

# Financial Statements

**audited**

**CEE ACTIVE ASSET MANAGEMENT LTD.**

31 December 2019

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## Business environment and activity

Thanks to the loose interest rate policy of central banks, the nightmare of the last quarter of 2018 was quickly forgotten by the investors. In the beginning of 2019 we could observe dynamically rising indices. Central banks have given clear signals to markets that they are introducing additional monetary incentives to sustain economic growth rather than raising interest rates.

The trade war between the US and China, as well as weaker-than-expected macroeconomic indicators, kept markets in some uncertainty until September. Demand for machinery and durable goods declined. As a result, companies have curtailed their production, and world trade has begun to slow. However, from October onwards, the ample central bank liquidity took effect, with prices for both developed and emerging market instruments rising. Optimism persisted until the end of the year. Equities continued to rise, but developed market government bond price appreciation came to a halt. Economic outlook was also more favourable, the demand for durable goods began to rise and employment increased. The tight supply in the labor market has resulted in higher wages, thanks to which consumer confidence has returned and household consumption has started to increase.

U.S. President Donald Trump has blamed China primarily for the US's \$ 650 billion-a-year trade deficit. According to the US side, China has benefited mainly from covert state subsidies and the artificial weakening of the yuan. Added to this was the damage caused by the theft of intellectual property. Trump supported the introduction of trade tariffs and rebalancing the foreign trade balance. The aim of the trade war was also to curb Chinese military development. Because of the trade war, the U.S. manufacturing industry went into a slight recession in 2019. Despite stable economic growth, U.S. manufacturing output shrank 1.3 percent. Due to the trade war, the global economic slowdown, has taken a toll on the industry growth. Due to low oil prices, oil companies have restrained their investments and have also spent less on machinery. However, thanks to domestic consumption, the U.S. economy was still able to grow in 2019.

In Europe, statistics showed that growth stabilized at a low level in 2019. The decline in the manufacturing industry, which suffered from the trade war, could also be offset by domestic demand. Hungary's most important trading partner, Germany, avoided the technical recession and showed modest growth in the last quarter of 2019. External financing conditions have improved significantly as the ECB has eased monetary conditions due to weak European data.

In Hungary, growth was broad-based and balanced in 2019, industrial production and retail sales growth accelerated significantly, while construction growth slowed, partly due to the outstanding base a year ago. Consumption growth remained impressive, with investment dynamics declining somewhat but remaining robust, while GDP growth was also supported by improvement in the foreign trade balance. Economic growth has remained dynamic despite the slowdown in a sharply slowing European and global economy.

We expect a drastic slowdown in the world economy in 2020. The COVID-19 pandemic-induced crisis in Western Europe and the US capital markets began in February and caused a market and economic

collapse lasting roughly a month. According to the market consensus, global economic activity could reach pre-COVID-19 levels sometime in 2021. Senior Fed and ECB officials are slightly more pessimistic than this they have recently been talking about 2-3 years of wasted time.

## **Expectations**

As in previous business years, CEEAAM Zrt. can report a profit in 2019.

The Company's result for 2019 exceeded the numbers forecast in its business plan, and we provided our investors with an acceptable profit even in this volatile market environment. Despite our efforts to reduce our operating costs (office rent reduction), due to rising labor costs and high operating costs, the Company will not expect outstanding profits in the coming year.

In line with the goals set out in CEEAAM's strategy, it will continue to provide professional service to the existing customer base with personalized products. Investment decisions are made quickly but thoughtfully, keeping in mind the risks taken and the returns available. CEEAAM Zrt. manages the major part of its investments in the asset class of foreign currency denominated bonds.

In addition to the securities of Hungarian and other Central European, Russian and Turkish issuers, CEEAAM also pays close attention to the bonds of Western European banks, insurance companies and other issuers that promise higher-than-average returns.

