activities could be broken down into the following 5 main divisions:

- **Industrial Production**
- **Agriculture and Food Industry**
- **Energy**
- **Tourism**
- **Asset Management**

The Group presents the division information to the Management based on the breakdown of these business divisions.

For the purposes of the comparisons in the Division Reports presented in section III.5, the Group determined the breakdown ratio excluding consolidation eliminations, taking into account all consolidation items, but in this III.4 Consolidated Presentation of the Group's management, the financial data include the consolidated eliminations and thus reconcile with the consolidated financial statements.

Overview of the Consolidated Income Statement:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	OPUS Global Nyrt., Consolidated 01.01.2023-31.12.2023 audited factual data	OPUS Global Nyrt., Consolidated 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**686,319,457**	**535,322,934**	**150,996,523**	**28.2%**
Operating costs	643,579,462	501,260,457	142,319,005	28.4%
Operating (business profit/loss) EBIT	**42,739,995**	**34,062,477**	**8,677,518**	**25.5%**
EBITDA	**88,212,449**	**74,386,366**	**13,826,083**	**18.6%**
Net financial income	9,650,537	-3,292,765	12,943,302	393.1%
Profit before taxes	52,393,032	28,816,367	23,576,665	81.8%
Profit after taxes	**44,889,595**	**22,228,641**	**22,660,954**	101.9%
Total comprehensive income	44,125,647	22,544,940	21,580,707	95.7%
Employee headcount (persons)	**4,457**	**4,665**	**208**	-4.5%

In 2023, the Group's **total operating income increased by** HUF 151 billion, that is **28.2%**, compared to 2022, so for the full year the Group generated total operating income of HUF 686,319,457,000.

Within the Operating income, the value of Revenues was HUF 643,788,064,000, while the value of the Capitalised own performance was HUF 15,632,521,000 and Other income was entered in the books at HUF 26,898,872,000.

Of the Group's total operating income, the Industrial Production Division accounts for the largest share, 40%, Agriculture and Food division for 19% and Energy contributes to 35% to the Group's total revenues. The Tourism Division accounts for 6% and Asset Management's revenue is no longer material compared to the Group's total revenue. On the basis of the known and signed contract portfolio, it remains that the Industrial Division will continue to provide the largest share of the Group's sales revenue (and profits).

III.3. Business Report – Presentation of the 2023 Business Activity of the Group

At a consolidated level, the value of **Capitalised own performance** is typically attributable to the Energy Division (83%) and the Agriculture & Food division (15%).

Operating Expenses of the OPUS Group

In 2023, the Group's total **Operating Costs** at consolidated level amounted to HUF 643,579,462,000, representing an increase of HUF 142,319,005,000, that is 28%, compared to 2022. However, this increase in Operating Expenses was the same as the increase in the Group's Total Operating Income in 2023, and therefore the Operating Income (EBIT) improved significantly by HUF 8,677,518,000.

Comparison of the Operating Cost in 2022-2023:

Unless otherwise indicated, data is expressed in HUF '000'

Operating costs	OPUS Global Nyrt., Consolidated 01.01.2023-31.12.2023 audited factual data	OPUS Global Nyrt., Consolidated 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating costs	**643,579,462**	**501,260,457**	**142,319,005**	**28.4%**
Materials, consumables and other external charges	526,590,142	394,653,575	131,936,567	33.4%
Staff costs	46,455,721	43,736,896	2,718,825	6.2%
Depreciation	45,472,454	40,323,889	5,148,565	12.8%
Impairment	2,376,538	573,858	1,802,680	314.1%
Goodwill impairment	-	-	-	-
Other operating costs and expenses	22,684,607	21,972,239	712,368	3.2%

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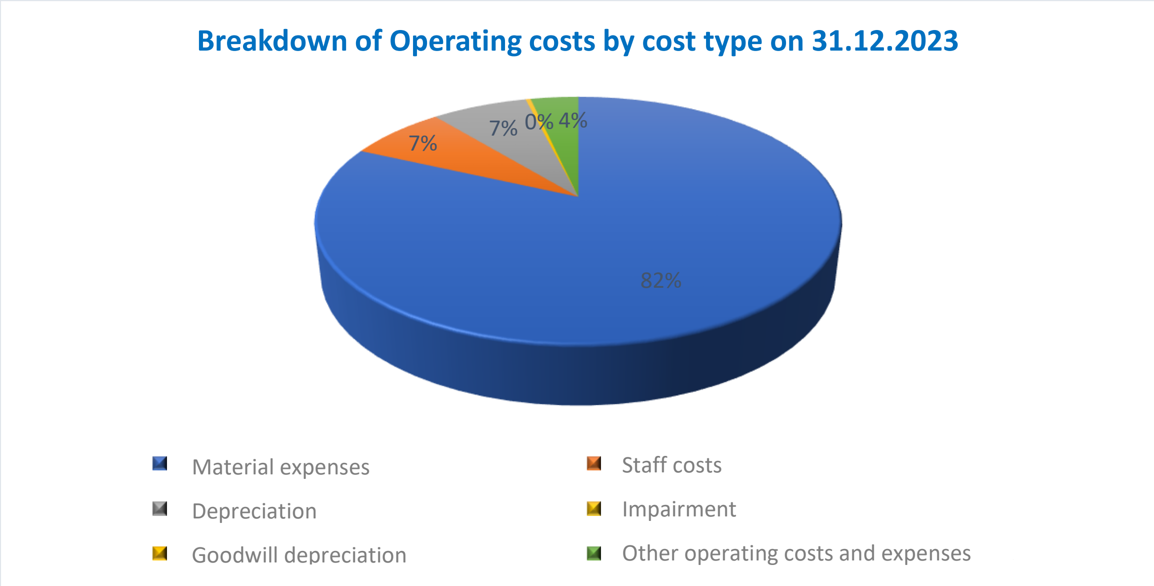
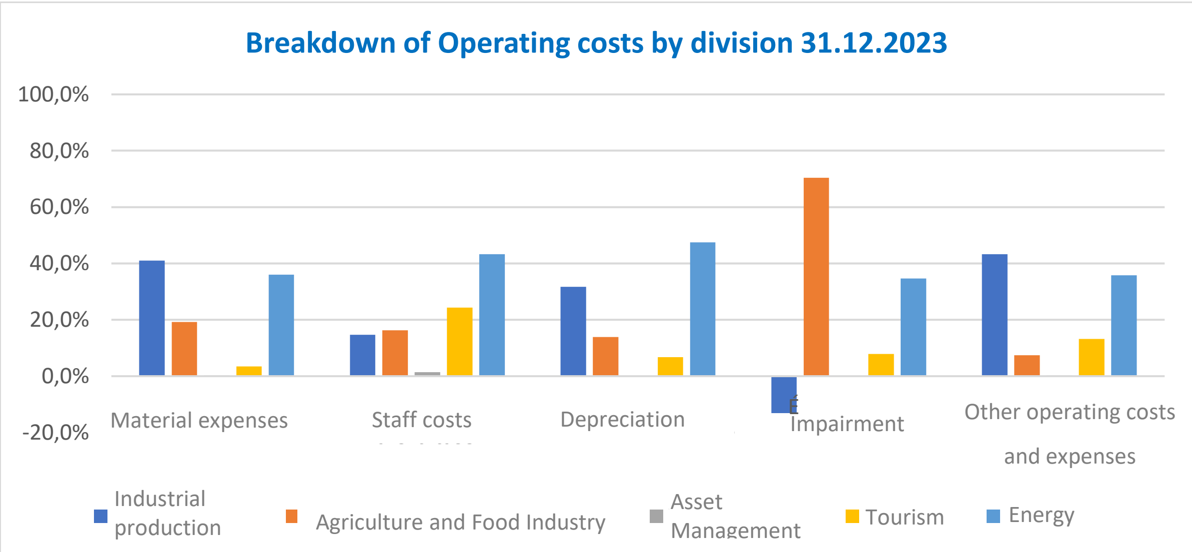


The amount of **Material expenses** within the Group amounted to HUF 526,590,142,000 in the reporting period, which includes the purchase value of goods sold. 41% of raw materials, consumables and other external charges is given by industrial manufacturing. The Agriculture & Food division accounted for a further 19%, the Energy Division for 36% and the Tourism Division for 4% at consolidated level. Within Material Expenses, Cost of Materials (33%) and Cost of Purchased Services (45%) are the most significant cost drivers.

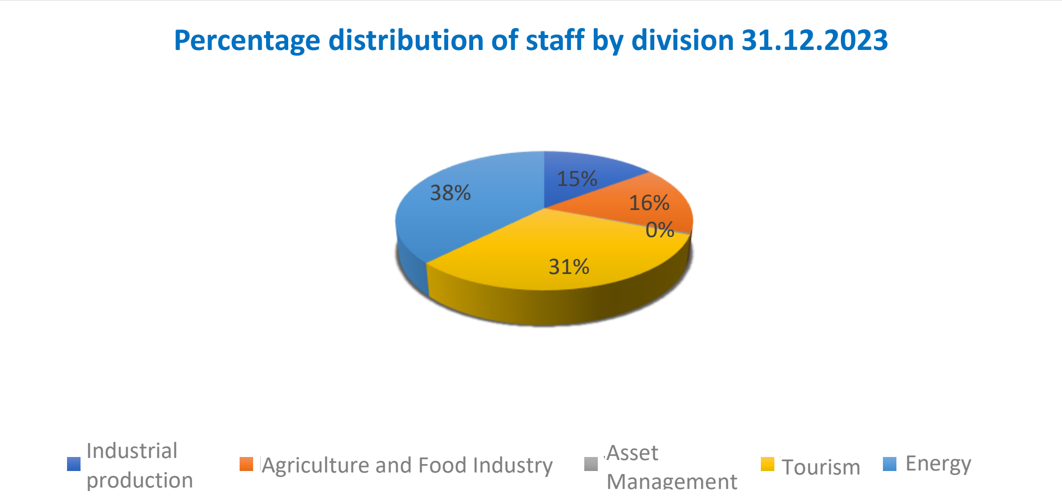
The breakdown of **Staff costs** by division shows different proportions from the other cost items. Energy Division accounts for 43 % of personnel expenses, Tourism for 24%, Agriculture and Food for 16% and Industrial Production for 15%. The Asset Management Division accounts for only 2%.



III.3. Business Report – Presentation of the 2023 Business Activity of the Group

The value of **Staff costs** increased by 6.2% compared to the base year, mainly due to an increase in wage levels and, to a lesser extent, an increase in headcount. The total number of employees in the Group as at 31 December 2023 was 4,457, with an almost equal distribution of employees, 56% made up by manual workers and 44% clerical workers.

Staff costs in 2023 consisted of the following items: payroll costs of HUF 34,747,780,000, other payments of a personal nature of HUF 6,683,684,000, payroll contributions of HUF 5,026,084,000 and the net cost of unused holidays for the year under review was HUF 1,906,000.



The **Depreciation** line, which represents 7% of the Operating costs, shows an increase of 12.8% compared to the base year, totalling HUF 45,472,454,000 in 2023, of which 47% is in the Energy Division and 32% in Industrial production. A further 14% was accounted for by the Agriculture and Food Division and 7% by the Tourism Division.

The Group recognizes two significant items of depreciation in its consolidated accounts compared to the individual accounts of the companies: the first item is the depreciation of the contract inventories identified during the acquisition of companies in the construction sector, and the second is the depreciation recognized after the fair value adjustment of the distribution assets related to the acquisition of the Energy companies.

Other operating costs amounted to HUF 22,684,607,000 in 2023, with an increase of 3.2%, of which 43% is related to the Industrial Production Division, 7% to the Agriculture and Food division, and of which a further 13% is attributable to the Tourism Division, 36% to the Energy Division and 1% to the Asset Management Division.

The EBITDA index, which best represents the operation of the overall Group is outstanding in 2023. **EBITDA** shows the actual earnings of the activity without depreciation, which was HUF **88,212,449,000**, showing a 18.6% increase compared to the EBITDA calculated last year based on this method. This represents an increase of nearly HUF 14 billion in one year, compared to the audited HUF 74,386,366,000 in 2022.

At the **Group Operating Profit/Loss (EBIT)** level, the Group achieved a **consolidated profit of HUF 42,739,995,000 in 2023**, compared to a profit of HUF 34,062,477,000 last year.

III.3. Business Report – Presentation of the 2023 Business Activity of the Group

Breakdown of Net Financial Operations for the years 2023- 2022:

Unless otherwise indicated, data is expressed in HUF '000'

Net financial income	OPUS Global Nyrt., Consolidated 01.01.2023-31.12.2023 audited factual data	OPUS Global Nyrt., Consolidated 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Financial income	43,921,562	33,691,472	10,230,090	30.4%
Badwill	-	-	-	-
Financial expenses	34,271,025	36,984,237	- 2,713,212	-7.3%
Net financial income	**9,650,537**	**- 3,292,765**	**12,943,302**	**393.1%**

Financial operations income increased significantly compared to 2022 mainly due to a higher share of interest income and net foreign exchange gains on foreign currency items.

The largest contributors to Financial Operations expenses were the Group's interest expense and the negative change in the fair value of interest rate SWAP transactions entered into as hedges of certain variable rate loans.

Net financial income	OPUS Global Nyrt., Consolidated 01.01.2023-31.12.2023 audited factual data	OPUS Global Nyrt., Consolidated 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Investments in associates accounted for using the equity method	**2,500**	**- 1,953,345**	**1,995 845**	**100.1%**

The Group recognises the profit or loss on affiliates accounted for using the **Share in investments recognised with the equity method** as an item other than earnings from financial transactions in the amount of HUF 2,500,000 on 31.12.2023.

Net P/L from Financial Operations also significantly reduced the consolidated Operating Profit (EBIT) of the Group in 2023, so the OPUS Group **realised a profit of HUF 44,889,595,000 in the Profit after Tax** line in 2023. This represents an increase in profit of HUF 22.7 billion for the Group.

Total comprehensive income of the Company Group in 2023 is HUF 44,125,647,000, of which the Parent Company will share HUF 25,856,276,000.

III.3. Business Report – Presentation of the 2023 Business Activity of the Group

Overview of the Consolidated Balance Sheet:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	OPUS GLOBAL Nyrt. Consolidated 31.12.2023 audited factual data	OPUS GLOBAL Nyrt. Consolidated 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**1,072,649,076**	**1,042,580,144**	**30,068,932**	**2.9%**
Total cash	247,679,196	174,218,420	73,460,776	42.2%
Equity capital	**355,778,711**	**343,261,886**	**12,516,825**	**3.6%**
Long-term liabilities	416,091,213	373,712,340	42,378,873	11.3%
Short-term liabilities	300,779,152	325,605,918	-24,826,766	-7.6%
Loans and borrowings	130,566,743	149,379,470	-18,812,727	-12.6%
Loan/Balance sheet total	0.12	0.14	-0.02	-15.0%

Note: 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 2023 and 2022 consolidated filters.

The OPUS Group closed the year consolidated **Balance Sheet Total** of HUF 1,072,649,076,000 on 31.12.2023, which is HUF 30,068,932,000, 2.9% higher than the previous year's base figures.

The increase in the Balance Sheet Total is the result of organic growth, as there were no significant acquisitions.
For the Group, the highest value of Assets as at 31 December 2023 was in the Energy Division 41%, the Agriculture & Food division with 21% and the Industrial Production Division at 25%. This is followed by the Tourism Division with a share of 11%, and Asset Management closes the list with a share of 2%.

Within Assets, the share of **Non-current assets** decreased by 1.9% to HUF 633,192,703,000 at the end of 2023. Property, plant and equipment accounts for 77% of Long-term assets.

The Group's accounting policy is to test goodwill for impairment annually. The Group performs an impairment review at 31 December of each year, based on which no impairment adjustment was made at the end of the year under review.

The **contract portfolio** relating to the Construction Branch (recognised on acquisition) has decreased by a net amount of HUF 13,238,962,000, so that its value at the end of 2023 is HUF 19,607,564,000.

The value of Current Assets was HUF 439,456,373,000, an increase of 28% compared to last year's base year, with a larger increase firstly in funds and then in the Related receivables line.

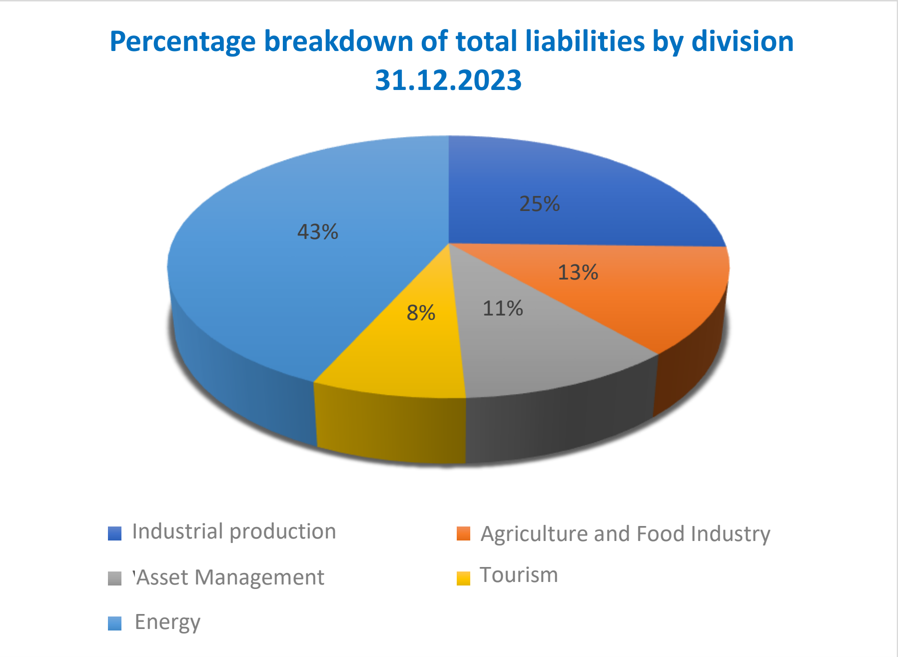
On the liabilities side, the value of **Equity** increased by 38%, that is HUF 12,516,825,000, totalling at HUF 355,778,711,000, compared to the end of 2022. One of the main drivers of growth was the significant increase in profit for the year, and the assets transferred from the energy sector companies to OPTESZ OPUS Zrt.

III.3. Business Report – Presentation of the 2023 Business Activity of the Group

Energy and Industrial Production account for the largest share of the **Liabilities** with 43% and 25% respectively, Agriculture and Food with 13%, Tourism with 8% and Asset Management with 11%.

Observing the distribution within **Liabilities,** there has been no significant change in the ratio of long-term to short-term liabilities. shift. While at the end of 2022, 53% of the Group's liabilities were long-term and 47% short-term, at the end of 2023, long-term liabilities increased to 58%, while long-term liabilities decreased to 42%.

Under **Long-term liabilities**, the **Liabilities from bond issues** remained basically unchanged at OPUS TIGÁZ Zrt. except for the 1.5 billion capital repayment.

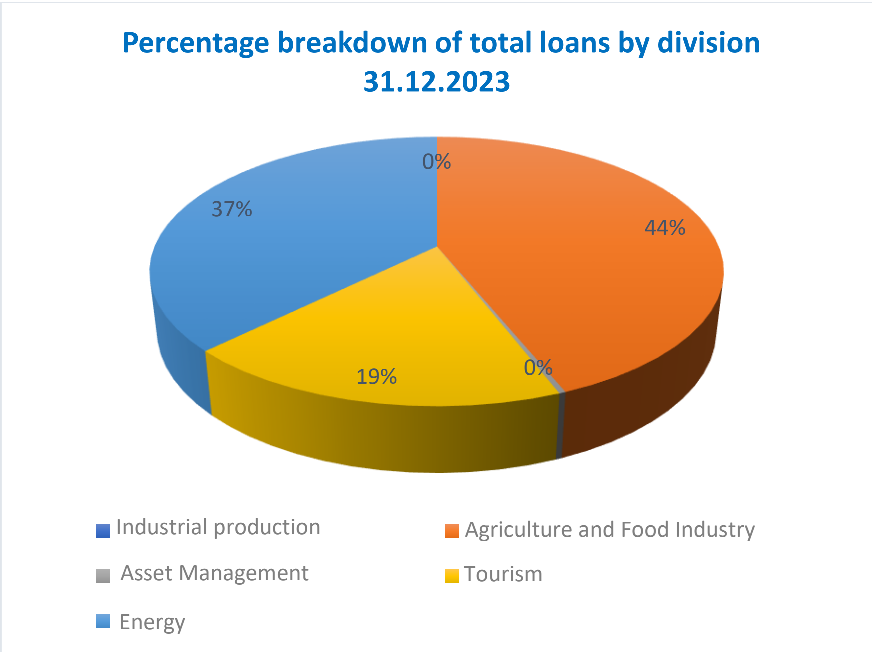


Loans and advances represent18% of the **Liabilities** (HUF 130,566,743,000), which shows a slight decrease of 3 %. As a result, the ratio of bank liabilities to total assets is also at a favourable low of 12% (14% in 2022). The short and long structure of loans did not changed significantly compared to 2022.

Long-term liabilities amounted to HUF 416,091,213,000 at 31.12.2022. Within this, the value of **Provisions** was HUF 15,186,281,000, of which 88% was in the Industrial Production Division and a further 11% in Energy.

Current liabilities amount to HUF 300,779,152,000, with an increase of 7.6%, while other liabilities and accrued expenses account for 34% of this figure.

As at 31.12.2021, the Agriculture and Food division shows the largest share of loans within the Group with 44%, followed by the Energy Division with 37%, and finally Tourism with 19%, while the Asset Management and Industrial division has no external loans.



III.4. Description of business activity by division

The presentation of the management of each division focuses on the following key companies (groups of companies) in the division portfolios.

III.4. Business Report - Industry Division

Industrial Production Division

For OPUS GLOBAL Nyrt. the Industrial Production Division is of highlighted significance, including construction and heavy industry businesses. At the consolidated level, the division accounts for 42% of the OPUS Group's Revenue and 25% of the Balance Sheet total.

Within the Industrial Production Division, a distinction is made between the Construction Branch, which includes Mészáros és Mészáros Ipari és Kereskedelmi Zrt. (hereinafter Mészáros és Mészáros Zrt.), R-KORD Kft. (hereinafter R-KORD), RM International Zrt. (hereinafter RMI) and its subsidiary, and the Heavy Industry Branch, which includes Wamsler SE Háztartástechnikai Európai Rt. (hereinafter Wamsler SE) and its German subsidiaries

A. Companies of the division

List of the subsidiaries in the division as at 31.12.2023:

Name	Level of affiliation	Core business activity	Country of registration	Indirect/direct participation	Issuer's share on 31.12.2023.	Issuer's share on 31.12.2022
Mészáros Építőipari Holding Zrt. *TERMINATED on 30.09.2023**	*S*	*Asset Management (holding)*	*Hungary*	*Direct*	-	*51.00%*
Mészáros és Mészáros Ipari és Kereskedelmi Zrt.	S	Other construction not elsewhere classified	Hungary	Direct	51.00%	51.00%
Mészáros Hrvatska d.o.o	S	Project management	Croatia	Indirect	51.00%	51.00%
FELCSÚTI Ipari Park Kft.	A	Sale and purchase of own properties	Hungary	Indirect	12.75%	12.75%
R-KORD Építőipari Kft.	S	Production of other electric equipment	Hungary	Direct	51.00%	51.00%
RM International Zrt.	S	Railway construction	Hungary	Indirect	51.00%	51.00%
Mészáros M1 Nehézgépkezelő Kft.	A	Vehicle rental	Hungary	Indirect	-	20.70%
Wamsler SE Háztartástechnikai Európai Rt.	S	Manufacturing of not electric household appliances	Hungary	Direct	99.93%	99.93%
Wamsler Haus- und Küchentechnik GmbH	S	Trade of equipment	Germany	Indirect	99.93%	99.93%
Wamsler Bioenergy GmbH	S	Trade of equipment	Germany	Indirect	99.93%	99.93%

S: Subsidiary; A: Qualified as affiliated company;

Construction Branch in the Industrial Production Division

In 2023, OPUS GLOBAL Nyrt. decided to simplify and improve efficiency within the OPUS Group, thus simplifying the organisational structure. Mészáros Építőipari Holding Zrt., which was 51% owned by the Company and whose main activity was the performance of the Asset Management responsibilities of its two subsidiaries, Mészáros és Mészáros Zrt. and R-KORD, was dissolved by a demerger on 30 September 2023. The assets of the company were distributed between Mészáros és Mészáros Zrt. and R-KORD Kft. Following the transaction, the organisational structure of the Construction Branch will be simplified, past indirect owners will become direct owners of Mészáros és Mészáros Zrt. and R-KORD Kft. with unchanged ownership shares.

Mészáros és Mészáros Ipari és Kereskedelmi Zrt. was established on 01.10.2021 as the full legal successor of Mészáros és Mészáros Kft. The company's activities are mainly focused on large-scale earthworks, bridge, road, utility, waterworks, building construction and other construction works, as well as construction works for facilities related to the environment and nuclear energy. OPUS GLOBAL Nyrt. has a 51% direct ownership share in the company.

In addition to its own significant capacity, Mészáros & Mészáros Zrt., as a general contractor, carries out its activities with the involvement of subcontractors, typically performing tasks related to material procurement, technical preparation, project management, technical supervision and control, project management.

Public works

Public utility construction is the main pillar of the operation of Mészáros & Mészáros Zrt. The business mainly includes works related to wastewater investments, water treatment plants, water utilities and gas supply infrastructure. Most of the projects are funded by the European Union, including the Operational Program for Environment and Energy Efficiency.

Water engineering

Classical water engineering and civil engineering works include works related to flood protection embankments, improvements related to the enhancement of the protection capacity, river rehabilitation. The company is also involved in the construction of flood protection embankments and other structures related to flood protection and water transport.

