

An aerial photograph of a city at sunset. The sun is low on the horizon, creating a warm, golden glow over the city and a river. In the foreground, a large, dark, muscular statue stands on a stone pedestal, holding a large, flat object above its head. The city below is densely packed with buildings, and a river flows through it. The overall mood is serene and majestic.

Annual Report

2021




Krisztián Kőrössi
Managing Director


Bálint Szécsényi
Chief Executive Officer


András Gereben
Chairman

About Equilor

At the time of Equilor's foundation and the rearrangement of the Budapest Stock Exchange, a new era of the domestic capital market began in 1990. More than 30 years have elapsed since then, our objectives, however, have remained unchanged ever since.

Over the past years, in addition to the steady development of our services, we have been striving to provide our customers with swift and reliable access to the ever expanding world of money and capital markets, and – by means of well-established financial advice and analyses – assist them in increasing their assets managed by us.

The world of capital markets is one of the fastest developing industries, therefore being able to offer suitable investment and bank services to our private and corporate clients requires continuous development in terms of product structure and technology as well. Due to continuously strengthening market regulations, we put great emphasis on stability and reliable, transparent information provision, which forms the basis of responsible investment service.

We endeavor to work with employees who fully adhere to these principles, and consider them as fundamental values during their everyday work and decisions. Our colleagues serve all our clients with utmost care and attention, giving the best of their knowledge, fully taking into consideration their needs, and providing them with tailor-made investment guidance.

As a result of our commitment over the past years, the number of Equilor customers, the assets managed, and our achievements have been steadily increasing; we meanwhile strive to keep the direct contact that our customers have come to know.

We are proud to be present throughout the entire CEE region as a full-fledged member of the Budapest, Prague, and Warsaw Stock Exchanges, and to offer, in conjunction with Equilor Corporate Advisory Zrt. and Equilor Asset Management, comprehensive investment and banking services to our customers ranging from trading in stock exchanges through asset management to corporate finances.

In 2021, the independent professional jury of the Budapest Stock Exchange named the company "Investment Service Provider of the Year" for its activities. 

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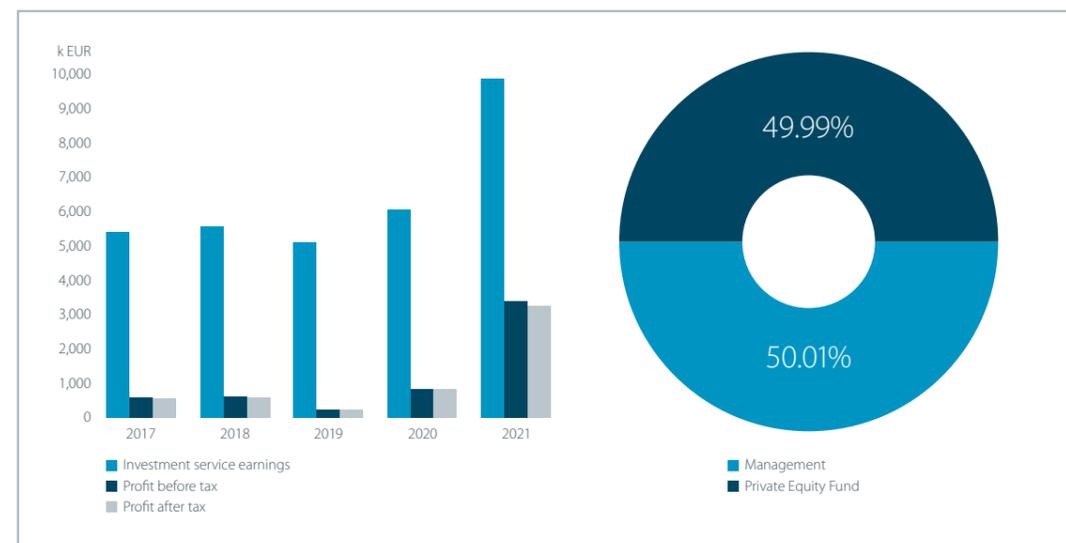


Summary Financial and Corporate Information

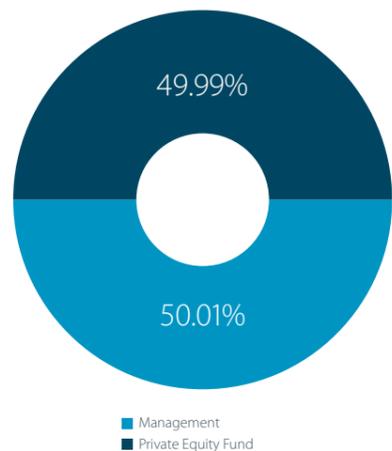
Financial highlights

(in thousand EUR)	2017	2018	2019	2020	2021
Total assets	70,065	50,901	61,287	82,388	105,651
Shareholders' equity	6,432	6,431	5,848	5,971	8,481
Issued capital	3,224	3,110	3,026	2,739	2,710
Profit on investment service activities	6,404	6,380	5,716	6,114	9,837
Profit before tax	663	699	255	847	3,397
Profit after tax	613	682	255	874	3,253
Return on equity	9%	11%	4%	15%	45%