For the 2020 business year, the Company has identified the following key risk factors for its profitability:

- the COVID-19 epidemic could lead to a 5-10% decline in the world economy
- the epidemic may induce a sovereign and corporate debt spiral
- the US-China trade war could further worsen the global economic outlook

## **Coronavirus outbreak information**

The first news of the appearance of a virus called SARS-COV-2 in China came to light in late 2019. In the first months of 2020, the spread of the virus reached a global level, at the time of signing the annual report, the impact of the pandemic - and the social and economic measures taken in response - on the company's financial situation is currently unpredictable. The pandemic is treated by management as an event after the balance sheet date that has no effect on the report data.

Management will take steps to the best of its ability to ensure the safety of employees and business continuity. Due to the nature of the company's operations, management does not expect the immediate impact of the epidemic on sales to the best of its knowledge and expectations.

In this increased economic uncertainty, when preparing the report, we cannot say exactly what this effect will be on our company's overall results in 2020, but according to our preliminary calculations, we do not expect a significant lag in terms of revenue or profitability compared to the original plans.

Our liquidity position is not affected by the epidemic.

The COVID-19 epidemiological situation has no impact on the report for 2019. In the opinion of the management, continuity of our business is not affected by the situation related to COVID-19.

## Risk Management

CEEAAAM`s Risk Management Rules, Assessment Rules and Rules of Trading Book set out the principles and methods of the risk management of the company.

With the purpose of transparency and control and to identify and address operational risks, CEEAAAM applies an Internal Auditor, a Risk Officer, Compliance Officer responsible and a Safeguarding Officer. In the organization of the Company, the internal audit and the functions of compliance officer and risk management are separated. The risk officer is responsible for monitoring and analyzing the different kind of risks, but the competent leaders are also involved in the preliminary identification of the risks. In addition to the in-process control, the personal control activities of the executives also represent a substantial part.

The Company measures and addresses operational risks and the changes in the market and the legal environment in accordance with the prevailing laws and regulations and as per its internal rules.

The remuneration package consists solely of the basic salary. To avert risk, no additional benefits are applied on the performance, thus the remuneration of the risk management and other control functions is independent of the performance of the fields controlled by them.

The company assigned the following capital requirements to the identified risks on the sheet date of 31.12.2019 (rounded to thousand HUF):

|  |                    |
|--|--------------------|
| <u>initial capital requirement:</u>          | <u>39,192,000</u>  |
| <u>total capital requirements on risks:</u>  | <u>24,411,000</u>  |
| - on counterparty risk:                      | 22,570,000         |
| - on settlement risk:                        | -                  |
| - on credit risk:                            | -                  |
| - on foreign exchange risk:                  | 1,841,000          |
| <u>available solvency capital for risks:</u> | <u>191,978,000</u> |
| - tier capital:                              | 191,978,000        |
| • share capital:                             | 60,000,000         |
| • retained earnings:                         | 132,034,000        |
| - reductions from tier:                      | 56,000             |
| <u>Solvency surplus:</u>                     | <u>152,786,000</u> |

**Human capital**

The Board of Directors of the Company consisted of three members: Mr. Zsolt Székelyhidi, Mr. Andor Katzer and Ms. Emilia Garas. In 2019 the number of employees has increase slightly with additional persons hired for backoffice and compliance departments. The Internal Audit function is still operating as an outsourced activity.

**Dividends**

The Board of Directors – similarly to 2018 – does not propose to pay any dividends after the results of the fiscal year of 2019. A higher level of retained earnings enables the company to comply easier with the National Bank of Hungary’s capital requirements in a difficult business year.

**Auditor**

CEEAAAM is still audited by PricewaterhouseCoopers for financial year 2018.

**Other information required and proposed by the Act on Accounting**

CEEAAAM had no subsidiary and had not acquired any stake in other companies either, in the course of the last fiscal year.

After the balance sheet date, no significant event occurred in the Company’s operation.

Due to its operation field and size, environmental protection does not have a material effect on the financial position of the Company.

