Separate financial statements

of ENEFI Energy Efficiency Plc.

for the financial year ending 31 December 2020
in accordance with IFRSs

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The financial statements consist of 94 pages.

Data in thousand HUF

Separate Comprehensive Income Statement for the financial year ended 31 December 2020

	Comm.	Year ending on 31.12.2020 audited	Year ending on 31.12.2019 audited
Sales revenues:	(1)	713,394	369,165
Direct costs	(2)	(486,782)	(140,889)
Gross profit/loss		**226,612**	**228,276**
Material costs	(3)	(3,691)	(3,227)
Payments to personnel	(4)	(96,015)	(75,519)
Reserve for share-based		0	0
Purchased services expenses	(5)	(178,369)	(130,231)
Other income / expense (-)	(6)	45,135	52,409
Operating expenses		**(6,328)**	**71,708**
Depreciation	(10) (11)	(30,316)	(16,828)
Other expense, income of financial transactions	(7)	771,174	290,600
Pre-tax profit		**734,530**	**345,480**
Income tax	(8)	(4,459)	(6,457)
Net profit		**730,071**	**339,023**
Other comprehensive income		0	0
Total comprehensive profit/loss		**730,071**	**339,023**

Positive and negative numbers are distinguished in the Comprehensive Income Statement. The bracket is the symbol of the negative number.

Data in thousand HUF

Individual balance sheet for 31 December 2020

	Comm.	31.12.2020 audited	31.12.2019 audited
Tangible assets	(10)	511,863	22,439
Properties with investment purposes	(11)	931,385	0
Investments in subsidiaries and affiliated companies	12	5,076,384	4,039,657
Other non-current receivables	(13)	0	487,652
Securities representing long-term loans	(14)	0	100,557
Concession assets	15	213,704	413,949
Fixed Assets		**6,733,336**	**5,064,254**
Concession assets	15	170,272	136,306
Contractual assets	(17)	13,228	0
Customers	(18)	121,766	73,162
Other receivables	(19)	1,972,818	91,518
Income tax receivables	(20)	5,725	6,150
Active accruals	(21)	1,469	6,152
Cash and cash equivalents	(22)	307,281	64,054
Current assets		**2,592,559**	**377,342**
TOTAL ASSETS		**9,325,895**	**5,441,596**
Subscribed capital	(23)	166,061	100,000
Capital reserve (share premium accounts)	(24)	23,966,744	21,423,391
Own shares	(25)	(382,327)	(382,327)
Accumulated profit reserve		(19,268,206)	(19,998,277)
Reserve of share-based payments	(26)	65,520	65,520
Equity		**4,547,792**	**1,208,307**
Provisions	(28)	0	47,600
Other non-current liabilities	(29)	0	500
Other non-current liabilities	(30)	322,205	322,205
Long-term liabilities		**322,205**	**370,305**
Short-term loans	(31)	3,904,317	3,791,362
Current liabilities	(32)	500	8,442
Vendor liabilities		172,791	40,129
Deferrals	(33)	9,599	7,895
Contractual obligations	(34)	357,682	0
Other current liabilities	(35)	11,009	15,156
Short-term liabilities		**4,455,898**	**3,862,984**
EQUITY AND LIABILITIES		**9,325,895**	**5,441,596**

Data in thousand HUF

Separte Cash Flow Statement
for the financial year ended 31 December 2020

	Year ending on 31.12.2020 audited	Year ending on 31.12.2019 audited
Change of monetary assets from ordinary operations (Operating cash flow)	**338,175**	**232,631**
Pre-tax profit/loss of continuous activity	734,530	345,480
Accounted depreciation	30,316	16,828
Balance of accumulated provisions and their use	(47,600)	(52,272)
Profit/loss of investment assets' purchase	(400)	(400)
Profit/loss of investment asset' impairment	(152,588)	(359,586)
Profit/loss of trade receivables' impairment	8,571	9,741
Result of the depreciation of other receivables	(655,865)	0
Cash flow portfolio changes of concession assets	166,729	83,978
Changes of vendor liability	132,662	34,793
Change of other short-term liabilities	488,895	87,012
Change of accrued and deferred liabilities	1,704	(38,073)
Change of Trade Accounts Receivable	(57,175)	67,844
Changes in current assets, except for customers	(311,828)	14,458
Change of accruals and prepaid expenses	4,683	29,285
Tax payable, paid	(4,459)	(6,457)
Change of monetary assets from investment operations (Investment cash flow)	**(544,200)**	**(19,767)**
Procurement of Fixed Assets	(545,400)	(21,167)
Sale of Fixed Assets	1,200	1,400
Change of monetary assets from financial operations (Financing cash flow)	**449,252**	**(259,632)**
Share purchase in Pannon Fuel Kft.	0	(5,959)
Purchase of securities	0	(100,557)
Sale of securities	100,863	0
Repayment of lease liability's principal part	(8,442)	(8,775)
Loan repayment	(22,405)	0
Lending – Pannon Fuel Kft.	0	(144,341)
Repayment of granted loan – Pannon Fuel Kft.	486,675	0
Loans issued	(107,439)	0
Change of Monetary Assets	**243,227**	**(46,768)**
Closing financial assets and equivalents	64,054	110,822
Closing financial assets and equivalents	307,281	64,054
	243,227	**(46,768)**

Positive and negative numbers are distinguished in the cash flow. The bracket is the symbol of the negative number.

Data in thousand HUF

Separate statement on equity change for the financial year ended 31 December 2020

	Subscribed capital	Capital reserve	Own shares	Accumulated profit reserve	Reserve of share-based payments	Total
Balance - 01.01.2019	100,000	21,423,391	(60,122)	(20,337,300)	65,520	**1,191,489**
Share purchase			(322,205)			**(322,205)**
Total comprehensive profit/loss				339,023		**339,023**
Balance - 12.31.2019	**100,000**	**21,423,391**	**(382,327)**	**(19,998,277)**	**65,520**	**1,208,307**
Share purchase						
Capital increase	66,061	2,543,353				**2,609,414**
Total comprehensive profit/loss				730,071		**730,071**
Balance - 12.31.2020	**166,061**	**23,966,744**	**(382,327)**	**(19,268,206)**	**65,520**	**4,547,792**

Positive and negative numbers are distingished in the equity change statement. The bracket is the symbol of the negative number.

II. Key elements of accounting policy, basis for preparing financial statements

1. Basis for preparation of financial statement and continuation of undertaking

Statement on compliance with IFRSs

The financial statements have been prepared in accordance with IFRSs. The management declares that the Company has fully applied the rules contained in IFRSs / IASs and IFRICs / SICs as adopted by the European Union. The management made this statement being aware of its responsibility.

Contents of financial statements

These financial statements present the financial position, performance and financial situation of the ENEFI Asset Managment Plc. (hereinafter referred to as the Company).

Basis for preparing financial statements; the set of rules applying and the underlying assumptions, the philosophy of evaluation

The financial statements have been prepared in accordance with the International Financial Reporting Standard (IFRS) established by the International Accounting Standard Board (IASB). The Company has applied IFRSs as adopted by the European Union.

The Company's management has established that the requirements for running the underatking are fulfilled, thus there is no such sign that would refer to the termination or significatn decrease of the Company's operation within a foreseeable - at least one year - period of time.

This financial statement - with an exception of the cahs flow statemet - has been prepared subject to a natural approach, actual economic event is accordingly of importance for presentation and not the cash flows.

Data in thousand HUF

The Company generally evaluates its assets at historical initial value, except for those situations where the item is valuated at fair value on the basis of IFRSs.

The Company first time published separate financial statements based on IFRSs in 2017.

2. The Company

Introduction of the Company (operation center, legal form, ownership structure, applicable law)

Az ENEFI Asset Management Plc. (previous name: E-Star Alternative Plc., RFV Plc., ENEFI Energy Efficiency Plc.) ("ENEFI", or "Company"), which is the parent company of the corporate group ("Group") is a business association registered in Hungary. Its seat is located at H-1134 Budapest, Klapka utca 11. The Company's predecessor (RFV Plc.) was established on June 29, 2000 with the aim of making primarily energy investments that provides return from savings for future customers and which also provides energy with high efficiency along a long-term operation.

The ownership structure of the Company as of 31 December 2020 is as follows:

Owner	**Ownership ratio (%)***	
	31 December 2020	**31 December 2019**
Own shares	9.71%	16.13%
Affiliates	3.19%	5.31%
Imre Kerekes	3.29%	5.47%
Csaba Soós	30.69%	10.97%
Free float rate	50.12%	62.17%
Total	100.00%	100.00%

* Property share: related to all shares issued by the Company, irrespectively of whether voting right belongs to it or whether it was listed on the stock exchange.

A brief history of the Issuer

The legal predecessor of the Issuer, called Regionális Fejlesztési Kft. (Regional Development Ltd.) was founded in 2000 by four Hungarian private individuals. The founders' objective was to create an ESCO company (Energy Service Co., i.e. a company dealing with energy saving). Initially, one of the main activities of the Issuer was cost-effective electricity service, which has been a source of revenue to this day. The Issuer provided continuous consultancy to its customers so that they could choose the most favorable tariff package from the electricity supplier relevant to the given area. As part of the service, the Issuer purchased the electricity and then passed it on to its customers at a more favorable price than previously. The cost savings were shared between the customer and the Issuer based on a long-term contract between the two. However, the free electricity market has been open since 1 January 2008, which means that all entities within the economy are free to choose their electricity supplier and to determine the conditions of the service individually. The Issuer has also adapted to the changed circumstances, negotiated with several electricity market traders, and by embracing its partners, acted jointly in order to achieve the best possible conditions. The other main activity of the Issuer since its foundation has been the control of the luminous flux of public lighting. The Issuer has included heating modernization and heat supply as a business branch in its portfolio since 2004. A significant part of the Issuer's clients were municipalities and municipal institutions, but there were also state institutions, church institutions, condominiums (common space housing estates) and private companies. The Issuer was transformed into a private limited company on 12 June 2006 and then on 12 March 2007, the Registration Court registered the change of the company form "private limited company" to "public limited company". The shares of the Issuer were listed on the Budapest Stock Exchange on 29 May 2007. The Issuer then began international expansion, first in Romania and then in Poland. The Issuer's shares were listed on the Warsaw Stock Exchange on 22 March 2011. In 2012, the Issuer was subject to bankruptcy proceedings, which were successfully concluded by reaching an agreement with the creditors. Due to the breach of contract by the municipalities, the Issuer was forced to terminate its contracts in Romania prematurely. The Company sold its Polish operation in 2016 while its presence in Romania was limited to enforcing its claims arising from terminated contracts. The actual operation of the Issuer is currently limited to the territory of Hungary; in Romania, legal proceedings related to its terminated contracts are pending. In 2016, the Issuer published its strategic goals, in which it focused on selling projects in Hungary and Romania, downsizing its operations, and buying its own shares.

The business environment of the Issuer

The Budapest-based Group of Companies currently consists of companies present in Hungary and Romania. The formerly concluded long-term heat supply contracts currently play an important role regarding turnover. The information concerning the new activities commenced as a result of Capital Increase were initially launched in 2020, therefore it is found under year 2020 of the present Report.

The operation and main activities of the Issuer (broken down annually for 2017-2020)

Year 2017

The Issuer sold the public lighting projects previously purchased from EnerIn Kft. back to the same company, in addition to the originally calculated return expectation. As a result of a successful transaction, the Issuer's public lighting business was completely discontinued. Therefore the most important services (branches) of the Group of Companies remained as follows: efficient heat and district heating supply based on sustainable primary energy sources as well as the modernization of energy supply and conversion equipment and exploitation of efficiency. The primary incomes of the Group of Companies come from the sale of heat and the yield from assets operated for third person in relation with heat supply (sale of heat and assets operated for third person in relation with heat supply). The sold heat is generated by the Group of Companies itself detailed as follows: Heat supply (sale of heat and assets operated for third person in relation with heat supply) with heating modernization: Following an individual survey of the buildings of municipalities, state institutions often operating with out-of-date heating systems and a preliminary needs assessment with customers, the Issuer has prepared a package of offers in this business line, which includes a proposal for the solution of heat supply at a higher level in the long run. Following the signing of a contract, the Issuer carries out the energy modernization prepared in the impact study prepared during the survey as its own investment, without the involvement of the customer's own resources, and then provides long-term (10-25 years) heat services through the upgraded energy system, which includes operation and maintenance. tasks. Depending on individual needs, the upgrade may include boiler replacement, making heat use controllable and measurable (converting heating systems to multi-circuit, installing thermostats, installing a heat pump, etc.). The Company procures additional factors necessary for the provision of heat supply (e.g. boiler house rental, electricity, water, etc.) partly from customers. The Issuer procures the equipment mostly from the domestic representatives of global companies (e.g. in the case of boilers, these companies are typically Viessmann, Buderus, Hoval, etc.), who usually also carry out the implementation tasks. The Issuer also enters into long-term contracts with a local subcontractor for the maintenance of the assets. Upgrading - under the same conditions - results in significant energy cost savings of up to 40-50%. In order to provide heat supply, the Issuer generally uses gas-operated equipment. Instead of the previous direct "gas supplier – municipality" relationship, the Issuer buys gas and supplies heat to customers in the "gas supplier (gas trader) - Issuer" relationship. The customer uses the heat service at a lower cost and their heating system is upgraded. The customer pays a basic or service fee and, in addition, a fee in proportion to their consumption, according to a pre-fixed formula. The Issuer adjusts the unit price of the heat service to the gas price billed by the regional public utility gas supplier. The Issuer has not entered into any new heat supply contracts in recent years; however, it currently has five contracts in progress, the last of which will expire in 2024. Subsequent to 2024, the Issuer does not plan any additional revenue from the heat services business.

Year 2018

In 2018, the Issuer purchased 20% share in Pannon Fuel Kft. in the value of HUF 500,000. Pannon Fuel Kft. shall implement 2 LNG investment supported by the EU. The Issuer provides Pannon Fuel Kft. proprietary, professional and financial assistance for the successful completion of the projects. However, the management and outcome of the projects of Pannon Fuel Kft. do not exert substantial influence on the Issuer's operation. Subsequent to the acquisition of the 20% issuer's share, Mr. Csaba Soós acquired 80% ownership in Pannon Fuel Kft. on 04.04.2019 as a result of which Pannon Fuel Kft. is in the possession of the Issuer and Csaba Soós on the day of the issuance of the present Information Guide. The managing directors of Pannon Fuel Kft. are Csaba Soós and László Bálint, the members of the Issuer's Board of Directors. Additionally, the Company has continued its activity in the heat supply branch.

Year 2019

The Issuer has continued its activity in the heat supply branch from which its primary turnover is generated. The Issuer has published its modified strategy in March 2019. As a winning bidder in a public procurement procedure, the Issuer signed product procurement contract with contracting authority, MAHART Zrt. on 20.12.2019. The subject of the contract is a fixed LNG-CNG river and public filling station facility consisting of water facility, offshore facility and the connection of water facility and offshore facility specified, detailed and described in the product procurement contract and the Invitation to Tender, Public Procurement Document and the seller's bid constituting organic parts of the contract. In accordance with the public procurement, the investment shall be implemented for MAHART Zrt. The Issuer has won the execution of this implementation project. The subject of the investment of MAHART Zrt. has been transferred to the operation of MAHART Zrt. by the execution of the implementation project. The result of the Issuer's activity is the difference between the public procurement amount and the total amount of the implementation project. The public procurement is related to a project financed by EU funds. In accordance with the contract, ENEFI shall fulfil the following tasks related to the complex filling station unique all over Europe: - preparation of concept plan, - conceptual license plan, - license plan and - implementation plan, - submission of the plans to licensing authorities, - conducting of licensing procedures - procurement and manufacturing of unique assets based upon the plans - assemblage to uniform system as well as - full-scale implementation, - commissioning of the complex facility - preparation of the comprehensive documentation required for commissioning, - training and education of the personnel participating in manufacturing. The Issuer intends to rely primarily on Pannon Fuel Kft. in 20% ownership of the Issuer and having obtained experiences in the industrial sector as subcontractor in every stage of the implementation. The Issuer shall resolve the procurement of the main technological equipment by means of a direct contract with the manufacturer (relying on Pannon Fuel Kft. in negotiating the technical requirements stipulated in relation with the technology). The Issuer has retained the management of the implementation project, the coordination of the tasks undertaken in the contract and the continuous customer reconciliations in its own competence. The Issuer has commenced the execution of the implementation project having concluded contracts with subcontractors.

