ENEFI Asset Management Plc.

CONSOLIDATED FINANCIAL REPORT

for the financial year ending 31 December 2021
in accordance with the
International Financial Reporting Standards (IFRS)
adopted by the European Union

General information

Board of Directors

Csaba Soós, President of the Board of Directors

László Bálint, Board of Directors member, from 30.12.2016

Ferenc Virág, Board of Direcotrs member, from 30.04.2019

Dr. Piroska Paksi member of the Board of Directors from 09.07.2021 to 14.02.2022.

András Zoltán Petykó from 18.11.2019 to 17.11.2021.

Members of the Supervisory Board

Imre Kerekes, Chairman of the Supervisory Board from 26.09.2017.

Dr. Gyula Bakacsi, Supervisory Board member from 30.12.2016.

Dr. Miklós László Siska Supervisory Board member from 30.12.2016.

Contact to the Company

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Auditor

Dr. László Péter Lakatos (Licence number of auditor: 007102)

UNIKONTO Számvitelkutatási Kft.

1093 Budapest, Fővám tér 8. 3. em. 317/3.

Chamber registration number: 001724

Content

The financial reports and the business report consist of 108 pages

Definition of the abbreviation included in the financial reports

IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFRIC/SIC	IFRS Interpretations Committee/Standard Interpretations Committee
FVTOCI	Fair Value through other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
EPS	Earnings per Share
CGU	Cash Generating Unit
FB	Supervisory Board
NCI	Non-Controlling Interest
CDO	Chief Data Officer
ECL	Expected Credit Loss
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization

All figures are in thousand HUF except if otherwise indicated.

Consolidated General Income Statement

	explanatory notes	31.12.2021 audited	31.12.2020 audited (restatement)
Revenue	(1)	1,091,211	1,071,798
Cost of sales	(2)	(256,495)	(507,786)
Gross Profit		**834,716**	**564,012**
Material cost	(3)	(169,388)	(75,597)
Personnel cost	(4)	(510,686)	(278,764)
Service received	(5)	(380,954)	(309,928)
Other income/ expenses (-)	(6)	154,916	47,929
Depreciation	(12,13,14)	113,596	91,843
Net profit/loss from financial activities	(7)	58,707	755,129
Result of associated company granted for the group	(8)	19,363	18,049
Income from the sale of associated companies	(8)	53,263	-
Goodwill impairment	(11)	(335,406)	-
Profit before tax		**(506,479)**	**628,987**
Income tax	(9)	(24,398)	(27,830)
Profit/loss after tax for current year		**(530,877)**	**601,157**
Exchange differences resulting from the conversion of foreign operations		15,078	7,894
Total other comprehensive income	(10)	**15,078**	**7,894**
Total comprehensive income		**(515,799)**	**609,052**
Share of parent company shareholders		(515,697)	603,393
Share of external owners	(30)	(102)	5,658
Earnings per share (HUF)			
Basic earnings per share	(36)	(37,79)	41,46
Diluted earnings per share	(36)	(35,83)	39,99
EBITDA	(36)	**(334,176)**	**(34,299)**

Figures from year 2020 were determined again. See information related to this in Section VI.39.

All figures are in thousand HUF except if otherwise indicated.

Consolidated balance sheet

Consolidated balance sheet - Assets	explanatory notes	31.12.2021	31.12.2020 (restatement)
Goodwill	(11)	-	335,406
Intangible assets	(12)	32,433	32,719
Investment properties	(13)	-	931,385
Tangible assets	(14)	1,662,819	2,109,406
Long-term receivables from concession assets	(17)	99,845	232,185
Investments in associates	(15)	0	146,914
Total non-current assets		**1,795,097**	**3,788,016**
Short-term receivables from concession assets	(17)	158,000	192,023
Inventories	(19)	16,248	24,604
Trade receivables	(20)	247,188	163,908
FVTPL Securities	(16)	251,933	-
Income tax receivables	(21)	11,069	21,678
Other short-term receivables	(22)	1,069,456	981,637
Active accruals	(23)	11,066	25,910
Non-current assets held for sale	(18)	476,268	-
Cash and cash equivalents	(24)	443,012	425,541
Total current assets		**2,684,240**	**1,835,301**
Total assets		**4,479,337**	**5,623,316**

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All figures are in thousand HUF except if otherwise indicated.

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Consolidated statement of financial position - Equity and liabilities	explanatory notes	31.12.2021	31.12.2020 (restatement)
Share capital	(25)	166,061	166,061
Share premium	(26)	4,698,538	23,966,743
Accumulated revaluation reserve	(27)	66,559	51,481
Share-based benefit reserve	28	65,520	65,520
Treasury shares	29	(1,405,717)	474,237
Retained earnings		408,995	19,178,849
Equity attributable to owners of the Company	(30)	**3,181,966**	**4,596,719**
Non-controlling interests		41,927	42,029
Total equity		**3,223,893**	**4,638,749**
Long-term bank loans	31	50,757	75,009
Other long-term liabilities	(32)	849	26,187
Total non-current liabilities		**51,606**	**101,196**
Short-term bank loans	31	34,252	37,497
Trade payables	(33)	260,879	235,861
Other current liabilities	(34)	716,256	429,883
Passive Accruals	(35)	192,451	180,130
Total current liabilities		**1,203,838**	**883,371**
Total liabilities		**1,255,444**	**984,567**
Total equity and liabilities		**4,479,337**	**5,623,316**

Figures from year 2020 were determined again. See information related to this in Section VI.39.

All figures are in thousand HUF except if otherwise indicated.

Statement on consolidated equity change

	Share capital	Share premium	Accumulated revaluation reserve	Share-based benefit reserve	Treasury shares	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
explanatory notes	*(25)*	*(26)*	*(27)*	*28*	*29*			*(30)*	
31 December, 2019	**100,000**	21,423,391	**43,587**	**65,520**	**(474,237)**	**(19,774,348)**	**1,383,913**	**36,371**	**1,420,285**
Capital increase	66,061	2,543,352	-	-	-	-	**2,609,413**	-	**2,609,413**
Total comprehensive income	-	-	7,894	-	-	595,499	**603,393**	5,658	**609,052**
31 December, 2020	**166,061**	**23,966,743**	**51,481**	**65,520**	**(474,237)**	**(19,178,849)**	**4,596,719**	**42,029**	**4,638,749**
Correction of comprehensive income for the year	-	-	-	-	-	32,424	**32,424**	-	**32,424**
Comprehensive income for the year	-	-	15,078	-	-	530,775	**(515,697)**	(102)	**(515,799)**
Used reserve	-	19,268,205	-	-	-	19,268,205	**-**	-	**-**
Treasury share transactions (purchase)	-	-	-	-	931,480	-	**(931,480)**	-	**(931,480)**
31 December, 2021	**166,061**	**4,698,538**	**66,559**	**65,520**	**(1,405,717)**	**(408,995)**	**3,181,965**	**41,927**	**3,223,893**

All figures are in thousand HUF except if otherwise indicated.

Cash flow statement

	31.12.2021	31.12.2020
Cash flow from operations		
Profit/loss before tax	506,479	628,987
Net interest expenditure	3,989	6,945
Non-cash items		
Depreciation	113,596	91,843
Impairment	82,105	876,156
Result from sale of tangible assets	40,250	12,003
Profit/loss impact of exchange loss	26,808	-
Change in receivables from concession assets	166,931	183,522
Revaluation of securities	3,785	-
Result of associated company granted for the group	19,363	18,049
Other non-cash adjustments	-	1,322
Profit/loss impact of expected credit loss	(107)	2,768
Change of provisions	-	47,600
Goodwill impairment	335,406	-
Interest income	(1,805)	22,662
Total non-cash items	**659,536**	**(673,008)**
Income tax paid	13,775	46,085
Interest paid	3,989	6,945
Adjusted profit/loss in the year concerned	**139,283**	**(90,106)**
Changes in working capital		
Changes in trade receivables and other current receivables	232,243	946,594
Change in accruals	27,165	10,387
Inventory changes	8,356	13,554
Change in trade payables and other liabilities	311,391	1,277,514
Net cash flow from operating activity	**253,952**	**237,646**
Cash flows from investing activities		
Received interest	1,805	22,662
The amount of money transferred to the group through the acquisition of a subsidiary	-	141,938
Acquisition of tangible and intangible assets	126,784	650,416
Revenue from the sale of tangible and intangible assets	955,000	1,200
Acquisition of an interest in an affiliated company	166,276	-
Net cash flow from investing activity	**996,297**	**(484,616)**

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All figures are in thousand HUF except if otherwise indicated.

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Cash flows from financing activities		
Sale/purchase of own shares	931,480	-
Changes in bankloans (borrowing - repayment)	27,497	18,332
Sale/purchase of securities	248,148	100,863
Loans returned/received	-	486,675
Repayment of loan obligation	25,338	(11,535)
Lease payments	-	8,442
Net cash flow from financial activities	**(1,232,463)**	**549,229**
	17,786	**302,259**
Currency translation on cash and cash equivalents	(315)	131
Change in cash and cash equivalents	**17,471**	**302,389**
Cash and cash equivalents at the beginning of the year	425,541	123,152
Cash and cash equivalents at the end of the year	443,012	425,541
Change of cash and cash equivalents	**17,471**	**302,389**

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

Statement on compliance with IFRSs

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

Contents of financial statements

These financial statements present the assets, performance and financial position of ENEFI Asset Management Plc. as a parent company and its affiliates included in the consolidation (hereinafter jointly referred to as the Group). The financial statements of the Group shall be prepared and approved, and the publication thereof shall be taken care of by the management of the Parent Company. The Group shall also publish the financial statements of the group at www.enefi.hu.

The 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). In addition, the Group has applied IFRSs as adopted by the European Union.

The Parent Company's management has established that the requirements for running the undertaking are fulfilled. Thus no such sign would refer to the termination or significant decrease of the Group's operation within a foreseeable - at least one year - period.

This financial statement - with the exception of the cash flow statement - has been prepared subject to a natural approach. Actual economic events are essential for presentation and not the cash flows.

The Group generally evaluates its assets at an initial historical value, except for those situations where the item is valuated at fair value based on IFRSs. The financial instruments serving trading purposes had to be evaluated at fair value in the financial statements.

1. Introduction of the Group

ENEFI Asset Management Plc. (previous name: E-Star Alternatív Nyrt., RFV Plc., ENEFI Energy Efficiency Plc.) (“ENEFI” or “Company”) which is the parent company o the Corporate Group (“Group”) is a Business Association registered in Hungary. Registered seat until 22.10.2021.: 11. Klapka Street, Budapest 1134. The Company’s headquarters is actually located at Office 413, Floor 4, 52 Pünkösdfürdő Str. Budapest, 1039 (1039 Budapest, Pünkösdfürdő u. 52. 4. emelet 413. ajtó).

The Company's predecessor (RFV Plc.) was established on June 29, 2000, to make primarily energy investments that provide a return from savings for future customers and which also provides energy with high efficiency and a long-term operation. As a result of the strategy set out in 2019, the Company opened to new segments, so asset management and tourism have become more and more significant activities in addition to the Company's primary activity.

All figures are in thousand HUF except if otherwise indicated.

The ownership structure of the Company as of December 31, 2021:

Owner	**Percentage of ownership (%) ***	
	31 December, 2021	**31 December, 2020**
Treasury Shares	9,71%	9,71%
Shares of the parent company held by subsidiaries	17,02%	3,19%
Imre Kerekes	3,29%	3,29%
Csaba Soós	30,69%	30,69%
Free Float	39,28%	53,10%
Total	**100%**	**100%**

* Ownership rate: reflecting all shares issued by the Company, irrespectively of whether voting rights are attributed to it or whether it has been listed on the stock exchange.

The current business environment of the Issuer

The Budapest-based Group of Companies currently consists of companies present in Hungary and Romania. Currently, the previously concluded long-term thermal energy service agreements play an important role. Furthermore, information related to the new activities started by the Capital increase commenced in 2020.

Operation and principal activities of the Issuer (in year 2020-2021)

Year 2020.

The Issuer continued its thermal energy service business (as part of the accepted strategic fundamental pillar).This also completed the activity of the with the asset elements, which had contributed to the revenues in 2020. The registration court registered an amendment to the share capital and company name on 09.01.2020. The share capital of the joint-stock company: 166.061.090 - Ft. 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. The English name of the company: ENEFI Asset Management Plc. KELER Zrt. generated the shares from the Capital Increase. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB refused to approve the prospectus prepared for listing of the shares presented above to the regulated market and terminated the licencing procedures on 06.08.2020. The Company will repeat the submission and approval of the prospectus.

Ferencz Bálint resigned from his position as a member of the Company's Supervisory and Audit Committee by 09.09.2020. due to his other occupations.

The Issuer accepted the Strategy currently in force in June 2019 with which it intends to put the Issuer on the way of growth again according to the contents thereof.

According to the new Strategy of the Issuer, the Issuer intends to shift its main activity towards asset management.

Year 2021.

The activity of the Issuer in the entire year 2021 was based on the asset management structure divided to Pillars fitting in the strategy announced as asset management. The Issuer continued its thermal energy service business branch providing ESCO revenues. However, the amounts decreased further, and it is expected to end in 2024 finally. According to the Pillars, took most of the asset elements in the Pillars of the asset management branch were taken out of thr group. The change of these asset elements is included in the following division. The registration court registered an amendment to the share capital and company name on 09.01.2020. The share capital of the joint-stock company: 166,061,090 - Ft. 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: The English name of the company: ENEFI Asset Management Plc. KELER Zrt. generated the shares from the capital increase. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB approved the listing of the shares presented above to the regulated market in 2021.

The General Meeting of Enefi Asset Management Plc. elected Dr. Piroska Paksi to be a member of the Board of Directors from 09.07.2021. who held this position until 14.02.2022.

András Zoltán Petykó, member of the Board of Directors, resigned from his membership on 17.11.2021.

The Issuer accepted the Strategy currently in force in June 2019 with which it intends to put the Issuer on the way of growth again according to the contents thereof.

According to the new Strategy of the Issuer, the Issuer intends to shift its main activity toward asset management.

The basis of this currently is the corporate and real estate investments made by the Issuer, the operation of Síaréna Kft in 2021 and the change of asset elements based on the following:

a. Brief description of Síaréna Kft.

Date of acquisition: 09.01.2020.

Form of ownership: 100 percent stake, full consolidation

Síaréna Kft reached record sales revenue in the year 2021. Nevertheless its operation was negatively influenced by the following:

- Significant decrease in winter sales revenues (January, February, March and December 2021), catering, training and borrowing volumes, which is, on the one hand, the effect of the COVID 19 pandemic as a decrease in catering and a significantly increasing number of visitors on the basis (2020) who used the training and borrowing services much less on the one hand.

- Limited spring and supper opening hours due to the COVID 19 pandemic.

- Significant drought from mid-2021 which affected the ski-slope's operation in December 2021.

- Human resources management was the most significant challenge in 2021 since wages significantly increased in the service sector and providing adequate seasonal human resources caused great difficulties and high extra costs.

Seeing the difficulties arising from the beginning of the year 2021, the management of Síaréna started the reorganisation of operations and adaptation to the changed situation. Therefore the management started determining reorganisation and processes in 2021, and efforts are continued in 2022 as well.

In November 2021, Enefi Asset Management Plc. published the business and implementation plan for the "longest water slide in the world" in which the project's expected return was detailed, and Enefi Asset Management Plc. had the value of the project evaluated by a judicial specialist as its outstanding asset element. Works related to the construction of the slide have been commenced.

Additional information: Segment information related to the operation of the Ski slope is found in Section 40., Chapter VI.

b. Brief description of 8. Meder Street

Date of sales: 18.11.2021

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: direct (owned) real estate ownership

The Company sold the real estate in Meder Street in 2021 and used it as a tenement together with the 14 parking places belonging to it until the date of sales.

Additional information: Properties with investment purposes, Section 13, Chapter V.

c. Description of building plot in Balatonfenyves

Date of acquisition: 18.11.2021

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: direct (owned) real estate ownership

The Company sold the real estate in 2021 and it had not performed any business activity to utilise the real estate before the reference year.

Additional information: Properties with investment purposes, Section 13, Chapter V.

d. Brief description of Random Capital Zrt.

Date of sales: 01.09.2021

All ordinary shares (54 pieces) owned by the Group were sold.

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: affiliated company, ownership of shares (9.46 per cent of all issued shares), withdrawn as affiliated company

The Company sold its shares in Random Capital Zrt. in 2021. The transaction is closed but it has not been completely accounted financially (withheld purchase price).

Additional information: Information related to Random Capital Zrt. is found in Section 8, Chapter IV and Section 15, Chapter V.

e. Sales of LNG/LCNG filling station

Date of sales: 07.02.2022

Date of acquisition: 27.11.2020

Form of ownership: direct ownership

The issuer announced on 16.11.2021 that it was continuing negotiations about the sales of the filling station. The filling station was sold on 07.02.2022. The Company had not used the filling station before it was sold, and Pannon Fuel Kft. operated it without a licence.

Additional information: Other assets for sale, Section 18, Chapter V.

Enefi Asset Management Plc. started its activity at the capital market purchasing shares in year 2021.

Additional information: Report on the shares purchased is found is Section 16, Chapter V.

2. Currency and accuracy of financial statement presentation

The functional currency of the Group 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 to the Group. Accordingly, the exchange rates of the two currencies during the reporting period were as follows (one currency unit / forint, MNB exchange rates):

Currency	2021		2020	
	Closing	Average	Closing	Average
Euro (EUR)	369,00	358,52	365,13	351,17
Romanian leu (RON)	74,56	72,85	74,99	72,57

3. Basis for preparation of consolidated financial statements

The consolidated annual report was compiled based on the International Financial Reporting Standards (IFRS) adopted by the European Union. These International Financial Reporting Standards (IFRS) include the standards adopted by the European Union, issued by the International Financial Reporting Standards Board (IASB) as well as the International Accounting Standards (IAS) issued by the International Accounting Standard Committee (IASC). Furthermore, they include the interpretations of the International Financial Reporting Standards Interpretation Committee (IFRS Interpretation Committee) and the Standard Interpretations Committee (SIC) adopted by the European Commission.

Basis of consolidation

The consolidated financial statements include the financial statements (assets) of the Group and the business associations controlled by the Group (subsidiaries of the Group). IFRS Standard No set out to the concept of control: 10 from the financial year starting on 1 January 2014. According to this standard, the investor has control of the company enjoying the investment if it is entitled to the changing positive profit produced by this latter and bears the consequences of negative profit and can control operations by its decisions (power) and thus influence such profits. Controlling ability and, therefore control arises from rights.

Control may be achieved primarily by ownership share, agreements concluded with other owners or unique market position (e.g. monopolistic position). The parent company gained control of the business associations in the present financial report by ownership shares without exceptions.

The IFRS-s otherwise defined the concept of control (see previous IAS 27). As revisions performed before the IFRS Standard 10 entered into force showed, the management concluded that the change of regulations did not lead to shift the group structure because the existence of the rights establishing control and the majority of voting rights coincide and therefore the voting right remains the governing indicator. The revenues and expenditures of the subsidiaries acquired or sold during the year are included in the consolidated general profit and loss statement from the actual acquisition date until the date of the actual sales. The total comprehensive profit of the subsidiaries are due to the owners of the Group and not the owners of the controlling shareholders. Therefore, the amount of the total profit must be assigned to the non-controlling interest even if it is negative.