The Company is not engaged in any R&D activity.

Budapest, 28 May 2019

Zsolt Székelyhidi

Andor Katzer

## Members of the Board of Directors

*The Board of Directors of CEE Active Asset Management Ltd. consists of three representatives elected by the General Meeting. The members of the Board of Directors were last elected at the General Meeting for undetermined period of time.*

### **Mr Zsolt Székelyhidi**

*Appointed: 16 December 2009*

Mr Székelyhidi graduated from the Budapest Business School and also received a Bachelor of Business Studies degree of the University of Lincolnshire and Humberside. In 2002 he obtained the MSc degree of University of Pécs. Mr Székelyhidi started his career in 1999 at Central European International bank where he worked as an investment advisor responsible for domestic and foreign bond, equity and FX futures transactions of the clients of the bank. In 2007 he became member of the ACI Financial Markets Association. Mr Székelyhidi speaks English and German besides Hungarian. In 2009 he founded CEE Active Asset Management holding presently 50% of the shares of the company and representing it as a managing director.

### **Mr Andor Katzer (Chairman)**

*Appointed: 1 April 2010*

Mr Katzer studied at the Budapest School of Economics and after successfully graduating he also earned a BA degree in Business Studies at the University of Lincolnshire and Humberside. In 2002 besides obtaining the MSc degree of University of Pécs he successfully finished the course of ELTE Institute of Post-graduate Legal Studies and received a Diploma in Legal Studies. From 1999 until 2009 Mr Katzer was working as an investment advisor at Central European International Bank (CIB) specialised in trading local and foreign assets on behalf clients of the bank. In 2007 he became member of the ACI Financial Markets Association. Two years later Mr Katzer was appointed Head of Treasury Sales at CIB where he managed a team responsible for the bank's clients' fixed income and foreign exchange transactions. Mr Katzer has a good command of English, German, Italian and French languages. In 2010 he became co-owner and managing director of CEEAAM Ltd holding 50% of the company's shares presently.

### **Ms Emilia Garas**

*Appointed: 17 May 2017*

Mr Garas graduated at the University of Economics in Budapest. Before joining to CEEAAM Ltd. Ms Garas filled different senior back office and settlement department positions at Hanwha Bank and OTP Garancia Insurance Ltd. She speaks English.



## Members of the Supervisory Board

*The Supervisory Board of CEE Active Asset Management Ltd. consists of three representatives elected by the General Meeting. The members of the Supervisory Board were last reelected at the General Meeting of 23 May 2016 for 5-year period of time.*

### **Mr Gábor Nagy (Chairman)**

*Appointed: 01 April 2010*

Mr Nagy is an economist who finished his studies at the Budapest University of Economics before graduating from the Budapest University of Technology and Economics (BME). Mr Nagy is co-owner and member of the management of Ramasoft Ltd, a company that is specialised in developing VAR based risk management software used by local banks and financial companies holding financial assets. Mr Nagy was previously member of the Board of Directors of CEEAAM Ltd.

### **Mr Norbert Narozsny**

*Appointed: 16 December 2009*

After graduating from the Budapest Business School Mr Narozsny filled various management positions in the real estate industry working as an economist. In 2006 Mr Narozsny cofounded Nagro Investment Ltd. an enterprise that offers investment advice to real estate development companies. Mr Narozsny holds the position of CEO at Nagro Investment Ltd.