Year 2020

The Issuer has continued its heat supply branch (as part of the foundation pillar branch of the accepted strategy) and the Issuer's activity was supplemented by those asset elements that had contributed to the turnover in 2020. The registry court registered the modification related to the nominal capital and the company name on 09.01.2020. Share capital of the joint stock company: HUF 166,061,090 The share capital consists of 11,150,000 registered, dematerialised ordinary shares with a nominal value of HUF 10 (Series A)* and 5,456,109 registered, dematerialised, convertible dividend preference shares with a nominal value of HUF 10 (Series H). The name of the company: (ENEFI Vagyonkezelő Nyrt.) ENEFI

Energy Efficiency Plc. English name of the company: ENEFI Energy Efficiency Plc. The shares resulting from Capital Increase were originated by KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB has refused the approval of the information guide prepared for the introduction of the shares presented above to the regulated market submitted by the Issuer and terminated the licensing procedure on 06.08.2020. The Company will repeat the submission and approval of the prospectus.

Due to his other engagements, Mr. Ferencz Bálint renounced his Supervisory Board and Audit Committee membership in the Company on 09.09.2020.

Realization of new strategy in the 2020's

The announced new strategy is available in full among BSE publications.

In June 2019, the Issuer adopted the Strategy, which is still in force, with which it intends to put the Company back on a growth path, according to the Strategy's stipulations.

A Kibocsátó új Stratégiája szerint a Kibocsátó fő tevékenységét a vagyonkezelés felé kívánja elmozdítani.

This is currently based on the corporate and real estate investments made by the Issuer, the operation of Síaréna Kft. and the management and leasing of the properties presented below.

1. Short presentation of Síaréna Kft.

Date of acquisition: 09.01.2020.

Form of ownership: 100 percent stake, full consolidation

Its main activity is the operation of the Eplény ski resort. During the operation of the track, it performs activities in the following business lines: - operation of ski slope and ski lift (sale of ski passes) - renting of ski equipment - ski training - catering (food service) Through continuous developments and investments, Eplény Síaréna is the largest and most modern ski resort in Hungary. There are more than 7 kilometres of ski slopes in Eplény, a significant part of which (4 km) consists of sections marked in blue. The blue tracks can be used even after dark thanks to the track lighting. The snow safety of the slopes is ensured by the snow production system. High-performance pumps deliver water from reservoirs with a total capacity of more than 17,000 cubic meters to the ski slopes, where the 51 snow cannons of Síaréna convert it into snow. The total snow production capacity of the system is 600 cubic metres/hour. This huge snow-making performance allows for an average of 90-100 days of ski seasons. Winter guest traffic is somewhere between 40 and 60 thousand, depending on the length of the seasons. This is the number of registered ticket purchases that does not include the significant number of attendants. Education and lending is a dynamically developing business. The gross sales revenue of the ski seasons varies between HUF 500 and 600 million. According to our plans, we will further develop the capacity available for education (elevator, area, rental equipment), so with this manoeuvrer, it will be possible to utilise better the capacity of working day operations. We also plan a significant price increase in the coming years. Thus, through capacity expansion and price increases, gross sales revenue may exceed HUF 600 million. The facility operates in four seasons. Usually, the closing weekend of the ski season is the start of the chairlift season, which lasts until November, ensuring year-round operation. The number of tourists visiting the cable car is increasing greatly year by year. Four-season operation is in place but the high season can consist of December, January, February, and the first half of March (depending on the weather). The Company is working to extend the high season to four seasons. The year-round operation also has a stimulating effect on the number of employees. The larger the permanent staff, the more stable the operation of the processes. Through dynamic development and high publicity, the range of our supporters is expanding year by year. The ski resort usually hosts large-scale events such as: Spartan Race, Downhill national championship, World Snow Day. Due to the events and the special snow-making activity, we have an extremely significant presence in the national media. More information can be found on our website: http://siarena.hu/

2. Short presentation of 8 Meder street (Meder utca 8.)

Date of acquisition: 09.01.2020 (with registry court registration)

Form of ownership: direct (own) real estate ownership

The 1138 Budapest, 8 Meder utca (street), Building B, ground floor business premises with the topographical numbers 25910/2/A/198, 25910/2/A/199 and 25910/2/A/200, as well as garages (registered at 25910/2/A/128, 1138 Budapest, 8 Meder utca (street), -1 floor, garage, 3107 m2 floor area, 1400/12800-th ownership, which in real-estate terms ensures the use of 14 car parking spaces). Approximately 500 sqm of ground floor office space and 14 garages, which are assigned to the use of the office. The offices operate at 100 percent occupancy, with two Companies renting the property.

3. Presentation of building site at Balatonfenyves

Date of acquisition: 09.01.2020 (with registry court registration)

Form of ownership: direct (own) real estate ownership

Balatonfenyves, inner area, topographical number 987/5, 1.0445 hectares, occupied residential house, marked yard, actually the property under number 33-34 Mária utca (street), 8649 Balatonfenyves. The issuer purchased the property for real estate development purposes, but the development itself has not yet commenced.

4. Short presentation of Random Capital Zrt.

Date of acquisition: 09.01.2020 (with registry court registration)

Form of ownership: investment, shareholding (9.46% of the total issued shares), involvement as affiliated company.

Random Capital Zrt. is an investment company headquartered in Hungary and with a Hungarian ownership, the activity of which is supervised and licensed by the Hungarian National Bank. The Company was established in 2008, acquired the membership of the Budapest Stock Exchange in 2009, is a member of the BSZSZ (Association of Investment Service Providers), and its activities focus on serving the Hungarian domestic market, i.e. basically the "intermediation" of stock exchange transactions. Public information about the Company: www.randomcapital.hu.

5. Purchase of LNG/LCNG filling station

Date of acquisition: 27.11.2020.

Form of ownership: direct real estate ownership

The Issuer had purchased the only LNG/LCNG filling station in Hungary located next to the M0 Motorway from Pannon Fuel Kft. about which the Issuer notified its investors in an extraordinary announcement. Currently, the filling station is not operated by the Issuer; the acquisition of the licenses required for operation may take longer during which the tasks related to operation shall still be performed by the seller, Pannon Fuel Kft., therefore the resulting profits are also gained by Pannon Fuel together with the undertaking of the liabilities related to operation. The issuer expects quick expansion of the LNG market and several possibilities are open for the Issuer with relation to the utilization of the filling station beyond own operation; thus long-term renting of the filling station for operation or its reselling instead of own operation may not be excluded.

Currency and accuracy of financial statement presentation

The functional currency of the Company is the Hungarian Forint. The financial statements are presented in HUF (presentation currency) and, unless otherwise indicated, the data is in HUF thousand (HUF).

The euro and the Romanian leu are the foreign currencies relevant for the Company. The exchange rates of the two currencies during the reporting period were as follows (one currency unit / forint, MNB exchange rates):

Currency	**2020**		**2019**	
	closing	**avarage**	**closing**	**avarage**
Euro (EUR)	365.13	351.17	330.52	325.35
Romanian leu (RON)	74.99	72.57	69.08	68.56

The Auditor of the Company:

The current auditor of the Company is UNIKONTO Számvitelkutatási Kft. (UNIKONTO Accounting Research Ltd. – seat: H- 1093 Budapest, Fővám tér 8. 3. em. 317, company registration number: 01-10-045428). The auditor has had its mandate since 30 December, 2016. Current auditor responsible for the audit of the Company is László Péter, Lakator Dr. (mother's name: Márai Terézia, Gubi, card number: 007102), he has a mandate since 30 April 2019.

The auditor charges HUF 2,000 thousand + VAT auditor fee for the audit of these (separate) financial statements and shall not perform any other service for the Company, but audit service and other assurance services.

Personally in charge of the compilation of the financial statements

The financial statements were compiled by András Klekler, certified IFRS accountant (registration no.: 200753).

3. Key elements of Accounting Policy

I. Presentation of the financial statements

The Company's financial statements include (parts):

- separate statement on financial position (hereinafter: balance sheet),
- separate comprehensice income statement (hereinafter: income statement),
- separate statement of changes in equity;
- separate cash-flow
- explanatory notes to separate financial statements.

The Company has decided to include the comprehensive income statement in a separate statement, recognising the items related to the other comprehensive income in the same statement on an item by item basis after the period's net profit (loss).

Other comprehensive results are items that increase or decrease the net assets (ie the difference between assets and liabilities) and that change should not be accounted for either by assets, liabilities or income, but it directly changes one element of equity. An equity transaction that changes the capital provided, is not classified as, inter alia, other comprehensive income.

Major decisions about presentation

The Company prepared its separate financial statements in accordance with IFRS for the first time for the business year 2017, with comparative data for 2015 and 2016. The Company has prepared the financial statements in the spirit of transparency and comparability required by stock exchange presence.

The Company publishes separate financial statements in Hungarian Forints. This is the presentation currency. Separate financial statements cover one calendar year. The closing date for the separate financial statements is the last day of each calendar year, 31 December The Company prepares interim financial statements every six months according to the stock exchange regulations. The rules of IAS 34 apply for interim financial statements, which do not contain all disclosures required by IAS 1, and contain the information in a condensed form.

Separate financial statements include a comparative information unless a period needs to be restated. In this situation, the opening balance sheet of the comparative period is also presented. There has been no such disclosure in 2020.

In the event that the presentation requires to shift one item to another category (for example, due to a new financial statement line), the Company adjusts the previous year figures in a way to achieve comparability. No such shift took place during this period.

The management of ENEFI Plc. takes care of the disclosure of the financial statements in accordance with the relevant rules (legislation, stock exchange order).

The Company shall also disclose information about operating segments in its financial statements as explanatory notes. The operating segments are defined according to the strategic expectations of the Board of Directors members. In accordance with the regulations of IFRS 8.4, the Group presents its report in accordance with segments only in the consolidated financial statements.

Accounting policies related to the income statement

Revenues

IFRS 15, Accounting for Customer Contracts - (issued in May 2014; effective for the business years beginning on or after 1 January 2018. EU has adopted the standard.) The new standard introduced the basic approach that revenue is recognized when goods or services are delivered to the buyer at the agreed price. All separable tied products or services shall be accounted for separately and all discounts shall be allocated to the corresponding elements of the contract. When the consideration changes, the minimum value can be recorded, when the probability of reimbursement does not contain significant risk. Costs incurred by acquisition of a customer contract must be capitalized and amortized during the contract period as the related benefits are acquired by the company.

The Company applies IFRS 15 as of 1 January 2018 in its financial statements. The introduction of the new standard has no impact on the recognition of the Company's revenue, as the contract elements can be clearly distinguished and may be classified one by one by the conclusion of the contract. Consequently, the numerical data have not changed as a result of the modification.

The Company's revenue is recognized if it has performed in accordance with the contracts and there is a probability for the financial settlement of the receivables (when accounting for the revenue).

Only direct returns of the Company's principal activity are classified as revenue. The Company presents the consideration for ad hoc activities among other items.

The main activity of the Company is the production and sale of thermal energy and the sale of real estate issued during asset management, as well as the implementation of special equipment (filling station). Revenue items are invoiced and accounted for on a monthly basis. In addition to thermal energy, the Company has significant revenue from service fees connected to individual contracts accounted for under IFRIC 12. Revenue includes furthermore other rental fees and engineering services.

Operating expenses

Non-financial expenses are referred into the following categories:

- direct costs: the expenses directly related to the revenue shall be listed here;
- indirect costs: items that do not belong to the above category and are not related to other income, which shall be allocated to
    - sales costs (advertising, marketing, sales incentives and similar items) and
    - administrative costs chategories.

Other income

The consideration for sales that cannot be classified as revenue and any income that cannot be considered as a financial gain or as other issue that increases the overall result shall be recognized among the Company's other incomes. Other expenditures are expenses that are indirectly related to the operation and do not qualify as financial expense or do not reduce the other comprehensive income. The Company recognizes the other income and other expenses on a net basis in the income statement.

Financial incomse and expenses

Interest incomes shall be recorded on a pro rata basis and dividend income shall be recognized when the dividend is validly decided by the main body of the company making the distribution. Interest expenses shall be calculated by the effective interest rate method and shall be classified within the financial expense cathegory. The Company recognizes the foreign exchange differences on foreign currency items (if the effects of IAS 21 Conversion Rates are not part of other comprehensive income) in the financial result. The Company sets the financial result offset in the income statement.

Offsetting

In addition to the IFRS requirements, the Company shall disclose the effect of a transaction in the financial statements on a net basis, if the nature of the transaction requires such a statement and the item is not relevant to the business (e.g. used asset sale outside of business).

Accounting policies related to the balance sheet, recognition and measuring of assets and liabilities

Properties, plants and equipments

The Company lists only productive or administrative assets among the properties, plants and equipments (PPE) that are utilised at least for one year after being put into service. The undertaking separates the assets by purpose [for productive and non-productive (other)].

The initial book value of the asset includes all items relating to the purchase or creation of that asset, adding the borrowing costs (see in detail: accounting policy on borrowing costs).

The discounted liability shall be increased year by year, taking into account the course of time (the breakdown of the discount) and the subsequent changes in the estimation on the breakdown costs. The increase in the liability arising from the breakdown of the discount is recognized as interest expense.

The Company applies the component approach, namely preliminary by productive assets, it separates the main parts with the same useful life within the physically homogeonus asset.

Tangible assets shall be valued according to the cost model rules after the initial recognition (initial value, less the accumulated depreciation and accumulated impairment losses).

The depreciable amount is the initial cost less residual value. The residual value shall be determined when its amount is significant. The residual value is the recoverable income after disposal of the asset, less the sale costs.

Depreciation shall be calculated on a depreciable amount per component. The Company uses operating hours method in the case of gas engines and calculates with the linear depreciation methods for the other assets. The below depreciation keys are applied for its assets

Land	non-depreciable
Buildings	1-5 %
Power Plant Equipment	1 - 14%
Non-Productive plants	14 - 33%

The useful life of the assets shall be reviewed per item and it shall be determined whether the asset is usable during the remaining useful life or whether the residual value is realistic. If not, the depreciable amount or the residual value shall be adjusted for the future.

Regurarly, but not annually raising major repair works (meaning real expenditure) shall increase the value of tangible assets. The Company shall consider these works to be one component of that asset, and their useful life shall align to the next (expected) occurrence of these investments.

Revenue from the sale of a tangible asset shall be recognized as an other item, less the remining book value of the asset. Expenditures arising from the write-off of tangible assets shall also be recognised under other items. No revenue, but only expenditure is generated in this case.

Intangible assets

The Company shall establish, whether there are intangible assets with indefinite useful lives.

The Company shall not carry out research activity, shall not produce software or other intangible assets that could meet the recognition criterias. The Company accordingly does not present internally produced intangible assets and does not define accounting policies for those.

The initial value of intangible assets is determined as described for tangible assets.

Intangible assets with indefinite useful lives shall not be depreciated, but shall be tested instead for impairment at every period (or immediately when there is an indication) (see impairment).

Concerning the other intangible assets, it shall be taken into account whether there is any contractual period that would put limit sas regards the possibility to exercise this right. In such situation, the depreciation period shall not be longer than this period, but may be shorter. By default, the contract period shall be adopted as the useful life.

Softwares and similar intangible assets shall be subject to a depreciation rate at 20-33%. The cost model shall govern the assessment of intangible assest after the initial recongition. The residual value of intangible assets shall be deemed to be zero, unless the contrary is proved.

Properties with investment purposes

Buildings and sites acquired by the Company for investment purposes or in order to obtain rental fee revenues from them shall be represented as investment property in financial statements. There is nor or insignificant own use in such properties.

