



**Independent Auditors' Report issued on the
2020
Annual Financial Statements
and Business Report
of M6 Duna Autópálya Koncessziós Zrt.**

This is an English translation of the Independent Auditors' Report on the 2020 annual financial statements of M6 Duna Autópálya Koncessziós Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.

M6 Duna Autópálya Koncessziós Zrt. - K12 - 2020.12.31.





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M6 Duna Autópálya Koncessziós Zrt. - K12 - 2020.12.31.





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Independent Auditors' Report

To the shareholders of M6 Duna Autópálya Koncessziós Zrt.

Opinion

We have audited the 2020 annual financial statements of M6 Duna Autópálya Koncessziós Zrt. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2020, which shows total assets of EUR 189,392,814 and profit after tax for the year of EUR 17,016,775, and the income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance for the year then ended in accordance with Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company for the purposes of our audit of the annual financial statements, as provided in applicable laws in force in Hungary, "The Policy on Rules of Conduct (Ethics) of the Audit Profession and on Disciplinary Procedures" of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The other information comprises the 2020 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Act on Accounting and other applicable legal requirements, if any.

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Our opinion on the annual financial statements expressed in the Opinion section of our report does not cover the business report.

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

Based on the Act on Accounting, we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements and expressing an opinion on this and whether the business report is consistent with the annual financial statements.

In our opinion the 2020 business report of the Company is consistent, in all material respects, with the 2020 annual financial statements of the Company and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the business report of the Company, therefore, we do not express an opinion in this respects.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and, management is responsible for preparing the annual financial statements on a going concern basis. Valuation made by management shall be based on the principle of going concern, unless the use of this principle is precluded by any provision, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis for the preparation of the annual financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is the signatory of this report.

Budapest, 5 February 2021

KPMG Hungária Kft.

Registration number: 000202

Zoltán Varga
Partner, Professional Accountant
Registration number: 007320

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M6 Duna Autópálya Koncessziós Zrt. - K12 - 2020.12.31.



13368254-4211-114-01

Statistical number

Cg.01-10-045198

Registration number

Company name:

M6 Duna Autópálya Koncessziós Zrt.

Company address:

1117 Budapest, Alíz u.1.

ANNUAL REPORT

for the period from 01.01.2020-31.12.2020

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In case of any differences or controversies, the Hungarian language original prevails

Date: 5 February 2021

13368254-4211-114-01

Statistical number

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Registration number

M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Assets

amounts in EUR

No.	Description	31.12.2019	Modification(s) of previous year	31.12.2020
a	b	c	d	e
1.	A. Fixed assets (lines 2+10+18)	159 200 005		136 208 132
2.	I. INTANGIBLES (lines 03-09)	150		-
3.	Capitalized value of formation/restructuring	-		-
4.	Capitalized value of research and development	-		-
5.	Concessions, licenses and similar rights	150		-
6.	Intellectual property	-		-
7.	Goodwill	-		-
8.	Advances and prepayments on intangible assets	-		-
9.	Adjusted value of intangible assets	-		-
10.	II. TANGIBLES (lines 11-17)	159 199 855		136 208 132
11.	Land and buildings and rights to immovables	158 126 717		135 226 798
12.	Plant and machinery, vehicles	1 045 786		973 505
13.	Other equipment, tools, fixtures and fittings, vehicles	8 980		7 829
14.	Breeding stock	-		-
15.	Assets in course of construction	-		-
16.	Payments on account	18 372		-
17.	Adjusted value of tangible assets	-		-
18.	III. FINANCIAL INVESTMENTS (lines 19-28)	-		-
19.	Long-term participations in affiliated companies	-		-
20.	Long-term loans to affiliated companies	-		-
21.	Long-term participations in a significant owned companies	-		-
22.	Long-term loan to significant owned companies	-		-
23.	Other long-term participations	-		-
24.	Long-term loan to other companies linked by virtue of participating interests	-		-
25.	Other long-term loans	-		-
26.	Long-term debt securities	-		-
27.	Adjusted value of financial investments	-		-
28.	Valuation difference of financial investments	-		-