Profit and loss data



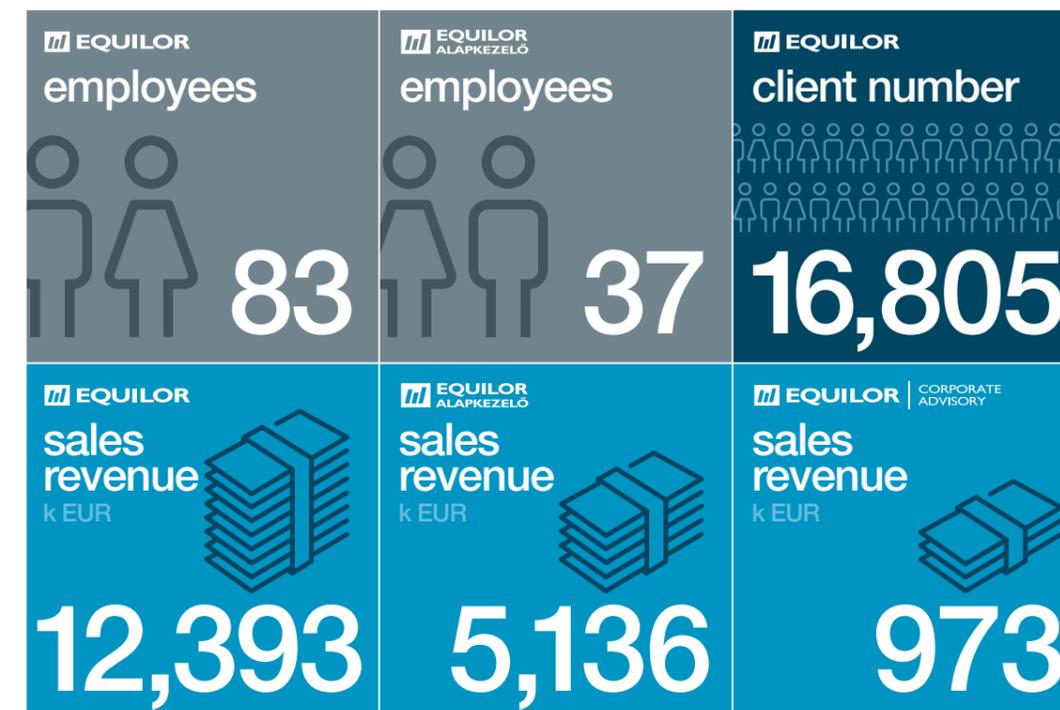
Ownership structure



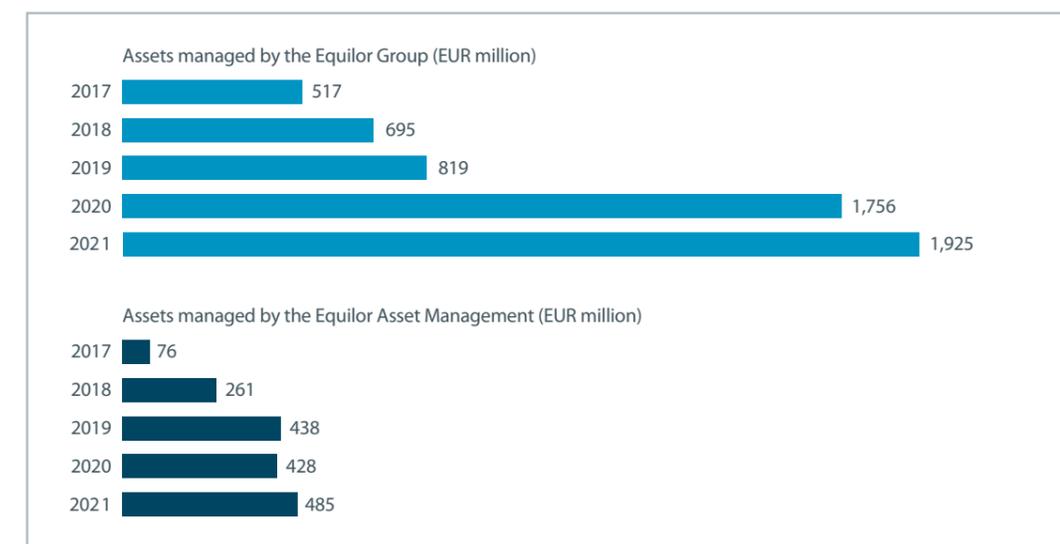
Executive officers and persons in senior positions

Equilor's Board of Directors András Gereben, chairman // Krisztián Kőrössy, managing director // Bálint Szécsényi, CEO
Equilor's Supervisory Board András Gömböcz, chairman // György Vas // Éva Németh
Independent auditor Venilia Vellum Auditing and Tax Consultancy Ltd., H-1026 Budapest, Szilágyi Erzsébet fasor 79.
 Gábor Merkel, Member of the Chamber of Auditors, Chamber identification number: MKVK EBV007363

The Equilor Group



Assets managed by the Equilor





Management Report

A year of records and worries

The pandemic continued to determine the atmosphere on the world economic front in 2021, though after the initial shock, people started learning to live with the virus and gain a realistic perspective of its positive and negative impacts.