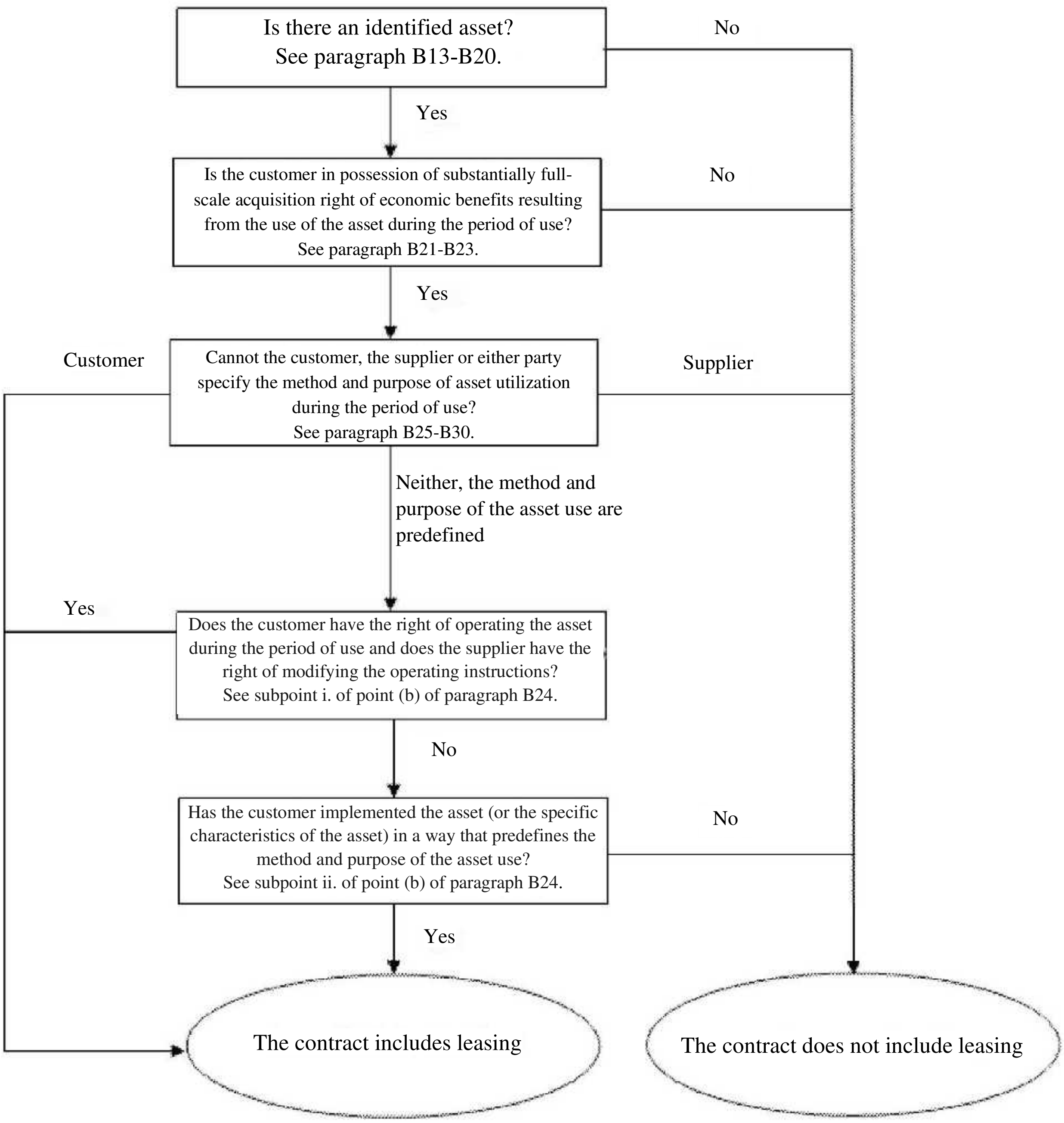
Investment property is assessed by the Company on the basis of the cost model and the depletion rate applied shall be equivalent with the rate applied in tangible assets.

In such assets, testing for depletion shall be performed on the basis of IAS 36.

Leases

If the contract assign the right to use of the underlying asset for a defined period of time in charge of consideration, the contract shall be deemd to be a lease contract, or a contract with lease content. Lessee shall be entiteld to collect the profit upon the usage of the asset and to make decision regarding the usage thereof in this case. By switching to leasing there was no need to investigatate whether the contracts effective before 1 January 2019 comply with the leasing definition. If a contract was previously a lease (whether operating or financial), the rules of IFRS 16 apply to those leases; if there was no contract before that lease, it will not be subject to IFRS 16 even after the effective date thereof.

The Company shall use the flow chart in accordance with Section B31 of Appendix B to IFRS 16 Standard to identify the lease:



During the switchover, the Company recognised one car and a boiler as new leasing.

Recognition by the lessee

The lessee shall recognise one right-of-use asset and a lease liability on the opening day.

Recognition exceptions

If the Company shall be considered as a lessee with regard to any of the contracts under the IFRS 16, it shall not apply the general rules of the Standard for the short term (less than 12 months), and low value underlying assets but it shall account the lease fees for the burden of the rusults, allocated.

Valuation regarding the right-of-use asset

The Company shall account its assets utilized under leasing as right-of-use asset. The valuation regarding the right-of-use assets is subject to the cost model, and the depreciation is based primarily on the contract period. The Company shall test the right-of-use assets according to the IAS 36 standards. The entity shall recognise the right-of-use assets among that asset group where the underlying product belongs. Right-of-use assets shall be separated in the additional notes.

The lessee shall qualify the leases as operative of finance lease.

The Company shall specify the lease term as a period of the lease where the termination is not possible, together with the below periods:

- periods covered by the lease extention option, if the lessee has reasonable certainity to exercise the option; and
- periods covered by the leasing termination option, if the lessee has reasonabe certainity not to exercise the option.

The Company as lessee shall re-valuate whether it has reasonable certainity to exercise the extention option or not to exercise the termination option, as such significant event or such significant change of the circumstances occurs, that:

- is under the control of the lessee, and
- affects the reasonable certainity of the lessee whether to exercise the option that has not been considered by him / her previously by the establishment of the lease term, or not to exercise the option specified previously in the lease term.

The Company as lessee shall revise the lease term, if there is a change in the period of the lease that may not be terminated. There is a change in the leasing period that may not be terminated, if:

- the lessee exercises an option that has not been considered by him / her by the establishment of the lease term per entity;
- the lessee does not exercise the option in the lease term definition specified by the entity,
- as a result of an evetn, the lessee is contractually required to exercise the option that has not been considered during the establishment of the lease term by the entity, or

- as a result of an event, the lessee is contractually forebidden to exercise the option in the previuos specification of the lease term by the entity.

During accounting for the depreciation of a right-of-use asset, the lessee shall apply the standard depreciation requirements of IAS 16 Property, Plant and Equipment if the underlying asset is otherwise an item of property, plant and equipment.

If, under the lease, ownership of the underlying asset passes to the lessee at the end of the lease term, or if the cost of the right-of-use asset shows that the lessee will exercise the call option, the lessee shall account for the depreciation of the right-of-use asset from the effective date till the end of the useful life of the underlying asset. Otherwise, the lessee shall account for the depreciation of the right-of-use asset from the effective date till the end of the useful life of the right-of-use asset or the end of the lease term whichever is the earlier.

Valuation of lease liability

The lessee shall valuate the lease liability at the effective date as the present value of the lease payments not paid to date. Lease payments should be discounted at the implicit leasing rate, if it is readily determinable. If this interest rate is difficult to determine, the lessee should use the lessee's incremental borrowing rate.

Recognition by the lessor

At the effective date the lessor shall remove the assets held under finance leases from the balance sheet, and shall present the lease receivables at the present value of the lease cash flows (net lease investment).

The Company recognizes the present value of finance lease cash flows as lease investments. By the calculation of the present value, the Company uses the incremental interest rate related to the lease income. The Company esatblishes the ECL for the lease receivable on the basis of the simplified method.

The lessor shall recognize the operative lease payments in the income statement by means of either the straight - line method or another systematic method, so that the leased asset continues to be recognized in the balance sheet and depreciated.

The Company (as lessor) shall consider any arrangement as finance lease, if

- the underlying asset is transferred to the lessee at the end of the lease period,
- the lessee has such a right whereupon he / she can acquire the ownership of the underlying asset at the end of the lease term and there are also reasonable certainity to exercise this right,
- the lease period (together with the proven extension periods) exceeds the three-quarter of the remaining economic life of the underlying asset,
- total present value of the lease payments reaches 90 % of the fair value of the underlying asset,
- the underlying asset related to the underlying asset is special.

If the lease term is indefinite, term shall be specified subject to the estimation of the enforcable period.

Service Concession Agreements (IFRIC 12)

The Company follows the below by accounting for public-to-private service concession arrangements.

Provisions set out under IFRIC 12 applies in case of public-to-private service concession arrangement, when these conditions are met:

(a) the assignee controls or regulates which services shall be provided to whom and at what price by the operator via the infrastructure; and

(b) at the end of the agreement term, the assigner controls all significant residual interest in the infrastructure through ownership, beneficiary rights or otherwise.

The operator acts as a service provider under the terms of these types of contractual arrangements. The operator builds or develops the infrastructure used to provide the public service (construction or development services) and operates and maintains this infrastructure for a specified period of time (operating services).

If the contracts with each public sector operator meet the above conditions, the infrastructures covered by the contract will not be recorded in the Company's books as property, plant or equipment.

In cases these type of contracts, the construction or development services performed by the Company are recognized in the statements at fair value of the contractually agreed, received or receivable consideration. The contractual consideration may be recognized as a financial asset or an intangible asset.

Construction or development services performed by the Company are recognized as financial assets if, under the contract, the Company has an unconditional contractual right to receive funds for the development or construction services from the transferor (Municipality) or upon the instructions thereof; and the transferor has less or no possiblity to be released from the payment duty since the agreement is legally enforceable. The Company is entitled to receive funds if the transferor provides a contractual guarantee to pay the Company fixed or determinable amounts or to pay the difference between the amounts received from the public service users and the amounts specified or determinable in the contract.

Construction or development services performed by the Company are recognized as intangible assets if, on the basis of the contract, the Company acquires the right (permission) to levy a fee on the public service users. In this case, the borrowing costs that may be assigned to the agreement will be capitalized during the construction and implementation phase of the agreement. If the countervalue of the construction or development services performed by the Company is partly paid by a financial asset, partly by an intangible asset, all components of the consideration received are accounted for separately.

The Company has concessions that comply with the financial asset model.

If the Company has contractual duties for maintenance or repair regarding the infrastructure received or implemented, these liabilities are included in the financial statements at the value of the amount estimated at the date of the financial statements (as required by IAS 37).

Capacity extensions shall be accounted for in accordance with the rules of IFRS 15.

The rules in IFRS 16 do not apply to situations for which IFRIC 12 applies.

Policy on borrowing costs

In accordance with the provisions of IAS 23, an entity capitalizes borrowing costs when it uses the loan for a qualifying asset. In case of dedicated loans (if the loan is assigned to a specific purpose), the effective interest rate of the loan determines the amount to be capitalized. In the case of general purpose loans, the activation rate must be determined. The capitalization rate is the average of the general purpose loans' effective interest rate weighted with the time passed since the payment or, if it is later, with the time passed since the commencement of capitalization and with the amount of the payment.

An asset (project) shall be considered a qualifying asset (project) in the following cases:

- if it is an investment contract,

- if it is an asset the construction and preparation of which requires more than half a year (regardless of whether the Company or third parties create the asset).
- Value of the particular asset shall not be considered by the assessment.

The capitalization of borrowing costs shall begin when there is an irrevocable commitment or a probability thereof to acquire the asset and to implement the project. In case of an asset, this is usually the order of the asset or, in case of a project, the commencement of physical works, or, if the planning work is carried out by the Company, the commencement of the preparation of the plan subject to the authorization procedure.

The capitalization of borrowing costs shall be suspended if works are interrupted for a longer period than technically reasonable. The technical manager of the project verifies the progress of the project, the fact that there was no downtime longer than technically reasonable.

Capitalization of the borrowing costs shall be completed when the asset is ready, the (physical) works related to the project are completed or, if it falls earlier, the asset created in connection with the project is in use, the use thereof is authorized.

Accounting for gorvernment grants

The Company, in principle, accounts for the grants as income. The item non-recognasible to the benefit of the result is recognised among the liabilities as deferred income. The item to be accounted for the benefit of the results is deducted from the related expense, if feasible. The item to be accounted for profit or loss shall be deducted from the related expense, if practicable. In accordance with the above principle, the Company recognizes assets received free of charge.

If a grant is related to expenses, it is primarily accounted for by a reduction in expenses, if this is not possible, it shall be recognized as other income.

Grants should be accounted for when

- it is basically certain that the Company fulfills the conditions related to the grant, and
- it is certain that they obtain the grant.

If the grant shall be repaid afterwards, at the time becoming aware thereof, a liability shall be recognised by way of increasing the asset value or the costs.

Inventories

Inventories shall be represented in the financial statements in such a way that the lower value of either the market value or the net realizable value shall be included. A distinction shall be made between inventories that are expected to be recovered within one year and those that are expected to be recovered beyond one year. Fuels should be assumed to be used within a year. The Company determines the closing value of the inventory on the basis of the average initial cost and includes all the cost to the inventory value that is required by the usage of the inventiry at the intended manner and location.

Recognition of impairment

The Company annually conducts impairment test for its assets. Testing is two phased. As a first step, it examines whether there is an indication of impairment of the assets. The following signs may indicate that an asset is impaired:

- damage;
- revenue shortfalls;
- unfavorable changes in market conditions, reduced demand;
- increase in market interest rates.

If there is an indication that an asset may be impaired, a calculation shall be made, with the help of which the recoverable amount of the asset is definable (second step). The recoverable amount is the higher of fair value less sale costs and the present value of cash-flow from continuing use.

The Company shall carry out the impairment test between December and February.

Provisions

Only a present obligation arising from a past event, the amount and timing thereof is uncertain, shall be recognized as a provision. It is not possible to recognise a provision that is not related to a present legal or constructive obligation.

No items related to the activities to be carried out (e.g. costs of retraining, relocation) may be provisioned. If the probability is lower, a contingent liability shall be disclosed (possible obligation). This shall not be presented in the balance sheet but is shall be presented in supplementary notes;

Provisions should be included in liabilities and allocated to long and short-term liabilities. If the time value of money is of significant relevance relating to a provision (because it has to be paid much later), the expected cash flows should be discounted. The time value of money should be considered significant if cash flows occur after 3 years or later.

Provisions typically include the below topics:

- indemnifications to be paid upon litigations,
- contractual indemnfication, compensation
- asset decommissioning liability,
- severance payments reogranizational costs.

When a particular topic may be given probability, the maximum level of the payable amount multiplied by the probability means the nominal (non-discounted) value of the obligation.

If the Company concluded a contract, the costs of which exceed the revenue derived thereof, a provision may be made for the smaller of the legal consequence of non-performance of the contract and the losses resulting from the performance of the contract.

A provision may be made for reorganization (e.g. severance pay) if there is a formal reorganization plan that has been approved and communicated to the stakeholders. Provision may only be made for costs related to discontinued operations. Items not related to the activities to be carried out (eg retraining, relocation costs).

No provision shall be made:

- future operating losses;
- to cover future unexpected losses, 'for security purposes';
- for write-offs (e.g. to write-off receivables, inventories).

Employee benefits

The Company mainly provides short-term employee benefits to its employees. The Company accounts these for to the burden of the results if those vest.

Employee rewards, bonuses and other items of a similar nature should be recognised in the balance sheet if they lead to a liability, namely

- if they are bound by a contractual term and this contract condition has been fulfilled (e.g. the particular level of revenue has been reached); then the item is not accounted for in the period when the occurance of the contractual condition is established, but when the condition is met.
- if it is not a contractual term but a management decision that establishes such an item, that may be recognisied when the Company becomes aware of such decision (a constructive obligation).

The Company participates only in a specified contribution pension scheme which is to be determined in the context of the wages paid, it is therefore settled with the wage.

The Company operates in such a legal environment where employees have paid leave. If a legal option or employee - employer agreement is available by the Company to carry forward the untaken leave to the following years, then a liability shall be made for the untaken leaves accrued at the end of the year with the simultaneous burdening of employee benefits.

Share-based payments

If the Company provides shares or share price-related benefits to its employees or elected officials in respect of their activities, they shall be accounted for as share-based benefits.

The Company currently has only equity-settled share-based payment. The fair value of the benefits shall be determined and, if there is a vesting condition attached thereto, it shall be accounted foragainst the income in proportion to the fulfilment of the vest condition recognizing a reserve at the same time among the components of equity (IFRS 2 reserve).

If there is no condition attached to the benefit (e.g. further work period, earnings target), it should be immediately recognized as an expense, without inter-period sharing.

The separately recognized reserve (IFRS 2 reserve) should be cancelled when the shares are issued or, if an option is included, expired, exhausted.

As the Company does not have any other share-based benefit plans, it does not form an accounting policy thereon.

Financial instruments

IFRS 9 'Financial Instruments' (issued in July 2014; effective for financial years beginning on or after 1 January 2018). The main features of the new accounting standard are:

- Financial assets shall be classified into three measurement categories: measured at amortized cost after initial recognition, measured at fair value after initial recognition against other comprehensive income (FVOCI) or at fair value after initial recognition against income statement (FVPL).