### **Dr László Földvári**

*Appointed: 16 December 2009*

Dr Földvári, founder and head of the Földvári Law Firm, graduated "summa cum laude" in the Faculty of State and Legal Sciences of Eötvös Loránd University in 1994. After working as a trainee lawyer, he passed the bar exam, and started his practice as a private attorney-at-law registered at the Budapest Bar Association. In addition to the degree in law, he obtained a degree as an economist at the University Of Economic Sciences Of Budapest. He also graduated as a Specialist of European Law. Földvári Law Firm focuses on real property law, corporate law and the law of contracts. The company has also has extensive experiences in the field of Internet law, labour law and intellectual property law.

| <b>BALANCE SHEET<br/>(IN THOUSAND HUF)</b>  | <b>NOTES</b> | <b>2019</b>      | <b>2018</b>      |
|---|--------------|------------------|------------------|
| <i>I. Intangible Assets</i>                 |              | 56               | 87               |
| 3. concessions, licenses and similar rights |              | 56               | 87               |
| <i>II. Property and equipment</i>           |              | 90 656           | 65 478           |
| 3. other equipment, accessories, vehicles   |              | 825              | 641              |
| 6. advance payments for investments         |              | 89 775           | 64 837           |
| <i>III. Financial investments</i>           |              | -                | -                |
| <b>A. Fixed Assets</b>                      |              | <b>90 600</b>    | <b>65 478</b>    |
| <i>I. Inventories</i>                       |              | -                | -                |
| <i>II. Receivables</i>                      |              | 7 574            | 8 421            |
| 1. trade receivables                        |              | 426              | 375              |
| 10. other receivables                       |              | 7 148            | 8 046            |
| <i>III. Securities</i>                      |              | 0                | 0                |
| 4. Other Securities                         |              | 0                | 0                |
| <i>IV. Cash and Cash equivalents</i>        |              | 913 444          | 935 503          |
| 2. Bank desposits                           |              | 913 444          | 935 503          |
| <b>B. Current assets</b>                    |              | <b>921 018</b>   | <b>943 924</b>   |
| <b>C. Accrued and deferred assets</b>       |              | <b>2 217</b>     | <b>1 739</b>     |
| <b>TOTAL ASSETS</b>                         |              | <b>1 013 891</b> | <b>1 011 228</b> |
| <i>I. Share capital</i>                     |              | 60 000           | 60 000           |
| <i>II. Share capital unpaid</i>             |              | -                | -                |
| <i>III. Capital reserve</i>                 |              | -                | -                |
| <i>IV. Retained earnings</i>                |              | 125 886          | 122 873          |
| <i>V. Tied-up reserve</i>                   |              | -                | -                |
| <i>VI. Revaluation reserve</i>              |              | -                | -                |
| <i>VII. General reserve</i>                 |              | -                | -                |
| <i>VIII. Profit or loss for the year</i>    |              | 6 148            | 3 013            |
| <b>D. Shareholders' equity</b>              |              | <b>192 034</b>   | <b>185 886</b>   |
| <b>E. Provisions</b>                        |              | <b>0</b>         | <b>0</b>         |
| <i>I. Subordinated liabilities</i>          |              | -                | -                |
| <i>II. Long-term liabilities</i>            |              | -                | -                |
| <i>III. Current liabilities</i>             |              | 819 782          | 823 337          |
| 4. Accounts payable                         |              | 6 039            | 4 959            |
| 5. Liabilities to customers                 |              | 812 048          | 816 275          |
| 12. Other short term liabilities            |              | 1 695            | 2 103            |
| <b>F. Liabilities</b>                       |              | <b>819 782</b>   | <b>823 337</b>   |
| <b>G. Accrued and deferred liabilities</b>  |              | <b>2 075</b>     | <b>2 005</b>     |
| <b>TOTAL LIABILITIES</b>                    |              | <b>1 013 228</b> | <b>1 011 228</b> |