With the appearance of vaccines and the prevalence of vaccinations, the economy was able, at least partly, to get back on its feet in most countries, which led to record GDP growth after the enormous drops seen in 2020. Of the large economies, China is sticking by its zero-Covid policy, which keeps a veil of uncertainty over the growth of the world economy's other players as well, thanks to its limitations on manufacturing and production.

After the initial shock, economies regained their ground with unexpected speed, thanks to hitherto unprecedented monetary and fiscal support schemes. If we look at just the key indices, the IMF's most recent estimate shows that the world economy may have seen growth of 6.1 percent in 2021. We have called attention to the dangers of this immense amount of liquidity on a number of occasions, which has led to the formation of financial and capital market bubbles, the bursting of which will be quite a shock for a wide range of investors.

Despite this strong rate of growth, during which Hungary has also enjoyed record expansion, the breaking points that may pose challenging in even medium-term economic growth can still be seen. Supply chains have still not returned entirely to their former selves, and the pandemic has exposed the vulnerability of these global ties. Previous “just-in-time” systems may end up being replaced by more expensive logistics solutions that are less susceptible to external impacts. This may speed up the repatriation processes that had started under Donald Trump and may reduce international trade, which in recent decades was one of the driving forces behind the growth of the world economy.

The problems of supply chains and the enormous state stimulus programs have upended the balance of supply and demand, leading to shortages in certain product types. We have also seen economic anomalies, such as slightly used cars being sold for more than new cars, which had previously seemed inconceivable, and which led to enormous price hikes in certain products, such as on the market of construction materials and microchips. After a historic year in 2020, oil prices have also risen sharply, accelerating further this year, with spill-over effects that will most certainly be felt in the prices of other goods and services.

There was a sharp rise in inflation last year, all over the world, estimated by the World Bank to be equal to 3.4 percent, and yet that was just a taste of what this year could have in store. According to recently published data, the world has seen inflation pressure not seen since the 1970s, which may be exacerbated by the deepening of the tension between Russia and Ukraine.

The effects can already be seen on the capital market: the main stock exchange indices set new records in 2021 with practically unbroken growth, albeit with high volatility, while bond rates stabilized also at very low levels, though there was some adjustment by the end of the year and yields also started rising. The Federal Reserve has begun its tightening cycle, already materialized in the form of interest rate hikes, while the European Central Bank continues to wait. However, the largest question is whether inflation caused by supply shock can be managed by the tools of the central bank, especially in a manner that does not cause an economic recession.

Similar processes are also underway in Hungary. The robust growth of the economy has led to high increases in wages and a tightened labor market, with the reappearance of inflationary pressure that had temporarily subsided due to the virus. The National Bank of Hungary is attempting to reduce inflation by starting a cycle of interest rate hikes, and the government is using price caps and one-off interventions. The Hungarian economy is showing signs of overheating, but given the fact that it is an open economy, the question arises of how much this should be cooled by either the central bank or the government. Hungarian government bond returns have risen to highs not seen for quite some time, placing more pressure on the state budget, where consolidation seems unavoidable in the second half of 2022.

Employment remains on the rise with tangible labor shortages in a number of sectors, which continues to place pressure on wages but holds back the potential for economic growth. This year, average wages grew by up to more than 10% and gross average wages are increasingly nearing the magical level of HUF 500 thousand. The process is furthered along by a substantial increase in minimum wage and wage increases across sectors. The unemployment rate has dropped to around 3.5 percent and may approach the pre-pandemic record of 3.3 percent.

An important development on the capital market was that, after 2020, the nominal value of savings in Hungary again increased in 2021, which offers significant opportunities not only for Equilor but the entire Hungarian capital market. This is one of the reasons why the Group was able to dynamically increase its revenue, with managed assets also showing significant increases.

We are happy to note that at the “Best of the Stock Exchange” Awards held by the Budapest Stock Exchange in 2021, the independent members of the Stock Exchange Advisory Board voted Equilor as “Investment Service Provider of the Year” for the second time.

I would again like to thank our clients for the trust they show us, and my colleagues for their committed work, enthusiasm, and diligence, all of which have contributed to this recognition. ■

Equilor Investment Ltd. Best investment service provider company of the year



Equilor was awarded the „Best investment service provider company of the year” prize by the independent jury of the BSE in 2021.

