



Appeninn
Holding

Appeninn Nyrt.

The Audit Committee's report on the 2017 business activity for the Company's Annual General Meeting to decide on and approve

the 2017 consolidated annual report prepared in line with the International Financial Standards (IFRS) as prescribed by the Accounting Act and the

the 2017 (non-consolidated) annual report prepared in line with the International Financial Standards (IFRS) as prescribed by the Accounting Act

The Audit Committee of the Appeninn Nyrt. (hereinafter referred to as “the Company”) fulfilled its role in line with the Company's Articles of Association, the regulations on the Audit Committee and according to the approved plan in 2017. In case of urgency the Audit Committee convened immediately to examine the matter and made decisions that best suited the Company's interests. In 2017 the Audit Committee convened six times.

In accordance with its objective, the Audit Committee supervised the integrity of the Company's financial reports, and checked whether the Company meets the legal and regulatory requirements that fall within the sphere of competence and scope of the Audit Committee, including the independence and qualifications as well as the performance of Company's external auditor.

In the course of supervising the work and performance of the independent external auditor the Audit Committee reviewed and commented on the prepared documents, and regularly monitored the services provided by the independent external auditor along with the charged service fees. The independent external auditor—with an advance general authorisation and a specific advance authorisation issued by the Audit Committee—provided audit and audit-related services to the Company in 2017.

The Audit Committee reviewed and commented the reports submitted to the Budapest Stock Exchange and the Hungarian Financial Authorities, including the Company's annual report, the interim report and the relevant press releases.

In 2017 no shareholder announcements were made to the Audit Committee.

The Audit Committee examined the 2017 consolidated annual report prepared in line with the International Financial Reporting Standards prescribed by the Accounting Act and endorsed by the EU to be submitted to the General Meeting by the Board of Directors, the proposal of the Board of Directors to approve the report, and also heard the opinion of the independent external auditor. Based on its yearly activity and the opinion of the independent external auditor the Audit Committee approves the content of the aforementioned report.

The Audit Committee recommends the Annual General Meeting to approve the 2017 consolidated annual report of the Appeninn Nyrt. prepared in line with the International Financial Reporting Standards endorsed by the European Union with a consolidated EUR72,529,207 of assets/equity and liabilities total and a EUR2,548,268 of current year profit.

The Audit Committee examined the 2017 non-consolidated report prepared in line with the International Financial Reporting Standards prescribed by the Accounting Act and endorsed by the EU to be submitted to the General Meeting by the Board of Directors, the proposal of the Board of Directors to approve the report, and also heard the opinion of the independent external auditor.

Based on its yearly activity and the opinion of the independent external auditor the Audit Committee approves the content of the aforementioned report.

The Audit Committee recommends the Annual General Meeting to approve the 2017 non-consolidated annual report of the Appeninn Nyrt. prepared in line with the International Financial Reporting Standards with HUF8,736,384 thousand of total assets and liabilities and HUF131,156 thousand of profit after tax.

Budapest, 26 March 2018

Gábor SZÉKELY
Chairman of the Audit Committee