Transportation

The company has more than 15 years of experience in road, railway bridge construction and reconstruction works.

Environment protection

The Environment protection division has extensive experience in building complex waste management systems required by the EU and national legislation, upgrading municipal waste management infrastructure and technology at national level in line with EU health and environmental objectives.

III.4. Business Report - Industry Division

Nuclear energy

Paksi Atomerőmű Zrt. is a crucial company with regard to the electricity generation of Hungary, and the extension of its operating life and the construction of new units have meant a task in the past year that fit in well with the company's activities. The company has the necessary nuclear qualifications and certificates for the construction work.

FELCSÚTI Ipari Park Kft. was established in 2021, in which Mészáros és Mészáros Zrt. holds a 25% share. Its main activity is the sale of real estate owned by the company. It is consolidated using the equity method by the OPUS Group.

BH Office Consulting s.r.o, the Slovakian branch established for the construction of the Komárom bridge, which was terminated in 2023 following the completion of the project.

Mészáros Hrvatska d.o.o. was established on 18 January 2022 as a Croatian subsidiary of Mészáros & Mészáros Zrt. The Croatian subsidiary's main task is to explore business opportunities in Croatia and to implement projects, both independently and in joint ventures, primarily in the Construction Branch.

On 29.03.2023, Mészáros és Mészáros Zrt. and R-KORD decided to sell their 23.39% and 17.21% minority stakes in **Mészáros M1 Nehézgépkezelő Kft.** Following the transaction, the minority indirect holding of the Company in Mészáros M1 Nehézgépkezelő Korlátolt Felelősségű Társaság ceased.

RM International Zrt. was established in 2017 with a 50-50% share by the legal predecessor of Mészáros és Mészáros Kft. and R-KORD. The main activity of the company is the reconstruction, development and construction of the Hungarian section of the railway line between Budapest and Belgrade (Soroksár-Kelebia section) within the framework of an international contract.

The contract between MÁV Zrt., acting on behalf of the customer, RMI., China Tiejiuju Engineering & Construction Kft. and China Railway Electrification Engineering Group, acting on behalf of the contractor, entered into force on 25 May 2020. Implementation is performed by the consortium of China Tiejiuju Engineering & Construction Kft., China Railway Electrification Engineering Group (Hungary) Kft. and RMI (CRE consortium).

Subsequent to the entry into force of the contract, the design and construction work for the Hungarian phase of the project has started. The financial coverage of project costs is provided by the Intergovernmental Agreement and the Grant Agreement. The specific procedural, land acquisition, accounting and Asset Management rules governing the project are set out in the BB Act (Act XXIX of 2020 on the Development, Construction and Financing of the Hungarian Section of the Budapest-Belgrade Railway Line Reconstruction Project). Within the framework of the project, CRE Consortium will undertake, inter alia, the design, construction, execution, performance, warranty and licensing of the facilities.

R-KORD

The main activity of **R-KORD Építőipari Kft.** is the manufacture of other electrical equipment, including the construction, maintenance, design and licensing of railway construction related safety and telecommunications installations and railway overhead lines.

The company operates on a project basis, mainly as a main contractor, with occasional subcontracting. In 2018, the formerly 100% owned Vasútautomatika Kft. was merged into the company, which was engaged in the design and support of telecommunication systems, railway switch heating, safety equipment and their power supply on the lines of MÁV Zrt. and FI GYSEV Zrt.

The company is a regular supplier to MÁV Zrt and GYSEV Zrt., and its business partners are Ministry of Construction and Transport (ÉKM Kft.), Swietelsky Vasúttechnika Kft., MÁV FKG Kft.,STRABAG Rail Kft.

III.4. Business Report - Industry Division

Heavy Industry Branch in the Industrial Production Division

Wamsler SE belongs to the Heavy Industry division of the Industrial Production Division and is 99.93 % owned by the OPUS GLOBAL Nyrt., together with its subsidiaries based in Germany. Wamsler Group is active in one of the manufacturing industries, the production and sale of consumer durables, including stoves, cookers and fireplaces. Wamsler SE is the largest fireplace and stove manufacturers in the Central and Eastern European region. According to the HKI Industrieverband, Wamsler Group's share of the free-standing appliances market in the German-speaking regions of Europe is around 7-8%. From 2021, the company added the manufacture of steel structures to its activities, and in 2023 it launched a new division for the refurbishment and re-certification of gas meters.

Wamsler Haus- und Küchentechnik GmbH is a wholly owned subsidiary of Wamsler SE in Germany and is the sole distributor of Wamsler SE products on the Western European market. It has also recently expanded its activities to include the distribution of cookers and fireplaces from outside its parent company (independent operators).

Wamsler Bioenergy GmbH is a wholly owned German subsidiary of Wamsler Haus- und Küchentechnik GmbH and specialises in the targeted distribution of special environmentally friendly cookers to wholesalers and mainly DIY stores.

B. Description of the business environment of the division

In 2023, the industry's performance could no longer continue the growth seen in 2022. As total output in the economy started to decline slightly, the Industrial Production Division showed signs of the same trend. Industrial Production contracted in all months of 2023: by 0.2% in January, 4.6% in February, 4.1% in March, 8.3% in April, 6.9% in May, 3.8% in June, 2.6% - 5.3% - 7.3% in the third quarter, and then by a sharp 13.7% fall at the end of the year in December. The decline in production output was caused by a slowdown in most manufacturing sub-sectors, but in recent months the machinery sub-sectors have shown signs of recovery. At the same time, production volumes in the heavily weighted transport equipment and electrical equipment manufacturing were continuously increasing compared to a year earlier, easing the decline.

The pace of expansion in construction slowed down already in the second half of 2022 (with a 3.9% decline for the whole of 2022) and, in the first half of 2023 it was negative in every month compared to the same period of the previous year, with the exceptionally high performance of the base in the previous period contributing significantly. Compared to the previous year, construction in 2023 fell by 3.6% in January, 11.8% in February, 9.8% in March, 3.2% in April, 12.0% in May and 3.8% in June, but in July there was a growth of 3.4%, which was followed by two months of decrease (by 0.5% and 6.0%). For the final quarter, month-on-month data gave some cause for optimism, with construction output up 5.1% in December compared with November, but the year-on-year rate was still -4.3%.

The ongoing war had a significant impact on the activity of companies, as construction materials become extremely expensive, and supply chain constraints were decreasing but were still prevalent and there was a shortage in raw materials. However, the biggest drag on construction volumes has been the sharp rise in the cost of financing and the significant increase in borrowing rates, but the slowdown in public investment is also a significant factor. Although the MNB was steadily reducing the policy rate in the last quarter, thanks to favourable inflation indicators, the financing burden also started to ease.

The first half of 2023 saw weaker GDP output figures, but by the end of the third quarter the Hungarian economy had emerged from the technical recession, with Q3 GDP up 0.9% on the previous quarter. The last quarter also showed stagnation on a year-on-year and quarter-on-quarter basis, in the context of the slowdown in Europe, especially in Germany.

III.4. Business Report - Industry Division

Labour shortages continue to be one of the most significant problems in domestic industry. Employment remained at high levels throughout 2022, reaching pre-Covid levels and consistently above 4.7 million people employed. In 2023, this high level of employment was maintained, with employment exceeding 4.7 million people for the whole year, and the unemployment rate was between 3.8% and 4.2%.

C. Division activity in 2023

Aggregated financial data and shareholder information, balance sheet:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Industrial Production Division 31.12.2023 audited factual data	Industrial Production Division 31.12.2023 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**280,045,564**	**313,590,860**	**-33,545,296**	**-10.7%**
Total cash	122,642,390	99,049,358	23,593,032	23.8%
Equity capital	**76,396,636**	**64,168,931**	**12,227,705**	**19.1%**
Long-term liabilities	23,918,661	17,601,756	6,316,905	35.9%
Short-term liabilities	179,730,267	231,820,173	-52,089,906	-22.5%
Loans and borrowings	1,194.00	-	1,194.00	-
External funds/balance sheet total	0.00	-	0.00	0.0%

In the financial figures for the Industry Division, Construction has a larger share than Heavy Industry. Firms in the construction industry account for about 95% of the division's aggregate level financial statements. The division's balance sheet total closed at HUF 280.05 billion in 2023, a decrease of 10.7%, or HUF 33.55 billion, compared to the base year. This decrease was partly due to the depreciation of the contract portfolio in line with the accounting policy, but also to a lower level of receivables in 2023 and the structural simplification of the Construction Branch. As the book value of property, plant and equipment is not marked in relation to the balance sheet total, only about 3% of the division's total balance sheet total at aggregate level, the depreciation effect is not significant. The changes in balance sheet total are related to the Construction Branch, within which we see a larger volume decline in the RMI figures. In line with the execution of contract works, the contract stock decreased during the year as project works progressed according to schedule and depreciation calculated on the basis of the percentage of completion was charged to the assets under contract. For current assets, there is a larger increase in trade and other receivables and accruals.

The industrial division's cash and cash equivalents increased significantly by 23.8% from an opening balance of HUF 99.05 billion to HUF 122.64 billion. In 2023, similar to previous years, the division, including the Construction Branch, showed a strong ability to generate cash, with a consistently high level of free cash, which provided good stability and predictable liquidity to its subsidiaries.

The division maintained its stable profitability this year and thanks to the successful management of 2023, the industrial division's equity increased by almost 20% to HUF 12.23 billion, reaching HUF 76.4 billion at the end of the year. In addition to the increase in equity, the balance of liabilities beyond the year increased by HUF 6.32 billion, while the balance of liabilities within the year decreased by HUF 52.09 billion, or 22.5%, due to the developments seen at RMI. The majority of the increase in long-term liabilities was mainly due to changes in the level of provisions. The players in the Construction Branch considered the creation of provisions to be justified for contracts or works in progress for which the accounts have not yet been closed, as their public guarantee liabilities may still exist during the negotiation of the closure process. In addition, the stability of the division is also well illustrated by the fact that companies continue their day-to-day operations without any significant external funding. The bank guarantee framework agreements necessary for the operation of the companies are in place, which is a key point in securing the financial conditions necessary for projects primarily in the Construction Branch.

Aggregated financial data and shareholder information, Income Statement:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Industrial Production Division 01.01.2023-31.12.2023 audited factual data	Industrial Production Division 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change 31.12.2022 31.12.2023 in %
Total operating income	**284,784,719**	**217,896,138**	**66,888,581**	**30.7%**
Operating costs	257,431,971	202,943,246	54,488,725	26.8%
Operating (business profit/loss) EBIT	**27,352,748**	**14,952,892**	**12,399,856**	**82.9%**
EBITDA	**41,788,655**	**23,976,729**	**17,811,926**	**74.3%**
Net financial income	29,009,558	14,321,674	14,687,884	102.6%
Profit before taxes	56,362,306	29,274,566	27,087,740	92.5%
Profit after taxes	**51,322,180**	**27,949,733**	**23,372,447**	**83.6%**
Total comprehensive income	51,103,977	28,037,005	23,066,972	82.3%
Employee headcount (persons)	**657**	**726**	**-69**	**-9.5%**

The Construction Branch had a very successful and profitable year in 2023, with the total Industry Production Division significantly increasing its total operating income by 30.7%, generating HUF 284.78 billion in 2023. In addition to the revenue growth of HUF 66.89 billion, total costs increased by a smaller amount (26.8%), which was HUF 54.49 billion higher than the base year 2022. The division was able to further improve its profit generation capacity and achieved higher profits than in previous years. Operating profit almost doubled, increasing by 82.9% to HUF 27.35 billion in 2023. The division's EBITDA, due to the higher depreciation charged by RMI compared to previous years, was able to realise a higher profit surplus in volume terms than the profitability achieved at operating level, with an increase of HUF 17.81 billion, and EBITDA of HUF 41.79 billion. Net Financial Income doubled, further increasing the division's profitability. Profit before tax rose by 92.5% and profit after tax increased by 82.8% to HUF 51.09 billion. The biggest impact on the number of employees in the Construction Branch was due to the reduction in the number of R-KORD employees. The changes due to the reorganisation of work processes reduced the average number of employees by 69 when looking at the division as a whole.

Operating costs	Industrial Production Division 01.01.2023-31.12.2023 audited factual data	Industrial Production Division 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	226,976,365	176,371,483	50,604,882	28.7%
Staff costs	6,820,142	6,960,092	-139,950	-2.0%
Depreciation	14,435,907	9,023,837	5,412,070	60.0%
Impairment	-312,659	237,658	-550,317	-231.6%
Other operating costs and expenses	9,512,216	10,350,176	-837,960	-8.1%
Total operating costs	**257,431,971**	**202,943,246**	**54,488,725**	**26.8%**

The largest part of the division's cost structure is the combination of raw material and energy costs, i.e. material-related costs account for almost 90% of total costs, so this item has the largest impact on the cost structure of companies. Total operating costs amounted to HUF 257.43 billion at the end of the fourth quarter of 2023. 93% of the HUF 54.49 billion increase in operating costs compared to the base year was due to an increase in material costs. The combined impact of the phased salary increases in 2023 and the 9.5% reduction in average headcount resulted in a HUF 139.96 million decrease in the division's staff costs compared to the 2022 base. In the previous year, R-KORD carried out a redeployment and transferred employees necessary to carry out those tasks to another operator, thus reducing its own headcount and also its staff costs. The higher volume of depreciation recorded by the RMI compared to previous years resulted in the Industry Division's depreciation increasing at a higher rate than in previous years, from HUF 5.67 billion to HUF 14.42 billion in 2023, an increase of 54.4%.

Aggregated financial data and shareholder information, balance sheet - Construction Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Construction Branch 31.12.2023 audited factual data	Construction Branch 31.12.2022 audited factual data	Comparison: 31.12.2022 - 31.12.2022	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**264,699,585**	**298,386,311**	**-33,686,726**	**-11.3%**
Total cash	121,189,956	95,744,275	25,445,681	26.6%
Equity capital	**75,714,032**	**63,242,142**	**12,471,890**	**19.7%**
Long-term liabilities	13,265,540	9,444,932	3,820,608	40.5%
Short-term liabilities	175,720,014	225,699,237	-49,979,223	-22.1%
Loans and borrowings	-	-	-	-
External funds/balance sheet total	-	-	-	-

The balance sheet total of the Construction Branch decreased by HUF 33.69 billion, or 11.3%, so its balance sheet total changed from HUF 298.39 billion to HUF 264.70 billion. One indicator of the change in the balance sheet total is the split-up of Mészáros Építőipari Holding Zrt. and its merger into Mészáros és Mészáros Zrt. and R-KORD, as detailed earlier, as the holding company had eliminated all its liabilities (base value 2022 HUF 7.03 billion) prior to the merger. We see a low decrease of around 7% in the balance sheet total of R-KORD, but a similar increase in the balance sheet total of Mészáros és Mészáros Zrt. The most notable change is at RMI, where on an IFRS basis the company's assets and liabilities were down 19.4% on the opening value by HUF 27.22 billion, and closed the previous year at HUF 112.94 billion.

We do not see any material change in the year-end assets of Mészáros és Mészáros Zrt. Related receivables were almost halved by HUF 1.9 billion, and there was a minor decrease in the value of property, plant and equipment. The value of the company's current assets increased by 8% to HUF 6 billion, and it is important to highlight that the structure of current assets has changed significantly during the year as a result of the progress of project work. Cash and cash equivalents increased from HUF 30.79 billion to HUF 58.97 billion, an increase of HUF 28.17 billion in 2023. By contrast, inventories fell by HUF 3.72 billion to 50%, trade receivables were down by more than HUF 13.20 billion at year-end, and the combined value of other payables and accruals was HUF 4.63 billion lower than the base.

The RMI's assets beyond maturity are practically equal to the current live contract portfolio, which decreased from the 2022 base of HUF 29.15 billion to HUF 18.76 billion, so that in 2023 the contract portfolio decreased by HUF 10.39 billion as the stage of completion and works progressed. In addition, the total current assets also showed a decline in excess of tangible assets, with the year-on-year change in assets from HUF 110.66 billion to HUF 93.84 billion. The key element in the change was the decrease in RMI's trade receivables from HUF 28.08 billion to HUF 15.12 billion, but another important factor was that other receivables and accrued income decreased by HUF 20.08 billion compared to the base period. The increase of HUF 3.82 billion in the RMI's cash and cash equivalents could only slightly mitigate the decrease in other current assets. R-KORD recorded a decrease of HUF 2.54 billion in contracts, HUF 4.8 billion in cash and cash equivalents and HUF 3.33 billion in inventories, partly offset by an increase in trade and other receivables.

III.4. Business Report - Industry Division

The Construction Branch achieved an outstanding profit in 2023, equity capital increased by HUF 12.47 billion to HUF 75.71 billion, by a smaller volume than the profit generated. This is due to the impact of the reduction in the contract portfolio on equity and the dividend paid to shareholders from the profit after tax in 2022. Mészáros & Mészáros Zrt. was able to increase its equity from HUF 20.80 billion to HUF 39.05 billion in 2023, while R-KORD was able to increase its equity from HUF 9.72 billion to HUF 12.21 billion, while RMI's equity decreased (23%, HUF 7.36 billion) for the reasons described above. The portfolio of total liabilities of the division were HUF 45.77 billion lower than the base. On an IFRS basis, the increase in the branch's long-term liabilities at aggregate level was driven by the higher than base level volume of provisions for R-KORD and Mészáros és Mészáros Zrt. Current liabilities show a significant decrease of 22.1%, falling from HUF 225.70 billion to HUF 175.72 billion. More than 40% of the RMI's liabilities are advances received in foreign currency, so the decrease in liabilities in HUF was also affected by the exchange rate change. For RMI, other liabilities and accruals and deferred income show a combined decrease of HUF 35.51 billion, only partially offset by an increase of HUF 15.43 billion in liabilities to related parties. The background to the change in liabilities at Mészáros és Mészáros Zrt. is that the approved dividend has been paid and advances received from buyers have also steadily decreased as projects have progressed. The company's trade payables were halved to HUF 5.52 billion, while the stock of payables to related parties decreased by HUF 5.39 billion and other payables closed the year with a decrease of HUF 6.68 billion. There was also a change of minus HUF 8.43 billion in R-KORD's intra-year liabilities. The Construction Branch operates without any external funds, and the operators in the branch have the bank guarantees and bank guarantee facilities necessary for day-to-day operations.

Aggregated financial data and shareholder information, Income Statement - Construction Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Construction Branch 01.01.2023-31.12.2023 audited factual data	Construction Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**267,317,785**	**199,297,486**	**68,020,299**	**34.1%**
Operating costs	240,368,304	185,017,151	55,351,153	29.9%
Operating (business profit/loss) EBIT	**26,949,481**	**14,280,335**	**12,669,146**	**88.7%**
EBITDA	**40,802,719**	**22,654,678**	**18,148,041**	**80.1%**
Net financial income	28,692,820	14,569,193	14,123,627	96.9%
Profit before taxes	55,642,301	28,849,528	26,792,773	92.9%
Profit after taxes	**50,778,965**	**27,633,010**	**23,145,955**	**83.8%**
Total comprehensive income	50,778,949	27,633,084	23,145,865	83.8%
Employee headcount (persons)	**180**	**272**	**-92**	**-33.9%**

Compared to the base year, the Construction Branch achieved a 34.1% higher operating income of HUF 267.32 billion, which was HUF 68.02 billion higher than in 2022 The revenue growth was driven by two companies, Mészáros és Mészáros Zrt. which increased its revenue from HUF 74.33 billion to HUF 119.94 billion, and RMI which increased its 2022 revenue from HUF 62.73 billion to HUF 101.47 billion. R-KORD's sales revenue was 28% down on the base year.

III.4. Business Report - Industry Division

The following table presents the breakdown of the turnover of Mészáros és Mészáros Zrt. by business division:

*HUF '000'

Name of business division	31.12.2022.	Breakdown %	31.12.2023.	Breakdown %
Public utilities	45,977,464	61.86	93,935,053	78.56
Water supply, civil engineering	16,322,907	21.96	14,817,302	12.39
Transportation	1,475,137	1.98	4,011,139	3.35
Nuclear energy	3,804,640	5.12	2,198,454	1.84
Environment protection	6,661,885	8.96	4,454,766	3.73
Other	87,198	0.12	155,290	0.13
Total	**74,329,231**	**100.00**	**119,572,004**	**100.00**

The revenue structure of Mészáros és Mészáros Zrt. was transformed in 2023, the Public Utility Branch reported a significant increase within the company's revenues compared to the base year.

In 2023, Mészáros & Mészáros Zrt. closed several projects and is currently working on 28 live projects. Some of the highlighted major projects are presented in the table below:

*HUF '000'

Name of project	Revenue from the entire project	Revenue recognized to date	Expected revenue
199 ÉMO-Göd ivóvíz	20,196,440	11,559,344	8,637,096
201 MVP Szeged	6,429,400	5,035,003	1,394,397
207 Tatabánya "B"	12,605,000	10,448,508	2,156,492
211 Iváncsa víz	19,796,063	12,923,990	6,872,073
215 Hajdúnánás KFCS	16,976,300	7,966,346	9,009,954
Total	**76,003,203**	**47,933,191**	**28,070,012**

A new contract signed by Mészáros és Mészáros Zrt. in 2023 include the water infrastructure project related to the development of the Iváncsa Industrial Park development area, for a contract amount of HUF 1.5 billion and expected completion by the end of Q2 2024. Another new contract is the project for the development of water supply in the Danube riparian municipalities (Ercsi) for HUF 12.8 billion. This project is expected to be completed in the fourth quarter of 2025.

The expected breakdown of revenues to be realised by RMI by year:

EXPECTED REVENUE				
Previously	**2023**	**2024**	**2025**	**Total**
22.2%	26.23%	36.37%	15.2%	100%

The third dominant player in the division is R-KORD, which is the only company in the Construction Branch that has not managed to increase its sales revenue and has realised a HUF 17.14 billion revenue shortfall compared to the 2022 base. New

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project implementation was not started in 2023. Some of R-KORD Kft.'s major priority projects and the breakdown of the company's revenue by business division are presented in the tables below:

Name of business division	31.12.2022.	%	31.12.2023.	%
Fuse and telecommunication equipment used in railway construction	36,396,798	60.02	28,412,950	65.30
Railway and overhead wiring construction, maintenance	14,664,280	24.18	11,574,035	26.60
Other revenue in the business	9,584,141	15.80	3,524,424	8.10
Total	60,645,219	100.00	43,511,409	100.00

Within the activities of R-KORD, the dominance of the sector of railway construction-related insurance and telecommunications equipment in terms of revenue distribution remained unchanged in 2023 in spite of a 28% decrease in sales revenue.

One of the most significant ongoing projects of R-KORD is the GSM-R radio network project, for which part of the related funds have been suspended based on notification by the client, the Ministry of Construction and Transport. R-KORD is in close contact with the client and is in continuous discussion with regard to the completion and settlement of the project.

Name of project	Revenue from the entire project	Revenue reported until 31.12.2023	Expected revenue
17034 BU-BE_Soroksár-Kelebia	81,872,385	11,717,435	70,154,950
Implementation of 18005 GSM-R radio network	29,830,229	24,010,636	5,819,593
18013 Százhalombatta - Pusztaszabolcs	4,627,905	4,599,935	27,970
19034 Püspökladány - Biharkeresztes	26,238,450	26,099,117	139,333
20015 Budapest-Hegyeshalom	24,197,439	18,762,116	5,435,323
21014 Békéscsaba-Lőkösháza	40,828,541	27,468,804	13,359,737
Total	**207,594,949**	**112,658,043**	**94,936,906**

Operating costs of the Construction Branch increased by a smaller amount than sales revenue, by HUF 29.9 billion in 2023, with total operating costs rising from HUF 185.02 billion to HUF 240.37 billion. Overall, the revenue side increased by HUF 68.02 billion, while the expenditure side showed a combined surplus of HUF 55.35 billion. As a result, the operating profit of the Construction Branch increased from HUF 14.28 billion to HUF 26.95 billion in 2023, while EBITDA increased by HUF 18.15 billion, or 80.1%, to HUF 40.8 billion in 2023, due to the high depreciation value. The aggregate profit from financial operations practically doubled and exceeded HUF 28.69 billion, mostly due to the HUF 17.84 billion dividend in Mészáros Építőipari Holding Zrt. The management of the division in 2023 was successful, with all levels of profitability exceeding those of previous years.

III.4. Business Report - Industry Division

Operating costs	Construction Branch 01.01.2023-31.12.2023 audited factual data	Construction Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	214,292,768	162,776,679	51,516,089	31.6%
Staff costs	3,398,276	4,002,737	-604,461	-15.1%
Depreciation	13,853,238	8,374,343	5,478,895	65.4%
Impairment	-275,162	184,794	-459,956	-248.9%
Other operating costs and expenses	9,099,184	9,678,598	-579,414	-6.0%
Total operating costs	**240,368,304**	**185,017,151**	**55,351,153**	**29.9%**

The increase in operating costs is determined by the increase in costs seen in material costs, with material costs accounting for almost 90% of operating costs. The increase in materials, consumables and other external charges is due to the fact that Mészáros & Mészáros Zrt. and RMI together had higher material expenses of HUF 72.88 billion, while R-KORD reported lower material expenses of HUF 20.89 billion in 2023. In the depreciation line, we see an increase for RMI due to the change in the contract portfolio detailed earlier. Despite the fact that players in the division implemented wage increases in the end of 2022 due to inflationary wage pressures, staff costs decreased by HUF 1 billion at the division level compared to the base period 2022, due to the change of staff number at R-KORD described earlier in the review of aggregate data for the Industrial Production Division.