- FRS 9 introduces a new model for the recognition of impairment - the expected credit loss (ECL) model. It uses a three-step approach, based on changes in the credit quality of financial instruments after the initial recognition. The new rules mean, in practice, that an entity is required to include an immediate loss of 12 months' ECL on initial recognition of financial assets not affected by other impairment. (a full ECL shall be presented in the case of trade receivables). If the credit risk has significantly increased, the impairment is determined by way of the full ECL rather than the 12-month ECL. The model also includes operational simplifications for leases and trade receivables.
- Hedge accounting requirements have been amended to make accounting more consistent with companies' risk management. The standard allows entities to choose between the applcation of IFRS 9 hedge accounting rules and the IAS 39 rules covering all other hedge accounting, as the standard does not currently deal with macro-hedge accounting issues. The Company does not apply hedge accounting rules.

The Company applies IFRS 9 in its financial statements as of 1 January 2018. As a result of the introduction of the new standard, only the impairment recognized for trade receivables has changed, but this has not had a significant impact on the financial statements.

Financial assets

Classification

The Company refers its financial assets into the following categories in accordance with the relevant legislative changes in force from 1 January 2018:

- assets carried at fair value (against other consolidated income [OCI] or income statement), and
- assets regsitered at amortized initial cost.

The chosen valuation method depends on the business model of the entity, it is determined based on the management of financial assets and the related cash flows.

The Company has only funds, receivables and loans as financial assets. All financial assets are measured at amortized initial cost, the Company has no financial instruments measured at fair value.

Recognition and measurement

Purchase or sale of a financial asset is recognised on the day the transaction is settled, namely on the day the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets that are not carried at fair value through profit or loss. Financial assets are derecognised when the Company's rights to the cash flows from the particular item have expired or are transferred and the Company has also transferred significant risks and rewards of ownership.

Offsetting of financial instruments

Financial assets and liabilities are set-off and recognized in the balance sheet as a net amount if the net settlement of the amounts recognized is legally permitted and the Company intends to settle the amounts on a net basis or intends to realize the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortized cost

IFRS 9 introduces a three-stage impairment model that binds level of impairment to changes in the quality of a receivable:

CHANGE OF CREDIT QUALITY AFTER INITIAL RECOGNITION

RECOGNITION OF VARIABLE CREDIT LOSS

expected credit loss for 12 months	**expected credit loss for 12 months**	**expected credit loss for 12 months**
Performing (Initial recognition)	**Underperforming** (Significant deterioration in credit quality since initial recognition)	**Non-performing** (Actual credit loss occurred)

The Company considers all available information by the estimation of the expected loss - whether it is available within the company, or externally or it is a past experience or a forward-looking forecast. ’Expected Credit Loss’ is the weighted average of expected losses. The Company considers all available information by the estimation of the expected loss - whether it is available within the company, or externally or it is a past experience or a forward-looking forecast.

Data in thousand HUF

The Company applies the definition of default event corresponding to its internal risk analysis policy by the estimation of the credit risk, and also determines the probability of payment and non-payment as well as the expected timing of cash flows in the estimation.

The Company shall use the simplified method on customer claims. So-called loss rates shall be specified in the simplified method, which are derived from past experiences corrected by future expectations. The current estimation contains the following rates:

Default (in days)	Loss rate
No default	1.00%
1-180	5.00%
181-365	10.00%
More than 365	100.00%

Practical recourse is had to IFRS 9 by the Company. These are the below:

- Instead of a 12-month expected credit loss, the Company books the expected loan loss on the trade receivables not including significant financing component and the contractual assets at the time of presentation.
- In case of leasing receivables including a financing component and the receivables under IFRIC 12, the Company, at its choice, calculates the expected loan loss over its lifetime at the time of presentation.

The Company makes the above estimation on group level in case of trade receivables with the same risk.

Derecognition of financial assets

The Company shall only derecognise a particular financial asset in its books if the contractual rights to the asset cash flows cease to exist in the economic sense (e.g. expire) or if the Company transfers the financial asset and basically all the risks and rewards of holding the asset to another enterprise. If the Company does not transfer basically all the risks and rewards of holding the asset but does not keep it, and the Company continues to control the transferred asset, the Company accounts for its interests on the asset kept thereupon, and also accounts for a relating liability on the possibly payable amounts on the other hand. If the Company keeps basically all the risks and rewards of holding a transferred financial asset, the Company continues to recognize that financial asset and accounts for the revenues received as collaterilazed credit libaility.

When a financial asset is completely derecognised, the difference between the carrying amount of the asset and the sum of the consideration received or receivable plus the amount of cumulative gain or loss recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Financial liabilities and equtiy instruments

Classification to liabilities or equity

Credit or equity instruments issued by the economic operators in the Company's interest are classified as financial liabilities or equity, taking into account the contractual terms and the definition of financial liabilities and equity instruments.Equity instruments

Equity instruments

An equity instrument is any contract that represents a residual interest in the enterprise’s assets after the deduction of all the liabilities of an enterprise. Equity instruments issued by the Company are to be calculated at the value of the amount received, less direct issue costs.

When the Company reacquires its own equity instruments, it should be recognized, deducted directly in/from equity. The acquisition, sale, issue and cancellation of the Company's equity instruments does not result in any gain or loss recognized in profit or loss. The Company recognizes the reacquired treasury shares in the equity as a negative item in equity at the repurchase value, in a separate line of the balance sheet.

Financial liabilities

Financial liabilities are classified either as liabilities at ’fair value through profit or loss’ (’FVTPL’) or as ’other financial liabilities’.

A financial liability is classified as FVTPL if it is a trade item or has been designated as financial liability at fair value through profit or loss.

A non-trading financial liability may be designated as a financial liability at fair value through profit or loss if:

- such a classification eliminates or significantly reduces an inconsistency in an assessment or accounting that would otherwise arise; or
- if the financial liability is part of a group of managed financial assets, financial liabilities, or both, the management and performance evaluation thereof is carried out on a fair value basis, in accordance with the Company’s documented strategy on risk management or investment and internal information on categorization is also ensured on this basis; or

- it is part of a contract with one or more embedded derivatives, and IFRS 9 Financial Instruments: Recognition and Measurement standard allows the entire contract (asset or liability) to be recognised as an FVTPL.

Financial liabilities of the FVTPL category are measured at fair value and any gain or loss on revaluation is recognised through profit or loss.

Other financial liabilities

Other financial liabilities (including borrowied funds, trade and other payables) are measured at amortized cost using the effective interest rate method (the method is describedin the assets).

Derecognition of financial assets

The Company derecognises a financial liability in its books if, and only if the liability is settled, released or expired. The difference between the carrying amount of financial liabilities derecognised and the consideration paid or payable is recognized in profit or loss.

Actual and deferred income tax

The Company calculates the actual income tax for the current year according to the tax regulations valid in Hungary which is shown among short-term liabilities (possibly receivables). It also estimates the deferred tax that is included in long-term liabilities or non-current assets. Deferred tax is calculated by way of balance sheet method, taking into account the effect of subsequent key changes. A deferred tax asset is recognized only if it can be demonstrated that the item is realizable (reverse). Deferred tax is determined at the rate of expected reversal.

General accounting policies relatod to cash flow

Concerning the cash flow statement, the Company relies on the indirect method till the operative cash flow. Investment and financing cash flows are made by direct method. Overdrafts shall be considered as cash equivalents until proved to the contrary.

The foreign currency

The Company present its separate financial statements in HUF. The functional currency is the currency that best describes the operation of a particular company.

The decision points are the following:

- which is the currency in which the firm earns its income;
- what is the currency in which the costs of the given enterprise are incurred;
- what is the main currency of funding.
- These aspects are prioritized.

An entity may have an exchange rate difference only in a foreign currency.

The Company divides its assets and liabilities to monetary and non-monetary assets. Monetary elements are those, the settlement or payment of which requires cash flow or the money itself is monetary element. Those asset-liability natured items (e.g. advances to services, inventories) that do not require cash flow are not monetary elements.

Monetary items denominated in foreign currencies should be revalued at the spot rate of the record date. All entities apply the exchange rate published by the National Bank of Hungary at the record date.

III. Essential estimates used by the preparation of the financial statements and other sources of uncertainties

Management must make decisions, estimates and assumptions by the application of the Company's accounting policies about the carrying amount of assets and liabilities that are not apparent from other sources. Estimates and related assumptions are based on past experience and other factors considered relevant. Actual results may differ from these estimates.Actual results may differ from these estimates.

Estimates and the underlying assumptions thereof should continuously be kept under review. Changes in the accounting estimates shall be accounted for in the period of the amendment if the change affects only that period or in the period of the amendment and subsequent periods if the amendment affects the current and future periods.

With the exception of those containing estimates, there are presented below those critical decisions that has been made by the Group when applying its accounting policies and had the most significant impact on the amounts presented in the financial statements.

Provisions

Provisions are recognized by the Company in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. The Company is concerned with several ongoing litigation cases, and examined the expected outcome of legal cases with the assistance of experts, and presented accordingly the expected financial expenses.

The Company makes a provision when has a present obligation (legal or constructive) as a result of a past event and it is likely that an obligation will be settled through the transfer of economic assets, the amount of the liability furthermore can be well estimated.

Useful lives of tangible assets

The Company reviews the useful lives of property, plant and equipment at the end of each annual reporting period. During the year under review, the Board of Directors concluded that there was no need to change the useful life and residual value of tangible assets.Impairment of tangible and intangible assets

Depreciation of tangible assets, intangible assets and concession assets

The estimation of impairment for tangible and intangible assets is made on the basis of the realisable value of income-generating units, namely the real value, less sale costs or value in use. The value in use is determined on the basis of discounted expected cash flows. These cash flows reflect the future estimations of the management for each asset or investment.

We examined in the impairment test for tangible and intangible assets, whether the entity's assets are recoverable. The Company has included the adjustments required by the impairment test in these financial statements.

Gaining a profit that provides an adequate tax base, against which the deferred tax asset can be enforced

Deferred tax assets are only receivable if it is probable that future taxable profits will be realized against which the deferred tax asset can be utilized. In case of recognisable deferred tax assets, the management shall apply significant assumptions on the timing and amount of the taxable profit that may arise in the light of the tax planning strategy.

In the year under review the Company, based on conservative methodology, determined the expected rate of the deferred tax asset available based on the expected earning capacity of existing and contracted projects. This business plan does not count on external financing or spending on cash generated for the Hungarian operation.

Uncertainty regarding the evaluation of subsidiaries

Recoverable amount of the Company’s subsidiaries means a significant uncertainty in the assessment thereof, the change of which may lead to impairment or the reversal of the impairment. These impairments and reversal of impairments directly affect the net result.

Uncertainty regarding the timing of representation and assessment of contribution:

Based on the decision of the General Meeting, a capital increase was made in the Company against non-monetary property contributions (receivables). The process of capital has started in 2019, however, only 2020 will show an accounting effect thereof, since the Company will acquire the control over the individual assets provided or, if the subject of the contribution is a legal entity, over the legal entity only in 2020.

Contribution subjects were claims in all cases, however, this claim was the consideration for the property element or the company share. Ownership of the assigned assets was transferred to the Company upon factual registration of the capital increase, which was January 13, 2020. The Company could not obtain the benefits of the assets, could not make decisions, and did not exercise control over the legal entities until the assignment date.

As a result of the contributions, the following assets will eventually be transferred to the Company:

- 100 % share in Síaréna Kft.;
- loan receivable from Síaréna Kft.;
- a plot inBalatonfenyves as real estate with investment purposes;
- several business premises / office properties in Budapest, and the relating garages as real estates with investment purposes;
- share package of Random Capital Zrt.: 9.94%

The transfer of assets' ownership and the exercise of control are subject to the condition of generating the shares issued in the framework of a private placement. This took place on 13 January 2020, therefore the effective date of the acquisition of the assets and the private placement of capital incerase is 9 January 2020. Given that the ownership of the assets will be transferred to the Company on 13 January 2020, the assets will first time have an effective on the separate and consolidated financial statements for the financial year of 2020.

The acquisition of the receivable and thereby that of the assets took place ultimately in exchange for shares, therefore the fair value of the shares valid on the effective date of the acquisition shall be considered as the purchase price of the transaction [IFRS 3.37].

Uncertainty regarding the evaluation of receivables in action

In relation with certain claims – the obligor of which is the subsidiary of the Company in Târgu Mures – the Company had earlier accounted depletion since the Municipality of Târgu Mures owing the subsidiary did not show willingness to pay the claim arising from the services provided by the subsidiary. A lawsuit for the compensation of damages has been filed in relation with these claims. The lawsuit has been finally closed by the court obliging the municipality to pay the debt and relevant legal consequences. Considering, that the subsidiary in Târgu Mures is under liquidation, special rules apply to the payment of the dividable assets and in case of failure of voluntary payment, further proceedings may become necessary. Since the final court decision confirmed the existence of the claim, the valuation of the claim has become necessary, however in the valuation, the amount of the dividable assets shall be estimated and corrections arising from the willingness to pay shall also be taken into account which leads to significant uncertainty in connection with the valuation of the claim.

IV. Changes in Accounting Policy, expected impact of IFRSs and IFRICs that have not yet entered into force on the date of the financial statements, past applications

The Company did not change its accounting policies of 2019 to 2020. Application of accounting policies relating to the introduction of the new standards and previously not existing activities shall be exception thereto.

New and amended standards and interpretations issued by the IASB and adopted by the EU, effective from the current reporting period:

- **Amendments to references to Conceptual Framework in the IFRS standards** – accepted by the EU on 29 November 2019 (effective from reporting periods beginning on or after 1 January 2020)
- **Amendments of standards IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'** – Definition of materiality - adopted by the EU on 29 November 2019 (effective from reporting periods beginning on or after 1 January 2020),
- **Amendments of standards IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 ' Financial Instruments: Disclosures'** – interest rate benchmark reform - adopted by the EU on 15 January 2020 (effective from reporting period beginning on or after 1 January 2020).
- **Amendments of standards IFRS 16 'leases' standard** – rental concessions related to coronavirus adopted by the EU on 9 October 2020 (effective from reporting period beginning on or after 1 January 2020).
- **Amendments of standard IFRS 3 'Business Combinations'** – adopted by the EU on 21 April 2020 (effective from the reporting period beginning on or after 1 January 2020),

The Company believes that the adoption of the present standards and the amendment of the existing standards will not exert substantial influence on the Company's financial statements.

New and amended standards and interpretations issued by the IASB and adopted by the EU but not yet in force

- **Amendments to standards IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16** – Interest rate benchmark reform – Phase 2 – adopted by the EU on 13 January 2021 (effective from reporting period beginning on or after 1 January 2021)
- **Amendments to standards IFRS 4 'Insurance Contracts' with IFRS 9 extension** – adopted by the EU on 15 December 2020 (effective from reporting period beginning on or after 1 January 2021)

Standards and interpretations issued by the IASB and not accepted by the EU

The IFRS adopted by the EU do not significantly differ currently from those adopted by the International Accounting Standards Board (IASB), with the exception of the following new standards, amendments to existing standards and new interpretations that have not yet been adopted in the EU with the disclosure date of financial statements:

- **IFRS 17, 'Insurance Contracts' including the amendments to standard IFRS 17** (effective for reporting periods beginning on or after 1 January 2023),
- **Amendment to standards IFRS 3 'Business Combinations'; IAS 16 'Property, Plant and Equipment'; IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'** – Annual developments (effective for reporting periods beginning on or after 1 January 2022),
- **Amendments of standard IAS 1 'Presentation of Financial Statements'** –Classification od short and long term liabilities (effective for reporting periods beginning on or after 1 January 2023).
- **Amendments of standards IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures -** Sale or transfer of assets between the investor and its associate or joint venture (entry into force is postponed for an uncertain period until the research project reaches a conclusion on the equity method),

The implementation of these amendments, new standards and interpretations would not significantly affect the financial reports of the Company.

Data in thousand HUF

V. Explanatory notes to the comprehensive income statement

1. Sales revenues:

The breakdown of revenue by activity is as follows:

	Year ending on 31.12.2020	Year ending on 31.12.2019
Heat sale	129,224	142,077
Lease	208,522	222,954
Income from MAHART project	367,518	0
Income of other operations	8,130	4,134
Total	**713,394**	**369,165**

Revenue includes only yields relating to the entity's principal activity.
The rental line includes the yield from the contractsby IFRIC 12.