If necessary, the subsidiaries' financial statements will be modified so that the accounting policies meet the accounting policies applied by the other members of the Group.

Transactions, accounts, revenues and expenditures within the group were comprehensively selected even if the resulting profit is not presented in the value of an asset.

The revenues and expenditures of the affiliated companies acquired or sold during the year are included in the consolidated general profit and loss statement from the actual date of acquisition until the actual sales date. Therefore, the total comprehensive profit of the affiliated companies is due to the owners of the Group and the owners of the non-controlling interests, even if the balance of non-controlling interests becomes negative.

Individual companies in the Corporate Group shall apply a uniform accounting policy.

4. Business combinations

The situation is qualified as a business combination when the Group gains control of a new company, and the purpose of the acquisition was to obtain the business activity purchased. However, the transaction did not only aim to bring the assets of the acquired business association. Therefore, the acquisition of control shall be determined by the day when all the situations required for qualification as a subsidiary have been met (e.g. from the time when the control of the assets owned by the subsidiary is exercised by the Parent Company of the Group and the Group becomes entitled to receive revenues from it).

The acquirer is the business unit which gains control over the acquired party. If it is unclear which party is taken over, then it shall be specified based on the following criteria:

In a business combination established primarily by the transfer of cash and other assets or by the takeover of liabilities, the acquirer is usually the business unit which transfers cash or other assets, or which takes over liabilities.

In a business combination established primarily by the exchange of stock equities, the acquirer is usually the business unit issuing stock equities. In case of business combinations called reverse acquisitions, the acquired party is the issuing business unit. Other relevant facts and circumstances must also be considered to identify the acquirer, like relative voting rights, existing minority business shares, composition of governing body, composition of top management and conditions of exchanging stock equities.

The acquirer is typically the merging business unit whose relative size (e.g. in assets, revenues or profit) is significantly larger than that of the other merging business unit or business units.

In business combinations involving more than two business units, the definition of the acquirer must include, amongst others, the consideration which of the merging business units initiated the combination and the relative size of the merging business units.

The acquisitions of businesses are accounted for with the method of takeover. The remuneration transferred under the business combination shall be valued at fair value, which shall be the total of the fair value of the assets handed over by the Group upon acquisition, the liabilities of the Group towards the previous owners of the acquired party and the stock equities issued by the Group which were issued in exchange of gaining control in the contracted party. Costs related to the acquisitions shall be accounted for in the profits when they occur.

At the acquisition time, the acquired identifiable assets and the undertaken liabilities shall be evaluated at fair value.

Suppose the first settlement of a business combination has not been closed at the end of the reporting period in which the business combination took place. In that case, the Group shall account for temporary estimated amounts for the items which have not been settled. These estimated amounts shall be corrected by the Group in the accounting period (see above), or the Group shall account for additional assets to reflect the new information obtained about the facts and circumstances existing on the day of acquisition in the amounts which - had they been known - would have influenced the shares accounted on the day of purchase. Such modifications do not qualify as mistakes.

The book value of goodwill transferred consideration, any previous non-controlling share in the acquired party and equity interests previously held by the acquirer (if such existed) shall be valued as excess over the net value of the identifiable assets and undertaken liabilities at the time of acquisition. If the net value of the identifiable assets and undertaken liabilities at the time of acquisition exceeds the paid consideration, the amount of any previous non-controlling share in the acquired party and equity interests previously held by the acquirer (if such existed) the excess shall be accounted in the profit as the profit of beneficial purchase. (In such a situation, the calculation shall be performed at least twice.)

Non-controlling shares, which mean ownership share and provide their owners with the title for the pro-rata part of the net assets of the business unit in case of the liquidation thereof even at fair value, shall be presented and evaluated in the proportion of its net assets on the balance sheet day. Accordingly, the Group shall not apply the valuation of NCI at fair value.

If the initial accounting of a business combination is not complete at the end of the accounting period in which the cross occurred. In that case, the acquirer shall present temporary amounts in its financial statements for the items where the accounting is incomplete. During the valuation period, the acquirer shall retrospectively modify – concerning the date of acquisition – the temporary amounts presented to reflect the new information on the facts and circumstances existing at the time of purchase which – had they been known – would have influenced the valuation of the amounts presented at that time. During the valuation period, the acquirer shall present further assets or liabilities if it obtained new information on the facts and circumstances existing at the time of acquisition which – had they been known – would have resulted in the presentation of such assets and liabilities at that time. As the acquirer receives the information on the facts and circumstances existing at the acquisition, or the acquirer can obtain no further information, shall end the valuation period.

Nevertheless, the valuation period is the period following the date of acquisition when the acquirer may modify the temporary amounts presented in relation with the business combination.

The later accounting of a change of the contingent consideration not qualifying as correction of the sales period shall depend on the classification of the contingent consideration. The contingent consideration qualified as equity shall not be revaluated at the later accounting dates, and its last settlement shall be accounted for within the equity. However, the contingent consideration qualified as receivables or liability shall be evaluated at the later accounting dates according to IFRS 9 or IAS 37 Provisions, Provisions, Contingent Liabilities and Contingent Assets standard, if applicable and the related profit or loss shall be accounted in the net profit or loss.

If the business combination is performed in several steps. In that case, the stock equities held by the Group in the acquired party shall be evaluated at fair value on the day of acquisition (i.e. when the Group receives control), and the potentially occurring profit or loss shall be accounted for in the profit and loss statement. The amounts arising from the shares owned by the acquired party before the date of acquisition, which had been accounted for in the other general revenue, may be reclassified to the profit if this would be the adequate accounting procedure in case of the alienisation of the shares.

The Group did not take part in business combinations in 2021.

Goodwill

The difference between the consideration given for the acquired subsidiary (cost of control) and the acquired net assets is represented as goodwill which is not amortised intangible assets. This goodwill is assigned to the Cash Generating Unit (CGU) by the Group and it is tested every year to see if the goodwill has depreciated. In the depreciation test of goodwill, the return value of CGU shall be compared with the book value of CGU. If the return value is lower than the book value of CGU, then the goodwill shall be first written off if there is no damaged asset. The goodwill shall be first written off. The goodwill may not be written back later.

In the case of cash-generating units to which goodwill belongs, the depreciation test is performed at least annually or more frequently, if there are signs of depreciation. Suppose the return value of the cash-generating unit is lower than its book value. In that case, the depreciation shall first be assigned to the book value of the goodwill allocated to the unit (reducing it) and then to the other assets of the cash generating unit based on the rate of the book values of such investments. Any depreciation related to goodwill shall be accounted for directly in the profit by encumbering the net profit. Depreciation accounted for by goodwill shall not be written back in later periods.

Upon the sale of relevant cash generating unts, the Group shall delist the goodwill and thus takes it into account in determining the profit realised on the sale.

The accounting policy of the Group on goodwill occurring in the acquisition of affiliated companies shall be described in more details in the following supplementary note.

5. Investments in affiliated companies

Companies affiliated are business associations in which the Group has significant influence and are neither qualified as subsidiaries nor as joint ventures. One of the strong signs of considerable influence is if the investor’s vote in decisions related to the financial and operating policy of the business association constituting the subject of the investment indirectly or directly exceeds 20 per cent. Situations leading to significant influence may be achieved in other was (e.g. guaranteed substantial participation in the Board of Directors, etc.).

The general profit, assets and liabilities of the affiliated companies are presented in the statements by the equity method except if the investments are qualified as held for sale, in which case, accounting shall take place based on IFRS Standard 5 Non-current Assets Held for Sale and Discontinued Operations. In the Equity method, the investment in the affiliated company is initially presented at procurement value in the consolidated balance sheet. Then it shall adjust it according to the share of the Group in the profit and general profit of the affiliated company. If the losses of the affiliated company borne by the Group exceed the interest of the Group in the affiliated company (including all long-term interests as well, which is part of the net investment of the Group in the affiliated company). In that case, the Group shall terminate accounting for the share from further losses. Additional losses shall only be accounted for if this is a legal or assumed liability of the Group or if the Group performed payments in the interest of the affiliated company.

The costs of acquisition from the share of the Group over the net fair value of the assets, liabilities and pending liabilities of the affiliated company presented on the day of accession shall be accounted for as goodwill. They shall constitute part of the book value of non-current assets, not in a separate line. The excess over the acquisition costs from the fair value of assets, liabilities and pending liabilities due to the Group shall be directly accounted for in the profit.

The management shall perform changes of fair value within 12 months of the cost. Through reasonable modifications shall present the spill-over effect of modifications of fair value in the consolidated financial reports through reasonable modifications.

In determining the depreciation of affiliated companies, the Group shall use the valuation method specified in IAS 36. The total book value of the share (including goodwill) shall be tested as a separate asset in terms of depreciation with the methodology under IAS Standard 36 Impairment of Assets, according to which the return value (the higher the utilisation value and the fair value decreased by the costs of sale) shall be compared with the book value. Any accounted such loss shall reduce the book value of the investment. Any rewriting of depreciation shall take place according to IAS 36 up to the later return value of the investment. However, the goodwill presented together with the share cannot be rewritten.

In case of sale of a share in an affiliated company, if it leads to the loss of significant influence, the remaining investments shall be evaluated at their fair value in force on the day of the sale as fair value taken into account upon the initial presentation of a financial asset under IFRS 9. The difference between the book value and the fair value of any share remaining in any affiliated company shall be considered in determining the profit or loss arising from the sale of such interest. Furthermore, the Group shall account for amounts accounted in the general profit in connection with the affiliated company on the same basis as the method necessary if the affiliated company directly wrote off the related assets and liabilities. Thus, the amount of loss or profit related to the affiliated company, which had previously been presented in the general profit and would be transferred to the profit upon writing off the related assets and liabilities, shall be reclassified by the Group (as a reclassification modification) from the equity to the profit as soon as it loses its significant influence in the affiliated company.

If the Group performs a transaction with an affiliated company, the profit arising from such transaction may only be presented in the consolidated financial statements of the Group up to its share in the affiliated company not related to the Group. Receivables and liabilities are not separated. In the event that the investor provided a credit to the affiliated company which is only refundable in a particular situation (in the distant future(m it shall be presented together with the value of investments, and the difference shall be recorded in the general profit during the revaluation.

6. Characteristics of operational segments

An operating segment is such component of an entity:

a) that conducts business activities that generate revenue and expenditures (including income and expenditures related to transactions with other components of the same entity);

b) the operational result of which is regularly reviewed by the entity's governing operative decision-maker to make a decision about the resources to be allocated to the segment and to assess its performance; as well as

(c) on which there is no separate financial information available.

On the basis of the foregoing, the Group determined and presents the segments of its operation. The activity of the group is focussed on Hungary, Romania and Cyprus so the group used a division by geographical regions as operational segments until 31.12.2020.

In year 2021, the Group identified new operational segments due to which the division by geographical regions is not possible by now.

In year 2021, the Group identified and presents the following segments.

- Ski slope operation

Ski slope operation was performed through Síaréna Kft. presented above and owned 100 percent by the Group. The revenues of the company operating the ski slopes in Eplény greatly depend on the number of openable slopes and the interest of visitors. The Group aims to achieve four-season operations while currently the months of December, January, February and March mean the season depending on the weather. Periodically, the average number of visitors is between 40 and 60 thousand with HUF 500-600 million gross sales revenue. Síaréna Kft. realised considerably high revenues in early 2021 due to the favourable weather conditions while in December 2021 the Group also had similar revenues to the base of 2020.

- MAHART projekt

Under its agreement concluded with MAHART ZRT., the Group won the installation of Fix LNG-CNG filling facilities in 2019 together with Pannon Fuel Kft. The public procurement amounting to HUF 1.5 billion in total was also being implemented in 2021 and the related profit cannot be determined yet.

- Lease

The Group presents the profit from real estates and assets operated for third parties in the Lease segment. The Group acquired two real estates on 09.01.2020.: Building plot under 8. Meder Street, Balatonfenyves. The building plot in Balatonfenyves was sold prior to the commencement of real estate development in 2021. The real estates under 8. Meder Street were leased out and generated incomes in the reference year before the sales in November 2021.

- Heat sale

The Company continued its heat service activities in 2021 based on long-term heat sales agreements. The most significant of these is RFV Józsefváros Kft., with 49% share of the Company.

For comparison the above segment distribution was prepared by the Group for 2020 as well.

7. Companies Involved in the Consolidation:

ENEFI Vagyonkezelő Nyrt. qualifies as the direct parent company so it shall prepare the consolidated financial reports according to the IFRS. The following Companies shall be involved in the consolidation.

All figures are in thousand HUF except if otherwise indicated.

		31.12.2021		31.12.2020	
Name	Country	Share ownership	Voting power	Share ownership	Voting power
EETEK Limited	Cyprus	100,00%	100,00%	100,00%	100,00%
RFV Józsefváros Kft.	Hungary	49,00%	70,00%	49,00%	70,00%
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%
Ski43 Program Nonprofit Kft.	Hungary	100,00%	100,00%	100,00%	100,00%
Síaréna Kft.	Hungary	100,00%	100,00%	0,00%	0,00%

Companies in liquidation belonging to the Group that have not been included in the consolidation since there is no control over them due to liquidation:

		2021		2020	
Name	Country	Share ownership	Voting power	Share ownership	Voting power
E-STAR Mures Energy SA “under liquidation”	Romania	99,99%	99,99%	99,99%	99,99%

A significant transaction had to be presented in the reference period with E-Star Mures Energy SA “under liquidation” company since the company under liquidation won a lawsuit against the Municipality of Târgu Mures, and thus generated significant claims providing the opportunity to settle its claim against the Parent Company. Since E-Star Mures Energy SA “under liquidation” cannot be consolidated, the claim position of the Parent Company arising against it is presented as if it were against a third party (i.e. it cannot be filtered).

The Group did not have investment in affiliated companies on 31.12.2021. The below table shows the change of shares.

		2021		2020	
Name	Country	Share ownership	Voting power	Share ownership	Voting power
Pannon Fuel Kft.	Hungary	0,00%	0,00%	20,00%	20,00%
Random Capital Zrt..	Hungary	0,00%	0,00%	9,46%	9,46%

Key elements of Accounting Policy

I. Presentation of the financial statements

The Group publishes consolidated financial statements (hereinafter referred to as: financial statements) of the companies under its control and the parent company jointly. The Group's financial statements include (parts):

- consolidated balance sheet
- consolidated general profit and loss statement
- statement on consolidated equity change
- statement on consolidated cash-flow
- supplementary notes on consolidated financial statements

Major decisions about presentation

The Group 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 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.

The Group prepared its consolidated financial statements in accordance with IFRS for the last occasion for the business year 2020, with comparative data for 2019.

The Group publishes consolidated financial statements in Hungarian Forints. This is the presentation currency. Consolidated financial statements cover one calendar year. The closing date for the consolidated financial statements is the last day of each calendar year, 31 December.

The Group 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.

Consolidated financial statements include a comparative information unless a period needs to be restated or the accounting policy had to be changed. In this situation, the opening balance sheet of the comparative period is also presented by the Group.There has been no such disclosure in 2021.

In the event that the presentation requires to shift one item to another category (for example, due to a new financial statement line), the Group adjusts the previous year figures in a way to achieve comparability. From year 2020, corporate tax is presented on the line of profit tax claim or profit tax liability depending on its nature instead of other liability line.

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 Group 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.

The value of the announcements not indicated in the supplementary notes of the financial statements but compulsory under the IFRSs is either zero or not applicable or the omission thereof does not significantly affect the conclusions that can be made on the basis of the financial statements.

Foreign currencies

Foreign currency is any currency other than the functional currency of the business association.

The financial statements were prepared in forints.

Upon preparing the financial statement of all business associations belonging to the Group, transactions performed in any other currency than the functional currency of the given business association (foreign currency) shall be accounted at the immediate exchange rate in effect on the day of the transaction. Monetary items denominated in a foreign currency shall be exchanged at the end of each reporting period at the exchange rate in effect at that time. Non-monetary items valuated at procurement value expressed in foreign currency shall not be exchanged.

Exchange rate differences shall be accounted in the profit and loss statement in the period when they occurred, except for:

- exchange rate differences related to transactions for the cover of foreign currency risks; furthermore
- exchange rate differences related to monetary items received from or payable to foreign affiliates in connection with which no settlement is planned in the near future, it is not probable either (which therefore can be interpreted as part of the net investment in the foreign affiliate) and which are initially accounted in the other general profit and loss and then they shall be transferred from equity to profit and loss upon the settlement of monetary items.

The assets and liabilities of the Hungarian and foreign interests of the Group shall be presented in Hungarian forints for the purpose of the consolidated financial statements taking the exchange rate in effect at the end of the reporting period into account. Revenues and expenditures shall be exchanged at the average exchange rate of the given period except if the fluctuation of the exchange rate is significant in the given period, in which case exchange shall be performed at the exchange rate in effect on the day of the transactions. Potential exchange rate differences shall be accounted in the general profit and loss and accumulated in the equity (assigned to non-controlling interest if applicable).

In case of sale of foreign operation (i.e. either the sale of the total interest owned by the Group in a foreign operation or a sale resulting in the loss of control of an affiliated company including foreign operation or resulting in the loss of joint control of a jointly controlled business association including foreign operation, or resulting in the loss of significant influence in an affiliated company including foreign operation) all accumulated exchange rate difference attributable to the owners of the Group in connection with the given operation shall be transferred to profit and loss.

Furthermore, in case of partial sale of an affiliated company, which shall not result in the loss of control of the affiliated company by the Group, all accumulated exchange rate difference attributable to the Group in connection with the given operation shall be transferred to profit and loss. In case of any other partial sale (i.e. in case of sale of affiliated companies or joint organisations, which does not result in the loss of significant influence or joint control of the Group), the proportional part of the accumulated exchange rate differences shall be transferred to profit and loss.

Goodwill arising from the acquisition of foreign interests and fair value corrections performed on the identified assets and liabilities shall be accounted as assets and liabilities of the foreign interest and converted at the current closing exchange rate at the end of each reporting period. Potential exchange rate differences shall be accounted in the general profit and loss.

Functional currency:

The functional currency of individual subsidiaries shall be equivalent with the currency of the individual countries because a significant part of the sales revenue in subsidiaries is invoiced in the currency of their own country.

Accounting policies related to the income statement

Accounting sales revenue

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 Group.

The Group 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 Group'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 Group'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 Group’s principal activity are classified as revenue. The Group presents the consideration for ad hoc activities among other items.

The principal operation of the Group is thermal energy production and sale and the revenue from the operation of Síaréna as well as the sales revenue of the real estates leased under the asset management operations and the construction of special equipment (filling station). Revenue items are invoiced and accounted for on a monthly basis. Additionally, the Group has significant revenue from service fees connected to individual contracts accounted for under IFRIC 12. Revenue includes furthermore other rental fees and engineering services.

Dividend and interest incomes are accounted by the Group according to IFRS 9, general regulations.

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
  - material costs
  - payments to personnel (including payments to specific contribution program)
  - expenditures used

Other revenues

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 Group'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 Group 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 Group 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 Group sets the financial result offset in the income statement.

Offsetting

In addition to the IFRS requirements, the Group 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).

Tax liability

Income tax expenditure consists of the amount of payable and deferred tax.