Aggregated financial data and shareholder information, balance sheet - Heavy Industry Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Heavy Industry Branch 31.12.2022 audited factual data	Heavy Industry Branch 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**15,345,979**	**15,204,549**	**141,430**	**0.9%**
Total cash	1,452,434	3,305,083	-1,852,649	-56.1%
Equity capital	**682,604**	**926,789**	**-244,185**	**-26.3%**
Long-term liabilities	10,653,121	8,156,824	2,496,297	30.6%
Short-term liabilities	4,010,253	6,120,936	-2,110,683	-34.5%
Loans and borrowings	1,194	0	1,194	-
External funds/balance sheet total	0.00	-	0.00	-

The Heavy Industry Branch comprises the companies belonging to the Wamsler Group, i.e. the group leader Wamsler SE in Hungary and its subsidiaries in Germany. Wamsler SE represents almost 80% of the balance sheet structure in the Heavy Industry Branch. The branch's combined balance sheet total is estimated to have grown slightly by 0.9% to HUF 141 million in 2023. The German and domestic companies show opposite trends, with Wamsler increasing its balance sheet total from HUF 10.98 billion to HUF 11.70 billion, while the German subsidiaries have seen a decrease of HUF 577.48 million. The most important element of the decrease is the shrinkage of cash and cash equivalents by HUF 1.85 billion, which is the effect of the change in inventories and the reallocation between cash pool, fixed assets within the Wamsler Group, as well as the exchange rate effect - as the accounting of foreign companies is based on EUR. The intrinsic value of the assets of foreign subsidiaries is negligible. For Wamsler, the combined value of property, plant and equipment increased from HUF 6.17 billion to HUF 6.71 billion as a result of investments in energy rationalisation, conservation and preservation, new technologies and new activities in 2023.

III.4. Business Report - Industry Division

Among current assets, the stock value is the dominant one, accounting for 39.1% and representing 19.9% of the sector's aggregate balance sheet total. The aggregate value of inventories exceeded HUF 3 billion in 2023 and increased by HUF 681.68 million during the year. Due to the seasonality of products, usually producers have a larger and increasing stock level during the year, before the start of the season in September, and then predominantly by the end of the heating and firing season, stocks are reduced. This seasonality disappeared in 2022 due to the Russian-Ukrainian war and volatile energy prices, with many switching to alternative or classic wood burning or bringing forward their planned purchases. In the second half of 2023, it was already noticeable that the business year would return to normal, with sales peaking between September and December and supplier/customer contracts and pre-production taking place between January and August. This trend in the development of Wamsler SE's inventory was increasingly observed in 2023, with opening inventory of HUF 2 billion and half-year inventory of HUF 2.58 billion, which fell to HUF 2.15 billion by the end of the year. In Germany, the stock of around HUF 865 million at the end of the half-year increased to HUF 901 million at the end of the year. In 2023, demand for certain product types - which includes both own and 3rd brand products - was lower than in previous years, e.g. there was a significant decline in pellet-fired appliances. The higher stock levels were also due to strategic stocking and it should be highlighted that some of Wamsler SE's made-to-order products, which are currently harder to sell, were not delivered in the fourth quarter, but were instead stored free of charge at the company's own site in Hungary. The branch's cash position fell from HUF 3.31 billion to HUF 1.45 billion, 56.1% lower than the 2022 closing figure.

Equity changed from HUF 927 million to HUF 683 million. Despite the accumulated losses in previous years, in 2023, despite aggregate profitable management, the Heavy Industry Branch's equity at IFRS level decreased by 26.3% and the equity ratio deteriorated further.

The additional payment previously made to settle the equity was included in aggregate current liabilities until the end of 2022, but was administratively transferred to non-current liabilities from 2023, so this technical change in practice resulted in a visible change in the liability structure. The major current liabilities, about 50% is due to related parties. The main part of long-term liabilities - as in the intra-year items - is represented by HUF 8.7 billion of liabilities to affiliated companies and HUF 1.40 billion of previously received government grant. In 2023, provision decreased by HUF 98 million. The balance sheet stability of the Group and, within it, the branch, is adequate, as Wamsler SE is essentially managed without external or borrowed (bank) funds and, as the fixed assets are fully covered by the combined value of equity and long-term liabilities.

Aggregated financial data and shareholder information, Income Statement - Heavy Industry Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Heavy Industry Branch 01.01.2023-31.12.2023 audited factual data	Heavy Industry Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change 31.12.2022 - 31.12.2023 in %
Total operating income	**17,466,934**	**18,598,652**	**-1,131,718**	**-6.1%**
Operating costs	17,063,667	17,926,095	-862,428	-4.8%
Operating (business profit/loss) EBIT	**403,267**	**672,557**	**-269,290**	**-40.0%**
EBITDA	**985,936**	**1,322,051**	**-336,115**	**-25.4%**
Net financial income	316,738	-247,519	564,257	228.0%
Profit before taxes	720,005	425,038	294,967	69.4%
Profit after taxes	**543,215**	**316,723**	**226,492**	**71.5%**
Total comprehensive income	325,028	403,921	-78,893	-19.5%
Employee headcount (persons)	**477**	**454**	**23**	**5.1%**

Wamsler SE is one of the largest fireplace and stove manufacturers in the Central and Eastern European region. 90% of the turnover of the firing appliances produced is generated by exports (mainly to Germany, Austria, the Netherlands, Denmark and the UK), but there is also a significant share of the domestic market. The Russian-Ukrainian war and the surge in energy

III.4. Business Report - Industry Division

prices generated strong demand in the base year, so the market for heaters, which had been shrinking for years, stopped declining and started growing in 2022, but started to decline again in 2023. Total operating income for the division was HUF 17.46 billion in 2023, down 6.1% by HUF 1.13 billion compared to 2022. In the fourth quarter, the Group's performance was below that of the fourth quarter of 2022, due to weaker sales performance on the one hand and the exchange rate effect on the other. In recent years, Wamsler SE has continuously sought alternative sales opportunities and tried to correct market trends by launching new business lines, but the performance and sales of these areas could not materially make up for the revenue shortfall of the core activities. The renovation and certification of residential gas meters started six months behind schedule, and in several cases the ramp-up of revenues from new activities did not materialise due to other externalities. In Hungary, Wamsler SE was able to increase its total sales revenue by 3% from HUF 9.99 billion to HUF 10.30 billion, thanks to the fact that it was able to incorporate rising input and energy prices into the pricing of its products earlier and also having been able to sell a higher proportion of higher-priced products than the base. The German subsidiaries, on the other hand, were unable to maintain the HUF 8.61 billion revenue they achieved in 2022, reaching HUF 7.16 billion in 2023.

Total operating costs in the branch on a year/year basis decreased at a lower rate and volume in 2023 than shown in the revenue lines, which had an overall negative impact on the aggregate annual results of the Wamsler Group and the Heavy Industry Branch. Wamsler SE's cost level is almost the same as the base year, so the Hungarian company improved its previous performance in 2023, while achieving higher revenues than in 2022. The operating profit moved from a loss of 305 million HUF in 2022 to a very small loss of 5.2 million HUF. German firms, on the other hand, were unable to maintain their previous profitability, and although they maintained their cash generating capacity and positive results, their operating profit fell to HUF 408 million in 2023, compared to HUF 978 million in 2022. The aggregate operating profit of the branch fell from HUF 673 million to HUF 403 million in 2023, while EBITDA decreased by 25.4% compared to previous years due to lower depreciation.

At Wamsler SE, a significant part of the financial profit, around three quarters, is derived from dividends received. Revenue from financial operations was also positively affected by the higher interest rate environment. The domestic company reported a financial profit of HUF 296 million in 2023, compared to a financial loss of HUF 238 million in 2022, reflecting an increase in the domestic company's profit of HUF 534 million in the aggregate profit from financial operations. The profit from the Wamsler Group's financial operations helped the profit trend in 2023, showing a profit of HUF 317 million in 2023, so both the Group's profit before tax and profit after tax increased in 2023. The Wamsler Group's headcount increased by 23 employees in 2023 due to headcount increases in the Gas Metering and Steel Construction Businesses.

Wamsler SE had to change the structure of its activities in order to achieve more profitability in the future with regard to its operations, so the company obtained the necessary qualifications for the production of welded steel structures, which opened up new market opportunities and allowed it to tie up free capacity and use it more efficiently. The production of steel structures has experienced a significant increase, which stopped in the third quarter and the company has almost the same order backlog as in the same period last year.

III.4. Business Report - Industry Division

Business aspects	2022	2023	Change Year/year %	Change year/year
Total produced (pcs)	38,283	41,937	9.5%	3,654
Production of steel structures in tons	968	1,016	5.0%	48
Gas meter renovation, per piece (production)	0	29,832	0.0%	29,832
Total sold (pcs)	65,919	58,329	-11.5%	-7,590
- of which exported	59,338	52,261	-11.9%	-7,077
- of which sold domestically	6,581	6,068	-7.8%	-513
Sale of steel structures in tons	949	998	5.1%	49
Gas meter renovation, per piece (sold)	0	28,044	n/a	28,044

Wamsler SE regards the diversification of its product portfolio and the launch of new business lines as significant responsibilities due to the expected future decline in demand for free-standing solid fuel products. In addition to the production of fireplaces and stoves, the company is also continuously working in the field of sheet metal processing and surface protection, taking advantage of the professional experience and knowledge base of its employees. In addition to the production of fireplaces, the company is also seeking to increase the production and sales volume of welded steel structures, which was launched in 2020. The production of welded steel structures has been a separate division since the beginning of 2022. In the second quarter of 2023, the company obtained all the permits required for the certification and refurbishment of residential gas meters, bringing the total number of meters refurbished to 14,992 by the end of the year. By the launch of the certification of residential gas meters, the company could enter a predictable market, which helps to ensure the stability os Wamsler SE.

Operating costs	Heavy Industry Branch 01.01.2023-31.12.2023 audited factual data	Heavy Industry Branch 01.01.2022-31.12.2023 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	12,683,597	13,594,804	-911,207	-6.7%
Staff costs	3,421,866	2,957,355	464,511	15.7%
Depreciation	582,669	649,494	-66,825	-10.3%
Impairment	-37,497	52,864	-90,361	-170.9%
Other operating costs and expenses	413,032	671,578	-258,546	-38.5%
Total operating costs	**17,063,667**	**17,926,095**	**-862,428**	**-4.8%**

The evolution of operating costs of the Heavy Industry Branch is determined by material costs and staff costs. In line with industry trends, almost 75% of operating costs are material costs. Due to inflationary pressures, purchase/sales prices were still on the increase in the first two quarters, however, this increase stopped in the third quarter and the group of high energy consuming materials already experienced a decline in the end of 2023. In the beginning of 2023, both electricity and natural gas prices started to decline, and high reservoir levels due to the mild winter improved security of supply. In the fourth quarter, the company's cost management was also helped by the favourable, warmer than average weather. Overall, we can observe that the value of material costs decreased by 6.7%, from HUF 13.59 billion to HUF 12.68 billion, due to the consolidation and re-consolidation of energy and raw materials, notwithstanding a slight increase in production volumes.

Staff costs increased by 15.7%, due to the impact of the 2022 inflation-adjusted wage settlement and also the higher average number of employees in 2023, and were HUF 465 million higher in 2023 in comparison with the base period of 2022.

D. Divisional risks

Companies in the Construction Branch mainly operate on a project basis, mostly in large projects. Their works are large size projects for which they bid in open tendering procedures. One of the risks for construction companies is whether public procurement for projects funded by the European Union and/or by the state and financed from domestic sources will be carried out, and another risk is whether the necessary funds are available for project works that have been awarded but not yet contracted and whether construction work can start.

An important risk element related to production and construction is the availability of raw materials on time and in volume, the volatility trend of raw material and energy prices, and thus the difficulty to plan price developments. Problems in the supply of raw materials can affect profitability, predictability and work organisation, and therefore overall contract performance, possibly negatively affecting the ability to meet delivery deadlines or other project deadlines. These factors, in turn, carry with them an overall risk to profitability, in addition to the risk to execution.

There is also the risk of a time lag between the application and implementation phases, which means that there can be a gap of months or even years between the project budget estimate and the actual implementation of the project, when the actual cost of the raw material is realised. On the contrary, once the tender phase is completed, the tender conditions and construction prices cannot be substantially modified, i.e. the possibility of unintended negative economic effects being reflected in the contracted construction price is very limited.

Construction companies were also affected by the coronavirus, although to a lesser extent than other companies in the OPUS Group. The impact of the pandemic is starting to fade, but projects launched in 2021-2022 have experienced delays in several cases, leading to a clash of project tasks and making task coordination difficult.

The division, including the Heavy Industry Branch, has significant human resource needs. A risk factor is the availability of the necessary resources to carry out the tasks and, in certain regions, the availability of the necessary specialised skills may be a problem. Another significant risk factor is the impact of inflation. This includes the volatility of raw material prices and energy costs and the likely longer-term increase in Staff costs.

E. Risk management

In the Industrial Production Division, both the construction and the heavy industry players are placing great emphasis on increasing the resilience of their activities and exploring new markets, i.e. diversifying their activities. The diversification and expansion of its business lines ensure that the risk of dependence on a single field is reduced. The diversification process is partly about innovation within the current scope of activities, introducing new product divisions and product categories. On the other hand, an important pillar of diversification is the exploration of new areas of activity and the entry into new markets, taking advantage of the available experience of decades and the open capacity of the asset base.

In the long term, industry players will broaden their activities to ensure a stable and sustainable future and will strategically manage and explore further market opportunities. Companies will create the necessary skills through retraining for new activities and new business lines will be developed.

To address the negative impact of hectically fluctuating energy prices and exchange rate movements, efficiency improvement actions have been launched in all companies in the division. Such actions include strategic stockpiling, forward purchases in case of stable liquidity, or forward hedging, whether for foreign exchange, energy or other purchases. The energy efficiency of firms will be further enhanced, and work organisation to optimise energy use will also become a strategic element.

Slippage in project work can cause a number of problems, including the clash of tasks and projects in terms of time and money, the planned availability and utilisation of resources, or the timely use of raw materials. Thanks to their decades of market presence and high level of professional experience, the players in this division are paying even more attention to project status monitoring, cash flow management and task coordination in order to react extra quickly to the evolving market environment. A number of targeted measures have already been taken to make even more efficient use of staff.

Considering that the projects awarded to the companies in public tenders have a fixed price, companies conclude mirror contracts at the beginning of projects or fix the contract price with subcontractors, thus reducing the risk.

F. Strategy

The strategic objective of the Construction Branch remains unchanged, i.e. regardless of market expansion or contraction, the aim is to maintain the market share of its subsidiaries and improve their profitability. The OPUS Group manages market volatility through an agile business policy. The companies align their operations and organisational structures to the market developments of the different divisions, thereby achieving the necessary flexibility and ensuring a high level of sustainability of operations.

The objective of R-KORD is to become a leading player on the domestic market in the field of railway construction in an increasing number of sub-tasks, extending its activities to all sub-tasks not directly related to the railway track in the course of railway construction.

In line with the motto of the Heavy Industry Branch: "renewing from tradition", the aim of the developments is to develop forward-looking technologies based on more than 140 years of experience, which will allow the Wamsler brand to remain a dominant player in the medium price range. In addition to its own branded products, Wamsler SE also manufactures equipment for other premium appliance manufacturers and distributors and an important element of the strategy is to continuously increase this. The success of the OPUS Group is not only proven by economic indicators, but also by customer satisfaction, with the aim to contribute to the improvement of the aesthetics and comfort of the customers, while reducing energy consumption and offering new environmental opportunities. The German subsidiary is seeking to expand its sales range and has therefore started to market other products, no longer just its own production. Wamsler SE also places great emphasis on the use of innovative, environmentally friendly production technologies and the recycling of waste. Wamsler SE, besides the manufacturing of fireplaces and stoves, is also continuously working with other businesses to establish mutually beneficial cooperation in the field of plate processing and surface protection, using the experiences and knowledge of its employees in this regard. In addition to the production of combustion equipment, the Group will focus on increasing the production and sales volume of welded steel structures. In addition to the production of welded steel structures, the subsidiaries in the branch are constantly looking for innovation and new business opportunities.

III.4. Business Report - Business activity of the Agriculture and Food Industry Division

Agriculture and Food Industry Division

Similar to the previous years, the Agriculture and Food Industry Division still has a significant role and share within the Group. OPUS GLOBAL Nyrt. considers this division as a significant player and the players in the division as key players of the same.

In 2023, the weight of the division in the consolidated financial statements of the Group retained its significant share, with companies in the division accounting for 21% of the IFRS consolidated balance sheet total and 20% of sales.

A. Companies of the division

List of the subsidiaries in the division as at 31.12.2023:

Name	Level of affiliation	Core business activity	Country of registration	Indirect/direct participation	Issuer's share on 31.12.2023.	Issuer's share on 31.12.2022
Csabatáj Mezőgazdasági Zrt.	S	Miscellaneous activities	Hungary	Direct	74.18%	74.18%
KALL Ingredients Kereskedelmi Kft.	S	Manufacture of starches and starch products	Hungary	Direct	74.32%	74.32%
KALL Ingredients Trading Kereskedelmi Kft.	S	Wholesale of cereals, tobacco, sowing seeds and fodder	Hungary	Indirect	74.32%	74.32%
TTKP Energiaszolgáltató Kft.	S	Steam service and air conditioning	Hungary	Indirect	74.32%	74.32%
VIRESOL Kft.	S	Manufacture of starches and starch products	Hungary	Direct	84.33%	51.00%

S - Subsidiary, A - Affiliated company

Food Industry Branch of the Agriculture and Food Industry Division

KALL Ingredients Kft. (Hereinafter KALL Ingredients) is a maize processing company that produces high value-added food mainly various sugar products and starch derivatives, high quality medicinal and edible alcohol, and feed ingredients The company sells a significant proportion of its products outside its home country.

The factory is located on 67 hectares of land outside Tiszapüspöki in Jász-Nagykun-Szolnok County and was built as part of a EUR 160 million greenfield investment using the best available technology, which allows it to process grain without generating waste. In terms of production capacity, it is one of the largest isoglucose factories in Central and Eastern Europe, with the capacity to process more than 500,000 tonnes of GMO-free Hungarian maize per year.

KALL Ingredients Trading Kft. is currently not an active company, it was formerly established for the purpose of breaking down the trade in various food ingredients.

TTKP Energaszolgáltató Kft., also inactive, was established to provide steam supply and air conditioning services.

Founded in 2015, **VIRESOL Kft.** (hereinafter: VIRESOL) is the most modern and innovative wheat processor in Central and Eastern Europe. VIRESOL, which processes around 250,000 tons of wheat and employs more than 250 people to produce starch, alcohol and fodder products, started operations in 2019. The factory was built with a greenfield investment and operates as a wheat starch factory, in addition to producing alcohol, maltodextrin, vital gluten and animal fodder.

The plant is located in Visonta, Heves County, in the industrial park on a 14 hectare site. The proximity of the M3 motorway, the nearby railway connection point, the appropriate infrastructure, the logistical facilities, the proximity of electricity, steam and natural gas supply points guarantee that the site provides optimal conditions both for the operation and the logistics of the wheat and the end products.

The ownership structure of the company changed in 2023, during the change of ownership transaction launched in December 2022, OPUS GLOBAL Nyrt. acquired the 33.3% stake of Duna Aszfalt Kft., after the closing of the transaction the ownership share of OPUS GLOBAL Nyrt. increased to 84.30%.

Agriculture Branch of the Agriculture and Food Industry Division

The main activity of **Csabatáj Zrt.** (Hereinafter Csabatáj) is mixed farming, which is complemented by basic agricultural activities and closely related services, as well as wholesale of cereals and other crops.

III.4. Business Report - Business activity of the Agriculture and Food Industry Division

Subsequent to the strategic decision made by the management of Csabatáj, in the first quarter of 2023 the company ceased its livestock farming activity in the commodity egg production and Csabatáj converted its site to turkey production. At the same time as the egg production ceased, the retail unit was also closed. Csabatáj also derives income from the rental of property and machinery. Sales and purchasing activities are carried out with domestic partners.

OPUS GLOBAL Nyrt. and Talentis Agro Zrt., as the owners of Csabatáj, made a decision to separate the assets necessary for the performance of the core business carried out by Csabatáj and the company's financial assets. At the end of September 2023, OPUS GLOBAL Nyrt. entered into an agreement with Talentis Agro Zrt. to separate the financial assets that are not part of the core agricultural business performed by Csabtáj by 31 August 2024 by way of a separation (demerger). The shareholding of OPUS GLOBAL Nyrt. in Csabatáj Zrt., which retains the core business activity- and the assets required for the same - will be terminated, so that subsequent to the closing of the transaction, Talentis Agro Zrt. will become the sole owner of this company. At the same time, the shareholding of Talentis Agro Zrt. in the newly created company holding the financial assets not related to its core agricultural activity after the demerger will be eliminated, that is OPUS GLOBAL Nyrt. will become the 100% owner of this company.

B. Description of the business environment of the division

The whole of 2022 was a year with a lack of rainfall, which significantly reduced the growth of arable crops, spring and autumn sowing. After a rather difficult year, in 2023 crop production continued to be hit, albeit with a downward trend, by high energy prices and depressed purchase prices due to imports. The very poor maize harvest in 2022 has worsened the prospects and expectations of businesses in the branch, but the 2023 harvest gave cause for optimism, with average yields 17% higher than the average of the last five years and 140% higher than the average of the drought year 2022.

In 2022, the sharp rise in input prices (fertiliser, pesticides, seeds) and energy prices caused significant difficulties for arable crop producers and, through feed prices, for livestock farmers, the consequences of which were still visible at the beginning of last year. Fertiliser sales to farmers in the first half of 2023 amounted to 561,000 tonnes, with net sales of fertiliser down 30% due to an 11.4% fall in prices and reduced consumption. In the third quarter, however, the amount of fertiliser delivered to farmers increased significantly by 66%. Prices fell back to 2021 levels, but this is still double the level before the energy price boom in 2020.

Changes in the macroeconomic environment, in particular the interest rate environment, meant significantly higher financing costs for farmers. This is one of the causes of the above-mentioned reduction in input stocks and is even more evident in the delay in the implementation of the investments planned by the operators in the sector. In the past years investments in energy and production efficiency were prioritised over simple volume increases.

Food, beverages and tobacco, which account for around 14% of manufacturing, were 10.4% down on a year earlier. The decline was due to a drop in domestic and foreign sales. Meat processing and preserving, meat products, which accounted for the largest share (24%), fell by 9.7% compared to a year earlier.

The rate of consumer price inflation accelerated in the first quarter of 2023, with an average monthly increase of 25% year-on-year, but consumer price inflation slowed to 21% in the second quarter, which improved further in the third and fourth quarters (5.5%), bringing the annual increase in consumer prices to 17.6%.

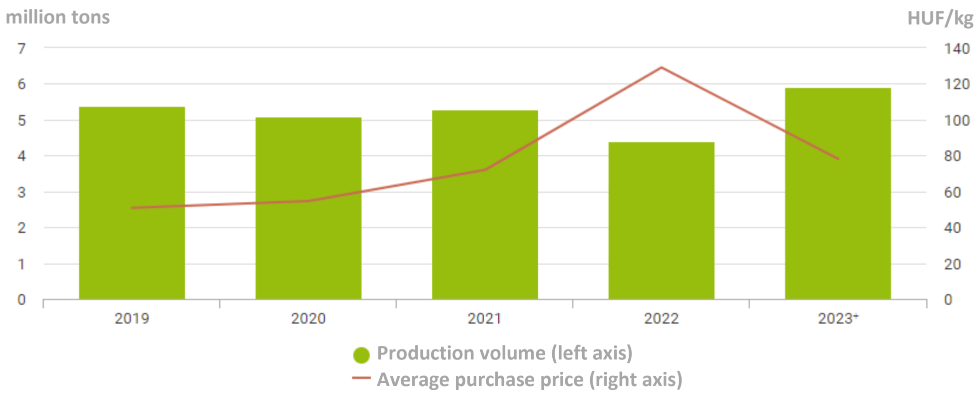
In 2023, cereal yields were good following the 2022 drought. As domestic agriculture has shifted increasingly towards crop production in recent years, this favourable harvest had a positive impact on the branch's performance. Rainfall was more frequent and higher during the growing season, but there were also localised extremes. Crop development was not hampered by prolonged hot spells, and the increase in irrigated and irrigated areas in recent years also contributed to higher yields.

- In 2023, 14.9 million tonnes of cereals were produced, 5.9 million tonnes more than a year earlier.
- The harvested area of more than 2.4 million hectares is 140,000 hectares more than in 2022.
- The wheat harvest of 5.9 million tonnes is a third more than the previous year.
- The harvested area of maize was 6% less than in 2022, but the quantity harvested more than doubled.

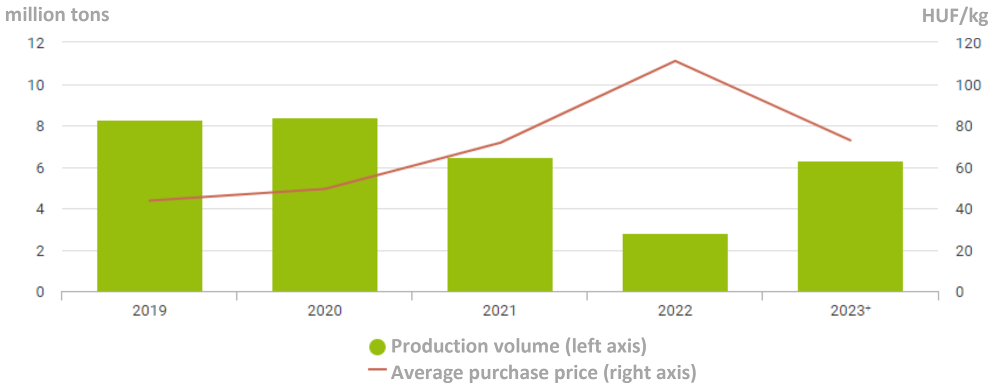
In 2023, the harvested area of wheat increased by 75 thousand hectares to almost 1.1 million hectares. The harvested area was 7.6% higher than a year earlier, at 5.9 million tonnes of wheat, 36% more than in 2022 and 17% more than the average for the previous five years. The average yield of 5.6 tonnes per hectare in 2023 was almost 27% higher than in 2022.