With the exception of accounting for accruals and prepaid expenses, invoicing was easy to follow in the accounting for the revenue, since the nature of the services does not require adjustment between the further periods.

The introduction of IFRS 15 Revenue from Contracts with Customers as of 1 January 2018 did not affect the Company's revenue, as the Company derives revenue from the service charge for the concession assets rented to municipalities, which is recognized in accordance with IFRIC 12 and does not result in a revenue adjustment difference.

The Company shall construct a filling station commissioned by MAHART on the basis of a tender won in public procurement. The filling station shall be constructed in accordance with the instructions of the Client and the capacity (filling station) developed shall be controlled by the Client. Therefore the revenue shall be accounted proportionally (in a certain period of time) in this project.

The PTC shall be specified by the Company in the rate of the planned and the actual costs. In this period, the Company concluded that there is considerable chance that the revenue – in case of proportional accounting – returns since the Company has no significant experience in such and similar contracts and the amendment of the contract is in progress at the moment (IFRS15.57). Based on its estimations, the Company is sufficiently certain that its costs will return and thus the revenue was estimated as the amount equivalent with the costs.

Data in thousand HUF

2. Direct expenditures

	Year ending on 31.12.2020	Year ending on 31.12.2019
Passed utility charges	(119,264)	(140,889)
Costs of the MAHART project	(367,518)	0
Total	**(486,782)**	**(140,889)**

Direct expenditures include expenditures that can be directly related to revenue. The Company recognizes the project costs of MAHART (see details at the turnover) and the rebilled utility charges among direct expenditures.

3. Material costs

	Year ending on 31.12.2020	Year ending on 31.12.2019
Office supplies	(469)	(210)
Fuel	(1,206)	(1,618)
Public utility fees	(1,717)	(438)
Other cost of materials	(299)	(961)
Total	**(3,691)**	**(3,227)**

The above table shows the development of the material expenses. Material expenditure value was at quite the same level compared to previuos year.

4. Payments to personnel

	Year ending on 31.12.2020	Year ending on 31.12.2019
Wages and benefits	(41,578)	(30,580)
Payroll taxes	(14,441)	(12,954)
Other personnel benefits	(39,996)	(31,985)
Total	**(96,015)**	**(75,519)**

The above table shows the development of the value of personnel costs. This table shows that the value of personnel expenses increased considerably due to the full-year annual fee of the member of the board of directors elected in November 2019 for 2020 on one hand and due to the growth of the employee contributions and their compensation related to the work tasks involved in the MAHART project.

Data in thousand HUF

The Company's average staff number, also including managing directors, was 11 in 2019 and it was the same in 2020.

5. Purchased services expenses

	Year ending on 31.12.2020	Year ending on 31.12.2019
Legal cost	(33,573)	(33,639)
Operation costs	(22,924)	(25,673)
Rentals	(5,827)	(10,433)
Advisory fees	(40,930)	(17,830)
Bank charges	(1,775)	(1,776)
Other disclosures	(22,449)	(10,752)
Insurance fees	(3,662)	(1,805)
Communication costs	(1,731)	(1,751)
Property costs	(9,234)	(657)
Maintenance costs	(36,264)	(25,915)
Total	**(178,369)**	**(130,231)**

The above table shows the development of the value of purchased services. Form the above table, it can be seen that the value of purchased services increased by HUF 48,138 thousand compared to the previous year. The main reason of the cost increase was the growth of consultation fees, expenses related to real estates, maintenance and other expenditures compared to the previous year.

6. Other incomes and expenses

	Year ending on 31.12.2020	Year ending on 31.12.2019
Other income		
Termination of provisions	47,600	52,272
Redemption fee on purchase of leased assets	0	50
Revenue on sale of tangible assets	1,200	1,400
Other income	43	4,302
Total	**48,843**	**58,024**

The provisions were cancelled in relation with the provision generated because of a labour dispute. A former employee had claims at the beginning of the labor dispute which was debated by the plc. There has been no communication in relation with the case for years. Labour law claims are limited in 3 years so the claim cannot be enforced even with extremely careful estimations.

Data in thousand HUF

Other expenditures		
Fines	(95)	(13)
Other taxes	(2,541)	2,172
Carrying amount of purchased tangible assets at derecognition	(800)	(1,000)
Other expenditures	(272)	(2,430)
Total	**(3,708)**	**(5,615)**
Other incomes and expenditures (net)	**45,135**	**52,409**

7. Expenditure (income) of financial operations

a) Interests

	Year ending on 31.12.2020	Year ending on 31.12.2019
Interest from affiliate	61,122	18,103
Other interest income	56	180
IFRIC 12 interest income	45,360	58,180
Interest on random bonds	5,272	4,392
Exchange-rate differences	(11,218)	(2,967)
Interest paid to affiliate	(124,977)	(108,723)
IFRS 16 lease interest expense	(274)	(825)
Total	**(24,659)**	**(31,660)**

Data in thousand HUF

Details of interest from affiliate:

	Year ending on 31.12.2020	Year ending on 31.12.2019
E-Star Centrul de Dezvoltare Regionala SRL	736	252
Síaréna Kft.	40,670	0
E-Star Energy Generation SA	1,094	902
Ski43 Nonprofit Zrt.	86	0
ENEFI Projekttársaság Kft.	1,203	360
Pannon Fuel Kft.	17,333	16,589
Total	**61,122**	**18,103**

Details of interest paid to affiliate:

	Year ending on 31.12.2020	Year ending on 31.12.2019
EETEK LIMITED	(124,977)	(108,723)
Total	**(124,977)**	**(108,723)**

b) Depreciation of shares and their reversal:

	Year ending on 31.12.2020	Year ending on 31.12.2019
Reversal of impairment on EETEK share	123,315	310,004
Reversal of impairment on Enefi Projecttársaság share	0	52,191
Reversal of depreciation of Ski43 Program Nonprofit Zrt. share	23,531	(2,609)
Total	**146,846**	**359,586**

Data in thousand HUF

c) Expectable crediting loss and write-off of debts and its reversal:

	Year ending on 31.12.2020	Year ending on 31.12.2019
Heat Energy reversal of loan receivable impairment	0	4,562
Reversal of impairment of E-Star Mures Energy SA loan claim	676,633	0
E-Star Centrul de Dezvoltare Regionala SRL	(12,940)	(15,372)
E-Star Energy Generation SA	(7,828)	(9,676)
E-Star Mures Energy SA	0)	(12,841)
Depreciation of customer receivables	(1,467)	(9,741)
Financial expenses – expected credit loss	(5,411)	5742
Total	**648,987**	**(37,326)**

One of the subsidiaries under liquidation of the plc won a lawsuit finally against the Municipality of Târgu Mures on the basis of which the municipality was obliged to pay part of its outstanding and disputed debts. The claim against the liquidated subsidiary had been previously totally written off by the Company since it had become insolvent due to the non-payment of the Municipality. Since the subsidiary won the lawsuit, we expect that at least part of the claim will be refunded. In that period, an estimate had to be prepared on the basis of which we had to specify how much of the written-off claim would be refunded. The yet expected collection costs and the part of the assets of the liquidated company due to the Company had to be specified for the estimation and this had to be corrected by given uncertainty factors. On the basis of the calculation, HUF 676,633 thousand had to be written off.

In addition to the written-of claim, the Company finds the judgement ungrounded in which the defendant was not obliged to pay compensation for damages at all. Consequently the Company is considering international arbitration court proceedings. Additionally, according to the Rumanian legal practice in relation with the enforcement of default interests due to the amounts judged by court decision, a new lawsuit may be initiated after winning this lawsuit. The time required for this on first and second instance is approx. one year. The amount under lawsuit is considerable. These amounts have not been accounted for due to further uncertainty.

Data in thousand HUF

d) other expense (income) of financial transactions:

	Year ending on 31.12.2020	**Year ending on 31.12.2019**
Interests	(24,659)	(31,660)
Depreciation of shares and its reversal	146,846	(359,586)
Expectable crediting loss and write-off of debts and their reversal:	648,987	(37,326)
Total	**771,174**	**290,600**

8. Income tax revenue / expense

The Company recognizes only local business tax expense in both periods as income tax expense. Both the innovation contribution and the corporate tax expense are zero.

The deduction of corporate tax is shown in the table below:

	31.12.2020	**31.12.2019**
Pre-tax profit	**734,530**	**345,480**
Tax base increasing items	**60,675**	**66,278**
Impairment	31,116	17,828
Creation of provisions	0	0
Fine, default interest	73	13
Impairment of trade receivables	1,467	9,741
Impairment of other receivables	20,768	37,890
Other increasing item	7,251	806
Items decreasing tax base	**2,104,491**	**1,418,703**
Depreciation under tax regulation	27,038	313
Irrecoverable receivables	1,348,761	1,348,761
Local business tax	4,459	6,457
Release of provision	47,600	52,272
Reversal of impairment	676,633	10,900
Tax base	**(1,309,286)**	**(1,006,945)**
Tax payable	**0**	**0**

Data in thousand HUF

VI. Explanatory notes to the balance sheet

9. Intangible assets

Intangible asset (not classified elsewhere) with positive book value existed at the end of neither the reference period nor the previous period.

10. Tangible assets

The below table shows the changes in the assets:

	Properties and buildings	Technical equipment	Other equipment	Right-to-use assets	Total
Gross value					
1 January 2019	**271,195**	**297,633**	**21,828**	**0**	**590,656**
Procurement	0	0	3,450	17,717	**21,167**
Sale	0	0	(2,413)	0	**(2,413)**
31 December 2019	**271,195**	**297,633**	**22,865**	**17,717**	**609,410**
Procurement	500,000	543	1,373	0	**501,916**
Sale	0	0	(2,149)	0	**(2,149)**
31 December 2020	**771,195**	**298,176**	**22,089**	**17,717**	**1,109,177**
Accumulated depreciation					
1 January 2019	**269,471**	**284,749**	**17,337**	**0**	**571,556**
Depreciation of current year	137	7,491	149	9,051	**16,828**
Derecognition due to sale	0	0	(1,413)	0	**(1,413)**
31 December 2019	**269,608**	**292,240**	**16,073**	**9,051**	**586,972**
Depreciation of current year	2,606	78	811	8,196	**11,691**
Derecognition due to sale	0	0	(1,349)	0	**(1,349)**
31 December 2020	**272,214**	**292,318**	**15,535**	**17,247**	**597,314**
Book value					
1 January 2019	1,725	13,908	3,466	0	**19,099**
31 December 2019	1,587	5,393	6,792	8,666	**22,439**
31 December 2020	498,981	5,858	6,554	470	**511,863**

Data in thousand HUF

On 27 November 2020, the Company purchased the LNG-CNG filling station in Szigetszentmiklós for HUF 500 million. This fact caused the increased of the tangible assets in 2020.

Tangible assets include a Romanian site with 0 value, to which the Company had to account for a 100% impairment as it was seized by the Romanian authorities. Litigation proceeding is pending in connection with the seizure. The area of the Romanian allotment is 29,504 m² (Zilah). The Romanian authorities appropriated one part of the plot (623 m2), the expropriation involves a monetary redemption. The receivable is not included in the financial statements.

The Company recognizes the right-to-use and the depreciation related to a lease of a car and a boiler among the right-to-use assets.

11. Properties with investment purposes

The below table shows the changes in the assets:

	Properties with investment purposes
Gross value	
1 January 2019	**0**
Procurement	0
Sale	0
31 December 2019	**0**
Acquisition	906,525
Fees, landscaping	43,484
Sale	0
31 December 2020	**950,009**
Accumulated depreciation	
1 January 2019	**0**
Depreciation of current year	0
Derecognition due to sale	0
31 December 2019	**0**
Depreciation of current year	18,624
Derecognition due to sale	0
31 December 2020	**18,624**
Book value	
1 January 2019	0
31 December 2019	0
31 December 2020	931,385

Data in thousand HUF

The Company acquired 3 properties in Budapest, 14 garage parking spaces and a holiday home at Balatonfenyves during the reference period. The Company treats these assets as investment property in the books and has chosen to account for them at cost. The fair value of investment properties as of 31 December 2020 is substantially the same as the carrying amount in consideration of the fact that the acquisition was close in time.

12. Shares in subsidiaries, affiliates and joint ventures

	31.12.2020	**31.12.2019**
RFV Józsefváros Kft	1,470	1,470
Termoenergy SRL	38,500	38,500
E-Star Centrul de Dezvoltare Regionala SRL	34,525	34,525
E-STAR Mures Energy SA (under liquidation)	5,913	5,913
E-Star Energy Generation SA	5,913	5,913
E-Star Heat Energy SA (Faapríték SRL)	5,913	5,913
E-Star Alternative Energy SA	5,913	5,913
Ski43 Program Nonprofit Zrt. (former name: E-Star Management Zrt.)	96,500	96,500
Pannon Fuel Kft. (affiliated)	37,141	31,177
Random Capital Zrt. (affiliated)	122,901	0
EETEK LIMITED	6,384,260	6,384,260
Síaréna Kft.	761,017	0
ENEFI Projekttársaság Kft.	52,191	52,191
Total	**7,552,157**	**6,662,276**
Recognised impairment	(2,475,773)	(2,622,619)
Book value	**5,076,384**	**4,039,657**

The below table shows the impairment recognised for the shares:

	31.12.2020	**31.12.2019**
RFV Józsefváros Kft.	0	0
Termoenergy SRL	(38,500)	(38,500)
E-Star Centrul de Dezvoltare Regionala SRL	(34,525)	(34,525)
E-Star Mures Energy SA	(5,913)	(5,913)
E-Star Energy Generation SA	(5,913)	(5,913)
E-Star Heat Energy SA	(5,913)	(5,913)
E-Star Alternative Energy SA	(5,913)	(5,913)
Ski43 Program Nonprofit Zrt.	(69,879)	(93,410)
EETEK LIMITED	(2,309,217)	(2,432,532)
Total	**(2,475,773)**	**(2,622,619)**

Data in thousand HUF

Book value of the investments is shown in the below table:

	31.12.2020	31.12.2019
RFV Józsefváros Kft.	1,470	1,470
Termoenergy SRL	0	0
E-Star Centrul de Dezvoltare Regionala SRL	0	0
E-Star Energy Generation SA	0	0
E-Star Heat Energy SA	0	0
E-Star Alternative Energy SA	0	0
Ski43 Program Nonprofit Zrt.	26,621	3,090
Pannon Fuel Kft. (affiliated)	37,141	31,178
Random Capital Zrt. (affiliated)	122,901	0
EETEK LIMITED	4,075,043	3,951,728
Síaréna Kft.	761,017	0
ENEFI Projekttársaság Kft.	52,191	52,191
Total	**5,076,384**	**4,039,657**

All of the Companies included in the above table are subsidiaries, except for the companies named Pannon Fuel Kft. and Random Capital Zrt. that are affiliated companies. The Company recognises its investments at initial value less impairment.

The Company acquired 100% ownership in Síaréna kft. on 13.01.2020; the market value of the share was HUF 761,017.

On the balance sheet date, the Company recognized an depreciation loss of HUF 23,531 thousand on the share at Ski43 Program Nonprofit Zrt., a reversal of depreciation loss of HUF 123,315 thousand on the share at EETEK LIMITED and a share increase of HUF 5,963 thousand with regard to the share at Pannon Fuel Kft.

The Company has determined the recoverable amount of the shares based on the equity of the investments.

13. Other non-current receivables

	31.12.2020	31.12.2019
E-Star Heat Energy SA loan	15,685	15,685
E-Star Heat Energy SA loan interest	10,821	10,821
Pannon Fuel Kft. loan	0	487,652
Total	**26,506**	**514,158**
E-Star Heat Energy SA loan impairment	(15,685)	(15,685)

Data in thousand HUF

E-Star Heat Energy SA loan interes impairment	(10,821)	(10,821)
Book value	**0**	**487,652**

Among the non-current receivables, the Company recognizes the loan provided to E-Star Heat Energy SA and the relating interests. The loan granted to Pannon Fuel Kft. in the previous years was repaid in the reference year.

14. Securities representing long-term loans

In 2020, the Company sold its 100 pcs of Finance bond of 1,000,000 HUF/piece value issued by Random Capital Zrt purchased on 15 May 2019.