Tax for current year

The amount of payable tax shall depend on the pre-tax profit realised in the current year. Taxable profit is not equivalent with the profit presented in the consolidated general profit and loss statement because it does not contain revenue and expenditure items which are subject to tax payment or may be deducted in other years and it also excludes items which are never subject to tax payment or deductible. The liability of the Group related to payable tax is set out based on accepted or essentially accepted tax rates by the end of the reporting period. The Group applies 9% corporate tax in Romanian and 16% in Hungarian Companies in the reference year. Local business tax rate is 2% in Hungary.

Deferred tax

Deferred tax is accounted in case of temporary differences between the registered value of the assets and liabilities in the consolidated financial statements and the tax bases used to calculate pre-tax profit. Deferred tax payment liability is accounted for each taxable temporary difference. Deferred tax is accounted for all deductible temporary difference to the extent of the taxable profit expected to be available against which the deductible temporary differences can be used. Such deferred tax assets and liabilities shall not be accounted if the temporary difference arises from goodwill or the initial accounts of other assets and liabilities (except business combinations) in connection with a transaction which influences neither the general profit nor the accounting profit.

Deferred tax liability shall be accounted in terms of taxable temporary differences related to investments in affiliated companies, joint ventures and jointly managed companies except if the Group is able to control the return of the temporary difference and it is probable that the temporary difference does not turn back in the foreseeable future. Deferred tax assets arising from deductible temporary differences related to such investments and interests shall only be accounted if there is probably sufficient taxable profit available against which the benefits from temporary differences can be used and if the temporary differences does not turn back in the foreseeable future.

The registered value of deferred tax assets shall be revised at the end of each reporting period and it shall be reduced to the extent if is not probable that sufficient profit would be available to recover the entire or partial value of the asset.

Deferred tax assets and tax liabilities shall be accounted according to the tax rates expected to be in force at the time of fulfilling the liability or realising the asset based on the tax rates and taxation law which have been or have essentially been accepted by the end of the reporting period. Valuation of deferred tax assets and tax liabilities reflects the taxation consequences of the Group’s expectations o n recovering the registered value of its assets and liabilities at the end of the reporting period.

Payable and deferred tax at the end of the reference period

Payable and deferred tax shall be accounted in the profit and loss as expenditure or revenue if it is connected to an item which is accounted directly in the equity in the general profit since in these cases the payable and deferred tax for the reference period are regularly accounted in the general profit and loss or directly in the equity. When the payable and deferred tax in a reference period arises from the initial settlement of a business combination, the settlement of the business combinations also includes the tax effect.

Earnings per Share (EPS)

Earnings per share is calculated by dividing the annual profit to the shareholders of the Group by the weighed average number of ordinary shares circulated in the given year. The diluted profit per share is calculated by taking the average number of share options causing dilution into account in addition to the ordinary shares.

EBITDA application and the concept thereof

Although the IFRS does not use the concept of EBITDA, the Group decided to use this widely used index taking the widespread industry practice into account and that the Group is convinced that disclosing the value is useful for the users of financial statements and has information content.

For interpretation purposes, the calculation method is set out below:

+/-	Pre-tax profit/loss	X/(X)
+/-	Elimination of financial revenues and expenditures	(X)/X
+/-	Elimination of depreciation and amortisation	(X)/X
	EBITDA	**X/(X)**

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

Properties, plants and equipments

Plots and buildings used for production of goods, provision of services or administrative purposes shall be accounted in the consolidated balance sheet at their procurement value reduced by depreciation and potential depletion.

Real estates under development for production, provision of services or administrative purposes shall be valued at procurement value reduced by depreciation. Procurement value includes contractor's fees and in case of qualified assets, the credit costs activated according to the accounting policy of the Group. These real estates shall be classified in the appropriate categories of real estates, machinery and equipment when they are prepared and ready for use for their intended purpose. As in case of other tangible assets, the depreciation is accounted in case of these assets when the asset is ready for use for the intended purpose in terms of the designed purpose.

Equipment is valued at procurement value reduced by accumulated depreciation and depletion.

Depreciation write-off is accounted by the linear method during the estimated life of the asset by writing off the procurement value of the asset (except land, and developments in progress) reduced by the residual value. Accounting methods of estimated useful life, residual value and depreciation shall be revised at the end of each reporting period and the effect of any changes of estimates shall be taken into account in terms of the future.

In case of sale of real estates, machinery or equipment or when the use of the asset is not expected to result in the realisation of economic benefit, they will be written off. The amount of profit or loss realised on the sale or write-off of real estates, machinery, or equipment shall be determined as the difference between the consideration of the sales and the registered value of the asset, in the profit and loss.

Typical useful lives of assets:

Buildings	50 years
Building structures	10 years
Machinery and equipment	3-5 years
Vehicles	5 years

Intangible assets

Intangible assets procured

Separately procured intangible assets with finite useful life shall be recorded at the procurement value decreased by accumulated depreciation and accumulated depletion. Depletion shall be accounted with the linear method during the estimated useful life of the asset. Accounting methods of estimated useful life and depreciation shall be revised at the end of each reporting period and the effect of any changes of estimates shall be taken into account in terms of the future. Intangible assets without finite useful life shall be recorded at the procurement value decreased by accumulated depreciation.

Intangible assets acquired by business combination

Intangible assets acquired by business combination and accounted separately from goodwill shall be initially presented at the fair value in effect on the day of acquisition (this qualifies as procurement value).

After initial presentation, intangible assets acquired by business combination shall be recorded at the procurement value decreased by accumulated depreciation and depletion as appropriate for separately acquired intangible assets.

Delisting intangible assets

Intangible assets shall be delisted upon the sales thereof or if no economic benefit is expected from it in the future. The profit or loss generated upon the delisting of intangible assets the value of which may be determined as the difference of the net sales value and the procurement value shall be accounted in the profit and loss statement when the asset is delisted.

Depreciation of tangible assets and intangible assets except for goodwill

The Group 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. Costs of sale shall be 10% in absence of more precise estimates. If the useful value of the group of assets cannot be determined because it does not produce cash-flow independently (cannot be utilised) then testing shall be accounted for the cash generating unit. In the event that the useful value could only be determined for the CGU and depletion had to be accounted, the depletion shall be divided as follows:

- firstly, the damaged assets shall be reduced;
- secondly the goodwill shall be reduced;
- thirdly, the remaining depreciation shall be divided for the tangible assets (PPE) and the intangible assets in the rate of their book value prior to the depreciation.

The value of none of the assets may be reduced below their fair value reduced by their individual sales costs. Intangible assets with indefinite useful life and not yet usable intangible assets shall be revised in terms of depletion at least annually and in case of signs of depletion.

The recoverable amount is the higher of fair value less sale costs and the value in use. Upon determining the value in use, the estimated future cash-flows shall be discounted to their present value by a discount rate which reflects the current market judgement related to the value of time expressed in money and the risks of the specific asset the cash-flows attributable to which in the future have not been corrected.

In the event that the estimated return value of the asset (or cash generating unit) is lower than its registered value, then the registered value of the asset (or cash generating unit) shall be reduced to the return value. The Group accounts for depletion immediately in the profit and loss statement.

In case of subsequent write-off of depletion loss, the registered value of the asset (or cash generating unit) shall be increased to the revised estimated return value but so that the increased registered value shall not excess the registered value which would have been in effect if no depletion had been accounted for in the previous years in connection with asset (or cash generating unit). Depletion shall be written-off directly in the profit and loss statement.

Properties with investment purposes

Buildings and land acquired by the Group for investment purposes or for the purpose of generating rental income shall be recognized as investment property in the financial statements. These properties are not used for own purposes or such use is negligible.

Investment properties are valued by the Group on the basis of the cost model, the depreciation rate used is the same as the rate applied to tangible assets.

These assets are tested for impairment in accordance with IAS 36.

Leasing transactions

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 entitled 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 Group shall use the flow chart in accordance with paragraph B31 of Appendix B to IFRS 16 to identify the lease:

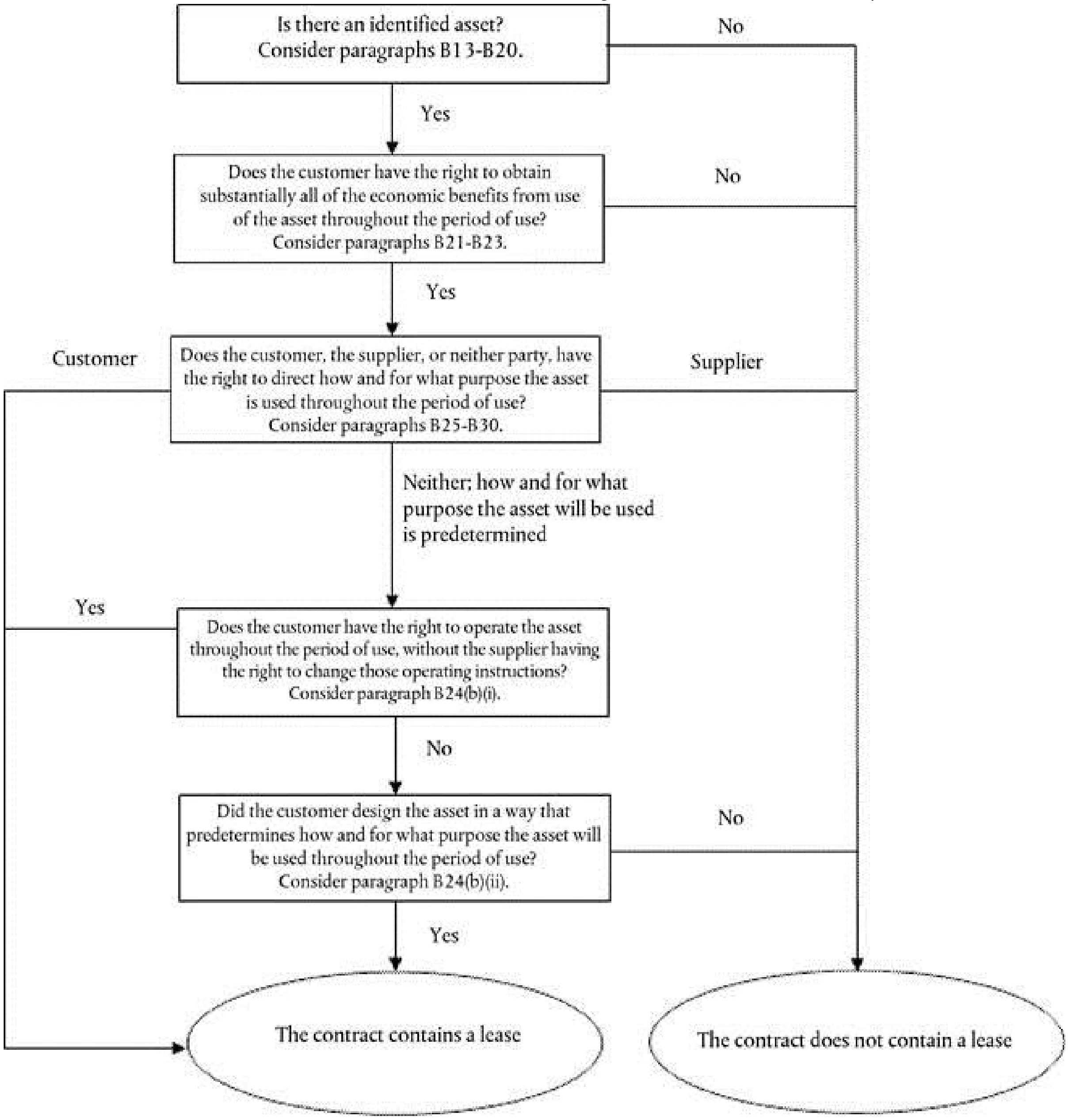

Chart 1. Classification of lease contract IFRS 16.B31

During the switchover, the Group recognised one car and a boiler as new leasing. In 2020, Síaréna Kft was included in the Group as a subsidiary. The car was leased from this subsidiary so the Group only presented the lease of the boiler in the consolidated report for the reference year. The lease contract for the boiler was terminated in 2021.

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 Group 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 results, allocated.

Right-to-use asset valuation

The Group 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 Group 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 Group 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 extension option, if the lessee has reasonable certainty to exercise the option; and
- periods covered by the leasing termination option, if the lessee has reasonable certainty not to exercise the option.

The Group as lessee shall re-valuate whether it has reasonable certainty to exercise the extension 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 certainty 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 Group 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 calls an option that was not previously considered in determining the lease term by entity;
- the lessee does not exercise the option in the lease term definition specified by the entity,
- as a result of an event, 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 forbidden to exercise the option in the previous 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 Group recognizes the present value of finance lease cash flows as lease investments. By the calculation of the present value, the Group uses the incremental interest rate related to the lease income. The Group establishes the expected credit loss (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 Group (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 certainty 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 Group follows the below by accounting for public-to-private service concession arrangements.

The requirements stated in IFRIC 12 apply if, in the case of a public-to-private service concession arrangement, the following conditions are met:

(a) the transferor controls or regulates which services are to be provided by the operator with the infrastructure and at what price; and

(b) at the end of the term of the agreement, the transferor controls all significant residual interests in the infrastructure, whether 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 Group's books as property, plant or equipment.

In cases these type of contracts, the construction or development services performed by the Group 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 Group are recognized as financial assets if, under the contract, the Group 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 possibility to be released from the payment duty since the agreement is legally enforceable. The Group is entitled to receive funds if the transferor provides a contractual guarantee to pay the Group 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 Group are recognized as intangible assets if, on the basis of the contract, the Group 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 consideration for the construction or development services provided by the Group is paid partly by a financial asset and partly by an intangible asset, then all components of the consideration received are recognized separately.

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

If the Group has contractual obligations for the maintenance or restoration of infrastructure that it has received or completed, those obligations are presented in the financial statements based on the value of the estimated amount at the reporting date (as required by IAS 37).

Capacity extensions shall be recognized 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, the Group 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 Group, 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.

Government subsidy

Government subsidies shall not be accounted until there is no acceptable evidence that the Group will meet the conditions for winning the subsidy and the subsidy will be disbursed.

Government subsidies shall be accounted as revenues in the profit and loss statement in the periods when the Group accounts for related expenses as expenditures which are compensated by the subsidy. Specifically, in case of government subsidies where the primary condition is that the Group shall purchase or create or otherwise acquire non-current assets, they shall be accounted as deferred revenues in the consolidated financial statement and they shall be systematically and reasonably accounted in the profit and loss statement during the useful life of the relevant asset.

Government subsidies to compensate previous expenditures or for the purpose of immediate financial support without corresponding future costs to the Group shall be accounted in the profit and loss statement in the period when they become disbursable.

Inventories

Inventories shall be recognized at the lower of procurement value and net realizable value. Closing inventories shall be determined under the FIFO principle. Net realizable value shall mean the estimated sale price of the inventories reduced by the total closure and sales costs.

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.

If the existence of an obligation cannot be decided unambiguously, the provision should be recognized only if it is more likely that the provision exists than not (present obligation). If the probability is lower than that, a contingent liability must be recognized (potential liabilities). This should not be reported in the balance sheet, but its evolution should be shown in the 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 Group 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 Group mainly provides short-term employee benefits to its employees. The Group 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 recognised when the Group becomes aware of such decision (a constructive obligation).

The Group 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 Group operates in such a legal environment where employees have paid leave. If a legal option or employee - employer agreement is available by the Group 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 Group 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 Group currently has only equity-settled share-based payment. The fair value of the benefits shall be determined and, if a vesting condition is attached, it shall be recognized in profit or loss proportionately with the fulfilment of the vesting condition, simultaneously recognizing a separate reserve among the equity elements (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 Group has no other share-based benefit plans, it does not have an accounting policy for them.

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 the 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 application 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 Group does not apply hedge accounting rules.

The Group applies IFRS 9 as of 1 January 2018 in its financial statements. 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 Group 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 registered at amortized initial cost.

Acquired capital instruments shall be classified in the category of valued at far value against the other general profit and loss by the Group if they are not for trading purposes. In case of debt instruments, 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.

Recognition and measurement

Purchase or sale of a financial asset is recognised on the day the transaction is settled, namely on the day the Group 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 Group's rights to the cash flows from the particular item have expired or are transferred and the Group has also transferred significant risks and rewards of ownership.

All figures are in thousand HUF except if otherwise indicated.

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 Group 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:

- expected credit loss for 12 months Performing (Initial recognition)
- Expected credit loss during useful life: Underperforming (Significant deterioration in credit quality since initial recognition)
- Expected credit loss during useful life: Non-performing (Actual credit loss occurred)

“Credit loss” according to the standard is the difference between the present value of the contractual cash flows and the expected cash flows (discounted at the original effective interest rate). “Expected credit loss” is the weighted average of expected losses. The Group considers all available information by the estimation of the expected loss - whether it is available within the Group, or externally or it is a past experience or a forward-looking forecast.

The Group 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 Group applies the simplified method to trade receivables. In the simplified method, it defines so-called loss rates, which it derives from past experience and adjusts it to future expectations. The current estimate includes the following rates:

Delay (days)	**Loss rate**
Not delayed	1,00%
1-180.)	5,00%
181-365.)	10,00%
More than 365	100,00%

The Group makes use of the practical expedients provided by IFRS 9. These are the below:

- Instead of a 12-month expected credit loss, the Group 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 customer claims, contractual assets and leasing receivables including a financing component, the Group, at its choice, calculates the expected loan loss over its lifetime at the time of presentation.

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

In case of the Group, the expected credit losses and thus the generated depletion does not qualify as significant.

Derecognition of financial assets

The Group 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 Group transfers the financial asset and basically all the risks and rewards of holding the asset to another enterprise. If the Group does not transfer basically all the risks and rewards of holding the asset but does not keep it, and the Group continues to control the transferred asset, the Group 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 Group keeps basically all the risks and rewards of holding a transferred financial asset, the Group continues to recognize that financial asset and accounts for the revenues received as collateralized credit liability.

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 Group'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

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 Group are to be calculated at the value of the amount received, less direct issue costs.

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

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 Group'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 Group derecognises a financial liability when, and only when, the obligation is discharged, released, or cancelled. The difference between the carrying amount of financial liabilities derecognised and the consideration paid or payable is recognized in profit or loss.

Own shares transactions

The Group has performed share transactions and repurchases several times. These items are presented in the consolidated financial statements as elements reducing equity. The Group presents this as a component of equity and performs capital decrease at procurement value.

General accounting policies relatod to cash flow

Concerning the cash flow statement, the Group 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. Short-term loans usually financing operation (both given and received) are presented by the Group as part of net working capital. Related items without money transfer are presented in the cash flow statement as net working capital change by the Group.

II. Critical accounting decisions and major sources of uncertainty of estimations.

Management must make decisions, estimates and assumptions by the application of the Group'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.

Pending receivables

The Group is involved in several lawsuits as claimant. Some of these lawsuits have been closed by non-final decisions. IAS 37 requires that such receivables shall be accounted by the Group in its announcement and that numeric figures are disclosed if possible. Upon giving numeric figures, significant estimates are required in several cases, which is an uncertainty experienced at the level of announcements but not at the level of property components presented.

Useful lives of tangible assets

The Group 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

Impairment of tangible and 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 Group has included the adjustments required by the impairment test in these consolidated financial statements.

Uncertainty regarding deferred tax

Deferred tax assets are only receivable if it is probable that future taxable profits will be realized by the Group against which the deferred tax asset can be utilized. The Group currently does not present deferred tax assets and has written-off the existing ones. If those are realised later, the return shall affect the profit and loss then.