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M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Assets

amounts in EUR

No.	Description	31.12.2019	Modification(s) of previous year	31.12.2020
a	b	c	d	e
29.	B. Current assets (lines 30+37+46+53)	37 432 790		38 875 705
30.	I. STOCKS (lines 31-36)	-		-
31.	Raw materials and consumables	-		-
32.	Unfinished production, semi-finished products	-		-
33.	Young, fattened and other livestock	-		-
34.	Finished products	-		-
35.	Goods	-		-
36.	Advances and prepayments for stocks	-		-
37.	II. RECEIVABLES (lines 38-45)	714 951		1 810 717
38.	Accounts receivables	49 248		47 578
39.	Receivables from affiliated companies	-		-
40.	Receivables from significant owned companies	580 179		1 538 843
41.	Receivables from other companies linked by virtue of participating interest	84 326		223 662
42.	Bill receivable	-		-
43.	Other receivables	1 198		634
44.	Valuation difference of receivables	-		-
45.	Valuation difference of derivative instruments	-		-
46.	III. SECURITIES (lines 47-52)	-		-
47.	Participating interests in affiliated companies	-		-
48.	Other significant participating interests	-		-
49.	Other participating interests	-		-
50.	Own shares and own partnership shares	-		-
51.	Debt securities held for trading	-		-
52.	Valuation difference of securities	-		-
53.	IV. CASH AND BANK (lines 54-55)	36 717 839		37 064 988
54.	Cash and cheques	-		-
55.	Bank accounts	36 717 839		37 064 988
56.	C. Prepayments (lines 57-59)	15 401 386		14 308 977
57.	Prepayments of the incomes/revenues	9 089 174		8 922 955
58.	Prepayments of the costs and expenses	6 312 212		5 386 022
59.	Deferred costs and expenses	-		-
60.	TOTAL ASSETS (lines 1+29+56)	212 034 181		189 392 814

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M6 Duna Autópálya Koncessziós Zrt.
BALANCE SHEET Liabilities and equity

amounts in EUR

No.	Description	31.12.2019	Modification(s) of previous year	31.12.2020
a	b	c	d	e
61.	D. Owners equity (lines 62+64+65+66+67+68+71)	53 277 388		62 794 164
62.	Issued capital	28 932 310		28 932 310
63.	from line 54: par value of own shares bought back by the Company	-		-
64.	Registered capital, but not paid yet	-		-
65.	Capital reserve	-		-
66.	Retained earnings	8 111 873		16 845 079
67.	Tied-up capital	-		-
68.	Revaluation reserve	-		-
69.	1. Valuation reserve for adjustments	-		-
70.	2. Fair value valuation reserve	-		-
71.	Profit/loss for the year	16 233 205		17 016 775
72.	E. Provisions (lines 73-75)	-		-
73.	Provisions for expected losses	-		-
74.	Provision for expected liabilities	-		-
75.	Other provisions	-		-
76.	F. Liabilities (lines 77+82+92)	150 252 565		119 442 027
77.	I. DEFERRED LIABILITIES (lines 78-81)	18 420 792		18 420 792
78.	Deferred liabilities to associated company	-		-
79.	Deferred liabilities to other companies linked by significant of participating interests	16 083 193		16 083 193
80.	Deferred liabilities to other companies linked by virtue of participating interests	2 337 599		2 337 599
81.	Deferred liabilities to other parties	-		-

