

This is a translation of the Hungarian Report

Independent Auditor's Report

To the Shareholder of B + N Referencia Ipari, Kereskedelmi és Szolgáltató Zártkörűen Működő Részvénytársaság

Opinion

We have audited the accompanying 2022 consolidated annual financial statements of B + N Referencia Ipari, Kereskedelmi és Szolgáltató Zártkörűen Működő Részvénytársaság and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022 - showing total assets of HUF 114,950 million -, the related consolidated statement of comprehensive income - showing a total comprehensive income for the year of HUF 13,464 million -, consolidated statement of changes in equity, consolidated statement of cash flows for the financial year then ended and notes to the consolidated annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated annual financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all materials respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for consolidated annual financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated annual financial statements" section of our report.

We are independent of the Group in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these 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 consolidated annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated annual financial statements section" of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated annual financial statements.

Valuation of Goodwill and contract value intangibles

Goodwill and contract value intangible assets represent HUF 18,926 million, which is 16.5% of the total consolidated assets of the Group. Significant goodwill and contract value assets are related to the acquisition of former ISS companies in the region and Inwemera Group in Poland.

The Group is required to annually test the amount of goodwill for impairment. Goodwill and contract value intangibles are allocated to cash generating units (CGUs) for the purpose of impairment tests.

The determination of the CGUs' recoverable amount is complex and requires judgement, taking into account the different economic environments in which the Group operates.

The most significant judgements arise over the forecast cash flows, discount rate and growth rate applied in the discounted cash flow models. Therefore, we consider

Our audit procedures included, among others, involving valuation expert to assist us in evaluating the assumptions and the methodology used by the Group to carry out the impairment test and assess the recoverable amount of respective CGUs.

We assessed the key assumptions used in the impairment model, including specifically the discount rates, forecasted margin and revenue growth rates.

We engaged internal valuation specialists who assisted in computing an independent assessment of the discount rates used and assessing the methodology used in preparing the impairment testing model.

We assessed the expected future cash flows, whether these future cash flows were based on the business plans.

In connection to the forecasted margin and growth rates, we tested management's sensitivity analysis in relation to these key inputs to the goodwill impairment test model.

valuation of goodwill and contract value intangibles as a key audit matter.

We tested the integrity and mathematical accuracy of the impairment model.

We reviewed the disclosures provided in accordance with IAS 36 'Impairment of Assets'.

The disclosures about the impairment of non-financial assets including valuation of goodwill and contract value intangible assets are included in Note 5.10 Impairment of non-financial assets to the consolidated annual financial statements.

Acquisition of Inwemer in Poland

In 2022, the Group closed the acquisition of Inwemer Group in Poland for a purchase price of HUF 8,368 million. This acquisition falls under the scope of IFRS 3 Business Combinations.

The recognition of the acquisition under EU IFRSs required significant judgement in applying assumptions for the identification and fair valuation of assets acquired and liabilities assumed.

We identified the principal risk in the purchase price allocation arising in relation to the fair values of the identifiable assets such as contract values together with deferred tax impact and the calculation of goodwill.

Due to the size of the acquisition, complex accounting and the extent of judgement involved we identified this acquisition as a key matter for the audit.

Our audit procedures performed included, among others, the following procedures. We obtained and analyzed the relevant sale and purchase agreement and the Group's accounting analysis to evaluate whether the accounting method applied was consistent with the underlying commercial terms.

We performed testing on significant fair value adjustments, including to contracts and properties within the initial fair value accounting for the transaction.

We engaged internal valuation specialist to assist us in the audit of the purchase price allocation, fair value of properties on a sample basis and discount rates used.

We assessed the valuation model and the key assumptions used in the fair valuation, the most significant being the discount rates, contract margins and turnover rate of the contract value intangible asset's fair value.

We assessed the disclosures made in relation of the acquisition as detailed in Note 5.3.1 Changes in the group structure to the consolidated annual financial statements.

Other matters

The Group's consolidated annual financial statements as at 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated annual financial statements on 30 November 2022.

Other information

Other information consists of the 2022 consolidated business report of the Group. Management is responsible for the preparation of the consolidated business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the consolidated annual financial statements does not cover the consolidated business report.

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

Concerning the consolidated business report it is our responsibility also, in accordance with the Hungarian Accounting Law, to consider whether the consolidated business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

In our opinion, the consolidated business report of the Group for 2022 is consistent, in all material respects, with the 2022 consolidated annual financial statements of the Group and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Group further requirements with regard to its consolidated business report, we do not express opinion in this regard.

Further to the above, based on the knowledge we have obtained about the Group and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the consolidated business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management for the consolidated annual financial statements

Management is responsible for the preparation and fair presentation of the consolidated annual financial statements in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for consolidated annual financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 Hungarian National Auditing Standards and with applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 consolidated annual financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated annual 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 Group'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 use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements or, if such disclosures are inadequate, to modify our 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 Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 internal controls of the Group that we identify during our audit.

Budapest, 2 May 2023

(The original Hungarian version has been signed.)

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