Measurement of sales revenues accounted in a given period

The sales revenue of one of the projects of the Group may be accounted in the given period. This methodology requires complex estimates and past experience so the estimate carries significant uncertainty.

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

The Group voluntarily did not change its accounting policies from 2020 to 2021. Exceptions to this are the application of accounting policies related to the introduction of new standards and activities that have not existed previously.

The effect of the changes of IFRSs and IFRCs entering into force after the balance sheet day on the financial statements of the Group shall be detailed below. The expected effect of changes of IFRSs and IFRCs known or in progress on the balance sheet day shall not be analysed in detail since those have no significant effect on the financial statements and the omission thereof has no significant effect on the decisions of the users of the report.

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

- Amendments to 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 for reporting periods beginning on or after 1 January 2021),

- Amendments to IFRS 4 Insurance Contracts with deferred IFRS 9 - adopted by the EU on 15 December 2020 (effective for reporting periods beginning on or after 1 January 2021),

- IFRS 16 Leases – Covid19 Rental Discounts after 30 June 2021 (effective from 1 April 2021), the amendment extends the practical simplification to the period from 30 June 2021 to 30 June 2022. Application of the standard is mandatory to lessees who have opted for the original practical simplification)

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

At the time of approval of these financial statements, the following standards, as well as amendments to existing standards and interpretations issued by the IASB and accepted by the EU, were published without entry into force:

- Amendments to IFRS 3 “Business Combinations”; IAS 16 “Property, Plant and Equipment”; IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” – Annual Improvements (effective for reporting periods beginning on or after 1 January 2022),

- Amendments to IAS 1 “Presentation of Financial Statements” – Classification of Current and Non-current Liabilities (effective for reporting periods beginning on or after 1 January 2023),

- IFRS Practice Statement 2: Disclosure of accounting policies. (effective for reporting periods beginning on or after 1 January 2023),

- IFRS 17 “Insurance Contracts”, including amendments to IFRS 17 (effective for reporting periods beginning on or after 1 January 2023),

- IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”: Changes in accounting estimates. (effective for reporting periods beginning on or after 1 January 2023),

- IAS 12 “Income taxes”: Deferred tax relating to assets and liabilities arising from a single transaction (effective for reporting periods beginning on or after 1 January 2023)

The Group will not apply these new standards and amendments to existing standards before the effective dates. The Group believes that the adoption of these standards and amendments to existing standards will not have a material impact on the Group's financial statements in the period of initial application.

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:

- 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 have a material impact on the Group's financial statements.

All figures are in thousand HUF except if otherwise indicated.

IV. Explanatory notes to the comprehensive income statement

1. Net sales revenues

The breakdown of revenue by activity is as follows:

	31.12.2021	**31.12.2020**
Revenues from lease	108,840	186,201
Income of other operations	8,501	26,489
Heat sales	270,718	167,964
Sales revenue from MAHART project	9,036	367,518
Operation of ski slope	694,116	323,626
Total	**1,091,211**	**1,071,798**

Revenue includes only yields relating to the Group's principal activity.

The revenue of the Group consists of the sale of heat produced, yield of assets operated for third parties, project implementation, leasing and the operation of Síaréna.

The basic reason for the increase of sales revenue in heat sales is the increase of public utility fees.

With the exception of accounting for accruals , 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. In case of assets operated for third parties, the Group determined the revenues with the implicit interest rate method from the future cash flows. These asset elements are subject to IFRIC 12.

On behalf of MAHART, the Group will establish a filling station based on a tender won in a public procurement procedure. The construction of the filling station is based on the customer's guidelines, the created output (filling station) is controlled by the customer. Therefore, revenue should be recognized on a pro rata basis (over time) for this project.
The degree of completion (PTC) is determined by the Group in proportion to the planned and actual costs. During this period, the Group concluded that there is a significant chance that revenue would be reversed on a pro rata basis, as the Group has no significant experience with such and similar contracts and contract amendments are currently in progress (IFRS15.57). Based on the Group's estimates, the Group is reasonably certain that the costs incurred will be recovered, so it has estimated the revenue in the same amount as the costs incurred.

The principal activity of Síaréna Kft. is operating ski slopes. Accounting revenues here – considering the nature of the activity – takes place concurrently with the provision of the service, excluding the insignificant amounts from vouchers (advance payment of later service).

The Group has other costs related to the operation of ski slopes which are invoiced to its customers. In case of such invoicing, the Group acts like an agent, so the related costs and revenues are accounted in net, amounting to the sales revenue, so exclusively the net effect (profit) is found in the amount of sales revenue.

All figures are in thousand HUF except if otherwise indicated.

In year 2020 these costs are presented among direct expenditures and the correction of comparative figures is presented in the table below:

	2020.12.31 eredeti adat	31.12.2020 modified figure	Change
Revenue from ski slope operation	327,537	323,626	3,912
Passed utility charges	123,175	119,264	3,912
Total effect on pre-tax profit	**204,362**	**204,362**	**-**

2. Direct expenditures

Direct expenditures	31.12.2021	31.12.2020
Passed utility charges	232,611	119,264
Cost of goods sold	12,890	381,068
Cost of sold services (ski training)	10,993	7,455
Total	**(256,495)**	**(507,786)**

Direct expenditures include expenditures that can be directly related to revenue.

The procurement value of goods sold occurred in connection with the activity of Síaréna Kft. and is connected to the development of filling station upon the assignment of MAHART. Mediation of ski training also occurred in connection with the activity of Síaréna Kft.

3. Material costs

Material cost	31.12.2021	31.12.2020
Public utility fees	55,755	30,733
Maintenance materials	24,035	(11,870)
Fuels	15,107	8,186
Office supplies and cleaning agents	6,074	3,768
Catering industry costs	64,582	6,127
Other material cost	3,835	14,913
Total	**(169,388)**	**(75,597)**

By the mitigation of restrictions due to the pandemic, the operating time and opening hours of the ski slopes and their service facilities at Síaréna Kft. increased in 2021. This change contributed to the significant increase of material costs.

4. Personnel expenses

	31.12.2021	31.12.2020

Wages and benefits	404,826	197,667
Payroll taxes	43,400	32,762
Other personnel benefits	62,459	48,335
Total	**(510,686)**	**(278,764)**

The average number of staff in the group significantly increased by 2021. It was 44 in 2020 and 62 in 2021.

As a result of the seasonal activity of Síaréna Kft. the number of temporary employees was 264 in the reference year. 227 persons were temporarily employed in year 2020.

The reason for the significant increase of wage costs: primarily due to the operation of Síaréna, the significant increase in costs of human resources, the increase of staff and the extreme difficulties of providing seasonal employment caused increase which was reorganised by the management of the Company in 2021.

5. Purchased services expenses

	31.12.2021	**31.12.2020**
Bank charges	17,580	13,578
Rental fees	54,854	47,026
Insurance fees	9,913	8,768
Payment system fees (commission, transaction fee)	(1,995)	(940)
Official fees, charges	2,008	6,417
Advertising and publicity expenses	21,911	35,477
Legal fees	25,676	50,370
Maintenance costs	72,467	-
Office, communication costs	8,584	-
Accounting, auditing fee	40,408	-
Management fee	(1,594)	(15,749)
Temporary agency cost	(11,869)	(3,741)
Postal fee	(435)	(34,296)
Advisory fees	(22,974)	(24,499)
Travel expenses and costs of foreign travel	(16,987)	(309,928)
Operating expenses	(57,966)	-
Other costs	(13,733)	(309,928)
Total services	**(380,954)**	**(860,719)**

In year 2021 the Group used workforce borrowing services in addition to the existing employees. The entire borrowing occurred at Síaréna Kft. as cost.

The previously mentioned increased operating times at the ski slopes at the connecting service units significantly contributed to the increase of services used.

All figures are in thousand HUF except if otherwise indicated.

6. Other income/ expense (-)

	31.12.2021	31.12.2020
Other revenue		
Reversal of provisions	-	47,600
Net profit of sales of plants, real estates and equipment	51,559	654
Other income	4,734	1,428
Penalties, interests, compensation for damages	54,004	353
Subsidies received	30,703	16,721
Compensation of insurance	5,270	-
Forgiveness of obligation	5,742	2,249
IFRIC 12 - amendment of contract	23,940	-
Total other revenue	**175,952**	**69,005**
Other expenditure		
Penalties	(82)	(366)
Other taxes	(6,930)	(7,043)
Other expenditures	(5,128)	(232)
Uncollectible receivables	(209)	(778)
Net loss of sales of plants, real estates and equipment	(8,687)	(12,657)
Total other expenditure	**(21,036)**	**(21,076)**
Other income and expenses (net)	**154,916**	**47,929**

The sale of real estates for investment purposes significantly contributed to the significant increase of the net profit from the sale of plants, real estates and equipment accounted as other revenues.

The value of the received fine, default interest, compensation for damages in 2021 was significantly increased by the closure of the lawsuit between subsidiary E-Star Centrul de Dezvoltare Regionala SRL and the Municipality of Gheorgheni, Romania on the lost profit arising from the difference in distant heating price. The lawsuit was closed with the subsidiary winning it. Th value of the claim at the end of the reference year in HUF: 53,841 thousand.

On line “subsidies received”, the Group presented the amount of government subsidies used by Síaréna Kft.

Síaréna Kft. received subsidy in the program titled “Wage subsidy for the sector to handle the effects of the COVID-19 pandemic on the labour market” No: GINOP-10.1.1-21 under Széchenyi 2020. The subsidy aims to facilitate the retention of workforce by companies and to compensate the occurring wage costs.

In year 2019 the subsidiary received budgetary subsidy amounting to HUF 18,150 thousand for operation and accumulation purposes. Thew support was provided from the title for programs and investments serving active recreation from the special budgetary provisions. The intensity index was 26,88% The subsidy was paid partly in year 2021.

All figures are in thousand HUF except if otherwise indicated.

The Group also accounted income-dependent subsidies according to the accounting policy described above.

In year 2021, Síaréna Kft. was eligible for compensation of damages amounting to HUF 5,270 thousand. The damage was paid by the insurer of the subsidiary, the type of damage: other material damage.

7. Other expense (income) of financial transactions

Interest-type items

	31.12.2021	**31.12.2020**
Interest income	1,805	56
Finance bond interest	-	5,272
IFRIC 12 interest income	26,461	49,399
Interest income from associated company	-	17,333
Not realised exchange rate loss (-) / profit	11,774	1,423
Realised exchange rate loss (-) / profit	521	1,111
Interest expense	3,989	6,945
Revaluation of securities	3,785	-
Net profit/loss from financial activities	**16,809**	**65,427**

Impairment and write-off of financial assets

	31.12.2021	**31.12.2020**
Reversal of impairment of E-Star Mures Energy SA loan claim	-	676,633
Depreciation of customer receivables	82,105	(1,467)
Reversal of other receivables	-	17,304
Expected credit loss	6,589	2,768
Total	**(75,516)**	**689,703**

Financial profit was as follows due to the above items:

	31.12.2021	**31.12.2020**
Interest	16,809	65,427
Impairments /reversal of impairments	75,516	689,702
Total	**(58,707)**	**755,129**

All figures are in thousand HUF except if otherwise indicated.

8. Profit from sale of affiliated company

	Total share in Random Capital Zrt.	Total share in Pannon Fuel Kft.	Total
Consideration of share	219,040	500	**219,540**
Procurement value of share	122,901	500	**123,401**
Modification of procurement value due to interest-free loan	-	36,641	**36,641**
Accumulated profit or the Group	24,012	37,140	**13,128.**
Year 2021 profit or the Group	**19,363**	**-**	**19,363**
Profit of sales	**52,764**	**499**	**53,263**

The Group sold its share in Random Capital Zrt. on 01/09/2021 and in Pannon Fuel Kft. on 16.11.2021.

Random Capital Zrt presented its profit for the Group until 30.06.2021 in its consolidated profit and loss statement.

The share of Pannon Fuel Kft was presented in the investments of the Group at the value of 0 due to the accumulated negative profit of the previous years. The profit and loss of the Kft for the Group accumulated until 16.11.2021 was also loss.

The Group sold the shares in affiliated companies with a profit.

9. Income tax

	31.12.2021	31.12.2020
Corporate income tax	17,395	15,403
Local business tax	7,003	12,427
Deferred tax loss (-) / gain	-	-
Total income tax	**(24,398)**	**(27,830)**

Tax rates applied in economically relevant countries for the Group:

	31.12.2021	31.12.2020
Hungary- income tax	10%	10%
Hungary - Local business Tax	2%	2%
Romania - Income tax	16%	16%
Cyprus - Income tax	12,5%	12,5%

Local business tax is 2%, however Government Decree No 639/2020 (XII.22.) adopted by the Government allowed small and medium size companies to pay 1% local business tax in 2021 to mitigate the economic difficulties caused by the COVID-19 pandemic. RFV Józsefváros Szolgáltató Kft. and Síaréna Kft. are eligible to pay the discount tax rate from the members of the Group.

The Group did not present deferred tax assets and liabilities due to the details below.

In the course of the deferred tax calculation, the Group 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 Group separately assessed the return on the asset at time of the recognition.

All figures are in thousand HUF except if otherwise indicated.

In both years, the Group calculated the tax at a rate of 9% for its Hungarian companies, 16% for its Romanian companies and 12,5% for its Cyprian companies at reversal, as those assets and liabilities become effective taxes in the periods when the tax rate is set at a given percentage in the applicable laws.

The Group has decided not to include deferred tax assets in the books for the Hungarian companies as their recoverability is currently unprovable. The below table shows the amount of taxable differences including the value of the deferred tax asset not recognised:

	Carrying amount	Tax base	Difference
Goodwill	-	-	-
Properties with investment purposes	-	-	-
Tangible assets	1,662,819	1,175,479	487,340
Intangible assets	32,433	22,866	9,567
Financial assets (IFRC 12)	216,007	257,845	41,838
Securities	251,933	251,933	-
Inventories	16,239	16,239	
Trade receivables	242,407	248,048	(5,641)
Other receivables	1,069,456	1,069,467	(11)
Accruals and prepaid expenses	10,241	10,241	-
Cash and cash equivalents	443,012	443,042	(30)
Long term loans	50,757	50,757	-
Other long-term liabilities	849	849	-
Lease liabilities	-	-	-
Short term loans	34,252	34,252	-
Trade payables	260,879	260,879	-
Passive Accruals	192,451	192,451	-
Other current liabilities	716,256	716,256	-
Interest and exchange rate effect	-	-	-
Accumulated loss	-	10,489,707	10,489,707
Total	**5,199,991**	**15,240,310**	**(10,040,319)**
		Total difference	**(10,040,319)**
		Tax rate	**9%**
		Calculated differed tax	903,629

All figures are in thousand HUF except if otherwise indicated.

The division of income tax by countries is shown in the table below:

	Hungary	Romania	Cyprus	Total
Profit before tax	(657,860)	16,390	134,991	(506,479)
Income tax	7,380	(114)	16,904	24,398
Differed tax	-	-	-	-
Value of income tax	**(7,380)**	**(114)**	**(16,904)**	**(24,398)**

The table shows the data of the individual suppliers of the Companies

10. Other general revenue

The group classifies the amount of exchange rate differences generated upon the exchange of foreign subsidiaries in this profit category.

	31.12.2021	31.12.2020
Exchange rate differences	15,078	7,894
Total	**15,078**	**7,894**

The generated exchange differences are related to the following currencies and geographical areas.

	31.12.2021	31.12.2020
Romania - RON	685	7,881
Cyprus - EUR	14,393	13
Total	**15,078**	**7,894**

All figures are in thousand HUF except if otherwise indicated.

V. Explanatory notes to the balance sheet

11. Goodwill

	31.12.2021	31.12.2020
Opening balance	335,406	-
Goodwill at acquisition	-	335,406
Impairment	335,406	-
Total	**-**	**335,406**

Goodwill was generated upon the acquisition of a subsidiary of the Group, Síaréna Kft.

Company	Síaréna Kft.
Purchase price in shares	761,017
Net assets at acquisition	415,244
Value adjustment	10,367
Goodwill	335,406
Impairment	335,406
Goodwill and of the year	**-**

The Group wrote off the entire previously generated goodwill in the financial year. Considering the difficulties experienced during the year (shortage of water, effect of Covid), the Group recalculated the return value of the CGU containing the goodwill. As a result of the calculation, approx. HUF 260 million return value was identified, as a result of which, a decision had to be made for the depletion of the previously taken goodwill. Depletion of other assets of CGU were not required. The return value of the CGU was performed on the basis of discounted cash flow, the key inputs of which valuation are:

Explicit time interval	10 years
Discount rate (base case)	14,86%
Median of recoverable value	256, 5 MFt

No asset components had to be written off apart from goodwill due to the depletion test. The Group accounted for the goodwill depletion against the profit.

12. Intangible assets

All figures are in thousand HUF except if otherwise indicated.

	Software and other intangible assets	Right-of-use assets	Total
Gross values			
31 December, 2020	**77,350**	**17,717**	**95,067**
Purchase	2,916	-	**2,916**
Impact of exchange rate changes	(18)	-	**(18)**
Derecognition due to expired lease	-	17,717	**17,717.**
31 December, 2021	**80,248**	**0**	**80,248**
Depreciation			
31 December, 2020	**(45,100)**	**(17,248)**	**(62,348)**
Depreciation recognised	(2,733)	(469)	**(3,202)**
Change in value due to exchange rate	18	-	**18**
Derecognition due to expired lease	-	17,717	**17,717**
31 December, 2021	**(47,815)**	**0**	**(47,815)**
Book value			
31 December, 2020	**32,250**	**469**	**32,719**
31 December, 2021	**32,433**	**-**	**32,433**

The Group recognizes the right-to-use and the depreciation related to a lease of boiler among the right-to-use assets. The contract was terminated in January 2021.

13. Properties with investment purposes

	Investment properties
Gross values	
31 December, 2020	**950,009**
Sales	(950,009)
31 December, 2021	-
Depreciation	
31 December, 2020	**(18,624)**
Depreciation	(16,635)
Derecognition due to sales	35,259
31 December, 2021	-
Book value	
31 December, 2020	**931,385**
31 December, 2021	**-**

In year 2020 the Group acquired three adjacent real estates in Budapest, 14 parking places and a plot of land in Balatonfenyves. All investment real estates were sold in year 2021.

All figures are in thousand HUF except if otherwise indicated.

14. Tangible assets

The below table shows the changes in the assets:

	Properties and buildings	Plant and equipment	Other equipment	Investments	Total
Gross values					
31 December, 2020	**1,970,696**	**967,046**	**62,146**	**56,674**	**3,056,562**
Impact of exchange rate changes	(458)	28	-	-	**(486)**
Procurement	112,774	19,182	14,358	130,491	**276,805**
Derecognition due to sales	(502,124)	-	-	-	**(502,124)**
Activation	-	-	-	(162,463)	**(162,463)**
Amendment of contract	-	-	19,051	-	**19,051**
31 December, 2021	**1,580,889**	**986,200**	**95,554**	**24,702**	**2,687,345**
Depreciation					
31 December, 2020	**(405,250)**	**(502,084)**	**(39,129)**	**(695)**	**(947,156)**
Change in value due to exchange rate	48	10	-	-	**58**
Annual depreciation	61,659	26,682	5,417	-	**(93,758)**
Derecognition due to sales	25,856	-	-	-	**25,856**
Amendment of contract	-	-	9,526	-	**(9,526)**
31 December, 2021	**(441,005)**	**(528,755)**	**(54,071)**	**(695)**	**(1,024,525)**
Book value 31 December, 2021	1,139,884	457,444	41,483	24,007	**1,662,819**
Book value 31 December, 2020	1,565,447	464,963	23,017	55,979	**2,109,406**

The Group decided to sell the LNG-CNG filling station in Szigetszentmiklós in 2020 and then concluded a sale and purchase agreement on 19.11.2021. The emptor did not have control of the asset until 31.12.2021. The filling station was recategorized on the day of the sale and purchase agreement to the 'assets held for sale' line of the balance sheet. The transfer of proprietary right and the fulfilment of the purchase price took place on 7th February 2022.