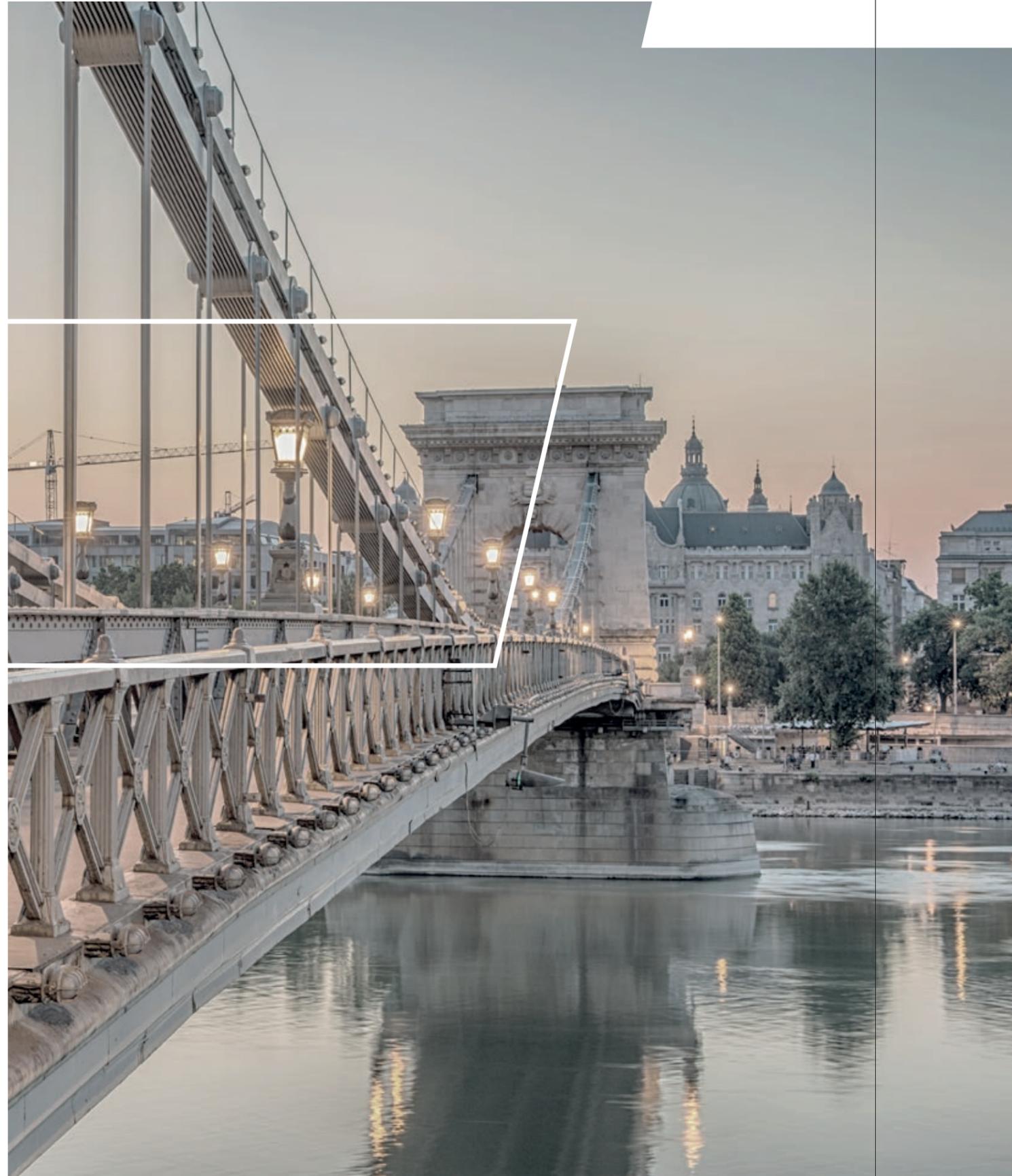


Private Banking and Premium Investment Services

2021 was one of the most successful periods for Equilor Investment Ltd's retail division. Regaining economic momentum after the pandemic had a beneficial effect on both the willingness to invest and on the results of portfolios. Although this year also showed significant variations between the various periods, the greater than usual exchange rate fluctuations meant that interest in investments remained consistently high throughout the year. Our Private Banking and Premium Investment divisions were able to boast unequivocal growth, both as regards the number of clients handled and the amount of invested assets. As regards the latter, we passed the HUF 500 billion mark by the end of the year, which is an all-time record in the history of the company.

Examining product distribution, it can be further determined that the wide investment portfolio showed a healthy balance between the various products. Securities played an important role, where traditional bonds returned to portfolios during the year after the predominance of retail government bonds, experienced in previous years. Thanks to the significant rise in yields, not only long term government bonds, but short maturity discounted treasury notes have also become enticing investment vehicles for clients who lay the emphasis on security. As regards revenues, foreign exchange market trading has retained its prominent role, where the fluctuations of the Hungarian forint have ensured that the futures foreign exchange market has become an important part of the portfolios of Hungarian investors. One of the important developments in 2021 was that Equilor launched a priority investment advisory service to complement each premium investment advisory service.

Equilor's Private Banking and Premium Investment Services division continues to lay the greatest emphasis on ensuring that the service provided to clients is professional and of suitable quality, the success of which is regularly confirmed by the feedback we receive. In 2021, an important professional recognition also confirmed that we are on the right track in this respect, as the technical jury of the Budapest Stock Exchange awarded Equilor Investment Ltd the "Investment Service Provider of the Year" Award. █



Equilor Asset Management

Equilor Asset Management closed 2021 with the highest level of results and assets managed since its foundation in 2012. The assets managed in the course of the year increased by 14.21%, surpassing the market average of 10.6%, and amounted to almost HUF 180 billion by the end of the year. In the field of institutional asset management, we performed asset management for voluntary pension funds and business organizations.