In 2023, the harvested area of maize decreased to 768 thousand hectares. In maize production, the yield loss caused by the significant drought in 2022 led to a drop in production and a further 6% loss of area, meaning farmers sowed more area to secure the security of the maize and sunflower crops. In 2023, the positive effect of above-normal rainfall was that farmers harvested 6.3 million tonnes, an increase of 125% compared to 2022, but a decrease of 7.5% compared to the average of the previous five years. The average harvest of 8.2 tonnes was 140% higher than in 2022 and 16% higher than the average for the previous five years.

Wheat production volume and purchase price*



Corn production volume and purchase price*



C. Division activity in 2023

Aggregated financial data and shareholder information, balance sheet:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Agriculture and Food Industry Division 31.12.2022 audited factual data	Agriculture and Food Industry Division 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**165,728,119**	**169,299,142**	**-3,571,023**	**-2.1%**
Total cash	10,563,716	9,794,334	769,382	7.9%
Equity capital	**15,666,974**	**11,183,524**	**4,483,450**	**40.1%**
Long-term liabilities	128,804,203	130,060,375	-1,256,172	-1.0%
Short-term liabilities	21,256,942	28,055,243	-6,798,301	-24.2%
Loans and borrowings	57,240,906	68,446,022	-11,205,116	-16.4%
External funds/balance sheet total	34.5%	40.4%	-5.9%	-14.6%

The financial and management trends of the Agriculture and Food Industry Division are mainly influenced by the management of the Food Industry Branch, including the two companies KALL Ingredients and VIRESOL, which together account for around 90% of the total. The division reported a low 2.1% decline in total assets of HUF 3.57 billion in FY2023, driven by changes in the Food Industry Branch's tangible assets and liabilities, as well as currency effects. The division ended 2023 with a profitable year, which contributed to a 7.9% increase in the aggregate cash and cash equivalents of the companies from HUF 9.8 billion to HUF 10.6 billion. The successful financial year also contributed to the division's equity, based on aggregate figures, increasing by approximately HUF 4.5 billion in 2023 and reaching HUF 15.7 billion by the end of the year. Both current and non-current liabilities of industry players have declined and the external indebtedness of the division as a whole shows a more favourable picture compared to previous years. The debt ratio of 40.4% in 2022 improved to 34.5%, while the equity ratio increased, presenting a more favourable picture compared to previous years.

Aggregated financial data and shareholder information, Income Statement:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Agriculture and Food Industry Division 01.01.2023 - 31.12.2023 audited factual data	Agriculture and Food Industry Division 01.01.2022 - 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change 31.12.2022 - 31.12.2023 in %
Total operating income	**134,436,193**	**139,813,743**	**-5,377,550**	**-3.8%**
Operating costs	121,236,051	133,810,147	-12,574,096	-9.4%
Operating (business profit/loss) EBIT	**13,200,142**	**6,003,596**	**7,196,546**	**119.9%**
EBITDA	**19,502,401**	**11,512,631**	**7,989,770**	**69.4%**
Net financial income	-6,738,337	-4,338,112	-2,400,225	-55.3%
Profit before taxes	6,461,805	1,665,484	4,796,321	288.0%
Profit after taxes	**4,995,089**	**1,589,828**	**3,405,261**	**214.2%**
Total comprehensive income	4,486,852	1,738,377	2,748,475	158.1%
Employee headcount (persons)	**710**	**701**	**8**	**1.2%**

Due to the decline in sales prices in 2023 and the impact of the EUR/HUF exchange rate movement, as well as the efforts of the division's management towards more efficient capacity utilisation, the division's operators achieved 3.8% lower revenue compared to the base year, but operating costs were 9.4% lower at HUF 12.6 billion in 2023, exceeding the revenue decline. The combined result of these developments has led to a significant increase in the division's profitability - the division's operating profit more than doubled, rising from HUF 6 billion to HUF 13.2 billion. EBIDTA generated almost HUF 8 billion more value in the year under review, reaching HUF 19.5 billion compared to HUF 11.5 billion in the previous year. The players in the food industry (KALL Ingredients and VIRESOL) keep their books in EUR, so the exchange rate effect is a key element in the evolution of the result of financial operations. The revaluation of receivables from related companies that maintain their books in HUF has a negative impact on the division's profit after tax. Over the past years, the division's profitability has been consistently affected by the exchange rate impact of the weakening Forint. In 2023, financial operations showed a HUF 2.4 billion higher loss compared to the previous year, totalling HUF 6.7 billion.

Unless otherwise indicated, data is expressed in HUF '000'

Operating costs	**Agriculture and Food Industry Division 01.01.2023 - 31.12.2023 audited factual data**	**Agriculture and Food Industry Division 01.01.2022 - 31.12.2022 audited factual data**	**Comparison of 31.12.2022 and 31.12.2023**	**Change 31.12.2022 - 31.12.2023 in %**
Materials, consumables and other external charges	104,031,151	120,656,749	-16,625,598	-13.8%
Staff costs	7,590,690	6,199,687	1,391,003	22.4%
Depreciation	6,302,259	5,509,035	793,224	14.4%
Impairment	1,673,105	168,126	1,504,979	895.1%
Other operating costs and expenses	1,638,846	1,276,550	362,296	28.4%
Total operating costs	**121,236,051**	**133,810,147**	**-12,574,096**	**-9.4%**

The price correction in the markets in 2023 was observed not only in consumer prices but also in the evolution of commodity prices. The bulk of the division's costs, over 85%, is influenced by input prices and energy costs closely linked to production. Material costs fell from HUF 120.7 bn to HUF 104 bn, which, in addition to the price decrease, is also due to the more rational capacity management mentioned above. Staff costs increased due to the increase in headcount and the pay settlement launched at the end of 2022. Income growth for the division's employees tracked domestic trends and annual inflation.

Aggregated financial data and shareholder information, balance sheet - Food Industry Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	**Food Industry Branch 31.12.2023 audited factual data**	**Food Industry Branch 31.12.2022 audited factual data**	**Comparison of 31.12.2022. - 31.12.2023**	**Change 31.12.2022 - 31.12.2023 in %**
Balance sheet total	**161,978,128**	**165,489,936**	**-3,511,808**	**-2.1%**
Total cash	10,213,692	9,732,753	480,939	4.9%
Equity capital	**13,026,391**	**8,433,970**	**4,592,421**	**54.5%**
Long-term liabilities	128,029,073	129,506,126	-1,477,053	-1.1%
Short-term liabilities	20,922,664	27,549,840	-6,627,176	-24.1%
Loans and borrowings	57,159,466	68,331,652	-11,172,186	-16.3%
External funds/balance sheet total	35.3%	41.3%	-6.0%	-14.5%

The balance sheet total of the Food Industry Branch was 2.1% lower by HUF 3.5 billion, due to depreciation and amortisation of HUF 114.3 billion of aggregate value of property, plant and equipment, as defined in the accounting policy, and to a fall in value of HUF 162 billion in 2023. The decrease in assets held beyond one year is mainly due to the exchange rate effect, to a larger extent than depreciation. The decrease in tangible fixed assets was only partially offset by a HUF 4.7 billion increase in intangible assets of KALL Ingredients. In February 2023, KALL Ingredients still capitalised part of its R&D activities carried out with HIPA support (complex study on the wet path exploration of maize, study of factors influencing the filterability of sugar solutions made from maize starch and study of the organoleptic properties of food alcohols) and for KALL Ingredients these items increased the value of intangible assets from HUF 213.3 million to HUF 4.9 billion. The Food division is characterised by a constant need for new investments, which on the one hand is attributable to the need to increase efficiency and on the other hand to the need to ensure sustainable development and innovation. In all cases, starting the implementation of investments is well and carefully planned and based on a return on investment calculation. In addition to efficiency improvement measures and investments, the Group also seeks to develop its product offering and services in response to market needs. At VIRESOL, the construction of a flat storage facility increased storage capacity and, in addition to expanding the product portfolio, is also contributing to energy efficiency, so that thanks to this and to a technological transformation aimed at reducing gas consumption, VIRESOL achieved energy savings of 37%. In the second half of 2023, the construction of the wet feed mixer and storage, as well as the IBC storage and hazardous waste storage, started. By the end of June 2023, the conversion works of the maltodextrin plant were completed and the trial operation was completed. KALL Ingredients has started the preparation for the construction of a biomass boiler to rationalise energy efficiency and energy costs, which will be completed by the end of 2024.

Significant investments in the Branch in 2023:

*HUF '000'

Purpose of the investment	Volume of the investment
Green field investment	-
Product development	1,315,325
Logistics development	539,496
Capacity extension	1,665,161
Other	1,070,833
Total investment	**4,590,814**

There was an increase in current assets at IFRS level, with an even higher growth volume under the Hungarian accounting standard. The driver of the increase in current assets was the change in inventories. In response to the price consolidation in the market and changes in the supply of raw materials, the management of the two companies started a strategic stockpiling exercise in the second half of 2023 to ensure a long-term sustainable and stable predictable quality of raw materials. Industry players are seeking to ensure continued profitability in the sector through the procurement of feedstock at favourable prices. KALL Ingredients' stock value, excluding public stocks, increased to HUF 10.8 billion and VIRESOL's stock value to HUF 5.7 billion, with a combined stock increase of nearly HUF 5 billion. By the end of the fourth quarter, the branch's stocks of materials, including public storage, reached 150,000 tonnes for maize and more than 50,000 tonnes for wheat. In addition to inventory, both companies are also expected to see a cash build-up in 2023. Aggregate cash increased from HUF 9.7 billion to HUF 10.2 billion. The branch's equity increased by 54.5% to HUF 4.6 bn, driven by profitable management. Another important component is the reduction in indebtedness and the start or continuation of bank loan repayments. The exchange rate effect also has an impact on the evolution of liabilities, KALL Ingredients and VIRESOL's bank financing is based on EUR, so the HUF value of these loans has decreased compared to the year-end, which also reduced aggregate liabilities, albeit only administratively. The stock of overdue and subordinated related liabilities increased, partly related to the investment in energy efficiency improvements and partly the result of third-party member loans taken over by OPUS Global Nyrt. in the case of the two companies. Bank loans are lower due to the fact that repayment of bank loans has been started and also to the impact of revaluations. In summary, while liabilities are decreasing, and the structure of indebtedness is more favourable than in the previous period, and revaluations play only an administrative role in the change in liabilities.

*HUF '000'

	31.12.2023	31.12.2022	Change %
Investment loan	57,159,466	62,835 219	-9.1%
Working capital loan	-	5,496,433	-
Loan/credit granted by a member	49,843 543	45,928,135	8.5 %
Total credits and loans	**107,003,009**	**114,259 787**	**-6.4%**

The equilibrium of the balance sheet structure continues to stay stable. For the companies in the branch, the total amount of equity and long-term liabilities exceed long- term assets.

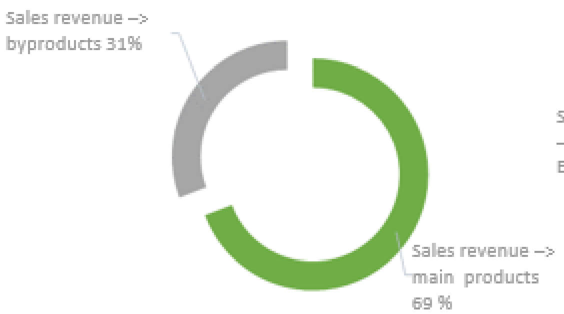
Aggregated financial data and shareholder information, Income Statement - Food Industry Branch:

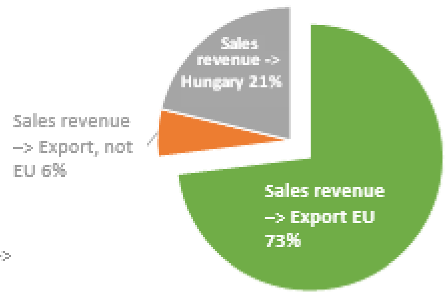
Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Food Industry Branch 01.01.2023-31.12.2023 audited factual data	Food Industry Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**132,575,700**	**136,779,336**	**-4,203,636**	**-3.1%**
Operating costs	119,277,488	130,864,361	-11,586,873	-8.9%
Operating (business profit/loss) EBIT	**13,298,212**	**5,914,975**	**7,383,237**	**124.8%**
EBITDA	**19,459,438**	**11,206,241**	**8,253,197**	**73.6%**
Net financial income	-6,714,347	-4,336,397	-2,377,950	-54.8%
Profit before taxes	6,583,865	1,578,578	5,005,287	317.1%
Profit after taxes	**5,103,253**	**1,523,698**	**3,579,555**	**234.9%**
Total comprehensive income	4,595,016	1,672,247	2,922,769	174.8%
Employee headcount (persons)	**678**	**656**	**21**	**3.3%**

Revenues of the Food Industry Branch were similar in volume to the base year, down 3.1% to HUF 4.2 billion in total operating income in 2023 for the two companies. This development in sales revenue was not unexpected and was also in accordance with the strategy set out for the branch for 2023. For KALL Ingredients, the low maize yield in 2022 (2-2.5 million tonnes) and its low quality (50% of maize is toxins) have affected the 2023 figures. Sugar prices in general have fallen. For alcohol, surging imports into the EU from non-EU countries created an oversupply and depressed prices. These effects hit both KALL Ingredients and VIRESOL sales and negatively impacted their turnover. The production and sales volumes of the branch are decreasing, one of the reasons being that the economic and market situation due to the Russian-Ukrainian situation has limited the branch. So, one of the reasons for the stagnation in revenue was the start of price consolidation on the global market, in the first half of 2023 and another important factor was the optimisation of production. The primary production targets for 2023 included improving the efficiency of the availability of production facilities. KALL Ingredients has set capacity optimisation as a target for 2023. VIRESOL's aim was to increase crystallization volumes, to ensure continuous and reliable capacity utilization, and an important strategic goal was to start up the maltodextrin plant and establish stable production conditions, which was achieved by the end of June. Thus, the development of the maltodextrin sales market is now proceeding at an accelerated pace. A significant part of the branch's revenue is in EUR or denominated either in EUR, and therefore the exchange rate change had a major contribution to the development of revenue, in this case the exchange rate effect compared to the base year resulted in a decrease in revenue. Although operating income is stagnating, the business strategy for 2023 is successful at branch level, with profitability in the Food Industry Branch improving. With revenue unchanged from the previous year, operating costs have fallen by almost 9%, with a reduction of HUF 11.6 billion. Compared with the figures reported in 2022, EBIT showed an increase of 125%, that is HUF 7.4 billion, rising from HUF 5.9 billion to HUF 13.3 billion. The EBITDA indicator is HUF 19.5 billion, which is HUF 8.3 billion higher than the base. Financial operations showed a worse trend than in previous years, with a combined financial loss of HUF 4.3 billion in the base year and HUF 6.7 billion in 2023. Losses on financial operations represent technical and administrative losses in terms of magnitude, and do not have a materially negative cash flow impact on the players of the branch. The main part of the financial loss was due to the revaluation of the member's loan portfolio in HUF and interest paid. Despite a larger financial loss in the Food Industry Branch compared to the 2022 financial year, profit before tax increased from HUF 1.6 billion to HUF 6.6 billion, which means that it tripled, rising by HUF 5 billion. Profit after tax also showed an increase, jumping from a base of HUF 1.5 billion in 2022 to HUF 5.1 billion. The number of employees in the Food Industry Branch remained around 700 in 2023 with a moderate increase. Companies are placing a strong emphasis on retaining their workforce and to this end, the management has implemented a number of target measures, such as the establishment of a regular staff bonus scheme, spring and autumn food subsidies, etc. The division did continuously have the necessary staffing levels to service production capacity during the year.

At branch level, the main product (starch products and sugars) accounted for 71% of sales while by-products (fodder and wheat gluten) contributed 29% of sales. The main sales destination of the Food Industry branch is Europe. Sales of the main product outside this geographical area are typically uneconomic in terms of transport. The sales of companies in Hungary account for 21% of total sales revenue and grew by 1% year-on-year. Intra-EU sales accounted for 73% of total turnover and the players in the branch grew by 9%. Non-EU countries do not represent a significant share of turnover, unchanged at 6% compared to previous periods.





III.4. Business Report - Business activity of the Agriculture and Food Industry Division

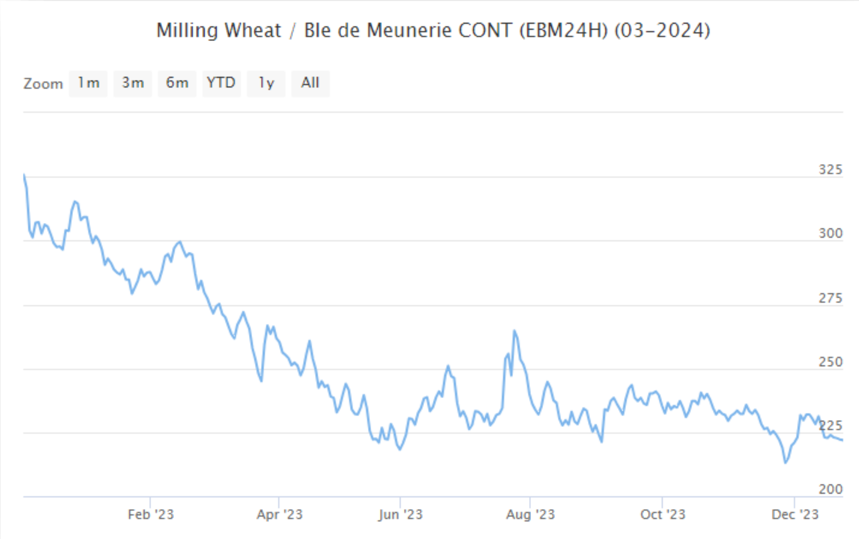
Unless otherwise indicated, data is expressed in HUF '000'

Operating costs	Food Industry Branch 01.01.2023-31.12.2023 audited factual data	Food Industry Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	102,730,980	118,614,944	-15,883,964	-13.4%
Staff costs	7,326,156	5,916,541	1,409,615	23.8%
Depreciation	6,161,226	5,291,266	869,960	16.4%
Impairment	1,689,363	57,599	1,631,764	2833.0%
Other operating costs and expenses	1,369,763	984,011	385,752	39.2%
Total operating costs	**119,277,488**	**130,864,361**	**-11,586,873**	**-8.9%**

The branch's cost structure is influenced by the evolution of raw material and energy costs, as the combined weight of these items in total costs is continuously around 80%. In the previous year, the share of these items in the cost structure increased due to input and energy price increases, but the upward trend of these costs stopped in 2023 and a slight rebalancing started. The weight of material costs in total operating costs is currently around 90%.

The profitability indicators of the branch improved in 2023, with material costs showing a more positive picture from quarter to quarter. In the Food Industry Branch, changes in input and energy prices are reflected in consumer prices under commercial agreements, but sellers can only incorporate these cost changes - whether cost increases or decreases - into their sales prices with a quarter or half-year lag. This contractual situation in 2022, during a period of massive price increases, had a negative influence on the cost structure of the players in the branch, as costs were escalating and could only be incorporated into the sales prices of the players in the division months later. In 2023, we can see the opposite trend in cost changes, with cost consolidation for input products and energy commodities, and this price reduction is now temporarily increasing the branch's profitability and compensating to some extent for the losses suffered in 2022. Other operating costs and expenses decreased significantly the reason for which is that KALL Ingredients and VIRESOL had significant factoring turnover before 2023, which was reported in the other expenses line. This accounting process and this expense line has no impact on the result as the factoring turnover, which is lower than in 2022, has been removed from other income in addition to expenses.

Raw material prices varied in line with stock market prices (MATIF), as shown in the graph below:



Energy (gas) purchase prices vary in line with the stock market prices (TTF), as shown in the graph below.

The volume of cereals processed in 2023 was lower than in the same period of the previous year, in proportion to output, one reason being lower demand for finished products. The lower demand is due to lower consumption resulting from higher selling prices and the resulting increase in traders' stock levels. Another reason for the decline in production in maize is the limited availability of a good quality raw material (drought, toxin content). Transport costs in the Food Industry Branch were below the planned level, partly due to lower sales volumes and partly due to better-than-planned freight rates.

Amount of raw material used in year/year comparison:

	2023	2022	Difference
Used raw materials (tons)	549,821	592,779	-8%

Aggregated financial data and shareholder information, balance sheet - Agriculture Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Agriculture Branch 31.12.2023 audited factual data	Agriculture Branch 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**3,749,991**	**3,809,206**	**-59,215**	**-1.6%**
Total cash	350,024	61,581	288,443	468.4%
Equity capital	**2,640,583**	**2,749,554**	**-108,971**	**-4.0%**
Long-term liabilities	775,130	554,249	220,881	39.9%
Short-term liabilities	334,278	505,403	-171,125	-33.9%
Loans and borrowings	81,440	114,370	-32,930	-28.8%
External funds/balance sheet total	2.2%	3.0%	-0.8%	-27.7%

The Agriculture Branch includes Csabatáj Zrt, so the figures and correlations of the Agriculture division are the same as the figures of Csabatáj. Following a strategic decision taken in 2022, Csabatáj made significant changes to its activities, ceasing its commodity egg production activity in the first quarter of 2023 and at the same time starting to convert its site to fattening turkey production. These changes affected the economic and financial trends visible in the company's 2023 management. The balance sheet total changed from HUF 3.8 billion to HUF 3.7 billion, driven by a reduction in the Csabatáj's assets beyond the year and a structural reorganisation. Most of the property, plant and equipment was sold due to the transition to the new activity, but at the same time new assets were acquired, so the stock of these fixed assets fell by HUF 340 million to close at HUF 1.5 billion. This decrease of HUF 340 million was partly offset by an increase of HUF 150 million in the value of rights to use assets (land use rights), so the total value of assets held beyond the year changed from HUF 2.26 billion to nearly HUF 2 billion. Inventories fell significantly during the year, and then recovered in the third quarter, thanks to the arrival of the turkey flock at the end of September. In the fourth quarter, following the sale of the entire 2023 crop, there was again a large change in stocks, with stocks falling from HUF 497 million to HUF 209 million. Following the change of activity, the countervalues of assets sold and receivables related to the previous activity were collected, resulting in an increase in cash and cash equivalents. The structure of the company's liabilities has changed due to changes related to the restructuring of the business. External debt not granted by OPUS Global Nyrt. decreased, trade payables have changed from HUF 305 million to HUF 29 million, the value of government grants closed the year at HUF 120 million from an opening value of HUF 254 million, and other liabilities also saw a decrease in stock. On the other hand, liabilities to related parties increased, thanks to a HUF 260 million loan from Talentis Agro Zrt. Equity decreased due to unprofitable management, nevertheless the balance sheet structure and liquidity of Csabatáj Zrt. are stable.

III.4. Business Report - Business activity of the Agriculture and Food Industry Division

Aggregated financial data and shareholder information, Income Statement - Agriculture Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Agriculture Branch 01.01.2023-31.12.2023 audited factual data	Agriculture Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**1,860,493**	**3,034,407**	**-1,173,914**	**-38.7%**
Operating costs	1,958,563	2,945,786	-987,223	-33.5%
Operating (business profit/loss) EBIT	**-98,070**	**88,621**	**-186,691**	**-210.7%**
EBITDA	**42,963**	**306,390**	**-263,427**	**-86.0%**
Net financial income	-23,990	-1,715	-22,275	-1298.8%
Profit before taxes	-122,060	86,906	-208,966	-240.5%
Profit after taxes	**-108,164**	**66,130**	**-174,294**	**-263.6%**
Total comprehensive income	-108,164	66,130	-174,294	-263.6%
Employee headcount (persons)	**32**	**45**	**-13**	**-28.9%**

The impact of the change in Csabatáj's scope of activities is clearly visible in the revenue and cost line for 2023. Total operating income of the Agriculture Branch in 2023 show a significant shortfall of HUF 1.2 billion compared to the 2022 base, with Csabatáj's total operating income falling from a base of HUF 3 billion in 2022 to HUF 1.9 billion in 2023. The decline in operating costs slightly followed the pace and volume of the decline in revenues, resulting in an operating loss of HUF 98 million for 2023. The loss can be attributed firstly to a structural change in operations that started at the beginning of the year, with no livestock income from mid-February to October, and secondly to a significant loss in 2023 from the crop production activity, which was profitable in previous years. The EBITDA ratio is positive due to depreciation and amortization recorded, but lower by HUF 263 million compared to the 2022 base.
Earnings from financial operations shows a more negative picture than in 2022. Revenue from financial operations increased by HUF 13 million due to the higher volume of free cash and a higher interest rate environment compared to the previous year, while the interest effect of the growing loan portfolio increased financial operations expenses by HUF 35 million in 2023.