Tangible assets include a Romanian site with 0 value, to which the Group had to account for a 100% impairment as it was seized by the Romanian authorities. A preliminary agreement was concluded on 30.03.2022. on the sale of the site for the purchase price of EUR 1.2 million. The closure of the sale depends on the deletion of the encumbrances on the site in the land registry office from the records. The possibility of sale did not yet exist on the balance sheet day.

In case of tangible assets presented among other equipment, the agreement was modified in year 2021, therefore the amount of tangible assets had to be modified.

All figures are in thousand HUF except if otherwise indicated.

15. Investments in associates

The Group purchased 20% share of Pannon Fuel Kft. in 2018 amounting to HUF 500 thousand. The purchase price corresponded with the fair value of the net assets according to the share at the time of acquisition. The value of the affiliated company in the balance sheet is currently 0 due to the accumulated losses of the affiliated company.

The Group sold its entire share on 16.11.2021.

Pannon Fuel period results

	31.12.2021	31.12.2020
Periodic result of Pannon Fuel Kft.	8,547	447,076
Profit for the period	(1,709)	89,415
Profit attributable to a group from the results of an associate	-	5,963

The 54 dematerialized Random Capital ordinary shares owned by the Group with ISIN code HU0000115183 were sold on 01.09.2021. The sale price of the block of shares was HUF 139,019 thousand. 30% of the sale price is withheld by the buyer as guarantee, this amount will be settled later. The net asset value of Random Capital Zrt at the time of acquisition was equal to their fair value.

Random Capital period results

	31.12.2021	31.12.2020
Periodic result of Random Capital Zrt.	204,684	253,825
Profit for the period	19,363	24,013
Profit attributable to a group from the results of an associate	19,363	24,013

Change of value of shares in affiliated companies:

Value of share	**31.12.2021**		**31.12.2020**	
	Pannon Fuel	**Random Capital**	**Pannon Fuel**	**Random Capital**
Opening	-	146,914	-	-
Purchase price	-	-	-	122,901
Cost adjustment for an interest-free loan	-	-	5,963	-
Accountable profit or loss for the period	-	19,363	5,963	24,013
Derecognition due to sale of investment in associates	-	166,277	-	-
Total	**-**	**-**	**-**	**146,914**

All figures are in thousand HUF except if otherwise indicated.

16. Securities valued at fair value against profit and loss

The Group invested part of its free cash in shares at the stock exchange. The purpose of these shares is to achieve short-term profit, so they were placed in the FVTPL category by the Group.

	31.12.2021		
	Cost of securities	**Revaluation to fair value**	**Carrying amount**
ALTEO shares	15,079	2,361	17,440
ANY shares	15,520	(20)	15,500
MASTERPLAST shares	27,979	721	28,700
OTP Bank shares	42,369	(869)	41,500
Richter Gedeon shares	97,202	1,591	98,793
Épduferr shares	50,000	-	50,000
Book value	**248,149**	**3,784**	**251,933**

Fair value was determined by the Group on the basis of stock exchange prices. The Group had no securities in the previous financial year.

17. Receivables from concession assets

Assumptions used to determine value at the reporting date:

	31 December 2021	**31 December 2020**
Gross value of assets under service concession arrangements	258,543	425,356
Expected credit loss	(698)	(1,148)
Net value of assets under service concession arrangements	**257,845**	**424,208**

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%): (The table does not contain the value of expected credit loss.)

Partner	**Date**	**Date of expiry**	**31 December 2021**	**31 December 2020**
Józsefváros	1 August 07	22 July 22	120,502	282,598
Érd	01. Nov.15	30.Sept.24	138,041	142,758
Total			**258,543**	**425,356**

The Group recorded the following movements for the concession assets:

All figures are in thousand HUF except if otherwise indicated.

	31 December 2021	31 December 2020
Opening balance	424,208	608,878
Adjustment for IFRS 9	-	-
Estimate change due to inflation	1,847	11,123
Amendment of contract	23,940	-
Decrease in receivables	192,491	196,134
Expected credit loss	341	341
Closing	**257,845**	**424,208**

According to the contract, the concession fees must be adjusted annually for inflation, which the Group recognizes each year as an impact in the reporting year. The fair value of these items does not significantly differ from their book value.
The Group recognized an expected credit loss of HUF 633 thousand for assets from the service concession agreements. The Group 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.

18. Assets held for sale

The LNG-CNG filling station in Szigetszentmiklós was transferred from tangible assets to assets held for sale. The sale of the asset was closed on 07.02.2022.

19. Inventories

	31.12.2021	31.12.2020
Cost of sold services	-	13,228
Supply and raw materials	13,011	9,166
Protective clothing	1,624	-
Passes	774	-
Goods	839	2,210
Total inventories	**16,248**	**24,604**

The raw and base materials in inventories at the end of the financial year are related to the operation of the restaurant and buffet catering units connected to the ski slope complex in Eplény operated by Síaréna Kft.
In addition to the needs of the catering units, the goods also include the inventories of a shop operated close to the ski slopes. The shop typically sells accessories for skiing (ski goggles, caps, underclothes).

20. Customers

	31 December 2021	31 December 2020

Trade receivables	247,188	163,908

	31 December 2021	31 December 2020
Not past due	193,057	76,791
Past due 0-90 days	45,405	5,360
Past due 91-180 days	6,390	3,342
Past due 181-360 days	3,248	77,129
More than one year	394,364	313,369
Trade receivables gross total	**642,464**	**475,991**
Impairment	393,690	304,220
ECL	(1,587)	7,863
Trade receivables total	**247,188**	**163,908**

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

In case of the receivables which expired by the balance day but – based on the judgement of the management of the Group – the Group did not identify any risk regarding the probability of their reception (or are covered by any other asset or liability), the Group did not use the opportunity of accounting depletion.

Non-impaired overdue receivables	**31 December 2021**	**31 December 2020**
Past due 0-90 days	47,945	5,360
Past due 91-180 days	6,390	3,342
Past due 181-360 days	3,076	77,129
More than one year	83	8,557
Total:	**57,494**	**94,388**

By the examination of the possibility of a specific trade receivable, the Group 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.

The balance sheet value of customers was decreased by the expected credit loss. The Group used the simplified method in connection with the expected credit loss (ECL) for the customers.

The fair value of these items does not significantly differ from their book value.

21. Income tax receivables

All figures are in thousand HUF except if otherwise indicated.

	31 December 2021	31 December 2020
Corporate tax receivable	11,666	15,810
Local tax receivable	597	5,868
Total other receivables gross	**11,069**	**21,678**

22. Other short-term liabilities

	31 December 2021	31 December 2020
Given loans	1,761,550	2,018,885
Collaterals	49,169	47,458
VAT receivable	53,172	150,482
Foreign VAT receivable	772	-
Receivables from litigation	75,439	-
Advance payment to suppliers	465,869	97,925
Other receivables	5,416	8,807
Expected credit loss	(11)	-
Total other gross receivables	**2,411,376**	**2,323,557**
Impairment recognized	(1,341,920)	(1,341,920)
Total other receivables	**1,069,456**	**981,637**

Related loan and interest	31 December 2021	31 December 2020
E-Star Mures Energy SA loan	1,415,458	1,672,409
E-Star Mures Energy SA interest loan	345,975	345,975
E-Star ZA Distriterm SRL	76	0
Total	**1,761,509**	**2,018,384**

The accounted depletion was generated in connection with the following receivables in 2021:

	Gross value	Impairment/ECL	Net value
Given loans	1,761,509	(1,341,751)	419,758
Advance payment to suppliers	465,869	(170)	465,699
Receivables from litigation and other receivable	80,855	(11)	80,844
Total	**2,308,232**	**(1,341,931)**	**966,301**

Expected credit loss amounting to HUF 11 thousand for the non-tax receivables according to the accounting policy. No credit loss was possibly accounted for other items.

All figures are in thousand HUF except if otherwise indicated.

The account of other short-term receivables after depletion contains the following items:

	31 December 2021	31 December 2020
Given loans	419,758	676,634
Advance payment to suppliers	465,699	836
Receivables from litigation	75,439	-
Collaterals	49,169	47,458
VAT receivable	53,172	150,482
Other receivables	772	-
Advances received	-	96,919
Loan to employee	42	501
Other receivables	5,405	8,807
Total	**1,069,456**	**981,637**

The Group 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).

23. Active accruals

	31 December 2021	31 December 2020
Accrual of premiums	791	825
Accrual of subscription fees	-	644
Accrual of legal fees	527	-
Other costs	972	10
Rental of tangible assets	8,776	24,431
Total	**11,066**	**25,910**

The line Deferral Leasing fee of tangible asset contains the leasing fee of the boiler houses paid in advance for 15 years by RFV Józsefváros Kft. The leasing fee was paid to the Municipality of Józsefváros District 8. Budapest Capital in 2007.

24. Cash and cash equivalent

	31 December 2021	31 December 2020
Bank balances	386,092	396,087
Term Deposits	-	-
Investment accounts	3,587	2437
Electronic money	39,669	-
Cash	13,740	27,074
Expected credit loss	76	57
Cash and cash equivalents	**443,012**	**425,541**

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

All figures are in thousand HUF except if otherwise indicated.

Most of the bank account balances are from the bank accounts held by Raiffeisen, and K&H Bank.

The Group recognized an expected credit loss of HUF 76 thousand on its cash and cash equivalents. The Group 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. The fair value of these items does not significantly differ from their book value.

25. Subscribed capital

Subscribed capital at nominal value	31 December 2021	31 December 2020
Denomination on 1 January	166,061	100,000
Nominal value of shares issued during the year	-	66,061
31 December 2021	**166,061**	**166,061**

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:

Composition of the Group's share capital in 2021:

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

Number of voting rights attached to the shares in 2021:

Series of shares	Number of units issued	Voting shares	Voting rights per share	All voting rights
Ordinary share	11,150,000	11,150,000	1	11,150,000
Convertible, dividend preferred shares	5,456,109	-	-	-
Total	**16,606,109**	**11,150,000**	**1**	**11,150,000**

Number of voting rights attached to the shares in 2020:

Series of shares	Number of units issued	Voting shares	Voting rights per share	All voting rights
Ordinary share	11,150,000	11,150,000	1	11,150,000
Convertible, dividend preferred shares	5,456,109	-	-	-
Total	**16,606,109**	**11,150,000**	**1**	**11,150,000**

None of the share types are limited in marketability.

All figures are in thousand HUF except if otherwise indicated.

Convertible dividend preference shares offer dividends from earnings after tax distributable among shareholders at a rate that is 5% better than the shares belonging to other share types and share classes, if the legal conditions for the payment of dividends are met. A convertible dividend preference share may be converted, one to one, into a series A dematerialized ordinary share with a nominal value of HUF 10 each, based on the decision of its owner. The beneficiary may notify the Board of Directors in writing of the conversion request 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, with proof of ownership, making sure that the notification is certifiably received by the company by the last day of the deadline. The Board of Directors is obliged to decide on the conversion of the notified convertible dividend preference shares into ordinary shares within 30 days after the last day of the given calendar half-year, if the aggregate amount of the notified request in the given calendar half-year reaches 500,000 series H convertible preference shares. The Board of Directors is entitled and obliged to determine the other detailed rules of the conversion (especially the date of the conversion). In the event of a partial conversion, the Board of Directors may stipulate that the shares affected by the conversion are blocked or transferred to a specified account number, as a prerequisite to the implementation of the conversion.

26. Capital reserve

HUF 19,268,205 thousand was transferred from the capital reserve in year 2021 to compensate for the negative profit reserve due to the loss.

	31 December 2021	**31 December 2020**
Balance at the beginning of the year	23,966,743	21,423,391
Capital increase from in-kind contributions	-	2,543,352
Transfer to retained earnings	19,268,205	-
Balance at the end of the year	**4,698,538**	**23,966,743**

The value of the capital reserves includes the amount made available to the Group for shares in excess of the nominal value which was decreased by the amount transferred to the profit reserve.

27. Accumulated conversion reserve

Some of the subsidiaries of the Group do not keep their books in Hungarian forint but in Romanian leu or Euro.

In case of conversion to HUF the use of different exchange rates in converting the equity and the assets and liabilities causes a difference. This difference changes and accumulates year on year. The Group presents this difference in a separate line within the equity, titled accumulated exchange reserve.

The changes in the amount of this reserve tax is shown in the table below:

	31 December 2021	**31 December 2020**
Opening balance	51,481	43,587

All figures are in thousand HUF except if otherwise indicated.

Accounted exchange difference	15,078	7,894
Closing	**66,559**	**51,481**

28. 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 until 25.09.2022, there are no other related conditions to be fulfilled, it is up to the beneficiary to exercise the option.

29. Own shares

The changes of the number and value of own shares are shown in the tables below:

Movements of pieces of treasury shares	**31 December 2021 piece**	**31 December 2020 piece**
Opening balance	2,144,041	2,144,041
Number of treasury share purchase in the period	2,295,000	-
Closing balance (piece)	**4,439,041**	**2,144,041**
Attributable to subsidiary	2,826,041	531,041
owned by EETEK:	2,295,000	-
owned by Enefi Projekttársaság	531,041	531,041

Movements of book value of treasury shares	**31 December 2021**	**31 December 2020**
Opening balance	(474,237)	(474,237)
Movements of book value of treasury shares	931,480	-
Movements of treasury shares in book value	**(1,405,717)**	**(474,237)**

EETEK Limited subsidiary purchased 2,295,000 pieces of the shares of its parent company in the financial year. The shares qualify as own shares from the aspect of the Group. The shares are recorded at procurement price by the Group.

630,000 piece of own shares have been separated for the settlement of share option (see explanatory note 26).

30. Non-controlling interests

The Group faced no uncertainty whatsoever or did not have to decide any more complex issue when it judged how to handle its investments. All its enterprises are qualified as subsidiaries and has 100%

All figures are in thousand HUF except if otherwise indicated.

share of them apart from two companies. The group has less than 100% share in RFV Józsefváros Kft. and Thermoenergy Srl. It is clearly seen in terms of all subsidiaries (including the ones not in 100% ownership) that control is held by the parent company, since control, operative daily tasks as well as the exposure conditions of changing yield are completely and clearly fulfilled. Subsidiaries under liquidation which cannot be included due to the lack of control are exception from this.

Table of changes of non-controlling shares for the previous and the reference year:

	31 December 2021	**31 December 2020**
Opening balance	42,029	36,371
Share of profit (loss) / profit for the year	(102)	5,657
Balance at end of year	**41,927**	**42,029**

31. Hitelek

Síaréna Kft. concluded an investment loan agreement with K&H Bank in years 2017 and 2019. Both loans shall expire in 2023. Loans were disbursed in HUF.

K&H Bank Zrt. disbursed additional HUF 10,000 thousand to Síaréna Kft. in year 2021 for current asset financing. The loan shall be payable in one sum upon expiry and interest in paid monthly in its duration. The loan is provided within the credit and therefore can be drawn for 12 months. During the maintenance period however the drawing period can be extended annually upon request.

	31 December 2021	**31 December 2020**
Long-term bank loans	50,757	75,009
Short-term bank loans	34,252	37,497
Total loans	**85,009**	**112,506**

All figures are in thousand HUF except if otherwise indicated.

The division of loans by expiry is shown in the table below:

Debtor	Expiry	Interest	31 December 2021	Due within 1 year	Due within 5 years	Due after more than 5 years
Síaréna Kft.	31.03.2023	1-month BUBOR + 2,75% interest margin	55,008	24,252	30,756	-
Síaréna Kft.	05.04.2023	1-month BUBOR + 2,75% interest margin	20,001	10,000	10,001	-
Síaréna Kft.	08.08.2024	1-month BUBOR + 2% interest margin	10,000	-	10,000	-
Total			**85,009**	**34,252**	**50,757**	-

No significant items belong to the loans which would divert the effective interest from the nominal interest rate. The fair value of these items does not significantly differ from their book value.

32. Other long-term liabilities

	31 December 2021	31 December 2020
Tangible asset purchased in instalments	356	131
Received a loan from Equilor Zrt	-	600
Received member's loan	493	25,456
Total	**849**	**26,187**

The change of loans and other long term financial liabilities is presented in the table below:

	Long-term loans	Other long-term debt
Opening	112,506	26,187
Loan repayment	37,497	25,038
Interest payment 2021	3,764	-
Borrowing	10,000	-
Purchase of tangible assets in detail year 2021	-	300
Forgiveness of loan	-	600
Closing	**85,009**	**849**

33. Suppliers

Only items expiring in a short period of time are presented among supplier debts which are presented at non-consolidated value. The fair value and the book value of the balance is nearly equivalent.

The division of supplier liabilities is shown in the following table:

	31.12.2021	31.12.2020
Non-due	194,816	54,461

All figures are in thousand HUF except if otherwise indicated.

Between 0-90 days	22,453	135,943
Between 91-180 days	2,733	231
Between 181-360 days	2,669	4,780
More than 1 year overdue	38,208	40,446
Total	**260,879**	**235,861**

The fair value of these items does not significantly differ from their book value.

34. Other short-term liabilities

	31 December 2021	31 December 2020
MAHART is a contractual obligation	157,124	2,482
MAHART's down payment	355,200	355,200
Other taxes payable	34,969	13,797
Advances received from buyer	119,665	18,150
Wages and salaries	37,893	29,533
Received loan	3,181	3,135
Common cost	-	3,281
Gift certificates	4,193	2,757
Other liabilities	4,031	1,547
Total	**716,256**	**429,883**

The amount already received but not yet accountable as revenue is included in MAHART contractual liability.

The vouchers issued for the ski slopes operated by Síaréna are valid until the end of year 2022.

Other short-term liabilities significantly increased by the end of the reference year. Higher amounts of advance payments to customers and extra wage and tax payment liability arising from the increase of the number of employees contributed to the increase.

The fair value of these items does not significantly differ from their book value.

All figures are in thousand HUF except if otherwise indicated.

35. Deferred income

	31 December 2021	31 December 2020
Accrued revenue	174,996	-
Accounting and payroll fees	2,592	7,178
Audit fee	5,781	7,774
Accrued revenue from government grants	-	164,302
Accrued legal and professional fees	5,650	-
Other costs	3,433	876
Total	**192,451**	**180,130**

36. Earnings per Share (EPS), EBITDA indexes

The basic value of earnings per share was calculated by taking the total profit and the average number of ordinary shares weighed by time. Only the profit allocated for the activity to be continued for ordinary shareholders may be taken into account in calculating the earnings per share. The Group does not account own shares as circulated shares and omits those in setting out the denominator.

In determining the diluted value, the profit had to be corrected by the part of shares for the preference shareholders and the number of shares had to be corrected by the number of preference shares issued and the number of potential ordinary share due to the option.