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M6 Duna Autópálya Koncessziós Zrt.
BALANCE SHEET Liabilities and equity

amounts in EUR

No.	Description	31.12.2019	Modification(s) of previous year	31.12.2020
a	b	c	d	e
82.	II. LONG-TERM LIABILITIES (lines 83-91)	99 117 396		77 016 177
83.	Long-term loans received	-		-
84.	Convertible bonds	-		-
85.	Liabilities from issue of bonds	37 196 639		28 730 894
86.	Investment and development credits	55 480 048		42 853 099
87.	Other long-term credits	-		-
88.	Long-term liabilities to associated company	-		-
89.	Long-term liabilities to significantly interest company	-		-
90.	Long-term liabilities to other companies linked by virtue of participating interests	-		-
91.	Other long-term liabilities	6 440 709		5 432 184
92.	III. SHORT-TERM LIABILITIES (lines 93-104)	32 714 377		24 005 058
93.	Short-term loans	-		-
94.	from line 81: convertible bonds	-		-
95.	Short-term credits	31 094 914		21 092 685
96.	Advances from customers	3 228		-
97.	Accounts payable	129 447		166 134
98.	Liabilities on drafts	-		-
99.	Short-term liabilities to associated company	-		-
100.	Short-term liabilities to significantly interest company	-		-
101.	Short-term liabilities to minority-interest company	-		-
102.	Other short-term liabilities	1 486 788		2 746 239
103.	Valuation difference of liabilities	-		-
104.	Valuation difference of derivative instruments	-		-
105.	G. Accruals (lines 106-108)	8 504 228		7 156 623
106.	Accruals of incomes	2 916 118		2 423 588
107.	Accruals of costs and expenses	2 454 064		2 081 450
108.	Deferred incomes	3 134 046		2 651 585
109.	TOTAL LIABILITIES AND EQUITY (lines 62+72+76+105)	212 034 181		189 392 814

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M6 Duna Autópálya Koncessziós Zrt.

PROFIT AND LOSS STATEMENT
Type A (full cost method)

amounts in EUR

No	Description	2019.01.01.- 2019.12.31.	Modification(s) of previous year	2020.01.01.- 2020.12.31.
a	b	c	d	e
1.	Net domestic sales	54 912 398		54 596 462
2.	Net export sales	-		-
I.	Total sales (01+02)	54 912 398		54 596 462
3.	Change in self-manufactured stocks.	-		-
4.	Own work capitalised	-		-
II.	Own performance capitalised (03±04)	-		-
III.	Other revenues	502 617		501 812
	from line III. rewrite of impairment loss	-		-
5.	Cost of materials	18 424		18 030
6.	Value of rendered services	1 802 171		1 679 008
7.	Value of other services	209 228		220 340
8.	Cost of goods sold	-		-
9.	Value of sold (intermediated) services	2 599 471		2 482 978
IV.	Material-type costs (05+06+07+08+09)	4 629 294		4 400 356
10.	Wages and salaries	207 928		204 235
11.	Other staff costs	13 966		7 634
12.	Social security contributions	47 157		39 160
V.	Staff costs (10+11+12)	269 051		251 029
VI.	Depreciation	23 448 671		23 552 113
VII.	Other expenses	1 115 303		1 134 426
	from line VII. impairment loss	-		-
A.	OPERATING PROFIT/LOSS (I±II+III-IV-V-VI-VII)	25 952 696		25 760 350

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M6 Duna Autópálya Koncessziós Zrt.

PROFIT AND LOSS STATEMENT

Type A (full cost method)