Changes of net turnover (based on HAS) in 2023:

Sales revenue	2023		2022		Change	
	HUF '000'	Breakdown	HUF '000'	Breakdown	HUF '000'	%
Revenue from plants	408,107	27.91%	109,350	5.15%	298,757	273.21%
Sales revenue from animal husbandry	501,973	34.33%	1,660,109	78.25%	-1,158,136	-69.76%
Sales revenue from agricultural and other activities	143,789	9.83%	114,748	5.41%	29,041	25.31%
Sales revenue from the lease of buildings and machines	41,336	2.83%	65,314	3.08%	-23,978	-36.71%
Sales revenues from trade activities	252,161	17.25%	171,179	8.07%	80,982	47.31%
Sales revenues from other activities	114,743	7.85%	817	0.04%	113,926	13944.43%
Total:	1,462,109	100.00%	2,121,517	100.00%	-659,408	-31.08%

Turnover from crop production increased by 273%, as Csabatáj sold the crop produced in 2022 in 2023, and the increase in commercial activity is also due to the sale of the crops purchased in 2022. Livestock turnover decreased by 70% due to the structural changes described above. On February 17, 2023, the entire laying hen flock was eliminated and egg production stopped thereafter, thus completely eliminating this source of revenue. The first rotation of turkeys was introduced on 28 September 2023, with 28,955 turkeys. From the first rotation of turkey fattening in 2023, 14,282 laying hens and 1,808 roosters were slaughtered in 2023. The average weight of the layers was 8.95 kg/db and the average weight of the roosters was 19.74 kg/db. The turnover of turkey fattening in 2023 is HUF 94,876,000

The revenue from other activities mainly includes the proceeds from the sale of the laying technologies which have become redundant during the restructuring of the business. Csabatáj Zrt. produced 3,753,000 chicken eggs for consumption in 2023. This is significantly less than in the same period last year, reflecting the structural adjustment already described. In February 2023, all pullets in the breeding farms were sold. On 27 April, 64,000 chicks were taken in for breeding. According to the company's plans, the proceeds from the sale of assets and crops will be used to finance the input material requirements for crops, the cost of inoculation and the technological conversion required for fattening the turkeys (around HUF 160 million), as well as operative day-to-day operations. At the end of 2022, the lease of about 90% of the lands expired and about 380 ha of the previously leased land was not renewed, which means that now Csabatáj can currently farm on a land of 599 ha.

Unless otherwise indicated, data is expressed in HUF '000'

Operating costs	Agriculture Branch 01.01.2023-31.12.2023 audited factual data	Agriculture Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	1,300,171	2,041,805	-741,634	-36.3%
Staff costs	264,534	283,146	-18,612	-6.6%
Depreciation	141,033	217,769	-76,736	-35.2%
Impairment	-16,258	110,527	-126,785	-114.7%
Other operating costs and expenses	269,083	292,539	-23,456	-8.0%
Total operating costs	**1,958,563**	**2,945,786**	**-987,223**	**-33.5%**

The change in operating costs and expenses as a result of the change in the scope of activity moves in line with the change in sales revenue. About 70% of the total costs are material costs, of which the most important item is feed related to animal husbandry. As the average livestock population decreased significantly in 2023 as a whole, and material costs moved with it, a significant part of the feed costs were eliminated in 2023, so that this is the most important item in the 36.3% decrease in material costs. Staff costs decreased slightly, which can be attributed to the lower headcount, as the company has already implemented a wage adjustment measure in 2022 in response to the inflationary environment.

D. Divisional risks

Developments in the world economy, such as the outbreak of the Russian-Ukrainian war, the Israeli-Palestinian conflict, and global environmental impacts, such as the negative effects of climate change, have created a number of new challenges for the division in 2023.

In 2022 raw material supply was adversely affected by the fact that the Carpathian Basin was hit by a prolonged period of no rainfall. The drought significantly reduced soil moisture content and the adverse conditions resulted in a significantly lower than normal quantity and quality of the domestic harvest. The negative impact of the drought was exacerbated by the fact that the Russian-Ukrainian war also led to a significant shortfall in the Ukrainian cereal harvest. The war also had an impact on transport routes, which significantly slowed down, made more expensive and more difficult the delivery of grain to users. The negative environmental impact was also felt in the quality of raw materials. Toxic and contaminated cereals and inferior quality raw materials were present on the market in higher proportions and in greater quantities. As a result of the previous factors, the stable and predictable purchase of raw materials that was common in previous years has become riskier, and the volatility of purchase prices has added to the slight uncertainty. Grain production and expanding farm output in 2023 smoothed out the previous year's market price turbulence and increased production certainty.

The inflation and interest environment can be seen as additional risk elements. Inflation has affected household and industrial consumption, which has had an immediate impact on demand for products and on prices. Drastic increases in input prices and energy prices also caused difficulties.

The branch also face the risk of energy price/volume volatility due to war and war sanctions, and possible partial energy shortages. Another risk factor is the security of supply and predictable pricing of agricultural inputs (e.g. fertilisers) closely linked to agriculture.

The Agriculture Branch also faces strategic risks linked to the restructuring of activity. The experience of the workforce in turkey fattening is lower, as turkeys require different care compared to chickens. In addition, the Agriculture Branch is now moving from cage technology to deep-bottom technology, which is also a new method and its use will have to be brought up to the level of daily routine in the short term. Csabatáj's affiliated companies have farms with a long history of turkey rearing, so the development of new animal husbandry processes and knowledge base for Csabatáj has already started in 2022.

E. Risk management

Operators in the branch could manage to pass on the impact of inflation in sales prices. Sales contracts concluded earlier, which no longer covered the increased costs, expired in the first quarter. Prices were set on a quarterly basis to ensure that the necessary supplies of raw materials, consumables and energy are available (price fixing, stockholding).

The optimisation of storage capacity is also increasing the emphasis on the precise timing of deliveries. The investment to increase the capacity of warehouses in order to provide additional flexibility was finished.

The quality of the products produced is largely determined by the quality of the raw materials, including toxin content and live insect infestation. Receipt of raw material is therefore subject to toxin measurements and live insect testing based on the risk assessment by suppliers, and above the threshold, the consignment is not accepted. In addition, the food safety working group has taken a number of measures to reduce the risk of accidental and deliberate damage to raw materials and processing aids.

The investments made by the agri-food operators in recent years have been mainly to mitigate the factors presented under strategic risks, i.e. they have invested heavily in rationalising their energy management, strengthening their security of supply and developing and launching new products.

F. Strategy

The Company strategically considers the agri-food industry as a priority division and is committed to its long-term involvement in the division.

In 2023, players in the division continued to work to maintain their market position, optimise the benefits available in both domestic and international markets, exploit market opportunities for new products launched, and diversify their product portfolio and customer base. In this way, the division is trying to offset the effects of the economic and sectoral crisis, higher raw material and energy prices and the slow consolidation of sales prices.

Within the OPUS Group's Food Industry Division, synergies are already being identified and exploited. KALL Ingredients and VIRESOL Kft have been placed under joint control as of 01.06.2022. This move will enable the companies to operate more efficiently than ever before. Under the leadership of Maarten Welten, the joint managing director of the two companies, the development of a customer-oriented organisation that is competitive in a market full of multinational competitors and that increases the satisfaction of their partners and employees has begun. This way, companies will work with the same ERP system, and VIRESOL is also scheduled to migrate to Navision ERP by 31.03.2024.

The division's strategic objective is to meet existing and emerging customer needs while optimising profitability, supported by the continuous expansion of its product portfolio through a more diversified product range. Accordingly, the companies' medium and long-term plans focus on innovative product developments in line with the latest industry and market trends. The team of engineers in the companies responsible for product development is focused on the research and development of products satisfying special needs, and then the industrial production of the same. The aim is to achieve greater product diversification and a broader portfolio, while of course serving the most specific needs of the partners.
In addition to ensuring a smooth energy supply and reducing specific energy consumption and dependency, the OPUS Group has also set its sights on strengthening sustainable management.

The strategic objective is to strengthen energy efficiency, for which the companies launched specific and tangible actions, including an investment in energy rationalisation (biomass boiler with microturbine) at Kall Ingredients and the construction of a wet feed mixer and flat storage at VIRESOL, which will play a major role in the expansion of the product portfolio.

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Tourism Division

HUNGUEST Hotels Zrt. (hereinafter referred to as "Hunguest") and the BALATONTOURIST Group (BALATONTOURIST Kft. and BALATONTOURIST CAMPING Kft.) are included as subsidiaries in OPUS GLOBAL Nyrt. These companies represent the Tourism Division of the OPUS Group, which will account for 11% of the Group's total assets and 6% of its turnover in 2023.

The Tourism Division's activities include:

- Domestic wellness, event and spa tourism
- Camping around Lake Balaton
- Accommodation in Austria and Montenegro.

A. Companies of the division

List of the subsidiaries in the division as at 31.12.2023:

Name	Level of affiliation	Core business activity	Country of registration	Indirect/direct participation	Ownership interest of the issuer 31.12.2023	Ownership interest of the issuer 31.12.2022
KZH INVEST Kft.*	S	Asset Management	Hungary	Direct	100.00%	100.00%
KZBF INVEST Kft.*	S	Asset Management	Hungary	Direct	100.00%	100.00%
HUNGUEST Hotels Zrt*	S	Hotel Services	Hungary	Indirect	99.99%	99.99%
Relax Gastro Hotel GmbH	S	Hotel Services	Austria	Indirect	99.99%	99.99%
Heiligenblut GmbH	S	Hotel Services	Austria	Indirect	99.99%	99.99%
Hunguest Hotels Montenegro d.o.o	S	Hotel Services	Montenegro	Indirect	99.99%	99.99%
BALATONTOURIST CAMPING Kft.	S	Camping Services	Hungary	Indirect	99.99%	99.99%
BALATONTOURIST Kft.	S	Camping Services	Hungary	Indirect	99.99%	99.99%

S: Subsidiary

*On 31.12.2023, in order to exploit the synergies of the merger, eliminate duplication and promote rational and cost-efficient operations, they were merged and the joint legal successor is Hunguest Szálláshelyszolgáltató Zártkörűen Működő Részvénytársaság holds a direct stake.

The OPUS Group is committed to simplifying the Group's management structure, optimising decision-making processes and thereby continuously increasing efficiency. As a result of this effort, KZH INVEST Kft., KZBF INVEST Kft. and HUNGUEST Hotels Zrt. were dissolved by merger on 31 December 2023, their general legal successor being Hunguest Accommodation Services Private Limited Company, which is directly owned by OPUS GLOBAL Nyrt. The simplified structure creates a more transparent, direct relationship with the parent company and allows for faster implementation of strategic objectives while minimising administrative burdens. However, Hunguest will continue to operate with unchanged governance, strategy and, of course, the usual high quality.

hunguest

Hunguest is Hungary's leading rural hotel chain, operating 18 hotels and two spas in Hungary. Its hotels in Hungary have a total of 3,427 rooms and 6,877 beds. Hotels in priority tourist destinations (spas and resorts: Balatonalmádi, Bük, Cegléd, Eger, Egerszalók, Hajdúszoboszló, Hévíz, Gyula, Nyíregyháza, Szeged, Zalakaros and Tapolca).

BALATONTOURIST

Balatontourist (BALATONTOURIST CAMPING Kft. and BALATONTOURIST Kft.) is the market leader campsite operator in Hungary. It offers 543 camping pitches, 76 holiday homes, 230 mobile homes, caravans for rent and furnished, comfortable tents for camping in Balatonakali, Balatonberény, Balatonfüred, Balatonszemes and Révfülöp.

Through the hotel management companies Relax Gastro Hotel GmbH and Heiligenblut GmbH, the Group owns two Austrian hotels (Sporthotel Heiligenblut am Großglockner in Heiligenblut, Carinthia and Landhotel Post) and Hunguest Hotels Montenegro doo operates Hunguest Hotel Sun Resort in Herceg Novi, Montenegro, which is located directly on the beach.

B. Description of the business environment of the division

The National Association of Tourism and Hospitality Employers (VIMOSZ), together with the Hungarian Tourism Association Foundation and GKI Gazdaságkutató Zrt., measure the expected development of the tourism sector on a monthly basis and publishes the Tourism Business Climate Index.

In the period October-November 2023, the index stood at -8 points due to a slight deterioration in the assessment of the situation by the sector. However, it is 5 points higher than in October and 7 points higher than in November. Within the sector, accommodation services reversed a six-month negative trend in October, which corrected slightly in November, but could still point to the start of consolidation in the sub-sector. In December 2023, the index rose to -6 points, 16 points higher than in 2022, with accommodation services falling again. For the first quarter of 2024, 23% of accommodation providers forecast growth and 33% a decline.

According to the data of the Hungarian Tourism Association Foundation, the use of SZÉP cards in commerce did not cause a decline in tourism (in 2022, SZÉP cards could be used for food purchases in the period February-June, while in 2023, SZÉP cards could be used for food purchases in the period August-December). The number of overnight stays and revenues were approximately the same or slightly higher than in 2022. Spending on tourism from August 2023 onwards was also similar to the base period. Spending on tourism increased by 14% year-on-year.

Demand in the market continues to outstrip hotel supply. There has also been a shift in strategy for hotels, with a focus on average prices and RevPAR (Revenue Per Available Room) rather than occupancy.

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Lower occupancy also generates lower operating costs, so while retaining the potential to maximise profits, hotel property is also less used.

The main national markers (hotel data):

(Change = difference from the same period last year in %) Source: Kereskedelmi szálláshelyek forgalma (ksh.hu))

Index	October 2023	Change	November 2023	Change	December 2023	Change
Guest nights spent by Hungarians, '000'	840	1.2%	728	8.7%	737	13.9%
Guest nights spent by foreigners, '000'	961	10.5%	822	8.4%	888	13.6%
Total number guest nights, '000'	1,801	5.9%	1,550	8.5%	1,625	13.7%
Total, gross income, billion HUF	48,362	17.5%	40,592	15.7%	47,543	16.6%

Index	2023Q4	Change	2023	Change
Guest nights spent by Hungarians, '000'	2,305	7.4%	9,882	-3.9%
Guest nights spent by foreigners, '000'	2,671	10.8%	10,478	11.0%
Total number guest nights, '000'	4,976	9.2%	20,460	3.2%
Total, gross income, billion HUF	136,497	16.7%	545,436	24.5%

In the fourth quarter of 2023, the 9.2% increase in the number of nights spent in Hungary compared to the base period was mainly driven by an increase in foreign tourism. On a year-on-year basis, inbound tourism was responsible for the higher than base period guest nights, as domestic guest nights were 3.9% lower year-on-year for the year as a whole, offset by an 11% increase in foreign guest nights.

Hunguest: against the trends

HH hotels recorded a 29.7% increase in guest nights in the fourth quarter, including an 25.8% increase in domestic turnover. This was helped by the fact that the available capacity of Hunguest in this period was 35.6% higher than in the same period of 2022. If we compare to the base (only hotels with the same capacity in 2022 and 2023), the number of nights increased by 11.7%, including an 11% increase in domestic nights. The growth rate is higher than the national rate, indicating that the hotel chain remained a popular choice for domestic travellers despite the economic conditions and increased its market share in terms of guest nights in the last quarter of last year.

On the basis of year, the number of nights spent increased by 3.2% nationally and by 16.5% in Hunguest. Even with a 16.7% increase in capacity due to the completion of certain developments, Hunguest achieved a higher growth than the national average. On a comparative basis, the Hunguest recorded a 6.4% increase in the number of nights, above the national average. Domestic guest nights increased by 14.6% (5.8% on a comparable basis), against the national trend. This reflects Hunguest's unbroken popularity in the domestic market and its ability to increase its share of the market in terms of overnight stays for the year as a whole.

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C. Division activity in 2023

Aggregated financial data and shareholder information, balance sheet:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Tourism Division 31.12.2023 audited factual data	Tourism Division 31.12.2022. audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**155,799,002**	**154,214,772**	**1,584,230**	**1.0%**
Total cash	5,264,877	10,776,933	-5,512,056	-51.1%
Equity capital	**76,531,361**	**50,184,847**	**26,346,514**	**52.5%**
Long-term liabilities	65,160,707	68,420,976	-3,260,269	-4.8%
Short-term liabilities	14,106,934	35,608,949	-21,502,015	-60.4%
Loans and borrowings	24,147,597	27,640,836	-3,493,239	-12.6%
External funds/balance sheet total	15.5%	17.9%	-2.4%	-13.5%

The balance sheet total of the Tourism Division is practically stagnant, with a slight (1%) increase of HUF 1.58 billion. In line with the generally high CAPEX intensity of the Tourism Division, the assets held beyond the year increased beyond the depreciation recorded in accordance with accounting policy, so that Hunguest's assets under the line property, plant and equipment increased by 11% to HUF 8.24 billion in 2023, ending the year at HUF 86.12 billion.

At the same time, the high CAPEX value entailed - in parallel with the financing of investments - a decrease in cash and cash equivalents, which fell from HUF 10.78 billion to HUF 5.26 billion in 2023. This item was the most significant element of the change in current assets in the year. In the case of current assets, we can also see a decrease in receivables, changes which also contributed to the financing of the Tourism Division's operational activities.

Equity showed a positive change in 2023, ending the year 52.5% higher at HUF 26.35 billion. The key to this increase in equity was the fact that the OPUS Group carried out a substantial capital increase of HUF 21.5 billion, thus confirming its strategy to make the Tourism Division a permanent industry leader in its portfolio. The aim of the capital increase was to enable the division to stabilise the dominant position it has achieved and to maintain its dynamism in order to grow sustainably. The OPUS Group considers the capital increase to be a long-term investment, as the additional capital will contribute to the profitability of the tourism subsidiaries and thus to a faster return on the Company’s investment. Nevertheless, the capital increase will not affect the consolidated assets of the OPUS Group. The other element of the increase in equity in 2023 is the profit after the profitable management in the current year.

The division's liabilities have changed as a result of the structural changes in the division in 2023, i.e. they have been reduced by approximately a quarter. The scheduled repayment of liabilities underlies the HUF 3.26 billion decrease in the stock of long-term liabilities. This reduction in the volume of intra-year liabilities is due to the aforementioned increase in capital.

The capital structure of the Tourism Division was strengthened by the debt repayments of the division's players, the division's profitable operations in 2023 and the capital increase by the casino. The equity ratio reached 49% at the end of 2023, an increase of almost 17 percentage points. The combined value of equity and debt at year-end significantly covers the value of tangible assets, which, in addition to the positive change in the equity ratio in 2023, also underlines the strength and stability of the division's balance sheet structure.

III.4. Business Report - Business activity of the Tourism Division

Aggregated financial data and shareholder information, income statement:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Energy Division 01.01.2023-31.12.2023 audited factual data	Energy Division 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**39,072,702**	**30,709,994**	**8,362,708**	**27.2%**
Operating costs	36,001,792	29,315,563	6,686,229	22.8%
Operating (business profit/loss) EBIT	**3,070,910**	**1,394,431**	**1,676,479**	**120.2%**
EBITDA	**6,159,559**	**3,755,281**	**2,404,278**	**64.0%**
Net financial income	-940,047	-4,378,344	3,438,297	78.5%
Profit before taxes	2,130,863	-2,983,913	5,114,776	171.4%
Profit after taxes	**1,647,089**	**-3,086,227**	**4,733,316**	**153.4%**
Total comprehensive income	1,611,202	-3,005,622	4,616,824	153.6%
Employee headcount (persons)	**1,398**	**1,206**	**192**	**15.9%**

Hunguest accounts for 90.6% of the Tourism Division's total turnover and the operating and non-operating income is also based on Hunguest's 2023 profit generation management. For the Tourism Division, it can thus be said that the processes in Hunguest determine the financial figures at the division level. The division was able to achieve an operating income growth of 27.2%, exceeding total operating income of HUF 39 billion. Given that the pace of cost growth is lagging behind revenue growth, both in terms of proportion and volume, the Tourism Division has shown an improvement in its operating profit in 2023. EBITDA increased by HUF 2.4 billion to HUF 6.16 billion, an increase of 64%, thanks to higher depreciation on the value of long-lived assets due to increased investments over the years, which exceeded the operating profit. Earnings from financial operations also showed an improving trend in 2023, driven by the financial impact of the structural streamlining within the Tourism Division, a more favourable interest rate environment and the exchange rate effect.

Domestic guest demand for accommodation services was stagnant nationally, with a slight downward trend in each of the four quarters of 2023, which posed a market challenge for Hunguest's hotel business, which is typically based on domestic guests. Therefore, it is a noteworthy achievement that despite the market conditions and economic challenges of previous years, the division dynamically increased its profitability and grew its profit after tax by HUF 4.73 billion on a year/year basis. Thus, the loss-making management in 2022 turned into profit, and the Tourism Division realised a profit after tax of HUF 1.65 billion in 2023.

Hunguest's capacity has grown steadily over the past years as a result of acquisitions and the development program, with the previous year being a banner year, which required an increase in the number of employees. Increasing capacity, as new hotels are taken over and renovation work is progressing at a faster pace, is the main driver behind the 192-strong increase in the number of employees, a trend which is expected to continue during the period of Hunguest's hotel renovation program.

III.4. Business Report - Business activity of the Tourism Division

Unless otherwise indicated, data is expressed in HUF '000'

Operating costs	Energy Division 01.01.2023-31.12.2023 audited factual data	Energy Division 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	18,537,728	16,141,630	2,396,098	14.8%
Staff costs	11,306,222	8,924,711	2,381,511	26.7%
Depreciation	3,088,649	2,360,850	727,799	30.8%
Impairment	187,285	25,550	161,735	633.0%
Other operating costs and expenses	2,881,908	1,862,822	1,019,086	54.7%
Total operating costs	**36,001,792**	**29,315,563**	**6,686,229**	**22.8%**

The cost structure of the Tourism Division is determined by two large groups of items. In terms of cost volume, 51% of total operating costs are accounted for by material costs, and personnel costs account for a significant share of around one third. The increase in these cost items has been driven by the impact of inflation and the impact of the cost increases associated with the expansion of capacity, mainly in personnel costs.

Aggregated financial data and shareholder information, balance sheet - Hotel Industry Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Hotel Industry Branch 31.12.2023. audited factual data	Hotel Industry Branch 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**151,781,996**	**150,416,019**	**1,365,977**	**0.9%**
Total cash	4,682,951	10,132,327	-5,449,376	-53.8%
Equity capital	**75,085,127**	**48,938,845**	**26,146,282**	**53.4%**
Long-term liabilities	63,083,283	66,211,600	-3,128,317	-4.7%
Short-term liabilities	13,613,586	35,265,574	-21,651,988	-61.4%
Loans and borrowings	24,147,597	27,640,836	-3,493,239	-12.6%
External funds/balance sheet total	15.9%	18.4%	-2.5%	-13.4%

The financial tables for the Hotel Industry Branch include all members of the Hunguest Group, including foreign entities, but exclude the two companies belonging to the campsite business. The balance sheet totals for the sector are determined by the financial data of the three companies involved in the change of structure in 2023 - KZH INVEST Kft, KZBF INVEST Kft and HUNGUEST Hotel Zrt. The aggregate balance sheet total of these companies represents 94% of the branch. Due to the sector characteristics, the balance sheet structure is dominated by the volume of current and tangible assets. Other accounts receivable and cash and cash equivalents are the most important current assets.

III.4. Business Report - Business activity of the Tourism Division

Hotels in the Hunguest Hotels chain:

Name of hotel/spa	Number of rooms	Town	Owner	Operator	Type of relationship	Effect on HUNGUEST Hotels Zrt.
Hunguest Hotel Aqua-Sol	142	Hajdúszoboszló	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Hotel Béke	224	Hajdúszoboszló	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Hotel Apollo	55	Hajdúszoboszló	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Sóstó	123	Nyíregyháza	Nyíregyháza MJV	HUNGUEST Hotels Zrt.	operation	entire period
Hunguest Szeged**	199	Szeged	HUNGUEST Hotels Zrt		operation of own property	entire period
Hunguest Bük	360	Bükfürdő	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Hotel Pelion	228	Tapolca	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Bál Resort	210	Balatonalmádi	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Gyula**	308	Gyula	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Saliris**	204	Egerszalók	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Hotel Flóra	190	Eger	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Helios**	212	Hévíz	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Panoráma	205	Hévíz	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hunguest Hotel Freya	162	Zalakaros	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hotel Millennium	122	Budapest	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hotel Platánus	182	Budapest	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hotel Eger & Park	214	Eger	HUNGUEST Hotels Zrt.		operation of own property	entire period
Hotel Aquarell	90	Cegléd	MFB-Ingatlanfejlesztő Zrt.	HUNGUEST Hotels Zrt.	operation	From 01.06.2023
Sun Resort (CG)	229	Herceg Novi/ Montenegro	HUNGUEST Hotels Montenegro Doo.		franchise with own subsidiary	entire period
Sporthotel Heiligenblut (A)	112	Heiligenblut/ Austria	Heiligenblut Hotel GmbH	Relax Gastro Hotel GmbH	Partner with own subsidiary	entire period
Landhotel Post (A)	50	Heiligenblut/ Austria	Heiligenblut Hotel GmbH		Partner with own subsidiary	entire period
Palota*	133	Miskolc-Lillafüred	company outside of HUNGUEST Hotels Zrt.		franchise	2023 Q1
Fenyő (RO)*	100	Csíkszereda/ Romania	company outside of HUNGUEST Hotels Zrt.		franchise	2023 Q1

*Franchise contracts terminated on 31.03.2023
** Image and name change

III.4. Business Report - Business activity of the Tourism Division

In accordance with its strategic objectives, Hunguest terminated its franchise agreements with Hotel Palota in Lillafüred and Hotel Fenyő in Chiştera at the end of the first quarter of 2023. At the beginning of 2022, Hotel Eger & Park in Eger joined the hotel chain, and in June in 2023 Hotel Aquarell in Cegléd joined the chain on the basis of a 5-year operating contract. The hotel chain plans to remain active in the concession management market, which it sees as one of the potential pillars of its future growth. Hotel Aquarell is a perfect fit in Hunguest's hotel portfolio, as it is a four-star unit with a large capacity, an extensive wellness area and is located in the immediate vicinity of the Cegléd Spa and Beach Baths. With the entry into force of the operating contract on 01.06.2023, the hotel chain entered the wellness hotel market of Central Hungary with a hotel that is a leader in the region.