Basic and diluted EPS	31 December 2021	31 December 2020
Profit for the period attributable to ordinary shareholders	329,844	370,067
Weighted average number of ordinary shares (shares)	8,729,301	8,925,959
Weighted average number of diluted shares (shares)	14,815,410	14,892,482
Basic EPS (HUF/piece)	**(37,79)**	**41,46**
Profit for the period attributable to diluted EPS	530,775	595,499
Weighted average number of diluted shares	14,815,410	14,892,482
Diluted EPS (HUF/pieces)	**(35,83)**	**39,99**

In determining the diluted value, the profit had to be corrected by the part of shares for the preference shareholders and the number of shares had to be corrected by the number of preference shares issued and the number of potential ordinary share due to the option.

EBITDA

All figures are in thousand HUF except if otherwise indicated.

According to the practice in the industry, the Group decided to publish the EBITDA index as well which index is not defined in the IFRS. The calculation of the index is included in the accounting policies. EBITDA is calculated as follows:

	2021	2020
Profit/loss before tax	506,479	628,987
Depreciation	113,596	91,843
Elimination of net profit/loss from financial activities	58,707	755,129
EBITDA	**(334,176)**	**(34,299)**

37. Expected credit loss

According to the details presented n the chapter on accounting policy, the Group has applied IFRS Standard 9 from 1 January 2018. The Group exercised the option provided in IFRS Sections 9 7.2.1., and 7.2.15 and comparative figures were not modified.

Expected credit loss accounted in the reference year is presented in the table below:

	31 December 2021			31 December 2020		
	Amortized cost	Expected credit loss	Net value	Amortized cost	Expected credit loss	Net value
Concession receivables	258,543	(698)	257,845	425,356	(1,148)	424,208
Customers	238,173	2,267	235,906	171,771	7,863	163,908
Other receivables	80,855	(11)	80,844	981,637	-	981,637
Cash and cash equivalents	442,996	60	442,936	425,598	57	425,541
Total	**1,020,567**	**(3,036)**	**1,017,532**	**2,004,361**	**(9,069)**	**1,995,293**

38. Fair value hierarchy of financial assets

Under IFRS 13, in terms of the assets and liabilities of the Group valuated at fair value, the fair value hierarchy according to the three-level valuation shall be presented as follows for comparability:
The inputs used to determine the fair value o assets or liabilities may be classified at different levels within the far value hierarchy. In these cases the valuation at fair value shall be completely classified in the level of the fair value hierarchy in which the lowest level input is presented which is significant from the aspect of the entire valuation. In order to survey how significant an input is, the total valuation needs to be taken into consideration where the factors relevant to the asset or liability shall be taken into account.

Valuation level 1: registered, usually on the active markets of stock exchange prices homogenous assets or liabilities, to which the Group may have access at the time of sale.
Valuation level 2: measurement outside the registered prices, including inputs directly or even indirectly observed in terms of the asset or liability.
Valuation level 3: measurement using inputs indirectly observing the value of the asset or liability.

The Group possesses the following financial assets and liabilities:

All figures are in thousand HUF except if otherwise indicated.

Financial assets and balances		
Description	**31 December 2021**	**31 December 2020**
Securities	251,933	-
Trade receivables	247,188	163,908
Other receivables and accruals	1,080,522	1,007,546
Cash and cash equivalents	443,012	425,541
Total	**2,022,655**	**1,596,995**

Financial liabilities and balances		
Description	**31 December 2021**	**31 December 2020**
Bank loans	85,009	112,506
Trade payables	260,879	235,861
Other liabilities and accruals	909,556	636,200
Total	**1,255,444**	**984,567**

Individual instruments are placed in the fair value hierarchy as follows:

Description	**31 December 2021**			**31 December 2020**		
	Evaluation level 1	**Evaluation level 2**	**Evaluation level 3**	**Evaluation level 1**	**Evaluation level 2**	**Evaluation level 3**
Financial assets						
Securities	251,933	-	-	-	-	-
Trade receivables	-	-	247,188	-	-	163,908
Other receivables and accruals	-	-	1,080,522	-	-	1,007,546
Cash and cash equivalents	443,012	-	-	425,541	-	-
Total (assets)	**443,012**	**-**	**1,327,710**	**425,541**	**-**	**1,171,454**
Financial liabilities						
Bank loans	-	-	85,009	-	-	112,506
Trade payables	-	-	260,879	-	-	235,861
Other liabilities and accruals	-	-	909,556	-	-	636,200
Total (liabilities)	**-**	**-**	**1,255,444**	**-**	**-**	**984,567**

VI. Other disclosures

39. Re-definitions

Corrections of errors in previous period

In the profit and loss statement dated on 31.12.2020. the Group did not present the depletion of claim amounting to HUF 32,438 thousand written-off by its subsidiary Ski 43 Kft. and the local business tax payment liability determined by Síaréna Kft was presented at HUF 14 thousand higher value. As a result of the corrections, the profit reserve increased by HUF 32,424 thousand.

The errors affected the following lines (figures in thousand HUF):

	31.12. 2020 published	**Correction**	**31.12.2020 restatement**
Revenue	1,075,710	-	1,075,710
Cost of sales	511,698	-	511,698
Gross Profit	**564,012**	**-**	**564,012**
Material cost	75,597	-	75,597
Personnel cost	278,764	-	278,764
Service received	309,928	-	309,928
Other income/ expenses (-)	47,929	-	47,929
Depreciation	91,843	-	91,843
Net profit/loss from financial activities	755,129	32,438	787,567
Result of associated company granted for the group	18,049	-	18,049
Profit before tax	**628,987**	**32,438**	**661,425**
Income tax	27,830	(14)	27,844
Profit/loss after tax for current year	**601,157**	**32,424**	**633,581**
Exchange differences resulting from the conversion of foreign operations	7,894	-	7,894
Total other comprehensive income	**7,894**	**-**	**7,894**
			-
Total comprehensive income	**609,052**	**32,424**	**641,476**
			-
Share of parent company shareholders	603,393	32,424	635,817
Share of external owners	5,658	-	5,658
Earnings per share (HUF)			
Basic earnings per share	41,46		44,27
Diluted earnings per share	39,99		42,69

Effect of error on consolidated balance sheet:

All figures are in thousand HUF except if otherwise indicated.

	Published 31.12.2020	Correction	Restatement 31.12.2020
Other short-term receivables	981,637	32,438	21,423,391
Income tax receivables	21,678	(14)	21,664
Retained earnings	(19,178,849)	32,424	(19,146,425)

The correction had no effect on the opening balance sheet for year 2020. Therefore the opening balance sheet for 2020 is unchanged as follows:

Consolidated balance sheet - Assets	**01.01.2020**
Tangible assets	83,476
Intangible assets	14,527
Long-term receivables from concession assets	432,880
Other long-term receivables	487,652
Securities	100,557
Total non-current assets	**1,119,092**
Short-term receivables from concession assets	175,998
Trade receivables	78,391
Income tax receivables	1,989
Other short-term receivables	73,320
Active accruals	40,118
Cash and cash equivalents	123,152
Total current assets	**492,968**
Total assets	**1,612,059**

Consolidated statement of financial position - Equity and liabilities	**01.01.2020**
Share capital	100,000
Share premium	21,423,391
Accumulated revaluation reserve	43,587
Share-based benefit reserve	65,520
Treasury shares	474,237
Retained earnings	19,774,347
Equity attributable to owners of the Company	**1,383,914**
Non-controlling interests	36,371
Total equity	**1,420,285**
Provisions	47,600
Long-term lease liabilities	500
Total non-current liabilities	**48,100**
Trade payables	79,170
Passive Accruals	12,888
Short-term lease liabilities	8,442
Other current liabilities	43,175

All figures are in thousand HUF except if otherwise indicated.

Total current liabilities	**143,675**
Total liabilities	**191,775**
Total equity and liabilities	**1,612,059**

40. Transactions with Affiliated Parties

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

In the Board of Directors:

Csaba Soós, President of the Board of Directors

András Zoltán Petykó, Board of Directors member, from 18.11.2019 to 17.11.2021.

László Bálint, Board of Directors member, from 30.12.2016

Ferenc Virág, Board of Direcotrs member, from 30.04.2019

Dr. Piroska Paksi member of the Board of Directors from 09.07.2021 to 14.02.2022.

The Group entered into the following transactions with foregoing affiliates in 2021, and the following balances characterize the relationship:

Csaba Soós

Profit/loss position	**Amount**
Interest of member loan provided to Síaréna Kft.	-
Balance sheet position	
Amount of member loan provided to Síaréna Kft.	493

The below table shows the remuneration of executive officers.

	12.31.2021	**12.31.2020**
Salary	26,945	15,000
Honorarium	33,759	31,631
Commission fee	12,000	-
Total	**72,704**	**46,631**

The Group entered into the following transactions with affiliates in 2021, and the following key balances characterize the relationship (the transactions were essentially priced on an arm's length basis):

Pannon Fuel Kft.	**Amount**
Profit/loss position	

Income from the sale of associated companies	500
Balance sheet position	
Advances received from buyer	119,665

Non-consolidated affiliated parties (through chief executives):

- 43forfree Nonprofit Kft.
- Acél Manufaktúra Kft.
- Alpokalja Haus Kft.
- ARX Egészégügyi Központ Kft.
- CFB Projekt Kft.
- CSABA REHAB Kft.
- Fenyves Resort Kft.
- LNG-Tech Kft.
- Pannon Fuel Kft. (involved as an affiliated company until 01.09. 2021.)
- PROFIT-OPTIMA Holding Kft.
- RANDOM CAPITAL BROKER Zrt. (involved as an affiliated company until 01.09. 2021.)
- RND Solutions Zrt.
- TENDER INVESTMENT GROUP Pénzügyi Tanácsadó és Szolgáltató Kft.

41. Segment information

The Parent Company is a listed company, thus it is obliged to disclose segment information.

An operating segment is such part of an entity that

a) conducts business activities that generate revenue and expenditures (including income and expenses related to transactions with other parts of the same entity);
b) the operational result of which is regularly reviewed by the entity's main operative decision maker in order to make a decision about the resources to be allocated to the segment and to assess its performance; as well as
c) has the relevant financial information.

Members of the Board of Directors make the strategic decisions regarding the Group’s operation, so the management has prepared the financial statements regarding the establishment of segments with the consideration of the statements prepared for them. The activity of the Group is focussed on Hungary, Romania and Cyprus so the operational segments may be divided according to geographical regions.

From 2021, the management of the Group formed new business segments taking the significant change of the activity of the group into account. The characteristics of segments are presented in Section I.6.

<u>Figures for financial year 2021:</u>

All figures are in thousand HUF except if otherwise indicated.

	Ski operation	MAHART project	Revenues from lease	Heat sales	Not allocated to segment	Total
Revenue	694,116	9,036	108,840	270,718	8,501	1,091,211
Cost of sales	14,847	9,036	8,686	223,927	-	256,496
Gross Profit	**679,269**	**-**	**100,154**	**46,792**	**8,501**	**834,716**
Material cost	139,687	-	-	(154)	29,547	169,388
Personnel cost	350,664	-	-	38,889	121,133	510,686
Service used	135,328	-	73,088	9,703	162,834	380,954
Other revenue and expenditures, net	30,703	-	40,250	-	83,963	154,916
Depreciation	66,866	-	16,635	-	30,095	113,596
Net profit/loss from financial activities	3,554	-	26,461	-	81,614	58,707
Result of associated company granted for the group	-	-	-	-	19,363	19,363
Income from the sale of associated companies	-	-	-	-	53,263	53,263
Goodwill impairment	335,406	-	-	-	-	335,406
Profit before tax	**(321,533)**	-	**77,141**	**(1,955)**	**(260,134)**	**(506,479)**
Income tax expense	5,316	-	-	-	19,082	24,398
Profit for the year	**(326,848)**	-	77,141	(1,955)	**(279,215)**	**(530,877)**

Figures for financial year 2020:

	Ski operation	MAHART project	Revenues from lease	Heat sales	Not allocated to segment	Total
Revenue	323,626	367,518	186,201	167,964	26,489	1,071,798
Cost of mediated services	21,004	367,518	(176)	119,088	-	507,786
Gross Profit	**302,621**	**0**	**186,025**	**48,876**	**26,489**	**564,012**
Material cost	53,993	-	-	-	21,604	75,597
Personnel cost	143,512	-	-	39,237	96,015	278,764
Service used	48,528	-	68,422	10,640	182,338	309,928
Other revenue and expenditures, net	16,721	-	-	-	31,208	47,929
Depreciation	64,812	-	18,624	-	8,407	91,843
Net profit/loss from financial activities	3,087	-	49,399	676,633	32,184	755,129
Result of associated company granted for the group	-	-	-	-	18,049	18,049
Income from the sale of associated companies	-	-	-	-	-	-
Profit before tax	**5,410**	-	**148,378**	**675,632**	**(200,434)**	**628,987**
Income tax expense	7,197	-	-	-	20,633	27,830
Profit for the year	**(1,787)**	-	**148,378**	**675,632**	**(221,067)**	**601,157**

All figures are in thousand HUF except if otherwise indicated.

42. Management of financial and market risks

The Group is exposed to the risks arising from the change of market and financial conditions. These changes may affect the profit and loss, the value of assets and liabilities. Financial risk management aims to continuously reduce risks through operative and financing activities.

The Group is exposed to the following risks:

- Market risk
    - Foreign currency risk
    - Interest risk
- Liquidity risk
- Credit risk

Foreign currency risk

The Group has activities in foreign currencies too, which carries the risks arising from the changes of foreign currency exchange rates. Transactions in foreign currencies are presented through the transactions of the subsidiaries in Romania and Cyprus. The functional currency of Romanian subsidiaries is Romanian Leu while the functional currency of the subsidiary in Cyprus EETEK Limited is Euro.

The vast majority of the sales revenue of the Group however is generated in forint.

The management periodically reviews the agreements concluded in foreign currencies and revises the risk management opportunities through derived products.

The registered value of the monetary assets and monetary liabilities of the Group existing in foreign currencies was the following at the end of the reporting period:

31 December, 2021	RON	EUR	HUF
Debts	787	-	1,257,397
Trade and other receivables	620	2,997	927,668
Net position	**1,407**	**(2,997)**	**1,208,307**

Sensitivity analysis:

The most typical foreign currencies in transactions are RON and EUR so their exposedness to the HUF exchange rate is performed by providing the numeric figures of the changes of these two currencies.

The exchange rate sensitivity of the Group for 31 December 2021 in case of 2,5% or 10% change is shown in the table below:

All figures are in thousand HUF except if otherwise indicated.

31 December 2021

Exchange rate changes in%	Exchange rates HUF/EUR	Exchange rates HUF/RON	Impact on reference year
90,00%	332,10		
		67,10	159
		74,99	300
		82,02	440
100,00%	369,00		
		67,10	(141)
		74,56	-
		82,02	141
110,00%	405,90		
		67,10	(440)
		74,99	(300)
		82,02	(159)

31 December 2021

Exchange rate changes in%	Exchange rates HUF/EUR	Exchange rates HUF/RON	Impact on reference year
97,50%	359,78		
		72,70	40
		74,99	75
		76,42	110
100,00%	369,00		
		72,70	(35)
		74,56	-
		76,42	35
102,50%	378,23		
		72,70	(110)
		74,99	75
		76,42	40

Interest risk

Interest risk is the risk that the future cash-flows of certain financial asses and liabilities may fluctuate due to the effect of the changes of the market interest rate.

Effect of the changes of interest expenditures on profit:

All figures are in thousand HUF except if otherwise indicated.

	Data for the reference year	In case of interest change of 1 percentage point	In case of interest change of 5 percentage point	In case of interest change of 10 percentage point
Profit before tax	506,479	505,379	507,410	509,947
Interest expense	3,989	2,889	4,919	7,457
Value of liabilities affected by interest	85,009	50,757	50,757	50,757
Thereof: Bank loans	85,009	50,757	50,757	50,757
Average interest	4,69%	5,69%	9,69%	14,69%
Interest change		**21,31%**	**106,56%**	**213,12%**
Profit&loss change		**-0,22%**	**0,18%**	**0,68%**

1% point change of the average interest rate would cause -0,22% change in the net profit.
5% point change of the average interest rate would cause 0,18% change in the net profit.
10% point change of the average interest rate would cause 0,68% change in the net profit.

Effect of the changes of interest revenues on profit:

	Data for the reference year	In case of interest change of 1 percentage point	In case of interest change of 5 percentage point	In case of interest change of 10 percentage point
Profit before tax	506,479	488,760	467,773	425,797
Interest income	28,265	21,707	42,695	84,671
Value of assets affected by interest	677,603	419,758	419,758	419,758
Given loans	419,758	419,758	419,758	419,758
Receivables from concession assets	257,845			
Average interest	4,171%	5,171%	10,171%	20,171%
Interest change		24,0%	143,8%	383,6%
Profit&loss change		**-4%**	**-8%**	**-16%**

1% point change of the average interest rate would cause -4% change in the net profit.
5% point change of the average interest rate would cause -8% change in the net profit.
10% point change of the average interest rate would cause -16% change in the net profit.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities. The Board of Directors is responsible for managing the liquidity risk. The Group manages liquidity risk by keeping the reserves, bank credits and reserved loan options at appropriate levels, continuously monitoring the planned and actual cash-flow figures, and by arranging the expiries of financial assets and liabilities.

Figures for current year:

in thousand HUF	Immediately liquid	Due within 1 year	Due between 1 and 5 years	over 5 years or liquid in certain situations	**Total**
Cash and cash equivalents	443,012	-	-	-	**443,012**
Other receivables, prepayments, and accrued income	-	1,080,522	-	-	**1,080,522**
Income tax receivable	-	11,069	-	-	**11,069**
Trade accounts receivables	-	246,513	675	-	**247,188**
Inventories	-	16,248	-	-	**16,248**
Non-current assets held for sale	-	476,268	-	-	**476,268**
Receivables from concession assets	-	158,000	99,845	-	**257,845**
Goodwill	-	-	-	-	**-**
Intangible assets	-	-	-	32,433	**32,433**
Tangible assets	-	-	-	1,662,819	**1,662,819**
FVTPL Securities		251,933	-		**251,933**
Total financial assets	**443,012**	**2,240,553**	**100,520**	**1,695,252**	**4,479,337**

in thousand HUF	Expired	Due within 1 year	Due between 1 and 5 years	over 5 years or liquid in certain situations	**Total**
Other liabilities and passive accruals	-	908,707	-	-	**908,707**
Trade payables	-	260,879	-	-	**260,879**
Bank loans and other long-term liabilities	-	34,252	51,606	-	**85,858**
Provisions	-	-	-	-	**-**
Equity	-	-	-	3,223,893	**3,223,893**
Total financial liabilities	**-**	**1,203,838**	**51,606**	**3,223,893**	**4,479,337**
Accumulated position	**443,012**	**1,479,727**	**1,528,641**	**-**	**-**

Comparative figures for year 2020:

in thousand HUF	Immediately liquid	Due within 1 year	Due between 1 and 5 years	Over 5 years or liquid in certain situations	Total
Cash and cash equivalents	425,541	-	-	-	425,541
Other receivables, prepayments and accrued income	-	1,007,546	-	-	1,007,546
Income tax receivable	-	21,678	-	-	21,678
Trade accounts receivables	-	154,759	9,149	-	163,908
Inventories	-	24,604	-	-	24,604
Receivables from concession assets	-	192,023	232,185	-	424,208
Goodwill	-	-	-	335,406	335,406
Intangible assets	-	-	-	32,719	32,719
Tangible assets	-	-	-	2,109,406	2,109,406
Investment properties	-	-	-	931,385	931,385
Investments in associates	-	-	-	146,914	146,914
Total financial assets	**425,541**	**1,400,610**	**241,334**	**3,555,831**	**5,623,316**

in thousand HUF	Expired	Due within 1 year	Due between 1 and 5 years	Over 5 years or liquid in certain situations	Total
Other liabilities and passive accruals	-	610,013	-	-	610,013
Trade payables	-	235,861	-	-	235,861
Lease liabilities	-	-	-	-	-
Bank loans and other long-term liabilities	-	-	138,693	-	138,693
Provisions	-	-	-	-	-
Equtiy	-	-	-	4,638,749	4,638,749
Total financial liabilities	**-**	**845,874**	**138,693**	**4,638,749**	**5,623,316**
Accumulated position	**425,541**	**980,277**	**1,082,918**	**0**	**0**

Credit risk

Credit risk expresses the risk that the debtor does not perform its contractual liabilities, which results in financial loss for the Group.