amounts in EUR

No	Description	2019.01.01.- 2019.12.31.	Modification(s) of previous year	2020.01.01.- 2020.12.31.
a	b	c	d	e
13.	Dividends and profit-sharing (received or due)	-		-
	from line 13. from associated company	-		-
14.	Capital gains on investments	-		-
	from line 14. from associated company	-		-
15.	Interest and capital gains on financial investments	1 544		11 919
	from line 15. from associated company	-		-
16.	Other interest and similar income (received or due)	-		-
	from line 16. from associated company	-		-
17.	Other income from financial transactions	191 432		745 473
	from line 17. valuation difference	-		-
VIII.	Income from financial transactions (13+14+15+16+17)	192 976		757 392
18.	Losses on financial participations, shares	-		-
	from line 18. to associated company	-		-
19.	Losses on financial investment - expenses and FX losses	-		-
	from line 19. to associated company	-		-
20.	Interest payable and similar charges	7 786 158		6 494 503
	from line 20. to associated company	-		-
21.	Losses on shares, securities and bank deposits	-		-
22.	Other expenses from financial transactions	399 189		1 208 967
	from line 22. valuation difference	-		-
IX.	Expenses on financial transactions (18+19+20+21+22)	8 185 347		7 703 470
B.	RESULT OF FINANCIAL TRANSACTIONS (VIII-IX)	- 7 992 371		- 6 946 078
C.	PROFIT/LOSS BEFORE TAXATION (±A±B)	17 960 325		18 814 272
X.	Corporation tax	1 727 120		1 797 497
D.	PROFIT/LOSS AFTER TAXATION (±C-X)	16 233 205		17 016 775

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Cash flow - statement			amounts in EUR	
			2019.01.01.- 2019.12.31.	2020.01.01.- 2020.12.31.
I.	Operating cash flow	rows 1-13	31 434 109	32 928 306
1a	Profit before tax	(+)	17 960 325	18 814 272
	showing separately: financially settled aid received for operation fundin		-	-
1b	Adjustments in profit before tax	(+)	-	59 384
1	Adjusted profit before tax (1a+1b)	(+)	17 960 325	18 873 656
2	Depreciation write-off	(+)	23 448 671	23 552 113
3	Impairment loss and reversal	(+)	-	-
4	Difference between formation and utilization of provisio	(+)	-	-
5	Fixed assets sold	(+)	- 10 524	- 141 915
6	Changes in accounts payable	(+)	10 602	36 687
7	Changes in other short-term liabilities	(+)	- 785 110	1 256 223
8	Changes in accrued and deferred liabilities	(+)	- 1 427 229	- 1 347 605
9	Changes in trade receivables	(+)	16	1 671
10	Changes in current assets (without receivables and liqu	(+)	- 655 202	- 1 097 436
11	Changes in accrued and deferred assets	(+)	819 680	1 092 409
12	Tax paid (on profit)	(-)	- 1 727 120	- 1 797 497
13	Dividends and profit-sharing paid	(-)	- 6 200 000	- 7 500 000
II.	Investment cash flow	rows 14-18	- 1 136 860	- 418 325
14	Purchase of fixed assets	(-)	- 1 149 415	- 585 166
15	Sale of fixed assets	(+)	12 555	166 841
16	Repayment, termination or redemption of long-term loans and bank deposits	(+)	-	-
17	Long-term loans and bank deposits	(-)	-	-
18	Dividends and profit-sharing received	(+)	-	-
III.	Financial cash flow	rows 19-26	- 30 617 301	- 32 103 448
19	Receipts from shares issue, capital raising (capital incre	(+)	-	-
20	Receipts from the issue of bonds and debt securities	(+)	-	-
21	Borrowings	(+)	-	-
22	Non-repayable assets received	(+)	-	-
23	Cancellation of shares, disinvestment (capital reduction	(-)	-	-
24	Redeemed bonds and debt securities	(-)	- 12 230 851	- 12 480 234
25	Loan installment payments, repayment of loans	(-)	- 18 386 450	- 19 623 214
26	Non-repayable liquid assets transferred	(-)	-	-
IV.	Changes in liquid assets	rows I.+II.+III.	- 320 052	406 533
27	Revaluation of funds held in foreign currencies	(+)	-	59 384
V.	Changes in funds as shown in the balance sheet	rows IV.+27.	- 320 052	347 149

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SUPPLEMENTARY NOTES TO THE ANNUAL REPORT FOR 2020

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2020

1. GENERAL BACKGROUND INFORMATION

M6 Duna Autópálya Koncessziós Zrt. (the “Company”) has its legal at 1117 Budapest, Alíz utca 1, since April 2019.

The Company was founded on 7 October 2004.

