

INDEPENDENT AUDITOR'S REPORT

**to the shareholders of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő
Részvénytársaság**

Report of the audit of the consolidated financial statements

Auditor's clause

We have audited the accompanying 2018 consolidated financial statements of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság and its subsidiaries (hereinafter: "Group"), which comprise the consolidated balance sheet as at the cut-off date 31 December 2018 – showing a matching balance sheet total of HUF 144,939,139,000 and a profit of HUF 1,507,501,000 for the reporting year –, the consolidated comprehensive income statement for the year then ended - showing a total overall income of HUF 6,082,187,000 for the business year - , the consolidated statement of changes in the equity, the consolidated cash-flow statement and the notes to the consolidated financial statements, including a summary of the key components of the applied accounting policy.

We are satisfied that the consolidated financial statements give a true and fair view of the consolidated assets, liabilities and financial position of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság and its subsidiaries as at 31 December 2018, and its consolidated financial performance in the business year then ended and its consolidated cash-flows in accordance with the International Financial Reporting Standards adopted by the European Union ("EU IFRS")

, and that they have been compiled in every material respect in compliance with the provisions of Act C of 2000 in force in Hungary ("Accounting Act") and applicable to entities compiling annual reports according to the EU IFRS.

Basis of the opinion

We have performed the audit in accordance with Hungarian National Accounting Standards, and the effective laws and other statutory regulations regulating audit in Hungary. A more detailed description of our responsibility pursuant to these standards is included in the section on "*The auditor's responsibility for the audit of the consolidated financial statements*" in this report.

We are independent of the Group in accordance with the provisions of the "*Code of (Ethical) Conduct and the Rules Disciplinary Procedures for Professional Accountants*" of the Chamber of Hungarian Auditors, and in respect of any issues not regulated in this document, the provisions of the "*Code of Ethics for Professional Accountants*" released by the International Ethics Standards Board for Accountants ("IESBA Code"), and we also meet the additional ethical requirements included in these standards.

We are convinced that the obtained audit evidence provides a sufficient and adequate basis for the issuance of our clause.

Key audit questions

The key audit questions include questions that were, in our professional judgment, the most important during our audit of the financial statements of the reporting period. We analysed these matters in the context of our audit of the consolidated

financial statements and during the development of our opinion on them, and we have not given a separate clause of these issues.

Key audit questions

Audit of business combinations

In the consolidated financial statements of the Group the goodwill was HUF 16,179,977 as of 31 December 2018... A detailed presentation of the business combinations is included in Section 2.5 of the Notes to the Consolidated Financial statements.

In the course of the acquisitions performed, the management identified the assets and liabilities of the purchased businesses, and then based on the opinion given by the independent expert, they determined their fair value and established the goodwill generated in relation to the acquisitions.

This area was specified as a key audit question due to the major assumptions used during the determination of the size of the goodwill generated during business combinations and the specification of the fair value.

Audit of loans and advances

As a result of the significant transactions conducted in the business year, the Group's consolidated balance sheet for 2018 shows HUF 34,207,037,000 in long-term and HUF 14,702,240,000 in short-term loans and advances.

As long- and short-term loans and advances give a considerable part (68.8%) of the total amount of liabilities, their audit is an area of key significance.

Procedures during the analysis of the key audit questions

In the course of our analysis of the business combinations presented in the consolidated financial statements:

We identified the purchased business units, the acquisition dates and the main assets and liabilities of the acquired entity.

We read through the transaction documents and the professional reports of the independent expert.

We assessed the independent expert's expertise, competence and objectivity, the fair value method applied and the compatibility of the peculiar industry features.

We have checked whether the relevant financial standards had been adequately used and the basic principles and special features had been taken into consideration.

In the course of our audit, we did not identify any material misstatement.

During the audit of loans and advances, we requested and read through the loan agreements. We requested confirmation from the financial institutions that had granted the loans, and checked whether the short-term repayments of long-term loans had been correctly reclassified.

We identified and audited the availability of the collateral specified in the agreements and the correctness of interest reconciliations.

We audited compliance with the relevant standards and did not identify any material misstatement during our work.

Other information: Consolidated business report

The “other information” includes the 2018 consolidated business report of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság and its subsidiaries. The management is responsible for the compilation of the consolidated business report in accordance with the Accounting Act and with the relevant provisions of other statutes.

Our opinion given in the section entitled “Opinion” in our report about the consolidated financial statements does not apply to the consolidated business report.

In relation to our audit of the consolidated financial statements, we are responsible for reading the consolidated business report and assess if the consolidated business report is in material conflict with the consolidated financial statements or with the information we obtained during the audit, or if otherwise it seems to contain material misstatements. If based on our work we conclude the other information contain material misstatements, we are required to report this fact and the nature of the misstatement.

Based on the Accounting Act, we are also responsible for assessing if the consolidated business report is in agreement with the relevant provisions of the Accounting Act and other statutes, and more specifically, if the consolidated business report fulfils the requirements set out in Section 95/B (2) e) and f); and for giving our opinion on this as well as on the agreement between the consolidated business report and the consolidated financial statements. Pursuant to the Accounting Act, we are also required to declare if in the consolidated business report the information specified in Section 95/B (2) a)-d), g) and h) have been provided.

We are of the opinion that the consolidated business report of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság and its subsidiaries is in agreement with the 2018 consolidated financial statements of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság and with the relevant requirements of the Accounting Act in all material respects. As there is no other statute to provide additional requirements for the Group in relation to the consolidated business report, we have not formed any opinion in this regard.