By the end of 2021, the number of funds managed by Equilor Asset Management had risen to twenty one from the eighteen funds managed in 2020. Of these, twelve are public and nine operate privately.

We achieved exceptional asset growth in private equity fund management, where assets under management in our two capital funds reached HUF 42.7 billion at the end of the period.

In 2021, the Company's sales revenue amounted to HUF 1,895,169 thousand and its after-tax profits to HUF 1,262,784 thousand. █

Corporate Finance

The Equilor Corporate Finance team closed yet another successful year in 2021. Our team has continued to expand, and we currently have 10 people supporting companies in realizing their plans for growth. We completed 3 successful company acquisition transactions last year, which included transactions both in Hungary and in other countries. In addition to supporting our clients in developing their financing strategies, we are also an effective partner in organizing funding. In the course of 2021, we collaborated as an investment service provider in the issue of bonds totaling almost HUF 420 billion. Besides private transactions, we also carried out public share transactions: at the beginning of the year, we organized a public purchase offer for the shares of MKB and Takarékszövetkezet Nyrt., and a similar transaction for Kartonpack shares was successfully completed in the last month of the year. Our activities go beyond transaction consultancy: we have numerous satisfied clients in the areas of corporate strategy and in the successful problem solving of other financial issues. /





Institutional Division

As a member of the Budapest, Warsaw, and Prague stock exchanges, Equilor serves Hungarian and international institutional clients, as well as the world's largest investment banks and fund managers via a direct presence on the stock market. We are increasingly using direct market access (DMA) services to serve our institutional clients, in addition to which we also consider our analysis and consultancy services to be very important, as they allow us to convey added value to our partners.

We have one of the most developed hardware and software infrastructures on the Hungarian market, with actively managed servers in London and Paris, at locations closer to clients. █



Equilor Fine Art

Equilor Fine Art Ltd, which deals with the fine art market and investing in works of art, was founded by Equilor 14 years ago. The company's activities include the management, compilation, enlargement and appraisal of collections, implementation of the sale and purchase of works of art, organization of exhibitions, arrangement of domestic and international verification of originality, as well as arrangement of credit and insurance services in relation to works of art.

Our background as an independent investment bank, along with personalized and committed consultancy, ensures that customer needs are effectively served. █

Equilor Investment Ltd. Affiliates

Equilor Asset Management Ltd.

Issued share capital: HUF 112,000,000
Ownership share: 68.3%
Board of Directors:
Zsolt Pillár, chairman and CEO;
György Vas; János Melis
Supervisory Board:
Bálint Szécsényi, chairman;
Éva Németh; Péter Horváth

Equilor Corporate Advisory Ltd.

Issued share capital: HUF 5,000,000
Ownership share: 90%
Chief Executive Officer: András Gereben

Equilor Fine Art Ltd.

Issued share capital: HUF 3,000,000
Ownership share: 100%
Managing Director: Katalin Gereben, Dr

Budapest Stock Exchange Ltd.

Issued share capital: HUF 541,348,100
Ownership share: 0.15%



Taking social responsibility

The management of Equilor places particular emphasis on providing assistance to organizations and institutions – either by direct monetary support or via active participation – in the field of health care, education, sports and the arts. In 2021, Equilor launched the sponsorship of the initiative of the Budafok Basketball Club, which involved the sport association providing kindergarten and young school children motor coordination development and training for the basic movements that are essential for the sport. In the Basketball Kindergarten and Basketball School Programs, the qualified coaches of the Budafok Basketball Club support the high level of development of children in tandem with physical education classes, and once a month they help children develop a love of sport by organizing playful competitions of skill. █

Balance Sheet (assets)

		in thousand HUF	
No,	Title	31/12/2020	31/12/2021
1	A) Fixed assets (lines 02+10+18)	701,796	854,275
2	I. NTANGIBLE ASSETS (lines 03-09)	126,671	192,361
3	Capitalised value of foundation/restructuring	0	0
4	Capitalised value of research and development	0	0
5	Concessions and similar rights	45,131	73,245
6	Intellectual assets	73,860	115,436
7	Goodwill	0	0
8	Advance payments of intangible assets	7,680	3,680
9	Revaluation of intangible assets	0	0
10	II. TANGIBLE ASSETS (lines 11-17)	202,556	235,138
11	Land and buildings and related concessions and similar rights	26,258	21,334
12	Technical equipment, machines and vehicles	0	0
13	Other equipment, machines and vehicles	176,298	213,804
14	Breeding stock	0	0
15	Capital WIP, renovations	0	0
16	Advance payments of capital WIP	0	0
17	Revaluation of tangible assets	0	0
18	III. FINANCIAL INVESTMENTS (lines 19-25)	372,569	426,776
19	Long term shares in related companies	247,200	300,200
20	Long term loans given to related companies	0	0
21	Other long term investments	11,516	11,516
22	Long term loans given to other investees	0	0
23	Other long term loans given	113,853	115,060
24	Securities representing long term loans	0	0
25	Revaluation of financial investments	0	0
26	B) Current assets (lines 27+34+49+54)	29,338,266	38,045,544
27	I. INVENTORIES (lines 28-33)	0	650
28	Raw materials and consumables	0	0
29	Work in progress and semi-finished goods	0	0
30	Animals	0	0
31	Finished goods	0	0
32	Goods	0	650
33	Advance payments on inventories stocks	0	0