The majority of the customers of the Group are large multinational companies, municipalities or listed companies or affiliates of units controlled by municipalities.

All figures are in thousand HUF except if otherwise indicated.

Most customers of the Group have been conducting business with the Group and credit losses rarely occur. As a result of the current market environment, monitoring the credit of customers day by day has become a key responsibility of the management.

The aged customers of the Group is as follows:

	1,208,307	**31.12.2020**
Non due	193,057	76,791
Between 0-90 nap days	45,405	5,360
Between 91-180 nap days	6,390	3,342
Between 181-360 nap days	3,248	77,129
More than 1 year overdue	394,364	313,369
Gross trade receivables total	**642,464**	**475,991**
Accounted impairment of trade receivables	393,690	304,220
ECL	(1,587)	7,863
Accounts receivable at the balance sheet date	**247,188**	**163,908**

43. Lawsuits in progress and pending claims

Lawsuits in progress in Hungary at the time of preparing the report:

Plaintiff	**Defendant**	**Matter in dispute**
EETEK LTD	Magyar Nemzeti Bank (Central Bank of Hungary)	Revision of an administrative decision

Lawsuits in progress in Romania at the time of preparing the report:

Item no.	**Plaintiff**	**Defendant**	**Matter in dispute**
1.	E-Star Mures Energy SA	**37** owners' association members	Validation of blocking
2.	E-Star Mures Energy SA		Filing bankruptcy protection request on 08/02/2013
3.	E-Star Mures Energy SA	Municipality of Târgu Mureș	Default interest on damages awarded for breach of the concession agreement, as follows: 1. RON 6,449,584.01 – statutory default interest calculated for the concession fee between 10.05.2013 and 26.05.2021. 2. RON 3,848,677.29 – contractual default interest calculated for the district heating subsidy for the period between 10.05.2013 and 26.05.2021. 3. RON 831,366.61 – contractual default interest calculated for the district heating consumption for the period between 10.05.2013 and 26.05.2021.

All figures are in thousand HUF except if otherwise indicated.

			4. RON 2,933,940.45 – statutory default interest calculated for the unamortized investment consisting of reimbursable assets between 10.05.2013 and 26.05.2021. 5. In addition to the above amounts, the calculation and claim of default interest until the full payment of the principal debts. 6. Update the above amounts with the inflation rate
4.	E-Star CDR SRL	**247** residential consumers	payment of fees under the consumer contracts
5.	E-Star CDR SRL	The City of Gheorgheni	Lawsuit for the determination of the amount of damages. The lawsuit separated from the damages lawsuit, the subject of which is the receivable of RON 3,071,101.56 + interest on the repayment of the concession fee.
6.	E-Star CDR SRL	The City of Gheorgheni	Separated from the lawsuit for damages relating to damages for the investment stated in the underlying lawsuit for damages: RON 100,707,289 + related claims + 15% of the annual internal rate of return for the entire contracted period
7.	Szilágy County Finance Intervener: ENEFI Asset Managment Nyrt.	Municipality of Zilah	- challenging the public interest expropriation price of a 623 m2 land
8.	ENEFI Energy Efficiency Plc	Finance	Cancellation of receivables still registered by the Finance Authority against ENEFI

Cash inflow may take place from the lawsuits where any legal unit of the Group is in the position of claimant. These potential cash inflows are qualified as pending claims providing that they are not practically certain. Pending claims were not allowed to be presented in the balance sheet so the net assets do not contain the value of these.

<u>The Group identified the following pending items in addition to the ones published above:</u>

The customer withheld 30% of the purchase price as collateral from the sale of Random shares. The discounted present value of the withheld amount according to the estimate of the management: 27.991 e Ft.

According to Section 37.32 of the IAS, the withheld purchase price qualifies as pending claim. Claims from which incoming economic benefits are expected, the amount and future scheduling of the claim is however uncertain.

44. Major Economic Events and Assessment of 2021

- In the repeated proceedings of the lawsuit for damages initiated by E-Star Mures Energy SA (in liquidation, "Mures") against the Municipality of Târgu Mures, the appeals submitted by both parties have been rejected. The decision is final and executable but was not yet explained on 05.01.2021.
- The lawsuit separated from the damages lawsuit filed by the City of Gheorheni against E-Star CDR SRL, the subject of which is the receivable of RON 447,454.13 + interest on the unrealized income from the district heating price difference. There are three lawsuits in progress relating to the amounts for tactical reasons from which the lawsuit of the lowest amount disputed about the distant heating price difference has been closed on 18.02.2021. at first instance with CDR winning the lawsuit. Additionally, two damages lawsuits are in progress with high subject value.

- According the decision of the Romanian Supreme Court, made without a hearing and published on its website, ENEFI won the lawsuit the subject of which was an objection against the tax liability of RON 7,602,324 levied on the Company's office taxable in Romania. The lawsuit was closed on 08.03.2021. The Court of Appeal dismissed the appeal brought by the Romanian Finance Authority against the first-instance decision approving the Company's claim.

- A final decision was made in the lawsuit between ENEFI Vagyonkezelő Nyrt. and Sălaj County Finance Authority, the subject of which is the objection to the second seizure report of the land in Zalău. The lawsuit was closed by winning on 09.03.2021.

- On 21.04.2021 a final decision was made in the lawsuit between ENEFI Vagyonkezelő Nyrt. and Sălaj County Finance Authority, the subject of which is Reduction of the value of the first seizure registered in the land register from RON 8,967,172 to RON 265,977.

- Accepting its existing payment liability to E-Star Mures Energy SA amounting to approx. RON 16 million based on the previous decision of the Court of Târgu Mures, the Municipality of Târgu Mures city with county authority has undertaken to pay such amount in 20 monthly instalments and accordingly, it transferred the amount of RON 804,306 to E-Star Mures Energy SA according to the notification of the liquidator of E-Star Mures Energy SA on 03.06.2021

- 9,46% share in Random Capital Zrt. was sold. The sale was closed in September 2021. Under the sale and purchase agreement, part of the purchase price was withheld as collateral for the emptor.

- The Central Bank of Hungary approved the prospectus prepared for the conversion of the 2,500,000 pieces of employee shares as well as the listing of 1,150,000 pieces of ordinary share and 5,456,109 pieces of dividend priority shares on 28. September 2021. The securities were listed in the Standard category of the Shares section of the Budapest Stock Exchange by the approval date of the Prospectus.

- The Issuer continues its operations at a new registered seat from 22.10.2021: 1039 Budapest, Pünkösdfürdő utca 52. 4. Emelet, 413. Ajtó.
- The real estates in Meder Street and Balatonfenyves were sold from the real estates held for investment purposes on 18.11.2021.
- Decision on the sale of the Szigetszentmiklós M0 filling station was made on 16.12.2021. The Sale and Purchase Agreement was signed. Ownership was transferred and financial settlement was performed in 2022.

45. Major events following the reporting period

The Group identified the following major events following the balance sheet day which – being non-modifying events – have no influence on the figures of the statements.

- The Szigetszentmiklós M0 filling station was sold to Shell Hungary Zrt. on 07.02.2022. The purchase price was paid.

- The Group concluded a preliminary agreement on 30.03.2022. on the plot in Zalău that had previously been depleted to the amount of HUF 0. The purchase price was EUR 1.2 million and the closure of the transaction depends on making the real estate free of encumbrances.

46. Announcements due to interests in other business association

The Group has subsidiary and affiliated company investments. Classification to each category was made on the basis of ownership share with the following exceptions:

- former subsidiaries under liquidation: these cannot be included because control is already exercised by the liquidator.
- In case of Random Capital Zrt. the ownership rate is below 20% which is considered as a strong sign by the IFRS however the controlling influence is achieved by the overlap of the owners of IG and Random Capital Zrt. (IAS 28.6). The ordinary shares of Random Capital Zrt. were sold during the year so the profit from the company was consolidated pro rata.

The Group had to face restrictions affecting access to net assets, profit or cash-flow in none of its companies.

The Group has no consolidated or non-consolidated interests in which control cannot be established on the basis of votes or where the votes do not serve the governing of relevant activities leading to control (structured businesses).

None of the members of the Group is qualified as an investment company or has shares in such. All companies publish their separate financial statements according to their governing law.

47. Disclosures related to the auditor

Under Act C. of 2000 on accounting, the Group shall compulsorily audit its consolidated financial statements by an auditor. In year 2020, the audit was conducted by UNIKONTO Számvitelkutatási Kft. (1093 Budapest, Fővám tér 8. III/317.3.; tax number: 10491252-2-43; chamber reg. no: 001724)

Person in charge of fulfilling the auditor's tasks on behalf of UNIKONTO Számvitelkutatási Kft.

Dr. László Péter Lakatos (Licence number of auditor: 007102)

The annual fee of audit based on the Accounting Act for the consolidated financial statements compiled according to the International Financial Reporting Standards (IFRS): HUF 3,000 thousand + VAT. The auditor did not and has not performed any activity in addition to the audit required by law at the Group.

48. Disclosures related to the audit service provider

These financial statements were prepared by Hajnalka Réti who is a registered IFRS chartered accountant (registration number: 202580). The chartered accountant performed her task as a contractor of Rean Hungary Kft.

49. Disclosures related to COVID-19 pandemic

As in most of year 2020, also in the entire year 2021 one of the most important factors shaping the eco-social environment was the coronavirus pandemic.

Energy efficiency

The programs of the Group related to energy efficiency remained unaffected by the effects of coronavirus in year 2021 like in 2020.

Eplény, Síaréna Kft.

The pandemic and the resulting restrictions may affect the number of visitors at the Eplény síaréna most among the activities of the Group. Year 2021 may be seen fortunate from the point of view that there were now measures in force significantly restricting the operations during the season (January, February, early March and December). The part of the season in the beginning of the year could be closed successfully in spite of the pandemic and the month of December also brought similar revenues to the same period of 2020.

Real estate management and development

Due to the delay of the developments of the plot in Balatonfenyves, the real estate was sold before the commencement of the developments. However the utilisation of the real estate in 8 Meder Street was conducted successfully and it was operated at 100% capacity in the period prior to the sale but the payment discipline is assumed to have become significantly worse also due to the pandemic.

Continuation of Romanian lawsuits

The Group is still expecting payments by the magnitude of billions in the lawsuits in progress. Although positive news was received in connection with the lawsuit again the Municipality of Târgu Mures in the beginning of the year, the lawsuits are generally prolonged. The pandemic further extends this process due to the limited operation of courts, however these restrictions have mostly been lifted in the reference year and thus the normal course of cases is continued.

Development of asset management

Like in year 2020, also in 2021, the implementation of the asset management strategy, exploring and recognising opportunities were more difficult due to the pandemic. In spite of this, it is positive that the waves bringing fewer and fewer restrictions have much less effect on the asset management processes than in the year preceding the reference year.

50. Disclosures related to the Russian - Ukrainian war

The management is studying the effect of the war breaking out between Russia and Ukraine in the end of February 2022 on the business of the Group. On the basis of this, the Group assumes that there is no direct exposedness so the war has no direct and immediate effect on the financial situation of the Group and this on the financial report. However, the crisis may have indirect economic effects which influence the corporate sector as well as the population and this may have effect on the operation and business of the ENEFI Group. The management is continuously monitoring the situation.

51. Declarations

Let us call attention to the fact that there are several important factors, which may result in significantly different actual results from the assumptions made for the future.

Declaration of responsibility – Based on the applied accounting regulations, this Consolidated Annual Report prepared to the best of our knowledge gives a true and fair view of the assets, liabilities, financial position and results of ENEFI Asset Management Plc. and its companies included in the consolidation, as well as the position, development and performance of the enterprises included in the consolidation, demonstrating the major risks and uncertainties.

52. Approval of financial statements

ENEFI Vagyonkezelő Nyrt approved its consolidated annual report for year 2021 prepared according to the International Financial Reporting Standards (IFRS) at its meeting of the Board of Directors held on 6 April 2022.

Budapest on 6 April 2022.

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Csaba Soós	László Bálint
Chairman of the Board of Directors	Member of the Board of Directors

ENEFI Asset Management Plc.

CONSOLIDATED BUSINESS REPORT OF THE BOARD OF DIRECTORS

for the Annual Consolidated Report of 31 December 2021

06. 04. 2022

PURPOSE OF THE REPORT

The purpose of this report is to evaluate the data of the annual financial statements of ENEFI Vagyonkezelő Nyrt. (hereinafter: "Company", or "Contractor" or "ENEFI" or "Issuer") and thereby present its asset, financial and income position, including the main risks and uncertainties arising in the course of the contractor's activities, in order to give a true and fair view of them corresponding to the actual circumstances, based on past and expected future facts.

I.

Information about the parent company of ENEFI Asset Management Plc.

1. Basic details of the Company, composition of the subscribed capital:

Basic information about the Company

Company name:	ENEFI Asset Management Plc.
The English name of the company:	ENEFI Asset Management Plc.
Seat:	1039 Budapest, Pünkösdfürdő u. 52. 4. emelet 413.
Branch Office:	8413 Eplény, Veszprémi u. 66 A. ép.
Tax number: 13719069-2-41	
Country of residence:	Hungary
Telephone number:	06-1- 279-3550
Fax:	06-1- 279-3551
Governing law:	Hungarian
Stock exchange introduction:	Budapest Stock Exchange Warsaw Stock Exchange
Form of operation:	public company limited by shares

Legal predecessors of the company, changes in the company form

The Company was established as a limited liability company, then transformed into a private limited company and subsequently into a public limited company as follows:

(Regionális Fejlesztési Vállalat Korlátolt Felelősségű Társaság) Regional Development Company Limited Liability Company

Date of formation: 17.05.2000
Date of post: 29.06.2000
Expiration date: 12.06.2006

(Regionális Fejlesztési Vállalat Zártkörűen Működő Részvénytársaság) Regional Development Company Limited Liability Company

Date of post: 12.06.2006

(Regionális Fejlesztési Vállalat Zártkörűen Működő Részvénytársaság) RFV Regional Development, Investor, Producer and Service Public Limited Company

Date of change: 12.03.2007

The shares were listed on the Budapest Stock Exchange on 29 May 2007.

(E-STAR Alternatív Energiaszolgáltató Nyrt.) E-STAR Alternative Energy Service Plc.

Date of change: 17.02.2011
Registration Date: 04.03.2011

(ENEFI Energiahatékonysági Nyrt.) ENEFI Asset Management Plc.
Date of change: 09.12.2013
Registration Date: 17.12.2013

(ENEFI Vagyonkezelő Nyrt.) ENEFI Asset Management Plc.
Date of change: 29/11/2019
Registration Date: 09/01/2020 Publication date: 14.01.2020

Duration of the Company's operation

The Company was established for an indefinite period of time.

Share capital of the Company

Share capital of the joint stock company: HUF 166,061,090 (i.e. one hundred and sixty-six million sixty-one thousand and ninety forints).

The shares of the Company

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 total number of shares issued by the company is as follows: 16.606.109 db.

Composition of share capital, significant shareholders on the balance sheet date:

Tranche of shares (BSE)	**ISIN:**	**Nominal value (Ft/piece)**	**Number of issued shares**	**Total nominal value (HUF)**
ORDINARY SHARE	HU0000089198	10	11,150,000	(111,500,000)
Convertible dividend preference share	HU0000173737	10	5,456,109	(54,561,090)
Capital size	-	-	16,606,109	(166,061,090)

The shares are associated with the rights and obligations set forth in the law and the Company's Articles of Association.

2. Transfer of issued shares representing the subscribed capital:

The rules for the transfer of shares are set out in the Hungarian Civil code, the Capital Markets Act and the Articles of Association of the Company. The Articles of Association of the Company do not stipulate any provision or restrictions other than the law.

3. Shares issued that have special control rights attached:

The Company has not issued such shares.

(4) Governance mechanism required by the employee shareholding plan in which governance rights are not exercised directly by employees:

The Company does not have such a shareholding plan.

(5) Restrictions on voting rights
At the request of the Board of Directors, shareholders registered in the share register (custodian, shareholder's proxy, joint representative in the case of jointly owned shares) must immediately declare the degree of their influence they have in the company as beneficial owners. If the shareholder does not comply with such instruction within the required deadline, his rights shall be suspended until he complies with his obligation to provide the information.

The Articles of Association and other regulations of the Company do not contain any other provisions deviating from the law regarding the restriction of voting rights. The convertible dividend preference share does not carry any voting rights.

(6) Agreement between Owners:
The Company is not aware of any arrangement between the owners that may result in a restriction on the transfer of issued shares or voting rights.

(7) Rules for the appointment and removal of senior executives and for the amendment of the articles of association:
The main body of the Company, the General Meeting, adopts resolutions by a simple majority of the votes cast, unless a higher proportion of votes is required by law or its authorisation or stock exchange regulations whose application is mandatory in the company's operations.

(8) Powers of senior executives, in particular powers to issue and repurchase shares:
According to the Company's Articles of Association:

> *(7) "The Board of Directors is entitled to make decisions regarding the change of the name, registered office (branch, local office), scope of activities (except for the main activity) of the company and to amend the articles of association in connection with this."*

The General Meeting may authorise the Board of Directors to increase the share capital of the Company and to make the related decisions.

„VI/1. The General Meeting authorises the Board of Directors to make all decisions regarding the conversion of convertible dividend preference shares into ordinary shares. The authorisation applies to the amendment of the Articles of Association in connection with the conversion and to the adoption of all related decisions that otherwise fall within the powers of the General Meeting. The authorisation applies to the one-to-one conversion of all convertible dividend preference shares issued by the company, in whole or in part, into ordinary shares, as part of one or more resolutions without any time limit."

9. Agreement in the case of a public takeover bid:
There is no material agreement entered into with the participation of the Company that enters into force, is amended or terminated due to a change in the management of the Company following a public takeover bid.

(10) Agreement between the company and its employees:
There is no agreement concluded between the Company and any chief executive or employee thereof, which sets forth compensation for damages in the event that the chief executive resigns or the employee quits, if the legal relationship of the chief executive or the employee is unlawfully terminated or the legal relationship is terminated due to public purchase offer.

II.

Information on companies included in the consolidation

The following subsidiaries are currently included in the scope of consolidation of ENEFI Asset Management Plc.