Hotel Aquarell is a perfect fit in Hunguest's hotel portfolio, as it is a four-star unit with a large capacity, an extensive wellness area and is located in the immediate vicinity of the Cegléd Spa and Beach Baths. In the fourth quarter of 2023, Hunguest Szeged was handed over on schedule, and the renovation of the common areas and rooms and the construction of new residential units was completed. During the year, Hunguest Saliris, Hunguest Helios, the former Munkácsy wing of Hunguest Gyula and the western wing of Hunguest Bük were inaugurated. Hunguest Hotels delivered 800 rooms in its development program in 2023. In the second half of 2024, one of the largest hotel development programs in the country's history will be completed with the inauguration of Hunguest Hotel Flora and Hunguest Hotel Béke. Thereafter, 2025 will be the first financial year in which the hotel chain is expected to operate at full capacity.

The work of Hunguest Hotels was recognised in a number of forums in 2023: Roland Kelemen, Hunguest Sóstó's deputy chef, will represent Hungary at the Bocuse d'Or Europe 2024 international chef competition, and the hotel chain's renewed image won the German Design Award in the brand identity category, founded by the German Design Council. Hunguest Hotels' hotels won in four categories at the Nők Lapja Travel Awards, and Hunguest BÁL Resort was named the rural business hotel of the year at the Business Excellence 20223 competition.

The Hotel Industry's cash and cash equivalents declined by 53.8%, mainly due to the financing of hotel renovations and to a lesser extent to bank loan repayments.

Equity capital was HUF 26.15 billion higher than in the base year. Capital growth was mainly driven by the HUF 21.5 bn capital increase in the hotel sector, as already presented in the division's aggregated balance sheet data, but profitable management is also a positive factor in 2023. In the first quarter of 2023, a dividend payment of HUF 1.1 billion was made to cover the bank debt service of the Asset Management companies (KZH INVEST Kft. and KZBF INVEST Kft.). The effect of liability side of the capital increase is a HUF 21.65 billion reduction in short-term liabilities, which effectively means the capitalisation of the member loan.

The camping business has no bank loans, so the Tourism Division's loan portfolio is equal to the hotel business's loan portfolio, which is reduced by HUF 3.49 billion in 2023 due to capital repayments due.

Aggregated financial data and shareholder information, Income Statement - Hotel Industry Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Agriculture Branch 01.01.2023-31.12.2023 audited factual data	Hotel Industr Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**36,885,175**	**28,748,879**	**8,136,296**	**28.3%**
Operating costs	34,070,064	27,574,061	6,496,003	23.6%
Operating (business profit/loss) EBIT	**2,815,111**	**1,174,818**	**1,640,293**	**139.6%**
EBITDA	**5,560,195**	**3,240,487**	**2,319,708**	**71.6%**
Net financial income	-898,795	-4,368,405	3,469,610	79.4%
Profit before taxes	1,916,316	-3,193,587	5,109,903	160.0%
Profit after taxes	**1,446,857**	**-3,275,580**	**4,722,437**	**144.2%**
Total comprehensive income	1,410,970	-3,194,975	4,605,945	144.2%
Employee headcount (persons)	**1,355**	**1,174**	**181**	**15.4%**

The Hotel Industry Branch generated total operating income of HUF 36.89 billion, up HUF 8.14 billion or 28.3% on the base year. The increase of income exceeding inflation contributes to a rate of growth above the average consumer price growth rate for holiday services (22.72%) and in line with the 27.4% growth of the national hotel industry.

The hotel market in Hungary showed slight growth in 2023. Foreign guests spent more nights in Hungary in 2023 than a year earlier. We can conclude that Hunguest was able to capitalise well on the return of foreign guests, and the increase in the number of guest nights by non-Hungarian travellers contributed to the growth of the Hotel Industry's revenue and profit margins, in addition to increasing the number of domestic guest nights, contrary to the national trend.

The Hotel Industry significantly increased its profit after tax and profitability by HUF 4.72 billion at all levels in 2023. The branch's performance is clearly driven by Hunguest's 2023 profit, with the company's operating result up HUF 1.8 billion to HUF 3.22 billion in 2023, its financial result up HUF 1.34 billion and its profit after tax up HUF 3.04 billion to HUF 2.53 billion in 2023. The key factors and interrelationships affecting the branch's revenues and costs, and its overall management, were already reviewed in the presentation of the aggregate figures for the branch.

There is no significant change in the ranking of sending countries, with the Czech Republic and Romania being the two most important sending markets (25.1% and 17.7% respectively), while Germany, which dominated at the beginning of the millennium, has now moved up to third place (12.4% of inbound tourists come from Germany). In 2023, Poland and Serbia were added to the list of new destinations, with shares of over 1%. Almost 40% of foreign guests come from the neighbouring countries.

It is important to highlight that while at the national level, the number of domestic guest nights decreased by 3.9% in 2023, the same number increased in Hunguest hotels, even adjusted for the continuous capacity expansion due to the development program. Domestic visitors are concentrated in rural towns and spa towns, while most foreign visitors are concentrated in the Bük-Sárvár region, and Szeged, Gyula and Hajdúszoboszló also attract over 20% of foreign visitors in terms of the distribution of overnight stays.

Hotel Industry Branch - Austria

In response to the low demand, only the Sporthotel Heiligenblut in Heiligenblut am Großglockner, Carinthia, was open during the summer season, to accommodate the reduced number of guests, while the terrace of Landhotel Post was open expecting transit travellers. After the end of the summer season, the operating concept of the Austrian hotels was reviewed in order to achieve maximum efficiency, which resulted in the Landhotel Post being the only hotel to welcome guests during the winter season.

Hotel Industry Branch - Montenegro

Compared to both the 2022 base (+26.4%) and the plan, a significant revenue surplus was realised in the Hunguest chain's Montenegro subsidiary. Gross operating profit also shows a surplus of more than 50% compared to the base period. More than one third of the guests came from Hungary, almost 30% from Serbia and 10% from France. The biggest challenge in Montenegro was also the supply of labour.

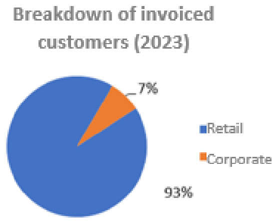
Within the Hotel Industry, the weight of foreign entities is low, less than 5% of the aggregate balance sheet total, and foreign companies have a similar weight of 5% in terms of operating income. Together, these hotel units generated an operating loss at aggregate level in 2023.

III.4. Business Report - Business activity of the Tourism Division

Unless otherwise indicated, data is expressed in HUF '000'

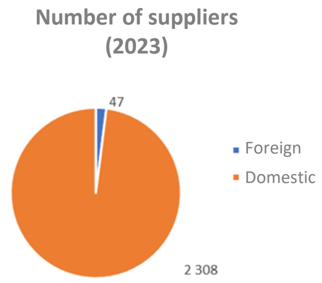
	Agriculture Branch 01.01.2023-31.12.2023 audited factual data	Heavy Industry Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	17,486,762	15,156,447	2,330,315	15.4%
Staff costs	10,887,681	8,586,821	2,300,860	26.8%
Depreciation	2,745,084	2,065,669	679,415	32.9%
Impairment	196,722	7,729	188,993	2445.2%
Other operating costs and expenses	2,753,815	1,757,395	996,420	56.7%
Total operating costs	**34,070,064**	**27,574,061**	**6,496,003**	**23.6%**

The Hotel Industry has a strict cost management policy, which is illustrated by the fact that compared to the annual growth of revenues in percentage terms (28.3%), the growth of material costs has been kept at a lower level (15.4%). This is one of the reasons why EBITDA, one of the key performance indicators for the efficiency of core operations, increased by 71.6% year-on-year.



Customer focus, quality service and safe operation are the pillars of success of Hunguest. They contribute to the maximum service of their customers' needs by continuously improving their offer, which is determined by feedback from customer satisfaction surveys. In 2023, the Company served a total of 323,194 billed customers, of which 300,267 were residential customers and 22,927 were corporate customers.

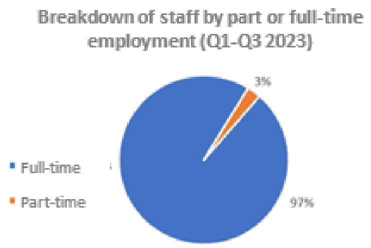
In 2023, the Company worked with 2,355 suppliers, of which 2,308 were domestic and 47 were foreign. The entire OPUS Group is committed to working with domestic partners, and in this spirit, 98% of the total network of partners of the hotel branch strengthens the domestic economy.

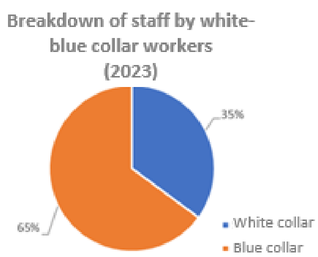


Regular tendering of subcontractors and the expectation of high quality together raise the level of guest experience, and strengthen the side of demand for the hotel chain. This supplier network contributes to a high quality accommodation service.

The rationalisation of supplier relationships is an important element in the division's operations, and as a result Hunguest continuously reviews its existing contracts and renegotiates them where necessary in line with market expectations.

In 2023, Hunguest continued to employ 97% of its workforce full-time and 3% part-time, with 35% of employees in manual and 65% in manual jobs.





Human resources policy continues to play a key role in the strategic management, taking into account that the availability of a skilled and qualified workforce is becoming increasingly difficult in the labour market, and therefore, in addition to recruitment, retention and employee satisfaction are of paramount importance. Wage policy will continue to focus on retaining a quality, skilled workforce, which will also be the basis for staffing the new hotels that will be handed over after the developments. Employee satisfaction is further supported by a wide range of cafeteria benefits, discounted holiday entitlements, professional development opportunities, consistent performance-related pay and, of course, continuous salary increases.

A particular access to the labour market is provided by the fact that all members of the Hunguest Hotel Chain are apprenticeships, which allows hotels to get in touch with many talented employees who are about to start their careers before they enter the market.

Aggregated financial data and shareholder information, balance sheet - Camping Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Camping Branch 31.12.2023. audited factual data	Agriculture Branch 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**4,017,006**	**3,798,753**	**218,253**	**5.7%**
Total cash	581,926	644,606	-62,680	-9.7%
Equity capital	**1,446,234**	**1,246,002**	**200,232**	**16.1%**
Long-term liabilities	2,077,424	2,209,376	-131,952	-6.0%
Short-term liabilities	493,348	343,375	149,973	43.7%
Loans and borrowings	-	-	-	-
External funds/balance sheet total	-	-	-	-

The financial tables of the camping business include the financial data of BALATONTOURIST Kft. and BALATONTOURIST CAMPING Kft. together, and the processes presented in the sector cover the operations of the two companies.

The balance sheet total of the branch amounts to HUF 218.3 million, which, with a growth of 5.7%, will exceed HUF 4 billion by the end of 2023. The increase in the balance sheet total is due to the change in stocks shown under tangible fixed assets. Significant investments were also made in the Füred and Berény Naturist campsites: mobile homes, mobile catering unit, new access control system. The other campsites operated by the Camping Branch, Sunshine Camping, Sunshine-Garden Camping and Strand-Holiday Camping, continued to operate in 2023 in the same form as in previous years. Nearly 75% of the division's total assets, or half of its tangible assets, are represented by rights to use assets, which include tangible assets and real estate leased by the two companies. Cash and cash equivalents show a decrease of 9.7%, due to the investments made in conservation and improvements, as in the Hotel Industry. Taking advantage of the seasonality of its operations, the Camping Branch is making investments, between the summer seasons - works that are not encountered by campers - and which contribute to their overall recreational experience.

BALATONTOURIST Kft. and BALATONTOURIST CAMPING Kft. produced results similar to those of the past years. The HUF 200 million increase in equity is due to the combined results of the two companies. The operation is seasonal, so there were the usual changes throughout the year. The losses of the first half of the year, when campsites operated with virtually no revenue, were compensated by the summer season, and by the end of the third quarter the branch had a profit after tax of HUF 400 million, which fell in the last quarter of the year, which, like the first, was without revenue. There were no material changes in the liabilities of the two companies, with the bulk of the liabilities, nearly HUF 2 billion in the year, and HUF 132 million within the year, being finance lease liabilities of BALATONTOURIST CAMPING Kft.

Accommodation in the BALATONTOURIST Group:

Name of accommodation	Name of town	Size of area	Operator	Owner	Comment
Berény Naturista Kemping	Balatonberény	5.5 ha	BALATONTOURIST Kft.	Balatonberény Község Önkormányzata	Own operation
Füred Kemping és Üdülőfalu	Balatonfüred	18 ha	BALATONTOURIST CAMPING Kft.	Balatonfüred Város Önkormányzata	Own operation
Napfény Kemping	Révfülöp	7.2 ha	BALATONTOURIST Kft.	Révfülöp Nagyközség Önkormányzata 60% MNV Magyar Nemzeti Vagyonkezelő Zrt. 40%	Own operation
Napfény-Garden Kemping	Révfülöp	1.5 ha	BALATONTOURIST Kft.	Révfülöp Nagyközség Önkormányzata	Own operation
Strand-Holiday Kemping	Balatonakali	3.6 ha	BALATONTOURIST CAMPING Kft.	Zion Europe Ingatlanforg. és Hasznosító Kft.	Own operation

Aggregated financial data and shareholder information, income statement - Agriculture Branch:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Agriculture Branch 01.01.2023-31.12.2023 audited factual data	Heavy Industry Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**2,187,527**	**1,961,115**	**226,412**	**11.5%**
Operating costs	1,931,728	1,741,502	190,226	10.9%
Operating (business profit/loss) EBIT	**255,799**	**219,613**	**36,186**	**16.5%**
EBITDA	**599,364**	**514,794**	**84,570**	**16.4%**
Net financial income	-41,252	-9,939	-31,313	-315.1%
Profit before taxes	214,547	209,674	4,873	2.3%
Profit after taxes	**200,232**	**189,353**	**10,879**	**5.7%**
Total comprehensive income	200,232	189,353	10,879	5.7%
Employee headcount (persons)	**43**	**32**	**11**	**34.4%**

Both players in the branch were able to increase their turnover in 2023, so together the two companies increased their total operating income by 11.5%, to HUF 226.41 million. The companies' ability to generate profits improved, thanks to effective cost management, so that the increase in costs lagged behind the increase in revenues. The Camping Branch increased by 16.5% to achieve an operating profit of HUF 255.79 million. EBITDA achieved a higher profit of HUF 84.57 million compared to the base year due to higher operating profit compared to previous years and higher depreciation. The branch's profit after tax reached HUF 200 million with an increase of HUF 10.88 million. The branch has been on a predictable earnings trajectory similar to recent years, with no exceptional events in its operations, and thus continues to contribute to the performance of the Tourism Division with its stable generation of earnings.

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Operating costs	Agriculture Branch 01.01.2023-31.0122023 audited factual data	Heavy Industry Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	1,050,966	985,183	65,783	6.7%
Staff costs	418,541	337,890	80,651	23.9%
Depreciation	343,565	295,181	48,384	16.4%
Impairment	-9,437	17,821	-27,258	-153.0%
Other operating costs and expenses	128,093	105,427	22,666	21.5%
Total operating costs	**1,931,728**	**1,741,502**	**190,226**	**10.9%**

Thanks to the branch's cost discipline, material costs increased by 6.7% at a non-inflationary level, the cost increase being mainly related to the inflationary impact already mentioned in the division aggregates and to energy price increases. The 23.9% increase in staff costs can be linked to the fact that in 2023 the average number of employees in the Camping Branch was higher than the base year, with a 34.4% increase in the number of employees on a year/year basis.

D. Divisional risks

Hunguest rates the potential risks to its operations on a three-point scale of high, medium or low, depending on the likelihood of their occurrence and the depth to which operations are affected by the risk.

Employees - high risk:
At a national level, it is becoming increasingly difficult to find suitable, skilled labour, making it harder than usual to attract good quality staff, especially for hotels reopening after development, helped by increased wage levels, but made more difficult by the fact that wage competition is now cross-industry. This latter factor has also become a very important factor in retaining existing staff.

Inflation - high risk:
A significant risk factor is inflation, which has fundamentally shaped the business environment in 2023 following 2022, regardless of sector or region. Controlling operating costs, and thereby maintaining operational efficiency, is a major challenge, as price increases can at some point amortise demand in the tourism market. By December 2023, the rate of inflation was reduced to 5.5%, which marks a significant easing after a long period.

Changes in building material prices - medium risk:
Within the product categories affected by inflation, the change in the price of building materials is particularly noteworthy. Hunguest's risk exposure is above average due to the ongoing hotel renovation program. The Camping Branch is also affected by changes in building material prices through minor development and maintenance investments.

Energy price increases - medium risk:
Since mid-December 2022, there has been a significant fall in energy prices on the market, and the possibility of long-term fixed price contracts is again an indication of the long-term consolidation expectations of energy market players. However, past experience shows that rapid and unexpected negative changes in the market situation can create significant operational challenges.

Changes in base rates - low risk:

The policy rate peaked in the last quarter of 2022, and a cycle of interest rate cuts started in Hungary in May 2023, supported by broad-based and sustained disinflation in Hungary and, globally, weakening global demand and lower commodity prices than in previous years.

E. Risk management

Despite the turbulence of the past years, Hunguest has strengthened its market position, not only being able to sustain its operations but also steadily improving its hotels, processes and efficiency. As a result, it was profitable at operating level in 2022 and 2023. It can therefore be said that it is able to deal quickly and effectively with even extreme operational risks.

Employees:
In order to alleviate the severe labour shortage, Hunguest will also employ foreign workers in its hotels on a supplementary basis, in line with a solution that has become widespread in the industry during the year, if there are no Hungarian applicants for a particular job.

Inflation:
Monthly operating cost and gross operating profit reports are produced under tight control, allowing rapid intervention where necessary.

Changes in building material prices:
Hunguest works closely with contractors at hotels affected by the development. Regular market competition on the supplier side minimises price increases.

Energy price increases:
The Hunguest has launched a comprehensive package of energy efficiency measures, both by further rationalising operations and by investing in cost reduction: installing solar systems, using LED lights, installing foil in heated pools, replacing gas boilers with heat pumps, modernising facades and replacing windows and doors. In this way, Hunguest hotels are continuously reducing their energy demand and exposure to fossil fuels, which significantly strengthens the company's sustainable and resilient operations.

Changes in base rates:
One of the focus areas in recent years has been the optimisation of funding. As a result, we have succeeded in replacing short term funding that is not in line with our financing objectives with long term loans and minimising the use of BUBOR-based funding. ~90% of Hunguest's funding raised is EURIBOR-based or HUF funding raised at a fixed rate in the period prior to the inflationary interest rate path. Overall, interest rate risk is mitigated and Hunguest finances its operations on stable and predictable terms.

2024 could be a significant milestone for the domestic economy, as it looks set to be a year of consolidation after a long period of time. Real wage growth, consumption expansion and a resumption of economic growth are expected in this year, which bodes well for the economic outlook.

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F. 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 implemented by Hunguest in the properties. In 2020, it started its full renovation program to be finished by 2024, the largest hotel renovation program in Hungary's history. The hotels will be included in the program according to a pre-defined schedule, and all of those affected will be upgraded to four-star and four-star superior categories following the renovation. In parallel with the renovations, the standardisation of services across the entire chain is taking place to ensure that the Hunguest brand conveys the same strong and clear values with outstanding service quality everywhere. The branch is well on track to continue its operations, not simply to weather the trials of the past years, but to turn the challenges to its advantage, to strengthen its position as a leading player in Hungary.

The strategic focus will remain on the rural market for high-capacity hotels with spa connections, and the strategic objective is to further expand in this market through acquisitions, including concession operations, in addition to the acquisitions made so far.

Balatontourist remains committed to serving the travelling public seeking nature-based recreation at sustainable, affordable prices, while preserving and nurturing the natural heritage of Lake Balaton. The Group's is deducted to ensure that the shores of Lake Balaton remain accessible to all without further development, while preserving the delicate balance between environmental concerns and human activity.

Sustainable development is a key principle of the OPUS Group’s operations, which means of balance between financial and economic performance, corporate governance and operations, social responsibility and respect for and consideration of environmental aspects. These principles also apply to companies in the Tourism Division.

Energy Division

In 2021, OPUS GLOBAL Nyrt. set as its key strategic goal the development of its diversified energy portfolio, which made it a dominant player in the Hungarian energy market, and defined as a priority the optimal and efficient use of synergies between energy services.

In line with its strategy, OPUS GLOBAL Nyrt. has become a major shareholder of the two largest energy companies in Eastern Hungary, OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt. As a result of these acquisitions, two players of great legacy and reliable expertise were integrated in the OPUS Group, the operating area of which covers a significant geographical region.

The energy portfolio of the OPUS Group is one of the energy providers with the greatest geographical coverage in Hungary. The service area covers 40% of Hungary: OPUS TIGÁZ Zrt. supplies gas to 1.27 million users in seven counties, while OPUS TITÁSZ Zrt. serves 784 ,000 clients in six counties.

Acquisitions of division elements within the OPUS Group have been completed in several stages in 2021, and integration within the portfolio still offers significant opportunities for further development in the coming period to leverage synergies and optimise operations.

In the end of 2023, the Energy Division accounted for 41% of the OPUS Group's balance sheet total and 32% of its sales revenue, considering its asset value it is the largest and considering its sales revenue, it is the second largest within the OPUS Group.

A. Companies of the division

List of the companies in the division as at 31.12.2023:

Name	Level of affiliation	Core business activity	Country of registration	Indirect/direct participation	Ownership interest of the issuer 31.12.2023	Ownership interest of the issuer 31.12.2022
MS Energy Holding AG	S	Asset Management	Switzerland	Direct	50.00%	50.00%
MS Energy Holding Zrt.	S	Asset Management	Hungary	Indirect	50.00%	50.00%
OPUS TIGÁZ Zrt.	S	Gas supply	Hungary	Indirect	49.57%	49.57%
TURULGÁZ ZRT.	S	Pipeline owner - renting	Hungary	Indirect	49.57%	49.57%
GERECSEGÁZ Zrt.	S	Pipeline owner - renting	Hungary	Indirect	49.57%	49.57%

OPUS TITÁSZ Zrt.	S	Electricity distribution	Hungary	Direct	50.00%	50.00%
OPTESZ OPUS Zrt.	JM	Service centre	Hungary	Direct and indirect together	49.99%	49.84%
OPUS E-LINE Kft.	S	Public utility construction	Hungary	Indirect	7.48%	-

S: Subsidiary; JM: Jointly managed company

Energy Division - Gas Supply Branch:

The Board of Directors of OPUS GLOBAL Nyrt, in accordance with its decision made on 11 March 2021, purchased a share package including 100,000 individual shares of a nominal value of - CHF 1 each, issued by **MS Energy Holding AG**, owned by MET Holding AG - which constituted 50% business interest in MS Energy Holding AG, and also an indirect control of 50% in MS Energy Holding Zártkörűen Működő Részvénytársaság and 49.57% in TIGÁZ Földgázelosztó Zártkörűen Működő Részvénytársaság. The other 50% of MS Energy Holding AG is owned by STATUS ENERGY Kft. besides OPUS GLOBAL.

Since 1 July 2021, TIGÁZ Zrt. has been called OPUS TIGÁZ Gázhálózati Zártkörűen Működő Részvénytársaság, expressing the connection to the OPUS Group. The owners have agreed that OPUS GLOBAL Nyrt. will exercise a controlling influence in MS Energy Holding AG, therefore MS ENERGY HOLDING AG and its subsidiaries will be consolidated as a subsidiary from 1 April 2021.

Thus, while MS Energy Holding AG and MS Energy Holding Zrt. are exclusively engaged in holding activities, one of the flagship companies of the energy business is OPUS TIGÁZ Zrt. The Company is a natural gas distribution licensee operating in the North-Eastern region of Hungary, in the geographical area defined in the licence issued by the Hungarian Energy and Public Utility Regulatory Office. Considering the service area, it is the largest gas supply pipeline network of the country, operating more than 33,000 kilometres of pipeline. On 31 December 2023, the number of settlements serviced by OPUS TIGÁZ Zrt. was 1,108. Its activity is based on regulated prices (tariffs set by the authority) and its market has the characteristics of a natural monopoly. The company has no real competitors in its field of operation.

The fundamental purpose of the gas supply activity is the delivery of piped natural gas from the input point of gas networks (natural gas reception station) to the boundary of the lands of gas users. This activity is performed by OPUS TIGÁZ Zrt based on the division of tasks as specified in the plans, where operative works are performed by territorial units:

In each and every partial process of the gas supply activity, modern gas technology methods are applied by the company. Proper quality is guaranteed by a quality assurance system audited by an independent expert.

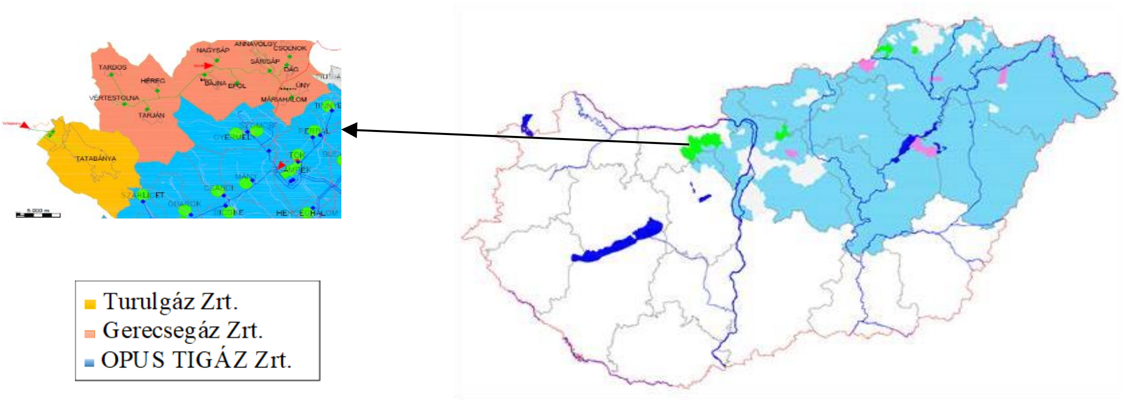
The planning, implementation, operation and reconstruction of the gas supply pipelines are performed by the Company in accordance with the quality assurance system approved by the Magyar Bányászati és Földtani Szolgálat (MBFSZ).