15. Concession assets

Tangible assets recognized under IFRIC 12:

	31.12.2020	**31.12.2019**
Assets derived from service concession arrangements	383,976	550,255

Assumptions used to determine fair value at the reporting date:

The Group discounted the future cash flows in all cases with the internal discount rate applicable to the project at the time of the transaction (discount rates used in determining fair value are between 6% and 8%):

Project	**Date**	**Expiry**	**31.12.2020**	**31.12.2019**
Józsefváros	01.08.2007	31.07.2022	281,559	395,959
Győr	01.09.2008	31.08.2020	0	1,833
Pilisszentkereszt	01.10.2008	30.09.2020	0	2,437
Budapest	01.11.2015	31.10.2021	0	45,367
Érd	01.11.2015	30.09.2024	103,457	106,149
Total			**385,016**	**551,745**

The Company recorded the following movements for the concession assets:

	31.12.2020	**31.12.2019**
Opening balance	**550,255**	**634,233**
Adjustment due to IFRS 9	0	0
Estimate change due to inflation	11,123	15,657
New concession asset receivable	0	0
Receivable decrease	(177,852)	(99,862)

Expected credit loss	450	227
Closing balance	**383,976**	**550,255**

Concession fees are contractually adjusted for inflation, which the company recognizes each year as the current year's effect.

The Company recognized an expected loan loss of HUF 1,040,000 for assets deriving from service concession arrangements. The Company determined the loss given default rate (LGD) at 45% and the probability of the default (PD) at 6 % by the calculation of the expected loss.

16. Deferred tax assets and liabilities

In the course of the deferred tax calculation, the Company compares the amounts that may be taken into account for taxation purposes with the carrying amount per assets and liabilities. If it is a reverse difference (i.e. the difference is settled within the foreseeable future), it shall be recognised as deferred tax liability or asset in accordince with the sign thereof. The Company separately assessed the return on the asset at time of the recognition.

In both years, all enterprises of the Company calculated the tax with a 9% rate at return, as the particular assets and liabilities become effective taxes at periods when the tax rate is set at 9% in the effective legislation.

The Company has decided not to include deferred tax assets in the books as their recoverability is unlikely. The below table shows the amount of taxable differences including the value of the deferred tax asset not recognised:

Data in thousand HUF

The 2020 tax balance and temporary differencs are as follows:

	Accounting value	Tax	Difference
Tangible assets	511,863	504,341	7,522
Properties with investment purposes	931,385	931,385	0
Investments in affiliated companies	4,953,483	4,953,483	0
Other non-current receivables	0	26,506	(26,506)
Securities representing long-term loans	0	0	0
Affiliated company (Random Capital):	122,901	122,901	0
Financial assets (IFRIC 12)	383,976	0	383,976
Contractual assets	13,228	13,228	0
Customers	121,766	434,529	(312,763)
Other receivables	1,972,818	10,342,508	(8,369,690)
Income tax receivables	5,725	5,725	0
Active accruals	1,469	1,469	0
Cash and cash equivalents	307,281	307,323	(42)
Provisions	0	0	0
Other non-current liabilities	322,205	322,205	0
Short-term loans	3,904,317	3,904,317	0
IFRS 16 short-term lease liability	500	500	0
Vendor liabilities	172,791	172,791	0
Deferred income	9,599	9,599	0
Contractual obligations	357,682	357,682	0
Other current liabilities	11,009	11,009	0
Loss impairment	0	11,380,842	(11,380,842)
Total	**14,103,998**	**33,802,343**	**(19,698,345)**

Taxable difference	**19,698,345**
Deferred tax receivable	**1,772,851**

The Company does not recognize the deferred tax receivable, since it does not currently have a tax strategy that provides a basis for the recovery of the deferred tax receivable. If the Company subsequently makes a taxable profit or positive tax base adjustment items arise, this asset can be realized.

Data in thousand HUF

The 2019 tax balance and temporary differences are as follows:

	Accounting value	Tax	Difference
Tangible assets	22,439	273,675	(251,236)
Investments in affiliated companies	4,039,657	4,039,657	0
Other non-current receivables	487,652	515,135	(27,483)
Securities representing long-term loans	100,557	100,863	(306)
Financial assets (IFRIC 12)	550,255	0	550,255
Customers	73,162	378,251	(305,089)
Other receivables	97,668	9,257,692	(9,160,024)
Accruals	6,152	6,152	0
Cash and cash equivalents	64,054	64,054	0
Provisions	47,600	0	47,600
IFRS 16 long-term lease liability	500	500	0
Other non-current liabilities	322,205	322,205	0
Short-term loans	3,791,362	3,791,362	0
IFRS 16 short-term lease liability	8,442	8,442	0
Vendor liabilities	40,129	40,129	0
Deferred income	7,895	7,895	0
Other current liabilities	15,156	15,156	0
Loss impairment	0	10,071,556	(10,071,556)
Total	**9,674,885**	**28,892,724**	**(19,217,839)**

Taxable difference	**19,217,839**
Deferred tax receivable	**1,729,606**

17. Contractual assets

The Company represents the mediated services for 2020 (still rebilled further) among the contractual assets.

18. Trade receivables

The following information is relevant to customer receivables and the impairment thereof:

Data in thousand HUF

	31.12.2020	31.12.2019
Customer base	121,766	73,162

	31.12.2020	31.12.2019
Non-due	41,012	16,456
Between 1-90 days	5,331	56,388
Between 91-180 days	3,216	0
Between 181-365 days	79,725	203
More than 1 year overdue	305,245	305,204
Gross trade receivables total	**434,529**	**378,251**
Accounted impairment of trade receivables	(312,763)	(305,089)
Customer base at reporting date	**121,766**	**73,162**

The breakdown of non-impaired trade receivables is as follows

Non-impaired receivables	**31.12.2020**	**31.12.2019**
Non-due	40,860	48,806
Between 1-180 days	8,127	24,191
Between 181-360 days	72,779	165
More than 1 year overdue	0	0
Total:	**121,766**	**73,162**

The impairment made by the Company on trade receivables is as follows:

	31.12.2020	31.12.2019
Balance as of 1 January	**305,089**	**299,857**
Specific depreciation generated for receivables	570	9,741
Impairment correction	0	1,601
Reversed depreciation	0	0
Expected credit loss	7,104	(6,110)
Balance as of 31 December	**312,763**	**305,089**

The expected credit loss is recognized in the financial operations' expenses within the income statement.

By the examination of the possibility of a specific trade receivable, the Company takes into account any changes in the credit quality of the receivable between the borrowing date and the end of the reporting period. In all cases, the payment deadline for the customer accounts is 8 days.

Data in thousand HUF

19. Other receivables

	31.12.2020	31.12.2019
Affiliated loan	7,319,111	6,392,702
Affiliated loan interest	2,687,236	2,643,448
Granted loan and interest - Hőáramkör Kft.	0	33,960
Other tax receivables	1,171	1,342
VAT receivable	182,829	20,230
Other receivables	141,797	159,861
Other receievable gross total	**10,332,144**	**9,251,543**
Recognised impairment	(8,359,326)	(9,160,025)
Other receivables total	**1,972,818**	**91,518**

The below table shows the details of the affiliated loans and loan interests:

	31.12.2020	31.12.2019
Affiliated loan		
Termoenergy SRL	34,344	34,344
E-Star Centrul de Dezvoltare Regionala SRL	4,562,294	4,550,090
E-Star Mures Energy SA	1,672,409	1,672,409
E-Star Heat Energy SA	11,808	11,808
E-Star Alternative Energy SA	1,396	1,396
E-Star Energy Generation SA	63,372	56,637
E-Star Energy Generation SA	45,418	45,418
Síaréna Kft.	868,970	0
Ski43 Program Nonprofit Zrt.	15,000	0
ENEFI Projekttársaság Kft.	44,100	20,600
Total	**7,319,111**	**6,392,702**

	31.12.2020	31.12.2019
Affiliated loan interest		
Termoenergy SRL	19,772	19,772
E-Star Centrul de Dezvoltare Regionala SRL	2,144,714	2,143,978
E-Star Mures Energy SA	345,975	345,975
E-Star Heat Energy SA	3,201	3,201
E-Star Alternative Energy SA	4,751	4,751
E-Star Energy Generation SA	126,505	125,411
Síaréna Kft.	40,669	0
Ski43 Program Nonprofit Zrt.	86	0
ENEFI Projekttársaság Kft.	1,563	360
Total	**2,687,236**	**2,643,448**

Data in thousand HUF

The below table shows the impairment of the other receivables:

	31.12.2020	31.12.2019
Affiliated loan		
Termoenergy SRL	(34,344)	(34,344)
E-Star Centrul de Dezvoltare Regionala SRL	(4,562,294)	(4,550,090)
E-Star Mures Energy SA	(995,776)	(1,672,409)
E-Star Heat Energy SA	(11,808)	(11,808)
E-Star Alternative Energy SA	(1,396)	(1,396)
E-Star Energy Generation SA	(63,372)	(56,637)
E-Star Energy Generation SA	(45,418)	(45,418)
Total	**(5,714,408)**	**(6,372,102)**
Affiliated loan interest		
Termoenergy SRL	(19,772)	(19,772)
E-Star Centrul de Dezvoltare Regionala SRL	(2,144,714)	(2,143,978)
E-Star Mures Energy SA	(345,975)	(345,975)
E-Star Heat Energy SA	(3,201)	(3,201)
E-Star Alternative Energy SA	(4,751)	(4,751)
E-Star Energy Generation SA	(126,505)	(125,411)
Total	**(2,644,918)**	**(2,643,088)**
Granted loan and interest - Hőáramkör Kft.	0	(33,960)
Other receivables	0	(110,875)
Total	**(8,359,326)**	**(9,160,025)**

The below table shows the other claims with a non-zero carrying amount:

	31.12.2020	31.12.2019
Síaréna Kft. loan and loan interest	909,639	0
Enefi Projekttársaság Kft. loan and loan interest	45,663	20,960
Ski43 Program Nonprofit Zrt. loan and loan interest	15,086	0
E-Star Mures Energy SA loan	676,633	
Subsidiaries, ex-subsidiaries (subtotal):	*1,647,021*	*20,960*
Default interest receivable	0	0
Other tax receivables	1,171	1,342
VAT receivable	182,829	20,230
Security, bond	47,174	48,071
Advance paid to supplier	93,638	0
Other receivables	985	915
Other receivables total	**1,972,818**	**91,518**

Data in thousand HUF

The Company recognises the taxes recorded by the same tax authority on net basis. Debt-type tax balances are classified as liabilities (if the company has a debt towards the tax authority after all).

20. Income tax receivables

The Company represents the receivables related to local business tax in row 'income tax receivables'.

21. Active accruals

The below table shows the details of the accruals:

	31.12.2020	**31.12.2019**
Active accruals of costs and expenditures	1,469	0
Active accruals of due receivables	0	6,152
Total	**1,469**	**6,152**

Breakdown of the active accruals of the costs is as follows:

	31.12.2020	**31.12.2019**
Insurance fee	825	0
Other costs	644	0
Total	**1,469**	**0**

Breakdown of active accruals of due future receivables is as follows:

	31.12.2020	**31.12.2019**
Heating fee	0	6,152
Rental fee	0	0
Total	**0**	**6,152**

Data in thousand HUF

22. Financial assets and equivalents

	31.12.2020	**31.12.2019**
Bank balances	306,713	63,903
Cash	610	151
Expected credit loss	**(42)**	**0**
Cash and cash equivalent	**307,281**	**64,054**

Financial assets includes only balances that may immediately be converted to money and used.

The Company accounted for to the long-term loan securities a HUF 42 thousand of expected credit loss. The Company determined the loss given default rate (LGD) at 45% and the probability of the default (PD) at 0.03% by the calculation of the expected loss.

Data in thousand HUF

23. Subscribed capital

The subscribed capital includes the nominal value of the issued shares. The current nominal value is HUF 10 / piece. The table below shows the movements of equities in the reporting period:

Subscribed capital at nominal value	**31.12.2020**	**31.12.2019**
Nominal value as of 1 January	100,000	100,000
Nominal value of ordinary shares issued during the year	66,061	0
on 31 December 2020	**166,061**	**100,000**

Number of issued and paid ordinary shares	**31.12.2020**	**31.12.2019**
Quantity as of 1 January (piece)	10,000,000	10,000,000
Interim share issuance (pcs)	6,606,109	0
on 31 December 2020	**16,606,109**	**10,000,000**

Subscribed capital of the Company has been increased on 9 January 2020, according to the non-financial asset as of 29 November 2019. As a result thereof, 1,150,000 ordinary shares and 5,456,109 convertible dividend preference shares were issued. The subscribed capital was increased by the nominal value of the issued shares.

Capital structure of the Company in 2020:

Tranch of share:	**Nominal value (HUF/piece)**	**Number of issued shares**	**Total nominal value (HUF)**
Ordinary share	10	11,150,000	111,500,000
Preferred shares	10	5,456,109	54,561,090
Capital size		**16,606,109**	**166,061,090**

Data in thousand HUF

Capital structure of the Company in 2019:

Tranch of share:	Nominal value (HUF/piece)	Number of issued shares	Total nominal value (HUF)
Ordinary share	10	10,000,000	100,000,000
Capital size		**10,000,000**	**100,000,000**

All the employee shares has been converted to capital in 2019. Conversion was registered on the 11 of April, 2019.

Number of voting rights attached to the shares in 2020:

Tranch of shares	Number of issued shares	Shares with voting rights	Voting rights per shares	Total voting rights
Ordinary share	11,150,000	11,150,000	1	11,150,000
Preferred shares	5,456,109	0	0	0
Total:	**16,606,109**	**11,150,000**	**1**	**11,150,000**

Number of voting rights attached to the shares in 2019:

Tranch of shares	Number of issued shares	Shares with voting rights	Voting rights per shares	Total voting rights
Ordinary share	10,000,000	10,000,000	1	10,000,000
Total:	**10,000,000**	**10,000,000**	**1**	**10,000,000**

None of the share types are limited in marketability.

The convertible - dividend preference share entitles to a dividend of 5% more favorable than the shares belonging to other share types and share classes from the after-tax profit that can be distributed among the shareholders, if the legal conditions for dividend payment are met. The convertible - dividend preference share can be converted into a series A dematerialized ordinary share with a nominal value of HUF 10 each, based on the decision of its owner. The claimant may notify the Board of Directors in writing twice a year, by the end of the first half of the given calendar year and the end of the second half of the calendar year, in possession of a certificate of ownership, so that the notification must reach the company in a verifiable manner by the last day. The Board of Directors is obliged to decide on the conversion of the announced convertible dividend preference shares into ordinary shares within 30 days after the last day of the given calendar half-year, if the total amount of declared claims in the given calendar half-year reaches 500,000 Series H convertible preference shares. The Board of Directors is entitled and obliged to determine further detailed rules of the transformation (especially the date of the transformation). In the case of a partial reorganisation, the Board of Directors may prescribe, thus making the blocking of the shares affected by the reorganisation or its transfer to a specific account number a condition for the implementation of the reorganisation.

Data in thousand HUF

24. Capital reserve (share premium accounts)

	31.12.2020	**31.12.2019**
Balance at the beginning of the year	21,423,391	21,423,391
Capital increase from contribution	2,543,353	0
Year end balance	**23,966,744**	**21,423,391**

On 9 January 2020, the value of the capital reserve increased by HUF 2,576,383 thousand as the result of contribution. The table below includes the increase of the capital reserve:

Tranch of shares	Number of issued shares	Nominal value (HUF)	Emission value (HUF)	Nominal value – Emission value (HUF)
Ordinary share	1,150,000	11,500,000	454,250,000	442,750,000
Preferred shares	5,456,109	54,561,090	2,155,163,055	2,100,601,965
Total:	**6,606,109**	**66,061,090**	**2,609,413,055**	**2,543,351,965**

The value of the capital reserves did not change in the current year, its balance includes the amount made available to the Company in charge of the share in addition to the nominal value.

Data in thousand HUF

25. Own shares

Development of number of own shares	31.12.2020 piece	31.12.2019 piece
Opening value	941,811	941,811
Number of repurchased own shares	671,189	671,189
Shares (piece)	**1,613,000**	**1,613,000**

Development of own shares value	31.12.2020	31.12.2019
Opening value	60,122	60,122
Carrying amount of repurchased own shares	322,205	322,205
Shares at carrying amount	**382,327**	**382,327**

630,000 piece of own shares have been separated for the settlement of share option (see the next explanatory note).