| <b>STATEMENT OF OPERATIONS<br/>(IN THOUSAND HUF)</b>                               | NOTES | 2019           | 2018          |
|--|-------|----------------|---------------|
| <i>Commission</i>  |       | 99 894         | 97 508        |
| <i>Gains on securities traded on prop. account</i>                                 |       | -              | -             |
| <i>Corporate finance activities</i>  |       | -              | -             |
| <i>Custodianship, safe-keeping and portfolio management activities</i>             |       | 0              | 0             |
| <i>Other income</i>  |       | 2 779          | 1 006         |
| <b>1. Revenue</b>  |       | <b>102 673</b> | <b>98 574</b> |
| <i>Commission expenses</i>   |       | -6 023         | -5 000        |
| <i>Losses on securities traded on prop. account</i>                                |       | -              | -             |
| <i>Expenses of corporate finance activities</i>                                    |       | -              | -             |
| <i>Expenses of custodianship, safe-keeping and portfolio management activities</i> |       | -              | -             |
| <i>Other expenses</i>  |       | -4 312         | -4 186        |
| <b>2. Expenses</b>   |       | <b>-10 335</b> | <b>-9 186</b> |

  

| <b>PROFIT AND LOSS ACCOUNT<br/>(IN THOUSAND HUF)</b>          | NOTES | 2019           | 2018           |
|---|-------|----------------|----------------|
| <i>Income from investment service activity</i>                |       | 99 894         | 97 508         |
| <i>Expenses on investment service activity</i>                |       | -10 335        | -9 186         |
| <b>I. Profit or loss of investment service activity</b>       |       | <b>92 338</b>  | <b>89 388</b>  |
| <b>II. Other income</b>                                       |       | <b>15</b>      | <b>321</b>     |
| <b>III. Profit or loss of non investment service activity</b> |       | <b>-</b>       | <b>-</b>       |
| <b>IV. Own performance capitalised</b>                        |       | <b>-</b>       | <b>-</b>       |
| <b>V. Material cost</b>                                       |       | <b>-61 096</b> | <b>-56 490</b> |
| <b>VI. Staff costs</b>  |       | <b>-23 230</b> | <b>-23 423</b> |
| <b>VII. Depreciation</b>                                      |       | <b>-293</b>    | <b>-561</b>    |
| <b>VIII. Other operating charges</b>                          |       | <b>-2 988</b>  | <b>-8 872</b>  |
| <b>IX. Expenses of non investment service activity</b>        |       | <b>-</b>       | <b>-</b>       |
| <b>A. Income from operations</b>                              |       | <b>4 746</b>   | <b>363</b>     |
| <b>X. Non distributing financial activity income</b>          |       | <b>2 425</b>   | <b>3 198</b>   |
| <b>XI. Non distributing financial activity expenses</b>       |       | <b>-421</b>    | <b>-250</b>    |
| <b>B. Profit or loss from financial transactions</b>          |       | <b>2 010</b>   | <b>2 948</b>   |
| <b>C. Profit before income tax (A+B)</b>                      |       | <b>6 756</b>   | <b>3 311</b>   |
| <b>XII. Income tax payable</b>                                |       | <b>608</b>     | <b>298</b>     |
| <b>D. Profit after taxes (C-XII)</b>                          |       | <b>6 148</b>   | <b>3 013</b>   |
| <b>XV. Retained earnings and reserves</b>                     |       | <b>-</b>       | <b>-</b>       |
| <b>G. PROFIT OR LOSS FOR THE YEAR</b>                         |       | <b>6 148</b>   | <b>3 013</b>   |