		in thousand HUF	
No,	Title	31/12/2020	31/12/2021
34	II. RECEIVABLES (lines 35-48)	306,117	675,452
35	Trade account receivables	14,107	13,305
36	Account receivables from service supplied to customers	88,347	101,306
37	Account receivables from settlement of stock market transactions	0	0
38	Account receivables from settlements of over the counter transactions	0	0
39	Receivables from clearing houses and institutions offering clearing services	92,000	170,000
40	a) Claims against clearing houses	92,000	170,000
41	b) Claims against institutions offering clearing services	0	0
42	Receivables from related companies	108,150	11,300
43	Receivables from companies with material share relation	0	0
44	Receivables from companies with other share relation	0	0
45	Receivables from bills of exchange	0	0
46	Other receivables	3,513	379,541
47	Fair value adjustment of receivables	0	0
48	Positive difference of derivatives transactions	0	0
49	III. MARKETABLE SECURITIES (lines 50-53)	1,011,809	2,511,515
50	Investments in related companies	0	0
51	Other shares	22	24
52	Own shares	64,754	0
53	Securities presenting loans held for sale	947,033	2,511,491
54	IV. CASH AND BANK (lines 55-56)	28,020,340	34,857,927
55	Cash, cheques	24,890	15,416
56	Bank deposit	27,995,450	34,842,511
57	a) stock exchange account	1,642,108	14,624,153
58	b) Other bank deposit	26,353,342	20,218,358
59	C) Prepaid expenses and accrued income (lines 60-62)	42,129	85,258
60	Accrued income	11,322	67,938
61	Prepaid expenses	30,807	17,320
62	Deffered expenses	0	0
63	TOTAL ASSETS (lines 01+26+59)	30,082,191	38,985,077

27 April, 2022

Balance Sheet (liabilities)

		in thousand HUF	
No.	Title	31/12/2020	31/12/2021
64	D) Shareholders' equity (lines 65+67+68+69+70+71+74+75)	2,180,011	3,129,638
65	I. ISSUED CAPITAL	1,000,000	1,000,000
66	of which: treasury shares repurchased at face value	33,500	0
67	II. ISSUED, BUT NOT PAID CAPITAL	0	0
68	III. CAPITAL RESERVE	21,369	21,369
69	IV. RETAINED EARNING FROM PREVIOUS YEARS	784,628	907,747
70	V. NON-DISTRIBUTABLE RESERVES	64,754	0
71	VI. VALUATION RESERVE	0	0
72	1. Valuation reserve of revaluation of assets	0	0
73	2. Fair valuation reserve	0	0
74	VII. GENERAL RESERVE	0	0
75	VIII. PROFIT OR LOSS FOR THE YEAR	309,260	1,200,522
76	E) Provisions (lines 77-79)	7,317	0
77	Provisions for expected liabilities	0	0
78	Provisions for future costs	0	0
79	Other provisions	7,317	0
80	F) Liabilities (lines 81+85+93)	27,779,320	35,717,747
81	I. Subordinated liabilities (lines 82-84)	0	0
82	Subordinated liabilities to related companies	0	0
83	Subordinated liabilities to other investees	0	0
84	Subordinated liabilities to other entities	0	0
85	II. LONG-TERM LIABILITIES (lines 86-92)	13,707	13,707
86	Long-term credits	0	0
87	Convertible bonds	0	0
88	Investment and development loans	0	0
89	Other long-term loans	0	0
90	Long term liabilities to related companies	13,707	13,707
91	Long term liabilities to other investees	0	0
92	Other long-term liabilities	0	0
93	III. SHORT-TERM LIABILITIES (lines 94-110)	27,765,613	35,704,040
94	Short-term credits	0	0
95	Short-term loans	250,216	1,050,214
96	Advance payments received from customers	0	1,357
97	Trade accounts payables	26,297	26,851
98	Liabilities towards customers	27,212,365	34,043,217
99	Liabilities from settlement of stock market transactions	0	0
100	Liabilities from settlement of over the counter transactions	0	0
101	Liabilities towards clearing houses and institutions offering clearing services	0	0
102	a) Liabilities towards clearing houses	0	0

		in thousand HUF	
No.	Title	31/12/2020	31/12/2021
103	b) Liabilities towards institutions offering clearing services	0	0
104	Short-term liabilities towards related companies	90,239	308,043
105	Short-term liabilities towards companies with material share relation	0	0
106	Short-term liabilities to other investees	0	0
107	Bill of exchange payable	0	0
108	Other short-term liabilities	186,496	274,358
109	Fair value adjustment of liabilities	0	0
110	Negative difference of derivatives transactions	0	0
111	G) Accrued expenses and deferred income (lines 112-114)	115,543	137,692
112	Deferred revenues	2,353	2,729
113	Accrued expenses	113,190	134,963
114	Deferred income	0	0
115	TOTAL LIABILITIES (lines 64+76+80+111)	30,082,191	38,985,077