26. Reserve for share-based payments

The share-based payment reserve includes the fair value of a share option vested in an earlier period. The share option covers 630,000 piece of shares. The drawing period has not expired yet. During this period, the value of the reserve remained unchanged as the performance obligation was no longer related thereto and the option was not exercised. The reserve could not be revalued to its current market value. The option may be exercised till 25.09.2022, there is no more relating condition.

27. Calculation of Earnings per Share (EPS)

The Company decided to recognise the EPS indicator only as per the consolidated data, as allowed by IAS 33.4.

Data in thousand HUF

28. Provisions

	Provision made for employmentship related contingent liabilities
31 December 2019	**47,600**
Current provisions (-)	
Non-current provisions (-)	**(47,600)**
Provision made during the year	
Provision released during the year	(47,600)
Interim adjustment	0
Effect of exchange-rate changes	
31 December 2020	**0**
Current provisions (-)	0
Non-current provisions (-)	0

The Company accounted for a provision in its books in respect of a issue related to salary in the previous years; this provision was released in 2020 due to the expiry of limitation period.

29. Long-term lease liability

On this balance sheet line, the Company records the lease capital liability due over one year for the leased assets. See section 32 for more information.

30. Other non-current liabilities

On 28 June 2019, the Company repurchased 301,283 piece of own shares from ENEFI Projekttársaság and 369,977 piece of own shares from the EETEK LIMITED, in both cases at a price of HUF 480 per share. Pursuant to the share purchase agreement, the Company must pay the purchase price to the above-mentioned two Companies till 31 December 2022.

	Number of shares	Purchase price / share	Liability
ENEFI Projekttársaság Kft.	301,283	480	144,616
EETEK LIMITED	369,977	480	177,589
Total			**322,205**

Data in thousand HUF

31. Short-term loans

	31.12.2020	31.12.2019
Loan from EETEK Limited – loan 1	3,791,643	3,689,071
Loan from EETEK Limited – loan 2	109,539	99,156
Loan – Gábor Dácz	3,135	3,135
Total	**3,904,317**	**3,791,362**

The below table shows the conditions of the loan liabilities towards EETEK LIMITED:

	Payment frequency	Interest volume	Nominal debt on 31.12.2020	Foreign currency	Expiry
EETEK LIMITED - loan 1	at the end of the maturity	**1 month BUBOR + 3%**	3,384,624	thousand HUF	31.12.2020
EETEK LIMITED - loan 2	at the end of the maturity	interest-free	300,000	EUR	31.10.2018

THe below table shows the changes to the loan from EETEK LIMITED in 2020:

Loan 1 from EETEK LIMITED	Amount
Balance 01.01.2020	3,689,071
Repayment of the loan	(22,405)
Interest	124,977
Total	**3,791,643**

Loan 2 from EETEK LIMITED	Amount
Balance 01.01.2018	99,156
Revaluation surplus at the end of the year	10,383
Total	**109,539**

Data in thousand HUF

32. Current lease liabilities

	31.12.2020
Non-current liabilities for asset leasing fees	0
Current liabilities for asset leasing fees	500
Total	**500**

The Company rents a car and a boiler under lease. The present value of lease payments payable within one year is included in this liability position.

Presentation of lease liabilities

The Company recognises an adjustment item in the financial statements due to leases relating to the below factors:

- car rental,
- boiler rental.

The incremental interest rate was 6% at the time of conversion.

The below table shows the lease fees:

	Lease fees
within 1 year	500
between 1 and 5 year	0
over 5 year	0
Total lease fee	**500**
Interest not yet due	0
Present value of lease fees	**500**

The below table shows the lease liabilities:

	31.12.2020
Opening balance	8,942
Lease payments decrease	8,442
Total	**500**

Data in thousand HUF

33. Deferrals

Breakdown of the balance sheet line is as follows:

	31.12.2020	31.12.2019
Accrued revenue	0	77
Accrued costs	9,599	7,818
Total	**9,599**	**7,895**

Breakdown of deferred revenue is as follows:

	31.12.2020	31.12.2019
Heating fee	0	77
Total	**0**	**77**

Breakdown of deferred liabilities of costs is as follows:

	31.12.2020	31.12.2019
Gas fee	244	826
Audit	3,750	2,500
Accounting fee	1,155	2,992
Other expert fee	4,450	1,500
Total	**9,599**	**7,818**

34. Contractual obligations

Breakdown of the balance sheet line is as follows:

	31.12.2020	31.12.2019
MAHART advance	355,200	0
MAHART liability	2,482	0
Total	**357,682**	**0**

35. Other short-term liabilities

Breakdown of the balance sheet line is as follows:

	31.12.2020	31.12.2019
Value Added Tax	3,042	8,420
Payable remuneration	4,433	3,954
Payroll taxes	3,246	2,597
Other liabilities	288	184
Total	**11,009**	**15,156**

Data in thousand HUF

VII. Other disclosures

36. Related party disclosures

The key managers of the entity are related parties. During the period of the financial statements, the Company management specified the following related parties:

In the Board of Directors:
Csaba Soós, chairman of the Board of Directors, from 30.12.2016
András Zoltán Petykó, Board of Directors member, from 18.11.2019
László Bálint, Board of Directors member, from 30.12.2016
Ferenc Virág, Board of Directors member, from 30.04.2019
Attila György Gagyi Pálffy, Board of Directors member, deleted on 30.04.2019

No transactions have taken place with the above related parties in 2020 and the balance sheet shows no reporting date balance against these related parties, except for the benefits granted to executive officers.

The below table shows the remuneration of executive officers.

	31.12.2020	**31.12.2019**
Gross remuneration, commission fee, honorarium	46,631	38,377
Share-based payments	0	0
Total	**46,631**	**38,377**

Data in thousand HUF

The Company conducted the following transactions with affiliated companies in 2020, and the following highlighted balances characterize the relationship (pricing of transactions on market basis):

	Amount
EETEK LIMITED	
Result positions	
Interest expense	(124,977)
Reversal income on share impairment	123,315
Balance sheet positions	
Other non-current liabilities	(177,589)
Share	6,384,260
Impairment of share	(2,309,216)
Short-term loans	(3,494,163)
Interest of short-term loans	(407,019)
ENEFI Projekttársaság Kft.	
Result positions	
Interest revenue	1,203
Management Fee Income	180
Balance sheet positions	
Other non-current liabilities	(144,616)
Loan receivables	44,100
Loan interest receivables	1,563
Share	52,191
Trade receivables	1,143
E-Star Alternative Energy SA	
Balance sheet positions	
Loan receivables	1,396
Impairment on loan receivables	(1,396)
Loan interest receivables	4,751
Impairment on loan interest receivables	(4,751)
Share	5,913
Impairment of share	(5,913)
E-Star CDR SRL	
Result positions	
Interest revenue	736
Impairment on loan receivables	(12,940)
Management Fee	(4,517)
Balance sheet positions	
Loan receivables	4,562,294
Impairment on loan receivables	(4,562,294)
Loan interest receivables	2,144,714

Data in thousand HUF

Impairment on loan interest receivables	(2,144,714)
Share	34,525
Impairment of share	(34,525)
Vendor liabilities	(3,909)

E-Star Energy Generation SA	
Result positions	
Interest revenue	1,094
Impairment on loan receivables	(7,828)
Balance sheet positions	
Loan receivables	108,789
Impairment on loan receivables	(108,789)
Loan interest receivables	126,505
Impairment on loan interest receivables	(126,505)
Share	5,913
Impairment of share	(5,913)

E-Star Heat Energy SA	
Result positions	
Reversal income on share impairment	4,562
Balance sheet positions	
Loan receivables	11,808
Impairment on loan receivables	(11,808)
Loan interest receivables	3,201
Impairment on loan interest receivables	(3,201)
Share	5,913
Impairment of share	(5,913)
Long-term loan	26,505
Impairment on long-term loan	(26,505)

Ski43 Program Nonprofit Zrt.	
Result positions	
Management Fee Income	80
Reversal of depreciation on EETEK share	23,531
Interest revenue	86
Balance sheet positions	
Share	96,500
Impairment of share	(69,879)
Loan receivables	15,000
Loan interest receivables	86
Trade receivables	213

E-Star Mures Energy SA

Data in thousand HUF

Result positions	
Reversal of depreciation of loan receivables	676,633
Balance sheet positions	
Loan receivables	1,672,409
Impairment on loan receivables	(995,776)
Loan interest receivables	345,975
Impairment on loan interest receivables	(345,975)
Share	5,913
Impairment of share	(5,913)
Trade receivables	18,485
Impairment on trade receivables	(18,485)

Pannon Fuel Kft.	
Result positions	
Interest revenue	17,333
ECL loan expense	977
Balance sheet positions	
Vendor liabilities	(132,300)
Share	37,140

RFV Józsefváros Kft.	
Result positions	
IFRIC 12 revenue	72,825
IFRIC 12 interest income	25,961
Management Fee Income	3120
Recharged public utility fees	86,498
Balance sheet positions	
VAT liability	31,305
Financial asset - IFRIC 12	281,559
Share	1,470
Trade receivables	25,666

Síaréna Kft.	
Result positions	
Interest revenue	40,670
Balance sheet positions	
Share	770,650
Loan receivables	879,336
Loan interest receivables	40,670
Trade receivables	2,540

Termoenergy SRL	
Balance sheet positions	

Loan receivables	34,344
Impairment on loan receivables	34,344
Loan interest receivables	19,772
Impairment on loan interest receivables	(19,772)
Share	38,500
Impairment of share	(38,500)

RANDOM CAPITAL BROKER Zrt.

Result positions	
Interest revenue on bonds	5,272
Balance sheet positions	
Investments in subsidiaries and affiliated companies	124,457

Further related parties:

- LNG Tech Kft.
- PROFIT-OPTIMA Holding Kft.
- Fenyves Resort Kft.
- CSABA REHAB Kft.
- ARX Egészségügyi Központ Kft.
- Tolnai Resort Kft.
- Alpokalja Haus Kft.
- TENDER INVESTMENT GROUP Pénzügyi Tanácsadó és Szolgáltató Kft.
- Acél Manufaktúra Kft.
- RANDOM CAPITAL BROKER Zrt. (involved as affiliated company).
- Pannon Fuel Kft. (involved as affiliated company)
- RND Solutions Zrt.

Data in thousand HUF

Special disclosures to be included in the separate financial statement (IAS 27)

The Company, as parent company, discloses consolidated financial statements. These consolidated financial statements are disclosed and deposited in accordance with the Hungarian regulations.

Subsidiaries of the Company:

Name	Country	2020		2019	
		Level of participation	Voting rights	Level of participation	Voting rights
EETEK LIMITED	Cyprus	100.00%	100.00%	100.00%	100.00%
Síaréna Kft.	Hungary	100.00%	100.00%	100.00%	100.00%
RFV Józsefváros Kft.	Hungary	49.00%	70.00%	49.00%	70.00%
Ski43 Program Nonprofit Zrt.	Hungary	100.00%	100.00%	100.00%	100.00%
ENEFI Projekttársaság Kft.	Hungary	100.00%	100.00%	100.00%	100.00%
E-Star Centrul de Dezvoltare Regionala SRL	Romania	100.00%	100.00%	100.00%	100.00%
Termoenergy SRL	Romania	99.50%	99.50%	99.50%	99.50%
SC Faapritek SA	Romania	99.99%	99.99%	99.99%	99.99%
E-Star Alternative Energy SA	Romania	99.99%	99.99%	99.99%	99.99%
E-Star Energy Generation SA	Romania	99.99%	99.99%	99.99%	99.99%

Group companies under liquidation that are not included in the consolidation, as the Company does not have any control over those:

Name	Country	2020		2019	
		Level of participation	**Voting rights**	**Level of participation**	Voting rights
E-STAR Mures Energy SA "under liquidation"	Romania	99.99%	99.99%	99.99%	99.99%

Associated enterprises:

Name	Country	2020		2019	
		Level of participation	**Voting rights**	**Level of participation**	**Voting rights**
Pannon Fuel Kft.	Hungary	20.00%	20.00%	20.00%	20.00 %
Random Capital Zrt.	Hungary	9.46%	9.46%	9.46%	9.46%

The Company manages the subsidiary participation based on the cost model.

Data in thousand HUF

37. Sensitivity analysis

The Company found that its results substantially depend on two financial key variables (interest rate, foreign exchange rate). Sensitivity analysis has been made for these.

The Company has the following values applying the current exchange rates:

	31.12.2020	31.12.2019
Foreign currency assets	0	0
Foreign currency liabilities	109,539	99,156
Net foreign currency portfolio	**109,539**	**99,156**

The Company has significant foreign currency trade and loan receivables from affiliated companies, however, taking into account the later feasibility thereof, these foreign currency balances have been fully impaired in previous years. The Company consequently did not consider these foreign exchange assets by the analyzation of the exchange rate fluctuations' risk. In addition to the above-mentioned foreign exchange assets, the Company has a EUR-denominated short-term debt with an affiliated company. The analysis of foreign exchange risk was made for this debt.

The same values for interest rates are:

	31.12.2020	31.12.2019
Pre-tax result – without interest expense	793,066	431,528
Net interest expense	(58,536)	86048
Pre-tax profit	**734,530**	**345,480**

Data in thousand HUF

Outcome of the interest sensitivity analysis (as a percentage of interest rate change):

+0.5%	**31.12.2020**	**31.12.2019**
Pre-tax result – without interest expense	793,066	431,528
Net interest expense	(67,736)	(100,205)
Pre-tax profit	**725,330**	**331,323**
Change in the pre-tax result	**(9,200)**	**(14,157)**

+1%	**31.12.2020**	**31.12.2019**
Pre-tax result – without interest expense	793,066	431,528
Net interest expense	(77,737)	(114,400)
Pre-tax profit	**715,329**	**317,128**
Change in the pre-tax result	**(19,201)**	**(28,352)**

+3%	**31.12.2020**	**31.12.2019**
Pre-tax result – without interest expense	793,066	431,528
Net interest expense	(117,743)	(171,359)
Pre-tax profit	**675,323**	**259,989**
Change in the pre-tax result	**(59,207)**	**(85,491)**

-0.*5%*	**31.12.2020**	**31.12.2019**
Pre-tax result – without interest expense	793,066	431,528
Net interest expense	(47,733)	(71,928)
Pre-tax profit	**745,333**	**359,600**
Change in the pre-tax result	**10,803**	**14,120**

-1%	**31.12.2020**	**31.12.2019**
Pre-tax result – without interest expense	793,066	431,528
Net interest expense	(37,732)	(57,847)
Pre-tax profit	**755,334**	**373,681**
Change in the pre-tax result	**20,804**	**28,201**

-3%	**31.12.2020**	**31.12.2019**
Pre-tax result – without interest expense	793,066	431,528
Net interest expense	3,202	(1,234)
Pre-tax profit	**796,268**	**430,294**
Change in the pre-tax result	**61,738**	**84,814**

Data in thousand HUF

Sensitivity analysis of foreign exchange change (as a percentage of exchange rate change):

+1%	**31.12.2020**	**31.12.2019**
Foreign currency assets	0	0
Foreign currency liabilities	110,634	100,148
Net foreign currency portfolio	**110,634**	**100,148**
Change in net foreign currency portfolio	**1,095**	**992**

+5%	**31.12.2020**	**31.12.2019**
Foreign currency assets	0	0
Foreign currency liabilities	115,016	104,114
Net foreign currency portfolio	**115,016**	**104,114**
Change in net foreign currency portfolio	**5,477**	**4,958**

+10%	**31.12.2020**	**31.12.2019**
Foreign currency assets	0	0
Foreign currency liabilities	120,493	109,072
Net foreign currency portfolio	**120,493**	**109,072**
Change in net foreign currency portfolio	**10,954**	**9,916**

-1%	**31.12.2020**	**31.12.2019**
Foreign currency assets	0	0
Foreign currency liabilities	108,444	98,164
Net foreign currency portfolio	**108,444**	**98,164**
Change in net foreign currency portfolio	**(1,095)**	**(992)**

-5%	**31.12.2020**	**31.12.2019**
Foreign currency assets	0	0
Foreign currency liabilities	104,062	94,198
Net foreign currency portfolio	**104,062**	**94,198**
Change in net foreign currency portfolio	**(5,477)**	**(4,958)**

-10%	**31.12.2020**	**31.12.2019**
Foreign currency assets	0	0
Foreign currency liabilities	98,585	89,240
Net foreign currency portfolio	**98,585**	**89,240**
Change in net foreign currency portfolio	**(10,954)**	**(9,916)**