The owners of the Company as of 31 December 2020 were as follows (“Shareholders”):

- M6 Duna B.V. (Strawinskylaan 303, WTC A-Tower, PO Box 79074, Amsterdam 1070 NC, the Netherlands)
- Aberdeen Infrastructure (HoldCo) B.V. (Strawinskylaan 303, WTC A-Tower, PO Box 79074, Amsterdam 1070 NC, the Netherlands)
- Intertoll Capital Partners B.V. (Schiphol Boulevard 127, 1118BG Schiphol, the Netherlands).

The owners of M6 Duna BV are the Aberdeen investment group and EBRD (European Bank for Reconstruction and Development).

The Company is a private company limited by shares established for a fixed term, which is the concession period set out in the Concession Agreement concluded with the Hungarian State. The concession period is 22 years, lasting until 8 October 2026. The rights and obligations set by the Concession Agreement were transferred to the Company via the Transfer Agreement dated 13 October 2004 by the consortium originally obtaining the concession.

Accordingly, the Company is solely engaged in the design, construction, renovation, operation and maintenance under concession of the section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities. The interim completion of the motorway occurred on 11 June 2006. The relevant Traffic Authority issued the final licence to operate for this section of the M6 Motorway on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006.

The Company’s obligations under the Concession Agreement include the renewal of the motorway before the end of the operation period. According to the project’s financial model, the Company will have sufficient funds to fulfil this obligation, without endangering the future profitable operations.

The COVID-pandemic has no significant impact, neither on the operations, nor the revenues or expenses of the Company.

2. ACCOUNTING POLICY

The books and records of the Company are maintained in accordance with Law C of 2000 on Accounting, as amended (the “Law”) and generally accepted accounting principles in Hungary.

In accordance with the requirements of the Law, from 1 January 2008 the books and records of the Company are maintained in EUR. In 2020 Other expenses and Other income from financial transactions significantly increased as larger than usual exchange rate differences occurred on the

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2020

HUF denominated transactions (mainly in connection with the Company's HUF bank accounts and tax payable items) due to the substantial volatility and deterioration of the HUF/EUR exchange rate.

The accounting policy, the valuation method and process of the Company with the modifications introduced during this period are as follows:

Financial statement preparation date

The preparation date of the financial statements for the year ended 31 December 2019, the preparation date was 8 January 2020, while for the year ended 31 December 2020, the preparation date was 8 January 2021.

Intangible fixed assets

Purchased software, included in Rights of property value, are amortised over 3 years. Intangible fixed assets below purchase price of 100 000 HUF are fully depreciated when put into use.

Tangible fixed assets

According the paragraph 23 (3) of the Law, the Company records the acquisition cost of the assets purchased or created under the Concession Agreement as tangible fixed assets in its books.

The acquisition cost includes:

- upfront fees, commitment fees, handling fees etc. stipulated in the financing contracts directly linked to the design and construction of the motorway
- interest due until the interim completion of the motorway minus interest received on funds dedicated to the project
- banking fees and bank advisors' (technical, financial, legal, etc.) fees directly linked to the project as stipulated by the financing contracts
- insurance costs directly linked to the project, until interim completion
- direct salaries and related taxes of company officers and employees exclusively working on the project, until interim completion
- design, construction, monitoring, environmental, safety, documentation etc. advisory fees, until final completion of the construction contract
- realised and unrealised FX differences on foreign currency liabilities in direct connection with the construction, until project completion

The heavy maintenance costs incurred on the motorway are capitalised to the asset and depreciated over the remaining part of the concession period.

Tangible fixed assets are stated at acquisition costs less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the related asset.

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Supplementary Notes for 2020

The useful life of the motorway and the ancillary facilities is calculated from the interim completion date (11 June 2006) until the end of the concession period, which is 20.3 years, with zero residual value.