27 April, 2022

Profit and Loss Statement

		in thousand HUF	
No.	Title	31/12/2020	31/12/2021
a)	Incomes from stock brokerage activities	1,633,807	2,645,436
b)	Incomes from commercial activities	312,698	456,944
c)	Incomes from security issuing activities	245,326	287,664
d)	Incomes from deposit and portfolio management activities	79,170	158,697
e)	Incomes from other investment service activities	588,442	1,024,007
1	Incomes from investment service activities (lines a+b+c+d+e)	2,859,443	4,572,748
	of which valuation difference	0	0
f)	Expenditures of stock brokerage activities	344,388	517,875
g)	Expenditures of commercial activities	199,581	338,075
h)	Expenditures of share issuing activities	13,710	5,787
i)	Expenditures of deposit and portfolio management activities	14,425	38,391
j)	Expenditures of other investment service activities	55,001	42,861
2	Expenditures of investment service activities (lines f+g+h+i+j)	627,105	942,989
	of which valuation difference	0	0
I.	Profit on investment service activities (lines 01-02)	2,232,338	3,629,759
II.	Other incomes	79,806	123,484
	of which: reversal of impairment loss provision	8,926	55,961
III.	Incomes from non-investment service activities	0	0
IV.	Own performance capitalized	0	0
a	Cost of raw materials	23,653	23,987
b	Value of services used	455,316	457,598

		in thousand HUF	
No.	Title	31/12/2020	31/12/2021
c	Value of other services	20,892	17,862
d	Cost of goods sold	0	0
e	Value of recharged services	37,247	48,721
V.	Material type expenditures (lines a-e)	537,108	548,168
3	Wages	762,064	899,072
4	Other personnel-related payments	61,971	74,964
5	Personnel related contributions	139,607	153,391
VI.	Personnel-related expenditures (lines 03-05)	963,642	1,127,427
VII.	Depreciation	94,200	153,780
VIII.	Other expenses	478,236	805,384
	of which: impairment loss provision	5,188	1,227
IX.	Non-investment service activities expenditures	0	0
A	TRADING PROFIT (lines I-IX)	238,958	1,118,484
6	Dividends and profit-sharing received	56,062	138,131
	of which : received from related companies	56,062	138,131
7	Capital gains on investments	0	8,276
	of which : received from related companies	0	0
8	Interest and financial gains on financial investments	0	0
	of which : received from related companies	0	0
9	Interest and interest-like revenues	5,595	31,606
	of which : received from related companies	2,430	475
10	Other incomes from financial transactions	54,676	26,744
	of which valuation difference	0	0
X.	Incomes from financial transactions (lines 6-10)	116,333	204,757
11	Expenses and financial losses from investment	0	0
	of which: from related companies	0	0
12	Interest and capital gains on financial investments	0	0
	of which: from related companies	0	0
13	Paid interests and interest-like payments	17,386	44,747
	of which: from related companies	1,556	0
14	Write-off of financial investments	0	0
15	Other expenditures of financial transactions	28,645	24,894
	of which valuation difference	0	0
XI.	Expenditures of financial transactions (lines 11-15)	46,031	69,641
B	PROFIT ON FINANCIAL TRANSACTIONS (lines X-XI)	70,302	135,116
C	PROFIT BEFORE TAXATION (+/-A+/-B)	309,260	1,253,600
XII.	Tax liability	0	53,078
F	PROFIT AFTER TAXES (+/-C-XII)	309,260	1,200,522
XIII.	General reserve creation (+) /usage (-)	0	0
G.	PROFIT OR LOSS FOR THE YEAR (+/-F+/-XIII)	309,260	1,200,522

27 April, 2022

CASH-FLOW statement

		in thousand HUF	
		31/12/2020	31/12/2021
I. OPERATIONAL CASH-FLOW		10,974,919	6,162,359
1.	Profit before taxes +/-	309,260	1,253,600
2.	Depreciation+	94,200	186,548
3.	Impairment accounted and reversed +/-	-153,631	-504,742
4.	Difference between provisions made and provisions used +/-	7,317	-7,317
5.	Income from fixed asset disposals +/-	-2,950	-110
6.	Changes in trade payables +/-	407	554
7.	Changes in liabilities to clients +/-	10,202,801	6,830,852
8.	Changes in other current liabilities +/-	177,846	307,023
9.	Changes in accrued expenses and deferred income +/-	71,506	22,149
10.	Changes in trade account receivables +/-	-9,986	802
11.	Changes in current assets (without receivables and financial assets) +/-	351,278	-1,528,581
12.	Changes in accrued expenses and deferred income +/-	-10,929	-43,129
13.	Taxes paid (on profits) -	0	-53,078
14.	Dividends and profit shares paid -	-62,200	-302,212
II. INVESTMENT CASH FLOW		-80,508	-200,786
15.	Purchase of fixed assets -	-157,638	-509,060
16.	Sale and reclassification of fixed assets +	21,068	170,143
17.	Repayment, termination and redemption of long-term loans given and bank deposits placed +	0	0
18.	Long-term loans given and bank deposits placed -	0	0
19.	Dividend, profit sharing received +	56,062	138,131
III. FINANCIAL CASH FLOW		-863,686	876,014
20.	Proceeds from the issue of shares (fundraising) +	0	0
21.	Proceeds from the issue of bonds and debt securities +	0	0
22.	Loans taken +	216	800,214
23.	Final cash received +	0	52,000
24.	Reduction of stock (decrease of capital) -	0	0
25.	Repayment of bonds -	0	0
26.	Loan repayment -	-881,420	-216
27.	Non-repayable assets given -	0	-683
28.	Valutin of cash in foreign currencies +/-	17,518	24,699
IV. CHANGES IN CASH		10,030,725	6,837,587