The gas distribution business consists of two other companies, TURULGÁZ Zrt. and GERECSEGÁZ Zrt. Both companies own a total of 374 km of natural gas pipelines in Northern Hungary, on which OPUS TIGÁZ Zrt. is the natural gas distributor. Their sales revenues are determined by the distribution fee for the gas volumes distributed on their gas systems, which is paid to them by OPUS TIGÁZ Zrt. on the basis of an operation contract.

On 07.10.2022, a share transfer agreement was concluded between OPUS TIGÁZ Zrt. and T-SZOL Zrt., under which OPUS TIGÁZ Zrt. acquired the 41.09% stake in TURULGÁZ Zrt. owned by T-SZOL, and the remaining 0.49% of the company's own shares were also acquired. In total, the previous 58.42% stake of OPUS TIGÁZ Zrt. increased to 100% and it became the sole shareholder.

A share transfer agreement was also concluded between OPUS TIGÁZ Zrt. and MVM Next Energiakereskedelmi Zrt. on 30.11.2022, on the basis of which OPUS TIGÁZ Zrt. acquired the 49.36% stake in GERECSEGÁZ Zrt. owned by MVM Next, and the remaining 0.5% of the shares held by the municipalities were also acquired. TURULGÁZ Zrt. owns 50.14% of GERECSEGÁZ Zrt., which means that the direct and indirect shareholding of OPUS TIGÁZ Zrt. in this company has also increased to 100%.

From the last quarter of 2022, OPUS GLOBAL Nyrt. will further include TURULGÁZ Zrt. and GERECSEGÁZ Zrt. as subsidiaries in the consolidation.



Energy Division - Electricity Distribution Branch

OPUS GLOBAL Nyrt. announced its intent to purchase Tiszántúli Áramhálózati Zrt. in October 2019. Following a comprehensive due diligence, a binding offer was made to E.ON Beteiligungen GmbH in December 2020 and the final sale and purchase agreement was concluded on 30 March 2021. The closing of the transaction - after obtaining the necessary regulatory approvals and fulfilling the closing conditions set out in the contract - was completed on 31 August 2021, so the inclusion of the OPUS Group in its consolidation is effective from this date. The company took the name OPUS TITÁSZ Áramhálózati Zártkörűen Működő Részvénytársaság on 1 September 2021 to reflect its affiliation with the OPUS Group.

The acquisition was completed through the creation of a project entity (OPUS ENERGY Kft.), established by OPUS GLOBAL Nyrt. and Status ENERGY Kft. with a 50-50% ownership. Subsequent to the successful closing of the acquisition (31 August 2021), OPUS ENERGY Kft. achieved its purpose, there was no economic or legal interest in its further maintenance, and therefore, on 28 March 2022, the owners - OPUS GLOBAL Nyrt. and STATUS ENERGY Kft. - made a decision to merge OPUS Energy Kft. into OPUS TITÁSZ Zrt. as the acquiring and successor company. The merger was completed on 1 July 2022, with which OPUS ENERGY Kft. ceased to exist and OPUS GLOBAL Nyrt. acquired a direct 50% stake in OPUS TITÁSZ Zrt.

The second particularly important post-acquisition phase of the electricity distribution business is the so-called "Integration Phase", which includes the IT and business process developments that will ensure the independent operation of the Company, based on its own IT system and human resources, and independent from E.ON. On 1 October 2023, the project reached an impressive milestone, as OPUS TITÁSZ Zrt. took over the customer service related to the electricity network and technical issues from E.ON Customer Service Kft., including the technical and network issues already in progress.

The corporate structure of the electricity distribution branch in the Energy Division of the OPUS Group, has become completely streamlined by way of the termination of OPUS ENERGY Kft., with OPUS TITÁSZ Zrt. Remaining the only company. The corporation is a reliable, stable and innovative company with a decades-long history, whose main task is to ensure uninterrupted electricity supply, including operation management, network development and maintenance, regional customer relations, metering, readings and checks.

III.4. Business Report - Business activity of the Energy Division

OPUS TITÁSZ Zrt. is a company subject to the Electricity Act (VET) and is a company carrying out activities subject to official authorisation. Its service area is defined and protected by the licence issued by the Hungarian Energy and Public Utility Regulatory Office. Its activity is based on regulated prices (tariffs set by the authority) and its market has the characteristics of a natural monopoly, thus has no real competitor in its field of operation.

Electric energy distribution subject to authorisation is performed by OPUSZ TITÁSZ Zrt. in six counties. It covers mainly the counties of Hajdú-Bihar, Szabolcs-Szatmár-Bereg and Jász-Nagykun-Szolnok, and to a lesser extent the counties of Bács-Kiskun, Békés and Pest. It operates an electricity distribution network covering an area of 18,728 square kilometres, 26,177 kilometres in length, ensuring uninterrupted electricity supply to nearly 400 municipalities and 784,000 homes and workplaces.

OPUS E-LINE Kft. was established in June 2023, with OPUS TITÁSZ Zrt. exercising majority control rights, therefore OPUS GLOBL Nyrt. will consolidate the newly established company as a subsidiary in the future. The primary task of OPUS E-LINE Kft. is by fulfilling the orders of OPUS TITÁSZ Zrt. to actively participate in the implementation of the Hungarian electricity grid investments, design, construction and installation activities that will become necessary in the future due to the country's comprehensive energy renewal. The Company did not perform any activities in the first three quarters of the year, and was started its first construction project in Q4 2023.

The Company holds a 3% stake in Zánka Resort Association, the carrying value of which is marginal and is therefore not included in the scope of consolidation of the OPUS Group.

<u>Energy Division - Service Centre:</u>

The purpose of the establishment of OPTESZ OPUS Zrt. is to exploit the future long-term synergies between OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt., indirectly owned by the founders, and to increase the operational efficiency of the companies concerned by completing a successful integration.

OPTESZ OPUS Zrt. was founded on 26 May 2022 by OPUS GLOBAL Nyrt. and STATUS ENERGY Magántőkealap, with OPUS GLOBAL Nyrt. holding a combined direct and indirect stake of 49.99%.

The Boards of Directors of the main companies in the division, OPUS TITÁSZ Zrt., OPUS TIGÁZ Zrt. and OPTESZ OPUS Zrt. have prepared the restructuring of the companies by means of a merging demerger. In the merging demerger, OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt. were maintained and their shareholders were allowed to join OPTESZ OPUS Zrt. as the successor company with a part of the companies' assets. Resolutions for the transformation were passed by the general meetings of the companies on 15 September 2022, supporting the outsourcing of certain support functions by means of a merging demerger into OPTESZ OPUS Zrt. as a service centre with a turnaround date of 31 December 2022. With this legal act, the service centre started its operations on 1 January 2023, providing, among others, economic functions, HR, IT, legal, procurement, warehousing, logistics, property management and business support services (vehicle management, document management and business administration).

On 4 May 2023, a decision was taken to carry out a second round of merging demerger, which resulted in the outsourcing of additional support functions and the establishment of a full set of competencies of OPTESZ OPUS Zrt. as planned: the above functions were supplemented with customer relationship management, billing, customer current account and receivables management, meter reading and disconnection coordination. The second round of the merger will take place on 31 August 2023 and the transformation of OPTESZ OPUS Zrt. is completed, taking over all the assets necessary for its operation from both OPUS TITÁSZ Zrt. and OPUS TIGÁZ Zrt.

OPTESZ OPUS Zrt. is an important part of the OPUS GLOBAL Nyrt. portfolio, which supports the efficient operation of the OPUS Group's Energy Division through the combined support of the distribution companies.

B. Description of the business environment of the division

In the first half of 2023, there was no major change in the price of crude oil, the dominant product in the energy market, with prices hovering in the $75-85 range, before reaching $75-80 in the second quarter. The price of Brent oil in the third quarter of 2023 was in the range of USD75-95, while in the last quarter it was around 70-90 in line with the price levels of the previous quarters. The 2023 full-year average price was thus around $80. Oil stock levels were still relatively low, which could in turn cause considerable volatility in prices, especially given the slower than expected growth in crude oil production.

The downward trend continued in the electricity business in 2023, with the average price of HUPX DAM, the domestic exchange price that is our benchmark, fluctuating between EUR 150-200/MWh in January, and hovering close to EUR 150/MWh in February, reaching EUR 100/MWh by the end of March. In the second quarter of 2023, the average price stabilised at 106.71 EUR/MWh in April, 88.19 EUR/MWh in May and 96.57 EUR/MWh in June (60% lower than last year). In the third quarter of 2023, average monthly electricity prices were typically around EUR 100/MWh, while in the fourth quarter they were around EUR 95/MWh.

In addition to the evolution of commodity prices, the EUR/HUF cross exchange rate has of course had a significant impact, falling steadily from the EUR/USD 400 range at the end of the year 2022 to EUR/HUF380 in the first quarter of 2023, with a few brief spikes, and then stabilising at EUR/HUF370 by the beginning of the summer, which then typically remained in the range of 380-390 EUR/HUF in the third quarter of 2023 and then in the range of 375-385 EUR/HUF in the fourth quarter of 2023.

The EUR/HUF exchange rate has an impact on a major cost element for the Companies, the cost of electricity and natural gas purchased to make up for network losses. The cost of network losses is recognised in the company's tariffs, regulated by Hungarian Energy and Public Utility Regulatory Authority (MEKH), in the amount and at the price set by the authority.

The most extreme changes in the natural gas market were caused by the Russian-Ukranian war, which nearly tripled world natural gas prices in two weeks after its outbreak. The average price for the last month before the war was 79.90 EUR/MWh in the Dutch-listed TTF, peaking in August at 340 EUR/MWh. By the end of 2022, the world price had fallen further to 80 EUR/MWh, before falling back to pre-war levels in early 2023. Afterwards, thanks to the mild winter, the price decreased steadily, falling below 50 EUR/MWh by the end of March 2023, and then stabilized at 30-35 EUR/MWh in the second and third quarters of 2023. At the beginning of the fourth quarter, the TTF price briefly increased to 50 EUR/MWh, from where it steadily decreased to 35 EUR/MWh at the end of the year. The European natural gas market calmed down steadily at the end of the winter, although market dynamics were influenced by Russian gas flows, and the high level of European gas storage (5-year average at the beginning of the winter) helped to reduce prices. At the end of June 2023, domestic warehouses were at 67% capacity, almost 30% higher than in the previous year and 5% higher than the 5-year average. In September, the level of domestic gas storage was over 90% and remained around 80% at the end of the year.

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C. Division activity in 2023

Aggregated financial data and shareholder information, balance sheet:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Energy Division 31.12.2022. audited factual data	Energy Division 31.12.2022. audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**521,627,456**	**453,231,071**	**68,396,385**	**15.1%**
Total cash	97,781,185	45,561,466	52,219,719	114.6%
Equity capital	**193,003,320**	**211,108,510**	**-18,105,190**	**-8.6%**
Long-term liabilities	225,901,076	173,542,002	52,359,074	30.2%
Short-term liabilities	102,723,060	68,580,559	34,142,501	49.8%
Loans and borrowings, liabilities from bond issues	95,789,447	101,325,478	-5,536,031	-5.5%
External funds/balance sheet total	18.4%	22.4%	-4.0%	-17.9%

In terms of aggregate division numbers, two companies, OPUS TITÁSZ Zrt. and OPUS TIGÁZ Zrt. are the dominant ones, they concentrate 97% of total assets and generate 99.7% of the division’s total operating income, thus they are also the companies that are induce the division-level changes.

Energy distribution is a highly complex, high value-added business, with a particularly high barrier to entry due to both the regulatory complexity and the capital requirements for the necessary infrastructure. The Energy Division has long-term assets with a value of HUF 363.95 billion, a significant part of which is represented by the about 60,000 km long line (electricity and natural gas combined) of pipeline networks that they jointly operate.

The renewal and preservation of assets is a priority for security of supply. In 2023, the companies in the division had a depreciation volume of HUF 21.59 billion, which they recovered thanks to their investment activity. Nevertheless, the stock of long-term assets decreased from HUF 366.65 billion at 31. December 2022 to HUF 363.95 billion. This was due to the incorporation of OPTESZ OPUS Zrt., the service centre of the Energy Division, which took over its support functions and the necessary assets from both OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt. in a two-round merging demerger.

OPTESZ OPUS Zrt. commenced operations on 01. January 2023, when the first round of the merging demerger involving the three companies took place. The service centre took over assets with a book value of approximately HUF 12.65 billion (and current assets of HUF 725 million) for its initial responsibilities, which were therefore taken outside the scope of consolidation. The second and final round of the transformation came into effect on 31. August 2023, during which OPTESZ OPUS Zrt. supplemented its scope of activities, completed its set of competences and took over all additional assets required for this purpose. All together HUF 3.13 billion of assets with a book value of more than HUF 3.13 billion (and book value of HUF 5 billion of current assets) were outsourced to OPTESZ OPUS Zrt. in the second round of the merging demerger.

The carrying amount of the assets transferred and thus excluded from the scope of consolidation in the two-round merging demerger is HUF 15.78 billion, while the volume of amortisation realised in 2023 is HUF 21.59 billion, with a combined declining impact of HUF 37.37 billion. The decrease of only HUF 2.70 billion in the value of assets held beyond their useful life thus indicates that, despite the decrease in the value of assets, the renewal, conservation and replacement of assets exceeded the level of amortisation, i.e. the Energy Division successfully increased the value of its assets through its investment activity.

It comes from the above that the 15.1% (HUF 68.40 billion) increase in balance sheet total is due to an increase in current assets, the largest part (~73.45%) of which is due to the increase in the division's cash position thanks to the disbursement of various government grants and grant advances.

These advances also increased the division's long-term liabilities. Within current assets, inventories, trade receivables, short term related and other receivables also increased, but to a lesser extent.

In spite of the decrease in debt, total assets of the division increased, resulting in an overall more harmonious balance sheet structure with a decrease in the ratio of debt to total assets, which decreased from 22.4% to 18.4% since the end of year 2022. The decrease of HUF 18.11 billion in equity was due to the merger of OPTESZ OPUS Zrt. as with the above-mentioned HUF 21.51 billion in long-term assets and current assets, a similar amount of equity (HUF 20.83 billion) was also deconsolidated.

In addition to the equity capital retired (HUF 20.83 billion), the dividend of HUF 1.49 billion paid from OPUS TIGÁZ Zrt. in 2023 (which was used to repay the loan of MS Energy Holding Zrt. as described below) was a capital-reducing item, while the after-tax profit of HUF 4.31 billion achieved by the Energy Division in 2023 was a capital-increasing item. These factors were the main drivers of the 2023 closing equity at the level of the division.

The decrease of HUF 5.54 billion in loans and bonds payable was partly driven by the gas distribution branch: OPUS TIGÁZ Zrt. repaid HUF 1.5 billion (in line with the terms of the issue) of the capital of the HUF 50 billion amortizing bond issued under the Growth Bond Program (NKP), and MS Energy Holding Zrt. repaid in full the loan taken from MBH Bank Nyrt. in 2021, thus closing its contract before the final maturity. And also, on 30.09.2023, OPUS TITÁSZ Zrt. started the repayment of the acquisition loan taken from MBH Bank Nyrt. in 2021, reducing the portfolio by HUF 1.23 billion in accordance with the agreement. The total external funding of the division decreased from HUF 101.3 billion to HUF 95.8 billion.

Aggregated financial data and shareholder information, income statement:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Energy Division 01.01.2023-31.12.2023 audited factual data	Energy Division 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**241,679,661**	**154,455,821**	**87,223,840**	**56.5%**
Operating costs *	240,955,512	144,741,463	96,214,049	66.5%
Operating (business profit/loss) EBIT	**724,149**	**9,714,358**	**-8,990,209**	**-92.5%**
EBITDA	**22,310,165**	**33,099,618**	**-10,789,453**	**-32.6%**
Net financial income	3,387,783	1,791,340	1,596,443	89.1%
Profit before taxes	4,111,932	11,505,698	-7,393,766	-64.3%
Profit after taxes	**4,305,109**	**6,515,241**	**-2,210,132**	**-33.9%**
Total comprehensive income	4,303,488	6,515,114	-2,211,626	-33.9%
Average employee headcount (persons)	**1,676**	**2,007**	**-332**	**-16.5%**

*: it includes the costs energy purchased to make up for network losses

Operating costs	Energy Division 01.01.2023-31.12.2023 audited factual data	Energy Division 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	190,590,138	90,687,947	99,902,191	110.2%
Staff costs	20,086,890	21,203,210	-1,116,320	-5.3%
Depreciation	21,586,016	23,385,260	-1,799,244	-7.7%
Impairment	824,410	142,361	682,049	479.1%
Other operating costs and expenses	7,868,058	9,322,685	-1,454,627	-15.6%
Total operating costs	**240,955,512**	**144,741,463**	**96,214,049**	**66.5%**

Income generated from core activities increased significantly in both businesses, with a total increase of 56.5% (HUF 87.22 billion) in 2023. Total operating income of the Energy Division increased from HUF 154.46 billion in 2022 to HUF 241.68 billion by the end of 2023. At the same time, operating costs increased at a higher rate than revenues, resulting in a 32.6% decrease in the division's EBITDA margin, driven by the decrease of profits in OPUS TITÁSZ Zrt, which was only partially offset by the increased profit of OPUS TIGÁZ Zrt.. (see below)

The average number of employees in the division decreased from 2,007 to 1,676. In 2023, 555 employees were transferred to the OPTESZ OPUS Zrt. service centre as a result of the merging demerger.

Aggregated financial data and shareholder information, balance sheet - Gas Distribution:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Gas distribution branch 31.12.2023 audited factual data	Gas distribution branch 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**183,991,043**	**186,738,780**	**-2,747,737**	**-1.5%**
Total cash	18,216,186	15,890,722	2,325,464	14.6%
Equity capital	**86,484,533**	**83,658 031**	**2,826,502**	**3.4%**
Long-term liabilities	77,029,785	81,145,813	-4,116,028	-5.1%
Short-term liabilities	20,476,725	21,934,936	-1,458,211	-6.6%
Loans and borrowings, liabilities from bond issues	47,021,903	51,325,478	-4,303,575	-8.4%
External funds/balance sheet total	25.6%	27.5%	-1.9%	-7.0%

The decrease in the balance sheet total of the natural gas distribution business is due to the demerger of OPTESZ OPUS Zrt., which is due to the demerger of the service centre, OPTESZ OPUS Zrt., which was removed from the assets of OPUS TIGÁZ Zrt. by a total of HUF 4.06 billion in the first round of the merging demerger, which took effect on 31. After adjusting for the divestment, the business increased its balance sheet total by HUF 1.31 billion organically, i.e. purely due to its own business processes. There was a decrease in the year in terms of year-over-year assets, due to the fact that the division did not fully recover depreciation through investments (in addition to the divestment of OPTESZ OPUS Zrt.). At the same time, the current assets of the gas distribution business increased by HUF 3.85 billion, mainly due to an increase in OPUS TIGÁZ Zrt.'s cash (HUF 2.04 billion), other receivables and accrued income (HUF 1.39 billion).

The cash generation capacity of OPUS TIGÁZ Zrt.'s core business is significant, as shown by the fact that, in addition to the financing of the core business and CAPEX financing, the balance is still positive after the completion of the capital repayment of the NKP bond in the first quarter.

The balance sheet structure of the branch did not change materially in 2023, it is still low, with a leverage ratio of 25.6%, and equity of 47.0% within the balance sheet total, which shows the stability of the branch.

The most important external element in OPUS TIGÁZ Zrt.'s financing is the HUF 50 billion fixed-rate bond with a 10-year maturity and a total nominal value of HUF 50 billion issued in 2021 under the NKP.

Capital repayments started in 2022 at a current amount of HUF 1.5 billion per annum, and the Company made the principal repayments due for 2023, including interest payments, during Q1 2023. It is also important to point out that MS Energy Holding Zrt. repaid the HUF 2.8 billion loan taken from its predecessor, Budapest Bank Zrt. in 2021, before maturity, leaving the NKP bond as the only external source of funds for the gas distribution branch.

Aggregated financial data and shareholder information, Income Statement - Gas Distribution:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Gas Distribution Branch 01.01.2023-31.12.2023 audited factual data	Gas Distribution Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**59,201,964**	**46,323,676**	**12,878,288**	**27.8%**
Operating costs	51,125,687	41,115,457	10,010,230	24.3%
Operating (business profit/loss) EBIT	**8,076,277**	**5,208,219**	**2,868,058**	**55.1%**
EBITDA	**17,522,014**	**15,076,802**	**2,445,212**	**16.2%**
Net financial income	4,120,986	617,331	3,503,655	567.5%
Profit before taxes	12,197,263	5,825,550	6,371,713	109.4%
Profit after taxes	**8,052,070**	**4,516,894**	**3,535,176**	**78.3%**
Total comprehensive income	8,050,449	4,516,767	3,533,682	78.2%
Average employee headcount (persons)	**759**	**925**	**-166**	**-17.9%**

Operating costs	Gas Distribution Branch 01.01.2023-31.12.2023 audited factual data	Gas Distribution Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Materials, consumables and other external charges	28,924,677	17,997,598	10,927,079	60.7%
Staff costs	8,516,893	9,275,974	-759,081	-8.2%
Depreciation	9,445,737	9,868,583	-422,846	-4.3%
Impairment	56,811	2,770	54,041	1950.9%
Other operating costs and expenses	4,181,569	3,970,532	211,037	5.3%
Total operating costs	**51,125,687**	**41,115,457**	**10,010,230**	**24.3%**

Total operating income of the branch increased from HUF 46.32 billion to HUF 59.20 billion, primarily due to a change in distribution tariffs, which came into force between 1 October 2022 and 1 October 2023. The specificity of the market is that tariff regulation follows market events ex-post, which does not pose an additional challenge for operators in predictable market conditions, but in addition to the high market volatility experienced in 2022, it has generated a significant operational risk.

The branch's operating costs were in line with the planned level, with tight cost management well reflected in the increase of the EBITDA ratio. While revenues increased by 27.8%, this was followed by an increase in costs of 24.3%, resulting in an increase in branch wide EBITDA from HUF 15.08 billion to HUF 17.52 billion in comparison of 2022 with 2023, corresponding to an increase of 16.2%.

The average number of staff in the branch decreased by 166 in 2023. In 2023, 233 employees were transferred to the OPTESZ OPUS Zrt. as a result of the demerging merger.

Aggregated financial data and shareholder information, balance sheet - Electricity distribution:

Unless otherwise indicated, data is expressed in HUF '000'

Balance-sheet data (closing portfolio)	Electricity Distribution Branch 31.12.2023 audited factual data	Electricity Distribution Branch 31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Balance sheet total	**337,636,413**	**266,492,291**	**71,144,122**	**26.7%**
Total cash	79,564,999	29,670,744	49,894,255	168.2%
Equity capital	**106,518,787**	**127,450,479**	**-20,931,692**	**-16.4%**
Long-term liabilities	148,871,291	92,396,189	56,475,102	61.1%
Short-term liabilities	82,246,335	46,645,623	35,600,712	76.3%
Loans and borrowings, liabilities from bond issues	48,767,544	50,000,000	-1,232,456	-2.5%
External funds/balance sheet total	14.4%	18.8%	-4.3%	-23.0%

The increase in the balance sheet total in the electricity branch is the result of two opposite effects. The first round and then the second round of the already known demerging merger of OPTESZ OPUS Zrt. on 31 December 2022 and 31 August 2023, respectively, had a reducing impact. During the first stage of the transformation, the service centre was separated from OPUS TITÁSZ Zrt. with assets of HUF 9.54 billion (intangible assets of HUF 4.75 billion, tangible assets of HUF 4.50 billion, financial fixed assets of HUF 3 million and current assets of HUF 292 million), which was followed by a further HUF 8 billion worth of assets in the second stage (HUF 2.5 billion in intangible assets, HUF 406 million in tangible assets and HUF 5.1 billion in current assets). In total, the start-up of OPTESZ OPUS Zrt. resulted in a transfer of assets worth HUF 17.55 billion, while OPUS TITÁSZ Zrt. lost assets.

In addition, there was a depreciation of HUF 12.13 billion in 2023. Nevertheless, in by the end of 2023 it was possible to increase long-term assets from the level of 31.12.2022, which, taking into account the above significant asset transfers, indicates an extremely significant CAPEX intensity, which exceeds depreciation and increases in value. Consequently, total long-term assets of OPUS TITÁSZ Zrt. increased by HUF 4 billion.

At the same time, the Company's current assets increased significantly, with an increase of HUF 66.35 billion. Of this, 74.89% was in cash (grants and advances), 11.22% was in the increase in customer accounts receivable, 10.23% in other receivables and accrued income and 5.23% in current receivables from related parties.

The increase in current and long-term assets was partly financed by an increase in long-term liabilities, which is driven by the receipt of government grants. It is therefore essential that the increase in liabilities shown here does not represent a financial liability but a project implementation commitment for the funds received. There was also an increase in current liabilities, which was another indicator of the change in the stock of assets. The increase in assets was mainly induced by increased volume mismatch accruals, more small power plant guarantees and more connection fee advances.

The division's total assets increased by 26.7% in 2023, mainly due to investment grants received during the first half of the year, with a parallel decrease in equity.