38. Equity Correlation Table

Pursuant to Section 114 / B of the Act C of 2000 on Accounting, an entity that draws up its annual financial statements in accordance with IFRSs, it shall also prepare an equity correlation table on the reporting date, presented as part of the explanatory notes.
Our Company hereby complies with this requirement:

	Euqity under IFRSs (that is the difference of the assets and liabilities under IFRSs)	4,547,792
+	Amount of received grant recognised as liability under IFRSs	0
-	amount of provided grant recognised as asset under IFRSs	0
+	funds received to be added to capital reserve, if that is a deferred income (IFRS)	0
+	value of assets received, if that is recognised as a deferred income (IFRS)	0
-	capital increase resulting in an equity instrument, if it was to be recognised as a receivable from the owners (IFRS)	0
	Equity (aligned)	**4,547,792**
	Subscribed capital under IFRS	*166,061*
	Subscribed capital included in the deed of founddation is equal to the subscribed capital registered at company registry court	166,061
	Subscribed but not paid capital	*0*
	Subscribed but not paid capital	0
	Committed reserve	*0*
	Received grant	0
	Development reserve (adjusted with tax effect)	0
	Committed reserve (aligned)	**0**
	Accumulated profit reserve	
	Accumulated earnings from previous years taxed under IFRS and not distributed (without current year part)	(19,998,277)
+/-	Amounts accounted for to the benefit or for the burden of the retained earnings under IFRSs	0
-	Provided grant amount recognised as asset	0
-	Amount of development reserve not used less relating deferred tax (tied-up reserve)	0

Data in thousand HUF

+	Closing retained earning before transition year, adjusted with transition adjustments	(19,998,277)
	Accumulated profit reserve (aligned)	**(19,998,277)**
	Profit/loss after tax	730,071
	Profit / loss after tax, point 9 of Section 114/A of Accounting Act	**730,071**
	Revaluation reserve	*0*
	Accumulated amount of items recognized in other comprehensive income	0
	Capital reserve	0
	Aligned equity	4,547,792
	Subscribed capital under IFRSs	166,061
	Subscribed but not paid capital	0
	Committed reserve	0
	Accumulated profit reserve	(19,998,277)
	Profit/loss after tax	730,071
	Revaluation reserve	0
	Capital reserve (aligned)	**23,649,937**
	Aligned equity (under Section 114/B of Accounting Act)	**4,547,792**
	Subscribed capital	**166,061**
	Subscribed but not paid capital	**0**
	Capital reserve	**23,649,937**
	Accumulated profit reserve	**(19,998,277)**
	Committed reserve	**0**
	Revaluation reserve	**0**
	Profit/loss after-tax	**730,071**
	Accumulated profit reserve available for dividend payment (in accordance with Szt. 114/B (5) b.)	
	Accumulated profit reserve (aligned)	(19,998,277)
	Profit/loss after tax for current year	730,071
	Increase in the value of the properties with investment purposes(adjusted with tax effect)	0
	Accumulated profit reserve available for dividend payment	**(19,268,206)**

There is no source available for dividend payment.

39. Contingent liabilities and contingent assets

In addition to contingent liabilities arising from litigation (see Note 38), there is no liability that would not be included in the financial statements of the Company because its occurrence would depend on a future event.

The Company has already filed several litigation cases seeking to enforce its contractual claims. Many of these litigations are still pending or have not been concluded by a final judgement when the financial statements were authorized for disclosure. Point 42 of the supplementary notes includes more detailed information on the order of magnitude of the claim formulated during the litigations. The Company recognises these receivables as contingent receivables. These could not yet be shown in the balance sheet.

40. Events after balance sheet date: general disclosures

The most significant events between the balance sheet date and the date when the financial statements were authorized for issue were as follows:

1. The following trial procedure ended with the Company as the winning party at second instance:

Plaintiff	Defendant	Matter in dispute
(ENEFI Vagyonkezelő Nyrt.) ENEFI Energy Efficiency Plc.	Finance Dept. of Szilágy County	challanging the second protocol on the confiscation of a land at Zilah.

The decision is final.

With the above decision, the court approved the Company’s plea regarding the second seizure protocol issued for RON 7,602,338 which was declared void together with every execution process initiated thereunder.

2. The following trial procedure ended with the Company's associated enterprise at Gheorgheni, E-Star CDR SRL (CDR) as the winning party at first instance:

Plaintiff	Defendant	Matter in dispute
E-Star CDR SRL	Town of Gheorgheni	Lawsuit separated from action for compensation of which the subject is a claim of RON 447,454.13 on unrealized income resulting from the difference of district heating price.

The decision is not final.

3. The following trial procedures ended with the Company and the Company's associated enterprise at Gheorgheni, E-Star CDR SRL (CDR) as the winning party at second instance:

Plaintiff	Defendant	Matter in dispute
*E-Star CDR SRL	Town of Gheorgheni	Attack of body resolution no.243/13.12.2016
**ENEFI Energy Efficiency Plc.	Maros county Finance	Objection against the refusal of a complaint by the Company regarding the minutes for the establishment of the second insolvency proceeding by the Finance Dep. against the Company's tax premise. Claim of Financial Authority: RON 7,602,324 tax liability.

*With its ex-parte decision published in its website, the Regional Court of Târgu Mureș rejected the appeal of the Municipality of Gheorgheni and thus the first-instance decision of the Court of Miercurea Ciuc became effective with which the petition of CDR was approved and the attacked articles of body resolution no. 243/2016.12.13 passed by the Municipality of Gheorgheni by was declared void;

the Town obliged CDR to continue its service in accordance with the non-effective legal regulations.

**In accordance with the ex-parte decision of the Romanian Supreme Court of Justice published in the in their website, the lawsuit of which the subject was the plea against the tax liability of RON 7,602,324 imposed on the Romanian tax legislation site of the Company ended with ENEFI as the winning party. The Court of Appeal rejected the appeal against the first-instance decision approving the petition of the Romanian Financial Corporation.

The Financial Corporation raised the unjustified claim of RON 7.6 million against the Company in 2013 as they had failed to register with their former claim of RON 2.2 million in the bankruptcy proceeding and as a result it had been rejected. Subsequent to that, they failed to register in the bankruptcy proceeding with their unjustified claim of RON 7.6 million either. The Financial Corporation had tried to vindicate the above sum against the Company in several procedures since 2013 of which the unjustified character was now validly pronounced by the court.

4. Under the decision of the Târgu Mures Regional Court made without hearings on 05.01.2021 and published on their website the appeal submitted by both parties were rejected in the repeated proceedings of the lawsuit for the compensation for damages initiated by E-Star Mures Energy SA (under liquidation, ”Mures”) against the Municipality of Târgu Mures. The decision is final and executable.

As a result of the foregoing, the previous decision made by the Mures County Tribunal shall remain in force which partially approved the claim of E-Star Mures Energy SA and obliged the Municipality to pay the following: RON 16,074,170.33 (i.e. EUR 3,299,456.04) as follows:

1. Non-depreciated amount of investments amounting to RON 3,527,038.56 and the corresponding default interest amounting to RON 322,895.49.
2. Concession fee of RON 7,736,491 and the corresponding default interest amounting to RON 466,553.39.
3. Distant heating subsidy of RON 2,656,318 and the corresponding default interest amounting to RON 498,991.60.

4. Institutional district heating consumption of RON 707,425.64 and the corresponding default interest amounting to RON 158,456.65.

Furthermore RON 20,000 as costs of litigation.

The Company does not completely agree with the decision since the non-depreciated amounts of investments were set at RON 8,154,628.56 taking the specialist opinions into consideration and the court of justice completely refused the compensation and interests of RON 49,645,937 which is clearly due to Mures on the basis of the concession agreement according to the viewpoint of the Company, furthermore the above amounts do not cover the default interests due for the above amounts from the date of initiating the lawsuit (2013) until the payment thereof.

The Company is awaiting for the announcement of the explanation of the decision and the opportunities for further remedies including the enforcement of the claim in front of an international court of justice and the company shall take action for the collection of the amount judged in the event that the Municipality fails to fulfil their payment obligation set out in the decision with explanation.

5. On 16.04.2021, the Group signed a sales contract on the sale of 54 equity shares of Random Capital Zrt; the transaction has not been finished until the acceptance of the report.

41. Major economic events

Major Economic Events and Assessment of 2020

1. Based on the decision of the General Meeting, a capital increase was made in the Company against non-monetary property contributions in 2019.

Contribution subjects were claims in all cases; these claims originated from the countervalue of asset elements obtained by the Company during sale and purchase and corporate shares. Ownership of the assigned assets was transferred to the Company upon factual registration of the capital increase, which took place on 9 January 2020 (Published by the Registry Court on 14/01/2020). The Company could not obtain the benefits of the assets, could not make decisions, and did not exercise control over the legal entities until the assignment date, therefore – in accounting terms – the effective date of the capital increase was 9 January 2020; the transactions exerted influence only in 2020.

As a result of the contributions, the following assets will eventually be transferred to the Company:

- 100 % share in Síaréna Kft.;
- loan receivable from Síaréna Kft.;
- a plot in Balatonfenyves as real estate with investment purposes;
- several business premises / office properties in Budapest, and the relating garages as real estates with investment purposes;
- Share package of 9.94% of Random Capital Zrt.

Given that the ownership of the assets will be transferred to the Company in January 2020, the assets will first time have an effective on the separate and consolidated financial statements for the financial year of 2020.

The acquisition of the receivable and via that the assets happenned ultimately in exchange for shares, therefore the fair value of the shares valid on the effective date of the acquisition shall be considered as the purchase price of the transaction.

2. An amendment to the share capital and company name was registered by the court of registration. In accordance with the decision of the general meeting, the name of the Company was modified to as follows:

The name of the company: ENEFI Energy Efficiency Plc.
English name of the company: ENEFI Asset Management Plc.
Share capital of the joint stock company: HUF 166,061,090 (HUF one hundred and sixty-six million sixty-one thousand and ninety).

Data in thousand HUF

Capital structure of the Company:

Tranch of shares	ISIN	Nominal value (HUF/piece)	Number of issued shares	Total nominal value (HUF)
ORDINARY SHARE	HU0000089198	10	7,500,000	75,000,000
ORDINARY SHARE (Not yet introduced to the stock exchange)	HU0000173729	10	3,650,000	36,500,000
Convertible dividend preference share (Not yet introduced to the stock exchange)	HU0000173737	10	5,456,109	54,561,090
Capital size	-	-	16,606,109	166,061,090

Number of voting rights attached to the shares:

Tranch of shares	Number of issued shares	Shares with voting rights	Voting rights per shares	Total voting rights	Number of own shares*
ORDINARY SHARE	7,500,000	7,500,000	1	7,500,000	531,041
ORDINARY SHARE (Not yet introduced to the stock exchange)	3,650,000	3,650,000	1	3,650,000	1,613,000
Convertible dividend preference share (Not yet introduced to the stock exchange)	5,456,109	0	0	0	0
Total:	16,606,109	11,150,000	1	11,150,000	2,144,041

*Own shares (1,613,000) and the number of shares at the associated enterprises of the Company (531,041).

The introduction of the shares to the stock exchange is still in progress, taking into consideration that the information guide constituting the condition of introduction has not been licensed by NMB yet.

3. The Company purchased the only LNG/LCNG filling station in Hungary located next to the M0 Motorway from Pannon Fuel Kft. In the same time the Company hereby informs the esteemed Investor that the debts from loans existing against Pannon Fuel Kft. has been fully repaid.

4. Ski43 Program Nonprofit Zrt Ski43 Program Nonprofit Zrt. (former name: E-Star Management Zrt.) owned by the Company and Síaréna Kft. have jointly started a large-scale program called Ski43 Program in which ski and snowboard training may become available for as many as twenty thousand pupils in Eplény.

Major Economic Events and Assessment of 2019

ENEFI presented its major economic events of 2019 in details in its announcements of the reference year, of which the following shall be highlighted here:

- the Company's Board of Directors expanded with new members in 2019, and the Company announced its new Strategy, which was again aimed at growth.
- Csaba Soós, Chairman of the Board of Directors and one of the main owners of the Company, announced that he had sold 400,000 piece of ENEFI shares. Csaba Sooós furthermore notified the public that, according to his plans, he terminates both his positions and shares in the company in the near future.
- The Company's General Meeting has decided the conversion of the previuosly issued employee shares into ordinary shares.
- The Company's General Meeting has decided about the Capital Increase upon the Strategy. The General Meeting of the Issuer decided on the increase of the Issuer's authorized capital by way of issuance of new shares in General Meeting resolution No. 17/2019. (11.18.). The share capital of the Issuer was increased by HUF 66,061,090, from HUF 100,000,000 to HUF 166,061,090, in the frame of which 1,150,000 shares with a nominal value of HUF 10 per share and an issue value of HUF 400, dematerialized ordinary shares in tranch A and 5,456,109 piece of dematerialized convertible preference shares with a nominal value of HUF 10 and an issue value of HUF 400 per share in tranh H were issued. The capital increase was registered by the Company Registry Court of the Budapest on January 9, 2020.
- The Company informed its investors that the Company, together with Pannon Fuel Kft. (and other subcontractors), has won the tender announced by MAHART Magyar Hajózási Zrt. in an open accelerated public procurement with

a value of HUF 1.5 billion for "The procurement of fix LNG - CNG refueling facilities” (EKR001321472019).

5. On 16.04.2021, the Group signed a sales contract on the sale of 54 equity shares of Random Capital Zrt; the transaction has not been finished until the acceptance of the report.

6. Introduction of certain shares to the Stock Exchange, related MNB procedures

The introduction of the shares issued during the capital increase decided in 2019 to the Stock Exchange has not become executable until now taking into consideration that the information guide constituting the condition of introduction has not been licensed by NMB yet.

In the extended licensing procedure, following a number of calls for supplementation of shortages prescribed by MNB, by the time the Company fulfilled every call for supplementation of shortages in the expected level of detail in the beginning of 2021, the authority suspended the licensing procedure due to and until the end of the market supervisory procedure it had initiated.

In the market supervisory procedure, MNB performs an inspection whether the provisions of the MAR decree on market manipulation were violated regarding the definition of the countervalue of the asset elements concerning the capital increase decided in November 2019 and the publications in relation with thereof.

The Company is not concerned about the supervisory procedure as it acted in compliance with the legal regulations and furthermore, the company confirmed the countervalue of the asset elements to the authority several times, however, the stock exchange listing of the shares was postponed again for undefined period due to the measures of the authority as substantial revision of the information guide shall become necessary with special consideration to the changes of regulations and the financial data published by the Company in the meantime in case of the repeated initiation of the procedure as well, as these circumstances would not have existed if the license had been granted in the beginning of 2021.

In addition to time loss and cost increase due to the protraction of the procedure, the execution of the strategic objectives of the Company came to a halt as – despite the registry court procedure of the capital increase was successfully closed – even its first step could not be fulfilled, the investors have not received the stock exchange shares constituting the countervalue of their claims while they have already lost control over the said asset elements.

The Company cannot exclude the possibility of a legal debate between the Company and its investors over the above issue in the future.

42. Litigation cases

Plaintiff	**Defendant**	**Matter in dispute**
Private individual with security	ENEFI Energy Efficiency Plc. (ENEFI Energiahatékonysági Nyrt.)	A private individual not registered in the bankruptcy proceeding submitted a petition against the Company in the subject of the annulment of the decision of the Permanent Arbitration Court operating besides the Hungarian Chamber of Commerce and Industry due to claim related to security.
(ENEFI Vagyonkezelő Nyrt.) ENEFI Energy Efficiency Plc.	Finance Dept. of Szilágy County	The reduction of the value of the first seizure registered in the land register from RON 8,967,172 to RON 265,977.
Finance Dept. of Szilágy County Intervener: (ENEFI Vagyonkezelő Nyrt.) ENEFI Energy Efficiency Plc.	Municipality of Zilah	- challenging the public interest expropriation price of a 623 m2 land

43. Dividends to the Company's owners

No dividend was paid or established for the owners of the Company in 2020. The management may not propose the distribution of dividends at the General Meeting that approves the financial statements of the 2020 business year.

44. Authorization of financial statements for disclosure

The management of the Company authorized the current form of the financial statements for disclosure on 21 March 2021.

Budapest, April 21, 2021

On behalf ot eh ENEFI Asset Management Plc.

Soós Csaba
Member of the Board of Directors

Petykó András Zoltán
Member of the Board of Directors

Bálint László
Member of the Board of Directors

Ferenc Virág
member of the Board of Directors