| <b>CASH-FLOW STATEMENT<br/>(IN THOUSAND HUF)</b>                         | <b>NOTES</b> | <b>2019</b>    | <b>2018</b>     |
|--|--------------|----------------|-----------------|
| <i>Profit before income tax</i>  |              | 6 756          | 3 311           |
| <i>Amortization</i>  |              | 293            | 561             |
| <i>Accounted amortization and write-back</i>                             |              | -              | -               |
| <i>Difference between provisions made for liabilities and actual use</i> |              | -              | -               |
| <i>Gains and losses on sale of invented assets</i>                       |              | -              | -               |
| <i>Change in account payable</i>   |              | 1 080          | 130             |
| <i>Change in other short term liabilities</i>                            |              | -4 635         | -370 560        |
| <i>Change in passive provisions made</i>                                 |              | 70             | -1 268          |
| <i>Change in accounts receivable</i>                                     |              | -51            | -375            |
| <i>Net change in current assets</i>                                      |              | 898            | -2 856          |
| <i>Change in active provisions made</i>                                  |              | -478           | -360            |
| <i>Tax paid</i>  |              | -608           | -298            |
| <i>Dividends paid</i>  |              | -              | -               |
| <b>I. Net Cash flow from operating activities</b>                        |              | <b>1 342</b>   | <b>-371 715</b> |
| <i>Purchase of financial investments</i>                                 |              | -25 384        | -65 007         |
| <i>Proceeds from sale of financial investments</i>                       |              | -              | -               |
| <i>Dividends received</i>  |              | -              | -               |
| <b>II. Net Cash flow from investment activities</b>                      |              | <b>-25 384</b> | <b>-65 007</b>  |
| <i>Proceeds from issuance of stocks</i>                                  |              | -              | -               |
| <i>Proceeds from issuance of financial investments</i>                   |              | -              | -               |
| <i>Credits and loans received</i>  |              | -              | -               |
| <i>Repayment, elimination of long-term loans, bank deposits</i>          |              | -              | -               |
| <i>Liquid assets definitely</i>  |              | -              | -               |
| <i>Retirement of stocks, withdrawal of capital</i>                       |              | -              | -               |
| <i>Repayment of bonds and securities representing credit</i>             |              | -              | -               |
| <i>Repayment of credits and loans</i>                                    |              | -              | -               |
| <i>Long term loans and bank deposits</i>                                 |              | -              | -               |
| <i>Liquid assets transferred definitely</i>                              |              | -              | -               |
| <i>Changes in liabilities to founders and long-term liabilities</i>      |              | -              | -               |
| <b>III. Net Cash flow from financing activities</b>                      |              | <b>0</b>       | <b>0</b>        |
| <i>Cash and Cash equivalents as at 1.JAN</i>                             |              | 935 503        | 1 372 225       |
| <i>Cash and Cash equivalents as at 31.DEC</i>                            |              | 913 444        | 935 503         |
| <b>IV. Net increase/decrease in cash</b>                                 |              | <b>-22 059</b> | <b>-436 722</b> |

## Notes to the financial reports

### Company data

|                            |  |
|----------------------------|--|
| Name fo the company:       | CEE Active Asset Management Ltd.       |
| Address:                   | 5. Rétköz str. Budapest H-1118 Hungary |
| Registered office:         | 5. Rétköz str. Budapest H-1118 Hungary |
| Date of founding:          | 16.12.2009 (registered: 30.12.2009)    |
| Court registration number: | 01-10-046560                           |
| Tax Identification number: | 11714910-2-43                          |
| HFSA license number:       | EN-III/63/2010                         |
| Main bank account number:  | 10702019-65686654-51100005             |

### Ownership structure: Company founders / owners / changes in share capital

| Owners:           | Shares held:     |
|-------------------|------------------|
| Andor Katzer      | 3.000 pcs ( 50%) |
| Zsolt Székelyhidi | 3.000 pcs ( 50%) |

The annual report was prepared by: Andrea Volár / registered accountant

Registration number: 164497

### Accounting policy

The company maintains its accounting records and prepares its statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary. The company's functional currency is the Hungarian Forint (HUF).

|                                      |   |
|--------------------------------------|---|
| Form of report:                      | Annual report                                   |
| Form of Balance Sheet                | „A” type Balance Sheet                          |
| Form of Profit or Loss account       | „A” type – with expenditure (total cost) method |
| Date of Balance Sheet                | December 31                                     |
| Date of preparation of Balance Sheet | May 31 (following year)                         |

### Significant accounting policies

The company has prepared its accounting policies and accounting system in line with current regulations in order to show real picture on its profitability capabilities, capital, current and future financial status published in the annual report.

The company uses double book keeping system, preparing balance sheet and profit and loss account as well.