The supplementary notes which are integral part of the financial statements are not included. The supplementary notes can be read using the following link: www.equilor.hu/kozzetetelek which may be necessary to understand the financial position of the company.

27 April, 2022



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Translation of the Hungarian original
INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EQUILOR Befektetési Zrt.

Opinion

We have audited the financial statements of EQUILOR Befektetési Zrt. (the „Company”) for the year 2021 which comprise the balance sheet as at December 31, 2021 (which shows an equal amount of total assets and total liabilities of thHUF 38,985,077 and profit for the year of thHUF 1,200,522), as well as the related profit and loss account for the year then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2021 and its financial performance for the year then ended in accordance with Act C of 2000 on Accounting (the „Accounting Act”) effective in Hungary.

Basis for Opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits. Our responsibilities under these standards are further described in the *“The Auditor’s Responsibilities for the Audit of the Financial Statements”* section of our report.

We are independent of the Company in compliance with the relevant effective Hungarian regulations and the “Rules of conduct (ethical rules) of the auditor profession and the disciplinary process” of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit addressed the matter
Completeness of custody assets	
<p>Due to the specific reporting requirements the client cash is reported as liabilities whereas client securities being off balance sheet items are reported in the supplementary notes to the financial statements.</p> <p>The management should design implement and operate an effective control environment to ensure the availability of the complete custody assets.</p> <p>In case the control environment was not operating effectively shortage could occur in some clients’ properties.</p> <p>Based on the significance of the above described circumstances the completeness of custody assets was identified as a key audit matter.</p>	<p>The relevant audit procedures performed by us included the followings:</p> <ul style="list-style-type: none"> - interview of management and those charged with governance, - reconciling the client cash with the depository cash by depository sites based on confirmation letters, - reconciling the client securities with the depository securities by depository sites based on confirmation letters, - sample based testing of execution and settlement of client orders, - testing custody assets related client complaints, - reviewing significant subsequent events.

Other Information: The Business Report

Other information includes the business report of the Company for 2021. Management is responsible for the preparation of the business report in accordance with the relevant provisions of the Accounting Act and other regulations. Our opinion on the financial statements provided in the section of our independent auditor's report entitled „Opinion” does not apply to the business report.

Our responsibility in connection with our audit of the financial statements is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Furthermore, in accordance with the Accounting Act, our responsibilities also include assessing whether the business report was prepared in accordance with the relevant provisions of the Accounting Act and other regulations, and to express an opinion on the above and on whether the business report is consistent with the financial statements.

In our opinion, the business report of the Company for 2021 corresponds to the financial statements of the Company for 2021 and the relevant provisions of the Accounting Act in all material respects. As the Company is not subject to additional content requirements under any other regulation in connection with the business report, we have not formulated an opinion on this matter.

In addition to the above, based on the information obtained about the Company and its environment, we must report on whether we became aware of any material misstatements in the business report and, if so, on the nature of such material misstatements. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern principle, and preparing the financial statements using the going concern basis of accounting. Management must apply the going concern principle, unless the use of this principle is precluded by any provision, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives during the audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue, on the basis of the above, an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and they are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- ✓ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✓ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✓ Conclude on the appropriateness of management's preparation of the financial statements in accordance with the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.



However, future events or conditions may cause the Company to cease to continue as a going concern.

- ✓ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the Company's internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 29 April 2021 and our uninterrupted engagement has lasted for 10 years.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 25 March 2022 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the financial statements and/or in the business report.



The engagement partner on the audit resulting in this independent auditor's report is the signatory of the report.

Budapest, 27 April 2022

Free translation Hungarian version is signed

Venilia Vellum Könyvvizsgáló és Adótanácsadó Kft.

Company registration no: 01-09-566797

Investment company qualified registration no of Audit Company: TBV000340

Address: 1026 Budapest, Szilágyi Erzsébet fasor 79.

Name of Authorized representative: Gábor Merkel

on behalf of Venilia Vellum Ltd. and as a statutory registered auditor

Investment company qualified registration number of statutory registered auditor: EBV007363

This is a translation of Hungarian original – in case of any differences the Hungarian original is prevails.



Equilor is a full-fledged member of the Budapest, Prague and Warsaw Stock Exchanges



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