	The name of the Company	Country/Headquarters	Share capital	Direct and indirect ownership (%)	Voting rights (%)
1	Ski43 Program Nonprofit Zrt..	Hungary 1039 Budapest, Pünkösdfürdő u. 52. 4. emelt 413.	5,000,000 HUF	100%	100%
2	ENEFI Projekttársaság Kft.	Hungary 1039 Budapest, Pünkösdfürdő u. 52. 4. emelt 413.	3,000,000 HUF	100%	100%
3	RFV Józsefváros Szolgáltató Kft.	Hungary 1138 Budapest, Meder utca 8. B. ép. fszt.	3,000,000 HUF	49%	70%
4	Síaréna Korlátolt Feleősségű Társaság	Hungary 8413 Eplény, Veszprémi utca 68/A.	3,000,000 HUF	100%	100%
5	Termoenergy SRL	Romania Gyergyószentmiklós, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	6,960 RON	99,50%	99,50%
6	E-STAR Centrul de Dezvoltare Regionala SRL	Romania Gyergyószentmiklós, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	525,410 RON	100%	100%
7	E-STAR Energy Generation srl	Romania Zilah, Nicolae Titulescu street, 4 , 2nd floor, room 5 (Zalău, Str. Nicolae Titulescu, nr. 4, Etaj 2, Ap. camera 5)	90,000 RON	99,99%	99,99%
8	E-STAR Alternative Energy srl	Romania Gyergyószentmiklós, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	90,000 RON	99,99%	99,99%
9	SC Faapritek srl	Romania Gyergyószentmiklós, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	90,000 RON	99,99%	99,99%
10	EETEK Limited	Cyprus 1 Arch. Makariou III Mitsi Building 3, 2nd Floor, Flat/Office 201 1065 Nicosia	1,000,000 EUR	100%	100%

Companies in liquidation belonging to the Group that have not been included in the consolidation

Name	Country/Headquarters	Share capital	**Level of participation**	**Voting rights**
E-STAR Mures Energy SA “under liquidation”	Romania Marosvásárhely, Forradalom utca 1 (Tg. Mureș str. Revolutiei nr.1)	90,000 RON	99,99%	99,99%

Affiliated companies: *

Name	Country	Share capital	**Level of participation**	**Voting rights**
Pannon Fuel Kft.	Hungary 1134 Budapest, Klapka utca 11.	6,169,740 EUR	20,00%	20,00%

* The share of ENEFI was sold in the reference year.

III.

1. Business environment and development of the business, comprehensive analysis of the Company's performance and position, the Company's business policy:

2020.

The Issuer continued its thermal energy service business (as part of the branch of the accepted strategic basic pillar) and the activity of the Issuer was also completed with the asset elements, which had contributed to the revenues in 2020. An amendment to the share capital and company name was registered by the court of registration on 09.01.2020. Share capital of the joint stock company: 166,061,090,- Ft. 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. English name of the company: ENEFI Asset Management Plc. The shares from the Capital Increase were generated by KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB refused to approve the prospectus prepared for the listing of the shares presented above to the regulated market and terminated the licencing procedures on 06.08.2020. The Company will repeat the submission and approval of the prospectus.

Ferencz Bálint resigned from his position as a member of the Company's Supervisory and Audit Committee by 09.09.2020. due to his other occupations.

The current business environment of the Issuer

The Budapest-based Group of Companies currently consists of companies present in Hungary and Romania. In terms of sales revenue, currently, the previously concluded long-term thermal energy service agreements play an important role. Information related to the new activities started by the Capital increase was started in 2020.

Operation and principal activities of the Issuer (in year 2020-2021)

year 2020.

The Issuer continued its thermal energy service business (as part of the branch of the accepted strategic basic pillar) and the activity of the Issuer was also completed with the asset elements, which had contributed to the revenues in 2020. An amendment to the share capital and company name was registered by the court of registration on 09.01.2020. Share capital of the joint stock company: 166,061,090, - Ft. 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. English name of the company: ENEFI Asset Management Plc. The shares from the Capital Increase were generated by KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB refused to approve the prospectus prepared for the listing of the shares presented above to the regulated market and terminated the licencing procedures on 06.08.2020. The Company will repeat the submission and approval of the prospectus.

Bálint Ferencz resigned from his position as a member of the Company's Supervisory and Audit Committee by 09.09.2020. due to his other occupations.

The Issuer accepted the Strategy currently in force in June 2019 with which it intends to put the Issuer on the way of growth again according to the contents thereof.

According to the new Strategy of the Issuer, the Issuer intends to shift its main activity towards asset management.

Year 2021.

The activity of the Issuer in the entire year 2021 was based on the asset management structure divided to Pillars fitting in the strategy announced as asset management. The Issuer continued its thermal energy service business branch providing ESCO revenues. The amount decreased further and it is expected to finally end in 2024. Most of the asset elements n the Pillars of the asset management branch were taken out of the group and the change of these asset elements are included in the following division according to the Pillars. An amendment to the share capital and company name was registered by the court of registration on 09.01.2020. Share capital of the joint stock company: 166,061,090, - Ft. 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. English name of the company: ENEFI Asset Management Plc. The shares from the Capital Increase were generated by KELER Zrt. The shares issued in connection with the capital increase were also allocated to the entitled shareholders. MNB approved the listing of the shares presented above to the regulated market in 2021.

The General Meeting of Enefi Asset Management Plc. elected Dr. Piroska Paksi to be member of the Board of Directors from 09.07.2021. who held this position until 14.02.2022.

András Zoltán Petykó, member of the Board of Directors resigned from his membership on 17.11.2021.

The Issuer accepted the Strategy currently in force in June 2019 with which it intends to put the Issuer on the way of growth again according to the contents thereof.

According to the new Strategy of the Issuer, the Issuer intends to shift its main activity towards asset management.

The basis of this currently is the corporate and real estate investments made by the Issuer, the operation of Síaréna Kft in 2021 and the change of asset elements based on the following:

a.) Brief description of Síaréna Kft.

Date of acquisition: 09.01.2020.

Form of ownership: 100 percent stake, full consolidation

Síaréna Kft reached record sales revenue in year 2021, nevertheless its operation was negatively influenced by the following:

- Significant decrease of winter sales revenues (January, February, March and December 2021), catering, training and borrowing volumes, which is on the one hand the effect of the COVID 19 pandemic as a decrease in catering and significantly increasing number of visitors on the basis (2020) who used the training and borrowing services much less on the on the one hand.

- Limited spring and supper opening hours due to the COVID 19 pandemic.

- Significant drought from mid-2021 which affected the operation of the ski slope in December 2021.

- Human resources management was the greatest challenge in 2021 since wages significantly increased in the service sector and providing the adequate seasonal human resources caused great difficulties and significant extra costs.

Seeing the difficulties arising from the beginning of year 2021, the management of Síaréna started the reorganisation of operations and adaptation to the changed situation. The management started determining reorganisation and processes in 2021 which efforts are continued in 2022 as well.

In November 2021, Enefi Asset Management Plc. published the business and implementation plan for the "longest water slide in the world" in which the expected return of the project was detailed and Enefi Asset Management Plc. had the value of the project valuated by a judicial specialist as its greatest asset element. Preliminary works related to the construction of the slide have been commenced.

b.) Brief description of 8. Meder Street

Date of sales: 18.11.2021

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: direct (owned) real estate ownership

The Company sold the real estate in Meder Street in 2021 and used it as a tenement together with the 14 parking places belonging to it until the date of sales.

c.) Description of building plot in Balatonfenyves

Date of sales: 18.11.2021

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: direct (owned) real estate ownership

The Company sold the real estate in 2021 and it had not performed any business activity to utilise the real estate before the reference year.

d. Brief description of Random Capital Zrt.

Date of sales: 01.09.2021

All ordinary shares (54 pieces) owned by the Group were sold.

Date of acquisition: 09.01.2020. (registration at the company registration court)

Form of ownership: affiliated company, ownership of shares (9,46 per cent of all issued shares), withdrawn as affiliated company

The Company sold its shares in Random Capital Zrt. in 2021. The transaction is closed but it has not been completely accounted financially (withheld purchase price).

e. Acquisition of LNG/LCNG filling station

Date of sales: 07.02.2022

Date of acquisition: 27.11.2020

Form of ownership: direct ownership

The issuer announced on 16.11.2021 that it was continuing negotiations about the sales of the filling station. The filling station was sold on 07.02.2022. The Company had not used the filling station before it was sold and it was operated by Pannon Fuel Kft. in absence of licence.

Enefi Asset Management Plc. started its activity at the capital market purchasing shares in year 2021.

MAIN RESOURCES OF THE COMPANY

Human resources

Number of direct employees of ENEFI Nyrt.: 12 people (RFV, SKI43, Romanian and Hungarian ENEFI operations)
Síaréna Kft. number of employees: 42 people (average value, 264 people during high season)

Financial resources

1. Own funds from continuing operations
2. Liabilities from own funds
3. Hitel
4. Cash equivalent of fixed assets (e.g. treasury shares with sale restrictions (liquidity, rights, etc.))
5. Cash recovery from lawsuits won

The Company can cover the financing of the operation from its revenues. Starting new projects required due care and weighing risks. The customer base (local governments and their institutions) carry the possibility of the risk of non-payment. At the moment, the entire Hungarian operation takes place without the use of bank financing. If the capital requirements of the newly launched projects exceed the available resources, the Company may need external financing.

RISK FACTORS

The detailed presentation of the risk factors can be found in the Company's previously published Combined Prospectus (pages 22–37), available here: http://bet.hu/newkibdata/115693892/T_j_koztat_.pdf

Earnings obtained during the reporting period and outlook

The components of asset management constituted the major part of sales revenue for the Company in year 2021 along with the ESCO-based services.

	12.31.2021	12.31.2020
Revenue	21,423,391	21,423,391
Direct costs	256,495	507,786
Gross profit	**834,716**	**564,012**
Material costs	169,388	75,597
Personnel expenditures	510,686	278,764
Services availed of	380,954	309,928
Other income/ expense (-)	154,916	47,929
Depreciation Write-Off	113,596	91,843
Other expense (income) of financial transactions	58,707	755,129
Share from profit of affiliated companies	19,363	18,049
Profit from sale of affiliated company	53,263	-
Goodwill depletion	335,406	-
Profit before tax	**506,479**	**628,987**
Income tax	24,398	27,830
Profit/loss for the current year	**530,877**	**601,157**
Parent company shareholders' share of profit or loss	530,775	595,499
Share of external owners in the result	(102)	5,658
Exchange differences resulting from the conversion of foreign operations	15,078	7,894
Total other comprehensive income for the period	**15,078**	**7,894**
Total comprehensive income for the period	**515,799**	**609,052**
Share of parent company shareholders	515,697	603,393
Share of external owners	(102)	5,658

Earnings per share (HUF)		
Basic earnings per share	(37,79)	41,46
Diluted earnings per share	(35,83)	39,99

The table above clearly shows that the most important profit lines of the Group have increased: therefore fundamentally the Sales revenues have increased to HUF 1.091 billion compared to HUF 1.075 billion last year. The analytics of sales revenues of this activity is shown in the table below:

	Business year of 2021.	**Business year of 2020.**
Heat sale	270,718	167,964
Income of other operations	8,501	26,489
Revenue from lease	108,840	186,201
Revenue from MAHART project	9,036	367,518
Ski slope operation	694,116	323,626
Total	**1,091,211**	**1,208,307**

Revenue includes only yields relating to the Group's principal activity.

The revenue of the Group consists of the sale of heat produced, yield of assets operated for third parties, project implementation, leasing and the operation of Síaréna.

With the exception of accounting for accruals , 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. In case of assets operated for third parties, the Group determined the revenues with the implicit interest rate method from the future cash flows. These asset elements are subject to IFRIC 12.
On behalf of MAHART, the Group will establish a filling station based on a tender won in a public procurement procedure. The construction of the filling station is based on the customer's guidelines, the created output (filling station) is controlled by the customer. Therefore, revenue should be recognized on a pro rata basis (over time) for this project.

The degree of completion (PTC) is determined by the Group in proportion to the planned and actual costs. During this period, the Group concluded that there is a significant chance that revenue would be reversed on a pro rata basis, as the Group has no significant experience with such and similar contracts and contract amendments are currently in progress (IFRS15.57). Based on the Group's estimates, the Group is reasonably certain that the costs incurred will be recovered, so it has estimated the revenue in the same amount as the costs incurred.

The significant increase of payments to personnel arising from the consolidation of Síaréna Kft. is of the largest volume. The management of Síaréna started reorganisations in year 2021 to improve its efficiency and reduce costs.

Major items modifying profit and loss not as operation sales revenue:

Impairment and write-off of financial assets

	Business year of 2021.	**Business year of 2020.**
Reversal of impairment on receivables from E-Star Mures Energy SA loan	-	676,633
Depreciation of customer receivables	82,105	(1,467)
Write-off of other receivables	-	17,304
Expected credit loss	6,589	2,768
Total	**75,516**	**689,702**

Financial profit was as follows due to the above items:

	Business year of 2021.	**Business year of 2020.**
Interests and interest-type items	16,809	65,427
Depreciation and write-off thereof	75,516	689,702
Total, net	**58,707**	**755,129**

Future prospects

The Group sees the opportunities for development in the near future as follows:

Acquisition of new assets in accordance with ENEFI Nyrt's asset management strategy. An opportunity for direct value creation, revenue potential and potential cash flow in dividends.

Changing the currently seasonal operations of Síaréna Kft to a 12-month business model. Preparations for the announced "longest waterslide of the world" project have started but implementation has not been commenced.

Project opportunities that may be accomplished individually, as the intellectual potential of the Company's senior management.

In the meantime, the Company's energy efficiency ESCO contracts and the resulting sales revenue will continue to decline until 2024.

The Company expects to win more lawsuits as a result of announced litigation. At the same time, it has been proven several times over the past two years that recovery from ongoing lawsuits is a real potential.

Quantitative and qualitative indicators and indicators of performance measurement

The corporate group level indicators as per 31 December 2021 are presented in the table below.

Name of the indicator	2021. December 31.	2020. December 31.
Fixed assets ratio (fixed assets/balance sheet total)	40,08%	67,36%
Debt ratio (liabilities/assets)	28,03%	17,51%
Profitability as a proportion of sales (net profit before tax/sales)	-46,41%	58,47%
Return on equity (pre-tax profit/equity)	-15,71%	13,56%
Liquidity ratio (cash/current liabilities)	222,97%	216,97%
Liquidity ratio (cash / current liabilities)	36,80%	50,31%

Detailed Description of the Consolidated Financial Situation of the Company

The detailed description of the consolidated financial situation of the Company is included in the annual report presented together with the present report, while the annual consolidated report includes it at corporate group level.

The Company draws attention to the fact that, as a public listed company, it discloses all significant events related to the Company on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and Magyar Nemzeti Bank (www.kozzetetelek.hu).

Major Economic Events and Assessment of 2021

The major economic events for ENEFI in 2021 were presented in detail in its announcements for the current year.

The Company draws attention to the fact that, as a public listed company, it publishes all significant events related to ENEFI in the form of a notice, which can be found on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and the Hungarian National Bank (www.kozzetetelek.hu).

2. Material events and processes of particular significance occurred after the balance sheet date:

The major economic events for ENEFI in 2022 were presented in detail in its announcements for the current year.

The Company draws attention to the fact that, as a public listed company, it discloses all significant events related to E-Star in the form of an announcement, which can be found on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and Magyar Nemzeti Bank (www.kozzetetelek.hu).

3. Expected development (known and expected development of the economic environment, depending on the expected impact of internal decisions):

In the near future, the Group is committed to meeting its previously announced strategic objectives.

(4) Areas of research and experimental development:
The group did not perform such activities in 2021 and does not plan to do so in the future.

(5) Local sites:
The group did not establish any new site or branch in 2021.

(6) Employment policy:
According to the Group's employment policy, it operates its headquarters in a "knowledge-based" manner, typically with highly qualified white-collar staff. It employs the experts needed for the investments made by the Group in the course of its operations as part of subcontractor agreements.

With the acquisition of the ownership of Síaréna Kft., the Group has an employment policy typical of Síaréna, which is based on the established rules regarding permanent staff and seasonal employees.

(7) Environmental protection:
The Group pays special attention to environmental protection in its business and operational activities. The main business activity of the Group is modern energy supply realised through energy investments, which, in addition to being a source of revenue for the Group, protects the environment from significant pollution and energy consumption. In its previous operations, as well, the Group was constantly seeking opportunities to use and utilise renewable energy. Energy saving and thus the increased protection of the environment are the core business goal and business policy of the Group.

(8) Utilisation of financial instruments:
During the financial year 2021, the Company held the following positions as the Capital Market pillar of its strategy:

The Group invested part of its free cash in shares at the stock exchange. The purpose of these shares is to achieve short-term profit, so they were placed in the FVTPL category by the Group.

	31.12.2021		
	Purchase price of shares	**Recognised fair value difference**	**Book value**
ALTEO shares	15,079	2,361	17,440
ANY shares	15,520	(20)	15,500
MASTERPLAST shares	27,979	721	28,700
OTP Bank shares	42,369	(869)	41,500
Richter Gedeon shares	97,202	1,591	98,793
Épduferr Zrt shares	50,000	-	50,000
Total	**248,149**	**3,784**	**251,933**

Fair value was determined by the Group on the basis of stock exchange prices. The Group had no securities in the previous financial year.

9. Risk Management Policy and Hedging Transactions Policy:

The Company prevents potential risks arising from currency exchange rates by currency market transactions. Such transactions did not take place in the reference year.

(10) Price, credit, interest rate, liquidity and cash flow risks:

The risks affecting the Company's operations have been presented above, with references.

IV.

Report of the Board of Directors for the Consolidated Report of the Company for 2021:

The Board of Directors prepared and accepted the consolidated annual report of ENEFI Vagyonkezelő Nyrt. for year 2021 in accordance with IFRS.

The Company proposes to its shareholders to approve the consolidated annual report prepared according to the IFRS for 2021 in the light of the report of the Board of Directors, the Supervisory Board, and the Auditor on the financial statements with:

4 479 337 e Ft	total assets for the current year,
(530 877) e Ft	profit/loss for the current year

The Board of Directors hereby calls the attention of its reputable investors to the fact that the consolidated annual report of the Company constitutes an inseparable part of the present report and requests them to make their decision on the acceptance of the report (including the supplementary annex and the related notes as well) carefully getting informed of these.

The Board of Directors of the Company still does not suggest the General Meeting to decide on dividend payment.

The Board of Directors of the Company prepared and accepted its responsible company management report to be submitted to the Budapest Stock Exchange on the basis of a legal regulation, which was presented to the general meeting by the Supervisory Board.

V.

Company Management Declaration:

Apart from the parent company, none of the transferable securities of any companies involved in the consolidation are traded with on any regulated market of the European Economic Area.

The company management declaration of the Company is included in its individual business report.

ISSUER'S STATEMENT

Based on the applied accounting regulations, this Consolidated Annual Report prepared to the best of our knowledge gives a true and fair view of the assets, liabilities, financial position and results of ENEFI Asset Management Plc. and its companies included in the consolidation, as well as the position, development and performance of the enterprises included in the consolidation, demonstrating the major risks and uncertainties.

The Company declares that the Management Report provides a reliable picture of the issuer's position, development and performance, outlining the main risks and uncertainties.

Budapest on 6 April 2022.

Mr. Csaba Soós - Mr. Ferenc Virág - Mr. László Bálint
members of the Board of Directors
ENEFI Energy Efficiency Plc.