#### *Main evaluation principles*

- Invested financial assets are registered at historical value in the books
- Liabilities are registered at historical value in the books
- Depreciation is written down on bad debts by the extent of expected loss
- Securities bought for sale are registered at historical value in the books
- Securities bought for sale are valued by FIFO method
- Liabilities are recorded at book value in the balance sheet

### Financial condition

#### *Assets of the company*

| Description                          | 2019                     |               | 2018                     |               |
|--------------------------------------|--------------------------|---------------|--------------------------|---------------|
|                                      | Amount<br>(thousand HUF) | Share<br>%    | Amount<br>(thousand HUF) | Share<br>%    |
| Fixed assets                         | 90 600                   | 8.93          | 65 478                   | 6.48          |
| Inventories                          | 56                       | 0.01          | 87                       | 0.01          |
| Receivables                          | 7 574                    | 0.75          | 8 421                    | 0.83          |
| Securities                           | 0                        | -             | 0                        | -             |
| Liquid assets                        | 913 444                  | 90.09         | 935 503                  | 92.51         |
| Accrued incomes and deferred charges | 2 217                    | 0.22          | 1 739                    | 0.17          |
| <b>TOTAL ASSETS</b>                  | <b>1 013 891</b>         | <b>100.00</b> | <b>1 011 228</b>         | <b>100.00</b> |

*Liabilities of the company*

| Description                         | 2019                     |               | 2018                     |               |
|-------------------------------------|--------------------------|---------------|--------------------------|---------------|
|                                     | Amount<br>(thousand HUF) | Share<br>%    | Amount<br>(thousand HUF) | Share<br>%    |
| Capital and reserves                | 192 034                  | 18.94         | 185 886                  | 18.38         |
| Provisions                          | 0                        | -             | 0                        | -             |
| Long term liabilities               | 0                        | -             | 0                        | -             |
| Short term liabilities              | 819 782                  | 80.86         | 823 337                  | 81.42         |
| Accrued incomes and prepaid charges | 2 075                    | 0.20          | 2 005                    | 0.20          |
| <b>TOTAL ASSETS</b>                 | <b>1 013 891</b>         | <b>100.00</b> | <b>1 011 228</b>         | <b>100.00</b> |

The capital increased by 6 148 tsd HUF which equals to the retained earnings of the company for 2019.

The main indicators of the business activity in 2019 (in tsd HUF):

|                                   |   |                                       |                                       |
|-----------------------------------|---|---------------------------------------|---------------------------------------|
| Equity ratio                      | $\frac{\text{Owner's equity}}{\text{Total assets}} \times 100$      | $\frac{192,034}{1,013,891} = 18.94\%$ | $\frac{185,886}{1,011,228} = 18.38\%$ |
| Ratio of equity and share capital | $\frac{\text{Equity}}{\text{Share capital}} \times 100$             | $\frac{192,034}{60,000} = 320.06\%$   | $\frac{185,886}{60,000} = 309.81\%$   |
| Current ratio I.                  | $\frac{\text{Current assets}}{\text{Short term liabilities}}$       | $\frac{921,018}{819,782} = 1.12$      | $\frac{943,924}{823,337} = 1.15$      |
| Current ratio III.                | $\frac{\text{Cash and cash equiv.}}{\text{Short term liabilities}}$ | $\frac{913,444}{819,782} = 1.11$      | $\frac{935,503}{823,337} = 1.14$      |
| Return on equity (ROE)            | $\frac{\text{Net income}}{\text{Equity}} \times 100$                | $\frac{4,746}{192,034} = 2.47\%$      | $\frac{363}{185,886} = 0.20\%$        |
| Return on asset (ROA)             | $\frac{\text{Net income}}{\text{Total assets}} \times 100$          | $\frac{4,745}{90,656} = 5.24\%$       | $\frac{363}{65,565} = 0.55\%$         |

Budapest, 28 May 2019

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Zsolt Székelyhidi / Andor Katzer