The depreciation rates applied for the different asset types are as follows:

Motorway and ancillary facilities	4.9%
Vehicles	20.0%
Office and IT equipment	33.3%
Furniture	14.5%

Tangible assets below purchase price of 100,000 HUF are fully depreciated when put into use.

Swap contracts

In accordance with the law, swap contracts are accounted for using the hedging method (not using real valuation).

Profit and loss statement

The accompanying statement of operations is prepared according to the full cost method. Assets and liabilities denominated in HUF are valued at the daily FX rates set by the National Bank of Hungary. The consequent valuation gains/losses are recorded net as Result on financial transactions.

Net sales

a) Availability fee income:

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state ownership (e.g. main road) and to receive the benefits derived from those assets. Accordingly, starting from interim completion, the Company receives monthly availability fees from the Hungarian State for the use of the motorway. The availability fee amounts are determined by the calculation formulae contained in the Concession Agreement. Such availability fees are recorded as income in the month where they belong. As the actual invoicing of such availability fees is always done in the following month, the uninvoiced monthly fees are recorded as deferred income (see Point 8)

b) Released income of "deemed operation":

The interim completion of the motorway occurred on 11 June 2006 that is with 71 days of delay compared to the target interim completion date of 31 March 2006. Since the Company was not responsible for that delay, therefore the budgeted availability fees for such „deemed operation” period have been fully reimbursed by the Ministry of Economy and Transport („GKM”), in accordance with the agreement dated 17 May 2007.

These fees from the “deemed operation” were fully accrued and are subsequently released to profit and loss on a straight line basis over the concession period (see Point 13 and 14).

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c) Leaseholding income:

The one-off entry fees paid by operators of the petrol stations in 2006 were fully accrued and are subsequently released to profit and loss on a straight line basis over the concession period (see Point 13 and 14).

Other revenues

The construction contractor has settled certain guarantee obligations in a lump sum payment. Such guarantee payment was fully accrued and are released to profit and loss in line with the yearly actual defect rectification costs (see Point 13 and 15).

Value of rendered services

The deferred part of the additional concession fee payable to the Prime Minister's Office (see Point 8) is recorded among Prepayments. This concession fee is deferred over the concession period and charged to profit and loss (as rendered service) on a straight line basis. The remaining scheduled payments of such concession fee are classified to liabilities (the amounts due within one-year to short-term liabilities) (see Point 11).

Value of sold (intermediated) services

The monthly operation fees payable to the operation subcontractor are classified to sold (intermediated) services. The recharged costs are also recorded here.

Material errors

In accordance with the Law, amounts exceeding 2% of total assets are considered as material errors resulting of tax audits, self-revisions and errors effecting prior years (the corresponding figure in 2019 was 4.2 mEUR and in 2020 it was 3.8 mEUR).

The Company considers as exceptional those revenue, cost or expense items, which are outside the normal scope of operations, do not occur regularly and individually exceed 50 000 EUR. There were no such exceptional items in the year ended 31 December 2020.

3. FINANCIAL POSITION, PROFITABILITY AND LIQUIDITY

In March 2006 the project was successfully refinanced: the previous syndicated long-term bank loan was replaced by cheaper funds from a new loan from the European Investment Bank („EIB”) and the proceeds of the issuance of floating rate Notes (see Point 11). Due to the refinancing, the project's feasibility and profitability is even more secure and robust, per the underlying Financial Model. The Company has fulfilled its debt service obligations in 2019 and 2020 as well, in full compliance with the credit agreements.

In 2020 the Company paid dividends of 7.5 mEUR to its Shareholders.