In addition, in 2023, OPUS TITÁSZ Zrt. started the repayment of its HUF 50 billion loan from MBH Bank Nyrt., which financed the acquisition of the Company, in accordance with the contract, by paying HUF 1.23 billion. The loan will expire in 2036 with quarterly principal and interest payments.

The increase of to the balance-sheet total and the decrease of external funds (bank loans) combined led to a 4.3% improvement in the debt/balance sheet total ratio, which by the end of 2023 reached 14.4%.

The equity capital of OPUS TITÁSZ Zrt. decreased by HUF 20.9 billion. This is due to the equity transferred together with the divested assets (HUF 17.2 billion) and the HUF 3.7 billion loss realised during the year.

Aggregated financial data and shareholder information, Income Statement - Electricity Distribution:

Unless otherwise indicated, data is expressed in HUF '000'

Key P/L data	Electricity Distribution Branch 01.01.2023-31.12.2023 audited factual data	Electricity Distribution Branch 01.01.2022-31.12.2022 audited factual data	Comparison of 31.12.2022 and 31.12.2023	Change, 31.12.2022 compared to 31.12.2023 in %
Total operating income	**182,477,697**	**108,132,145**	**74,345,552**	**68.8%**
Operating costs	189,829,825	103,626,006	86,203,819	83.2%
Operating (business profit/loss) EBIT	**-7,352,128**	**4,506,139**	**-11,858,267**	**-263.2%**
EBITDA	**4,788,151**	**18,022,816**	**-13,234,665**	**-73.4%**
Net financial income	-733,203	1,174,009	-1,907,212	-162.5%
Profit before taxes	-8,085,331	5,680,148	-13,765,479	-242.3%
Profit after taxes	**-3,746,961**	**1,998,347**	**-5,745,308**	**-287.5%**
Total comprehensive income	-3,746,961	1,998,347	-5,745,308	-287.5%
Average employee headcount (persons)	**917**	**1,082**	**-166**	**-15.3%**
Operating costs	**Electricity Distribution Branch 01.01.2023-31.12.2023 audited factual data**	**Electricity Distribution Branch 01.01.2022-31.12.2022 audited factual data**	**Comparison of 31.12.2022 and 31.12.2023**	**Change, 31.12.2022 compared to 31.12.2023 in %**
Materials, consumables and other external charges	161,665,461	72,690,349	88,975,112	122.4%
Staff costs	11,569,997	11,927,236	-357,239	-3.0%
Depreciation	12,140,279	13,516,677	-1,376,398	-10.2%
Impairment	767,599	139,591	628,008	449.9%
Other operating costs and expenses	3,686,489	5,352,153	-1,665,664	-31.1%
Total operating costs	**189,829,825**	**103,626,006**	**86,203,819**	**83.2%**

In terms of the amount of distributed energy, there is a decrease of 5.3% year-on-year from 2022 to 2023.

Revenue data show that energy purchase costs recognised under the price-setting mechanism have increased in the new electricity distribution tariff, which will enter into force on 1 January 2023. Due to the partial recognition of justified costs, the company's operating income increased by HUF 74.35 billion (68.8%)

The Company's operating costs have exceeded the increase in revenues due to a surge in material expenses by 88.98 billion (122.4%), which can be seen in the EBIT, EBITDA, pre-tax and after-tax income lines. The increase in material costs of OPUS TITÁSZ Zrt. and the related loss are due to the specific nature of the regulation and market changes. It is important to underline that, based on the pricing methodology, the regulator will compensate for these losses in subsequent tariff setting periods, and the company actively contributed to minimising these losses by continuously streamlining its operations.

The contract for the purchase of network losses made by OPUS TITÁSZ Zrt. follows the principles set out in the methodology guidelines issued by the regulator, minimising the risk of deviation from the price regulation.

The objective of OPUS TITÁSZ Zrt. is to implement a Distributor Network Loss (DNL) procurement process and practice with a selected partner under an appropriate and transparent procurement contract, which ensures the optimal procurement of the required electricity on a least cost basis, as well as comparability with the methodological guidelines, the possibility of back-testing and comparison with the assumptions and calculations made therein.

In the activities of the Company, the so-called TITÁN project should be highlighted, which OPUS TITÁSZ set up in March 2021 with the involvement of almost 100 employees of the OPUS Group, with the aim of implementing the separation of OPUS TITÁSZ Zrt from the IT systems of E. ON as the former owner, and the development of the Company's own IT systems and related processes. The project was divided into several phases, the first of which was the Acquisition Phase, which ended on 31 August 2021.

This phase successfully ensured business continuity, the establishment of the necessary human resources and the closing of the acquisition transaction. This phase included the logical decoupling of the Company's IT system from the E.ON Group IT system and the conclusion of the service contracts as well as the establishment of the operation of the same that provided the joint operations with E.ON until the full separation from E.ON.

The second phase was a so-called integration phase, which on 1 October 2023, reached a critical milestone, as OPUS TITÁSZ Zrt. took over the customer service related to the electricity network and technical issues from E.ON Customer Service Kft., including the technical and network issues already in progress. This ensured that the company could operate on its own IT infrastructure, and thus separate from the E.ON group, but of course the tasks of the TITÁN project did not end there. The operation and continuous development of IT systems will continue to put considerable pressure on the company's performance in the future, as they are extremely complex and therefore require a very high level of resources.

The average number of employees in the business unit decreased by 166 in 2023 due to the divestiture.

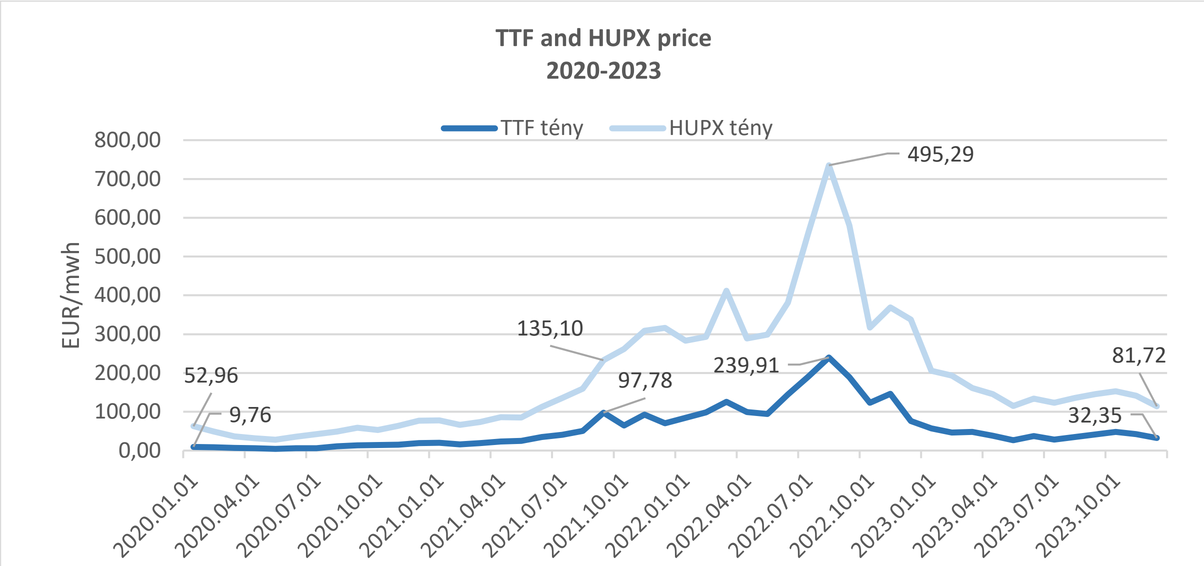
In 2023, 322 employees were transferred to OPTESZ OPUS Zrt. as a result of the demerging mergers.

D. Divisional risks

The Energy Division, or more narrowly energy distribution, is a closed market, highly regulated, with the characteristics of a natural monopoly, operating under recognised tariffs set by the Hungarian Energy and Public Utilities Regulatory Office (MEKH). Consequently, in many respects, the underlying activity is well predictable and quasi-predictable, and thus there is no traditional competitive sales/revenue risk in the operation. The aim of price regulation by the public authorities is to encourage efficient distribution system operators to operate efficiently so that system users can enjoy high quality of service. It is also important to keep the economic risks of distribution networks within reasonable limits in order to encourage long-term capital investment in networks by creating a predictable, predictable economic climate through fixed prices and fixed returns by way of the same.

Operations are directly affected mainly by world energy prices, the EUR/HUF cross rate and inflation, which can cause disruptions in such a regulated market even in turbulent times.

<u>The evolution of energy commodity prices on the stock exchange:</u>

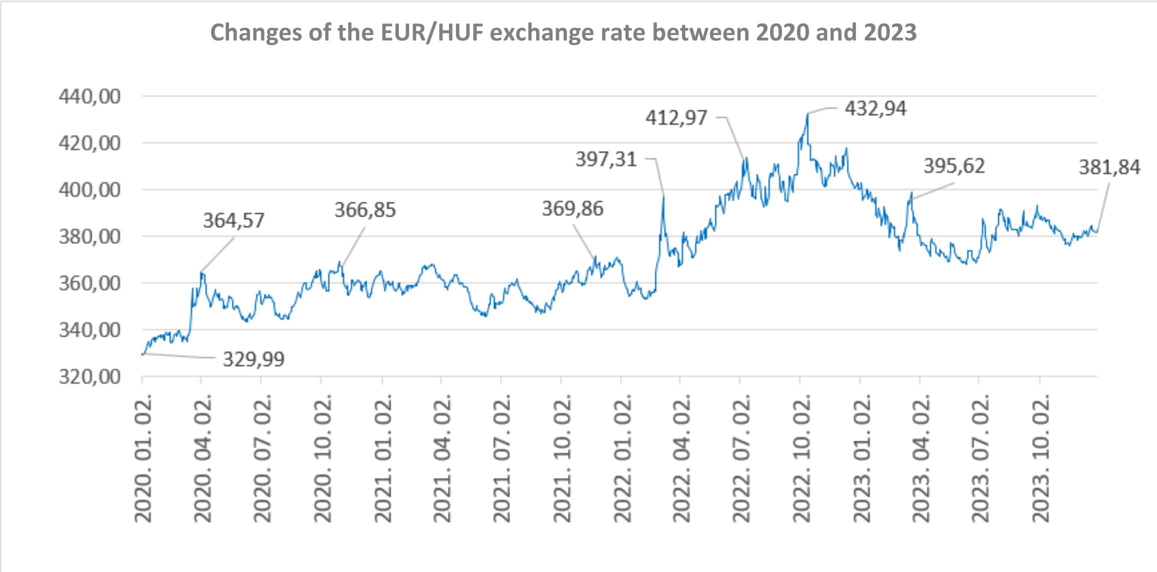


In 2020, the economic downturn caused by the COVID-19 pandemic left a visible mark on the energy market, with demand shortages for most of the year as the sudden global shutdown disrupted supply chains, drastically slowing trade and production, and thus significantly reducing energy consumption. In 2021, signs of a rebound are already showing. The containment of the pandemic allowed some countries to 'reopen' and the global economy to regain momentum. In addition, TTF prices have been affected by colder winters and growing demand for liquefied natural gas (LNG). In 2022, the war in Ukraine broke out, leading to previously unimaginable electricity and natural gas prices by summer 2022, through sharp cuts in Russian gas supplies to Europe and sanctions on Russian energy carriers, posing a major challenge for European operators. Since the price shock of 2022, a slow consolidation has started, with market players learning to adapt to the new environment, significant investments in renewables and alternative supply routes. Thanks to these factors, prices seem to be stabilising and volatility is expected to decrease, but for the time being both electricity and gas prices show some "adjustment premium" compared to previous price levels.

It can be clearly observed in the stock market price movements of natural gas and electricity that there is a strong correlation in their pricing: they are not formally linked, but there is a clear indirect link. The reason is that fossil fuel power plants, primarily gas-fired, represent a significant share of electricity generation capacity and the price of natural gas are included in the electricity exchange price. As a result, the exchange price of natural gas affects both the gas distribution and the electricity distribution business almost equally.

A significant cost element for both OPUS TITAS Zrt. and OPUS TIGÁZ Zrt. is the natural gas and electricity purchased to compensate for network losses. The cost of network losses is recognised in the Company's tariffs regulated by the MEKH, at the amount and price set by the authority. It is important to note, however, that the price-setting mechanism of the Authority can only ex-post reflect the increase in the operating costs of distribution system operators, including the costs of network losses, through the indexation of distribution tariffs, which can lead to significant losses in the short term during turbulent periods. In both 2022 and 2023, this effect was also felt in both electricity and gas distribution.

EUR/HUF cross rate changes:

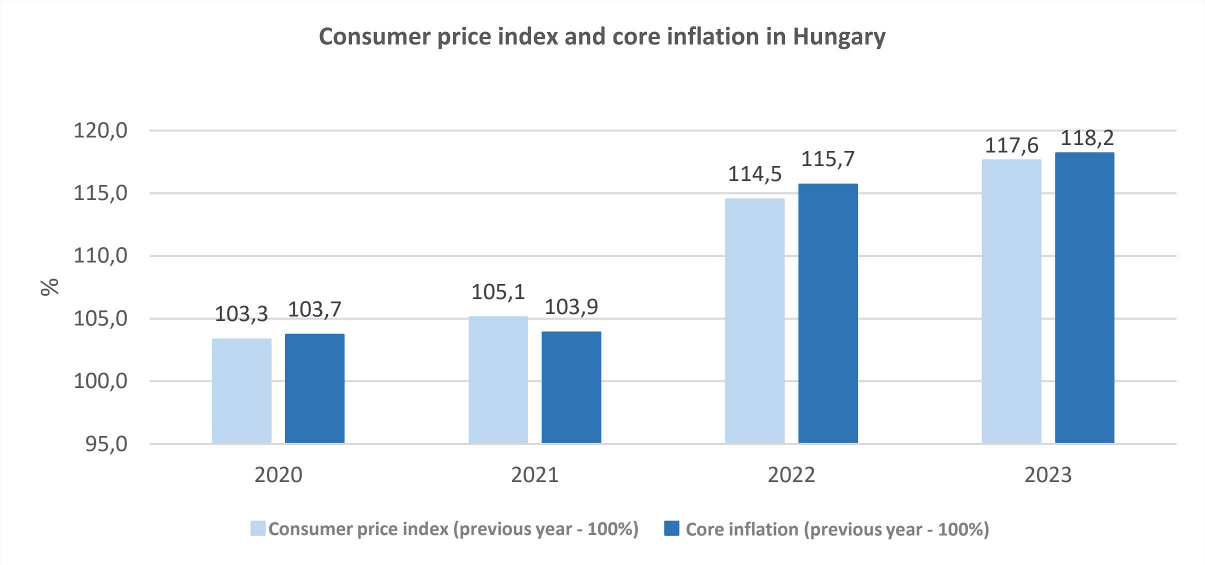


The development of the EUR/HUF cross rate has an impact on the cost of energy purchased to make up for grid losses, with a strengthening euro/weakening forint directly increasing the cost of procurement. We can see that, as in the energy commodities market, 2022 brought a rare turbulence in the EUR/HUF market, with the exchange rate hitting 432.94 in October, after 367.66 at the beginning of the year. After peaking in October 2022, the exchange rate continued to rise, and after a spike in March 2023, it stabilised, as shown by the fact that the spread in 2022 was more than two and a half times larger than in 2023.

As mentioned above, energy distribution is a highly regulated market with the characteristics of a natural monopoly, and therefore it is possible to plan well in a healthy market environment. It follows that the stability of the EUR/HUF exchange rate in 2023 and the expected stability in 2024 is a very important positive for the management of both OPUS TIGÁZ Zrt. and OPUS TITÁSZ Zrt.

Inflation changes:

The management of companies is impacted by inflation mainly through the changes of operating costs, and by the construction price index through the impact on the development of construction investment costs. The division employs close to 1,700 people, so it has significant labour market exposure, and it also subcontracts tens of billions of euros worth of work, so the inflation-related evolution of subcontracting fees is also relevant for management purposes. In addition, both gas and electricity distribution are highly investment-intensive activities and therefore the evolution of the construction price index may have a strong impact on the profitability and liquidity of companies.



<u>Information technology detachment:</u>

A non-divisional risk emerging at OPUS TITÁSZ Zrt. is the full IT divestment from the E.ON group. The main objective of the TITÁN project mentioned above is to create an IT infrastructure covering the entire horizon of the activity, capable of handling all business processes, enabling the Company to operate independently. It is a very significant milestone that from 1 October 2023 OPUS TITÁSZ Zrt. has taken over the customer service activities related to electricity network and technical matters from E.ON Ügyfélszolgálati Kft. In the course of these changes, the customer's data related to the place of consumption were also transferred to the newly developed customer service system of OPUS TITÁSZ Zrt. Of course, the risks of migrating to a new IT system do not disappear with the start-up, operation, maintenance and system development are a constant but controlled risk and a significant cost item.

E. Risk management

Like the OPUS Group as a whole, the Energy Division places great emphasis on analysing, identifying and managing risks and threats. Potential risks have been identified and the Companies have specific procedures in place to prevent, manage and analyse these identified risks. On this basis, both business units regularly monitor the range of risks and hazards that could potentially arise, striving to take preventive action before they occur, following rapid identification.

Both distribution system operators continuously monitor the amount of gas and electricity needed to cover their distribution losses, constantly looking for ways to reduce them.

The validation replacement of metering equipment is an important priority for OPUS TIGÁZ Zrt. to ensure the accuracy of metering and billing, as well as the continuous maintenance of the lines to avoid losses that could otherwise be avoided by proper maintenance of the infrastructure.

The transformation of the Energy Division and the development of the integrated IT systems on which it is based is a strategic objective of the Companies, for the implementation of which a Priority Project has been set up. The completion of the project has been set as a top priority for all the Companies and employees of the division. The above-mentioned successful IT migration provides evidence that the division has advanced innovation and adaptability capabilities, which have been further developed during the implementation of the project. This process illustrates how a complex challenge can be transformed into a competitive advantage.

F. Strategy

OPUS Group is now a major player in the energy industry, with distribution activities covering the whole of Eastern and North-Eastern Hungary. TIGÁZ-TITÁSZ considers it equally important to preserve traditional values and to continuously improve their services for their customers and for the future by applying innovative methods and technologies. Their mission is to ensure security of supply, while constantly maintaining safety at work, and to provide a high level of service to their customers, while respecting the environment, sustainability and social responsibility.

Customers are at the heart of the activities of the Companies, and their aim is to fully meet their needs and the expectations of investors. To this end, they use state-of-the-art technology to provide electricity and gas to their customers through increasingly secure systems.

Sustainability for companies means that economic development must be pursued in a way that maintains social equity and justice, while ensuring that long-term economic growth causes minimal environmental damage.

The acquisitions have brought two players the OPUS Group with a long track record and reliable expertise, the areas of operation which overlap considerably geographically, and which have a large number of customers, using both services from the OPUS Group. This synergy demonstrates the added value of the OPUS Group's highly conscious acquisition strategy. The OPUS Group's position in the energy industry brings with it both great opportunity and great responsibility, and the Companies are working tirelessly to seize the opportunity and manage the challenges that come with that responsibility as effectively as possible.

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III.4. Business Report - Business activity of the Asset Management Division

Asset Management Division

OPUS GLOBAL Nyrt. is one of Hungary's most diversified holding companies, operating in strategically important economic sectors with high growth potential. In the Asset Management Division, the Company primarily manages its liquid and minority-owned investments (direct and indirect holdings) alongside the four independent strategic divisions, with the declared purpose of supporting the financing of these main divisions and ensuring their growth.

The asset value of the Asset Management Division (with the portfolio streamlining that started in 2022) decreased slightly during the period under review, from HUF 17.58 billion at 31 December 2022 to HUF 16.80 billion at the end of 2023, still representing less than 2% of the total OPUS Group asset value. The division's net revenue essentially moved in line with the contraction in asset value, falling to HUF 90.44 million by the end of 2023 from HUF 115.16 million in the end of last year, but this is a tiny fraction of the consolidated group-level sales revenue of HUF 643.79 billion.

As a result of the portfolio streamlining, SZ és K 2005. Ingatlanhasznosító Kft. V.A. was liquidated at the end of 2022, following the sale of the real estate owned by the Company, and in the first quarter of 2023 the Parent Company sold its minority stake in MITRA Zrt. to the majority owner MBH Bank Nyrt., leaving only OBRA Ingatlanüzemeltető Kft. in the Asset Management Division directly owned by OPUS GLOBAL Nyrt by the end of the year.

A. Companies of the division

List of the companies in the division as at 31.12.2023:

Name	Level of affiliation	Business activity	Country of registration	Indirect/ direct participation	Issuer's share on 31.12.2023	Issuer's share on 31.12.2022
OPUS GLOBAL Nyrt.	P	Asset Management	Hungary	Parent Company	Parent Company	Parent Company
SZ és K 2005. Ingatlanhasznosító Kft. u.v.d. *TERMINATED*	*S*	*Lease, operation of own and leased properties*	*Hungary*	*Direct*	*-*	*100.00%*
MITRA Zrt. *(Takarékinfó Központi Adatfeldolgozó Zrt.)*	*A*	*Data processing web-hosting services*	*Hungary*	*Direct*	*-*	*4.39%*
OBRA Ingatlankezelő Kft.	S	Lease, operation of own and leased properties	Hungary	Direct	100.00%	100.00%

III.4. Business Report - Business activity of the Asset Management Division

Addition OPUS Zrt.	A	Asset Management	Hungary	Direct	24.88%	24.88%
KONZUM MANAGEMENT Kft.	A	Sale and purchase of own properties	Hungary	Direct	30.00%	30.00%
BLT Ingatlan Kft.	A	Asset Management (holding)	Hungary	Indirect	30.00%	30.00%
ZION Europe Ingatlanforgalmazó és Hasznosító Kft.	A	Lease, operation of own and leased properties	Hungary	Indirect	30.00%	30.00%

PC: Parent Company Subsidiary; A: Qualified as affiliatedS company;

OPUS GLOBAL Nyrt. (Hereinafter referred to as: "Parent Company", "Holding Center") has been a member of the Budapest Stock Exchange's issuer community in the Premium category since 1998. Since 2017, the Company has undergone a significant change of profile, portfolio expansion, which was part of the strategic planning that formed the Company's business vision and future economic objectives. The Company aims to become the leading Industrial production and service group in Hungary, with an innovative, result and quality-oriented approach, based on the expertise of its professionals. Following the significant portfolio expansion, the Company is primarily responsible for the management and coordination of the Group's operations and the central administration of the Parent Company, guaranteeing capital market compliance for the entire Group.

As part of the strategic plan, the Company made significant acquisitions since 2017. The acquisitions have resulted in the creation of an active holding company that impacts the economic performance of many sectors of the Hungarian economy through the economic performance of the subsidiaries it manages. Long-term, profitable management is intended by the Company maximising the use of existing portfolio elements and resources. The Holding Centre has an active role in the management of the companies in the portfolio, ensuring high level value creation.

SZ és K 2005. Ingatlanhasznosító Kft. u.v.d, a real estate development subsidiary wholly owned by the Company, performed the Asset Management functions of the only real estate owned by the Company in Eger. In 2022, the Company sold the real estate and decided to liquidate the property, which was completed on 31.12.2022, and the Company was deleted from the Commercial Register by the Commercial Court of the Metropolitan Court of Budapest with effect from 1 March 2023.

https://www.bet.hu/site/newkib/hu/2023.03./OPUS_GLOBAL_Nyrt._-_Rendkivuli_tajekoztatas_128852025

In MITRA Zrt., the Company's ownership share was changed from 24.87% to 4.385% in September 2022, when in connection with the operation of the Bankholding, the IT subsidiaries of MKB Bank Nyrt., MKB Digital Zrt. and Euro-Immat Kft. were merged with Takarékinfo Zrt., which changed its name to MITRA Zrt. In the first quarter of 2023, the Company sold its direct shareholding for portfolio streamlining purposes and Addition OPUS Zrt. (in which OPUS GLOBAL Nyrt. holds 24.88%) also sold its 4.355% shareholding in MITRA Zrt.

https://www.bet.hu/newkibdata/128867354/OP_MITRA_HU_20230331.pdf

OBRA Kft.

OBRA Kft. is the sole owner and operator of the office building located at 1065 Budapest, Révay u. 10., with the financial functions being performed by the Parent Company, thus ensuring full control over the management and operation. In the second half of 2023, the assessment of the sale of the property started, as a result of which OPUS GLOBAL Nyrt. received a binding purchase offer for 100% of OBRA Kft. in December 2023, which exceeded the book value. Following a turnaround date, OPUS GLOBAL Nyrt sold the 100% stake in OBRA Kft. with the approval of the Board of Directors by a sale and purchase agreement dated 31 January 2024.

https://www.bet.hu/newkibdata/129012516/OP_OBRA_HU20240131.pdf

Addition OPUS Zrt. was created by a demerger of STATUS Capital Tőkealap-kezelő Zrt. (STATUS Capital Zrt.) between the associated companies on 31 July 2020, under which STATUS Capital Zrt. as the demerging company was retained and part of its assets were transferred to the newly established Addition OPUS Zrt. as the demerged company in accordance with the applicable legal provisions. As a result of the reorganization, the Company's ownership in STATUS Capital Zrt. ceased to exist, and its ownership in Addition OPUS Zrt. became 24.88%.

The affiliated company also owns shares in OPUS , with a total shareholding of 2.46% in OPUS GLOBAL Nyrt.

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

III.5. DECLARATION BY THE COMPANY MANAGEMENT

OPUS GLOBAL Nyilvánosan Működő Részvénytársaság (1062 Budapest, Andrássy street 59., hereinafter referred to as: "Company") declares that the annual report for 2023, 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.

Budapest, 26 April 2024.

dr. Koppány Tibor Lélfai

OPUS GLOBAL Nyrt.

Chief Executive Officer

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