As we have not identified any material contradiction or material misstatement of any other nature in the consolidated business report, we have nothing to report in this respect.

Responsibility of the management and of the persons authorized to have control for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union, and for an internal control considered necessary by the management for the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or errors.

In the course of preparing the consolidated financial statements, the management is responsible for assessing the Group’s ability to continue as a going concern, and for disclosing the information relating to going concern according to the given situation, and the management is also responsible for using them in the consolidated financial statements based on the principle of going concern. The management should proceed on the basis of the principle of going concern, unless

the enforcement of this principle is prevented by law
circumstance in conflict with going concern exists.

or a factor or

The persons commissioned with management are responsible for the supervision of the Group's financial reporting procedure.

The auditor's responsibility for the audit of the consolidated financial statements

In the course of the audit we aim to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements, whether due to fraud or errors, and on this basis about whether we should issue a qualified auditor's report. Reasonable assurance is a high-level assurance, which does not, however, guarantee that the audit performed in accordance with the Hungarian Accounting Standards always reveals any otherwise existing material misstatement. Misstatements may be due to fraud or error, and are considered as material if it reasonably expectable that, separately or in combination, they may have an impact on the users' business decisions adopted on the basis of the given consolidated financial statements.

All the time during the audit performed in accordance with the Hungarian Accounting Standards, we applied professional judgment and maintained professional scepticism.

Moreover:

- We identify and assess the risks of material misstatements, whether due to fraud or error, in the consolidated financial statements, develop and implement the audit procedures suitable for the management of such risks, and obtain sufficient and reasonable audit evidence to lay the basis for our auditor's clause. The risk of failure to reveal any misstatement due to fraud exceeds that of leaving misstatements due to error undisclosed, as fraud may include collusion, adulteration, intentional omissions, false declarations or superseding internal control.
- We familiarise ourselves with the internal control relevant for the audit with the aim to design audit procedures that are appropriate under the given conditions and not to give an opinion on the efficiency of the Group's internal control system.
- We also assess the adequacy of the accounting policy applied by the management, and the reasonableness of the management's accounting estimates and presentation of the related disclosures.
- We make conclusions about the correctness of the management's compilation of consolidated financial statements on the basis of the principle of going concern, and on the basis of the obtained audit evidence, about the existence of any material uncertainty related to events or conditions that may raise considerable doubt about the Group's ability to continue as a going concern. If we conclude that material uncertainties exist, in our independent auditor's report we must call the attention to the related disclosures in the consolidated financial statements, or if the disclosures are inappropriate in this respect, we must qualify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's clause. However, future events or conditions may prevent the Group from continuing its business as a going concern.

- We evaluate the comprehensive presentation, structure and contents of the consolidated financial statements, including the disclosures made in the Notes to the consolidated statements, and also evaluate if the consolidated financial statements give a true and fair view of the underlying transactions and events.
- From the financial information on the business entities consolidated in the Group and on their business activities, we obtain sufficient and reasonable audit evidence for giving an opinion on the consolidated financial statements. We are responsible for the control, supervision and performance of the audit of the Group's books. We remain exclusively responsible for our auditor's opinion.
- In addition to other matters, we inform the persons authorized to manage the Company of the planned scope and time schedule of the audit, the major audit findings, including the significant deficiencies, if any, identified during our audit in the internal control applied by the Group.

In addition, we also declare to the persons authorized to manage the Company that we meet the relevant ethical requirements relating to independence, and inform them of all the relationships and other matters that are reasonably presumed to influence our independence and any related guarantees in the given case.

From among the matters reported to the persons authorized to manage the Company, we specify those that had the highest significance during the audit of the consolidated financial statements of the current period, and were thus considered as key audit questions. We also present these issues in our auditor's report unless a statutory or other regulation prohibits the public disclosure of the given matter, or very rarely, if we establish that we should not communicate the given matter in the auditor's opinion because based on reasonable expectations the disadvantageous consequences of such disclosure would exceed its benefits.

Report on other legal and regulatory requirements

In compliance with Article 10 (2) of Regulation (EU) No 537/2014 of the European Parliament and of the Council, in addition to the obligations required in the Hungarian Accounting Standards, in our auditor's report we make the following declaration:

Auditor's appointment and the period of engagement

We were elected to act as the auditor of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság held on 26 April 2016 at the general assembly of the shareholders, and our mandate will expire on 30 April 2019.



Consistency of the auditor's report and the additional report to the audit committee

We confirm that our opinion given in this auditor's report about the financial statements is in agreement with the report addressed to the audit committee of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság, which was issued on 25 March 2019, in accordance with Article 11 of Regulation (EU) 537/2014 of the European Parliament and of the Council.

Provision of non-audit services

We declare that we have not provided any non-audit services prohibited in Article 5 (1) of Regulation (EU) 537/2014 of the European Parliament and of the Council. In addition we declare that we have not provided any other, non-audit services not included in the consolidated financial statements or in the consolidated business report for KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság and the subsidiaries under its control.

The partner of the person responsible for commissioning the auditor to perform the audit that resulted in this auditor's report is the signatory of the report.

Budapest, 05 April 2019.



Managing Director
ESSEL Audit Könyvvizsgáló Kft
MKVK001109



Dr. Sasvári László
Member of the Chamber of
Auditors, MKVK00J630

ESSEL Audit
Könyvvizsgáló Kft

Budapest, Fertály u. 7,
Tax number: 12688322-2-4