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Supplementary Notes for 2020

4. INTANGIBLE FIXED ASSETS

The changes in intangibles during 2019 and 2020 are detailed as follows (in EUR):

	<u>Concessions, licenses & similar rights</u>
<u>Gross value</u>	
Opening balance at 1 January 2019	14 009
Additions	0
Disposals	0
Closing balance at 31 December 2019	<u>14 009</u>
Additions	632
Disposals	-1 607
Closing balance at 31 December 2020	<u><u>13 034</u></u>
<u>Accumulated depreciation</u>	
Opening balance at 1 January 2019	13 225
Depreciation-straight line method	634
Disposals	0
Closing balance at 31 December 2019	<u>13 859</u>
Depreciation-straight line method	782
Disposals	-1 607
Closing balance at 31 December 2020	<u><u>13 034</u></u>
Net Book Value at 31 December 2019	<u>150</u>
Net Book Value at 31 December 2020	<u>0</u>

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Supplementary Notes for 2020

5. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during 2019 and 2020 are detailed as follows (in EUR):

	<u>Land & Buildings</u>	<u>Machinery & vehicles</u>	<u>Other equipment</u>	<u>Advance for construction</u>	<u>Total</u>
<u>Gross value</u>					
Opening balance at 1 January 2019	472 760 331	1 824 724	65 129	219 970	474 870 154
Additions	566 664	775 781	8 568	122 986	1 473 999
Disposals	-3 941	-47 758	0	-324 584	-376 283
Closing balance at 31 December 2019	<u>473 323 054</u>	<u>2 552 747</u>	<u>73 697</u>	<u>18 372</u>	<u>475 967 870</u>
Additions	481 888	117 139	3 879	0	602 906
Disposals	0	-692 528	-8 926	-18 372	-719 826
Closing balance at 31 December 2020	<u>473 804 942</u>	<u>1 977 358</u>	<u>68 650</u>	<u>0</u>	<u>475 850 950</u>
<u>Accumulated depreciation</u>					
Opening balance at 1 January 2019	291 845 393	1 463 672	60 581	0	293 369 646
Depreciation- straight line method	23 352 854	91 047	4 136	0	23 448 037
Disposals	-1 910	-47 758	0	0	-49 668
Closing balance at 31 December 2019	<u>315 196 337</u>	<u>1 506 961</u>	<u>64 717</u>	<u>0</u>	<u>316 768 015</u>
Depreciation- straight line method	23 381 807	164 494	5 030	0	23 551 331
Disposals	0	-667 602	-8 926	0	-676 528
Closing balance at 31 December 2020	<u>338 578 144</u>	<u>1 003 853</u>	<u>60 821</u>	<u>0</u>	<u>339 642 818</u>
Net Book Value at 31 December 2019	<u>158 126 717</u>	<u>1 045 786</u>	<u>8 980</u>	<u>18 372</u>	<u>159 199 855</u>
Net Book Value at 31 December 2020	<u>135 226 798</u>	<u>973 505</u>	<u>7 829</u>	<u>0</u>	<u>136 208 132</u>

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Supplementary Notes for 2020

6. RECEIVABLES

In line with its Financial Model, the Company is providing a loan facility to its Shareholders from its surplus cash, in proportion to their shareholdings.

Any amount (interest plus principal) payable under this upstream loan facility may, at the election of either party, be offset against any dividend which is declared to the borrower in its capacity as Shareholder of the Company.

Accordingly, the changes in long-term loans during 2019 and 2020 were as follows (in EUR):

Opening balance at 1 January 2019	0
New loans advanced in October 2019	<u>664 505</u>
Closing balance at 31 December 2019	664 505
Offset against dividend payable on 26 Febr 2020	-664 505
New loans advanced in October 2020	<u>1 762 505</u>
Closing balance at 31 December 2020	<u>1 762 505</u>

The final maturity of the facilities is the date on which the Concession Agreement expires, i.e. in October 2026. The floating interest rates of the loans are linked to the applicable interbank rate (12M Euribor) (see Point 8).

The current outstanding balance will be foreseeably offset against the dividend payable to Shareholders after the Annual General Meeting, to be held in February 2021. Therefore, the upstream loans receivable are recorded among Short-term receivables as of 31 December 2020.

7. OTHER RECEIVABLES

As of 31 December 2019 Other receivables mainly included overpayment of various taxes and as of 31 December 2020 prepayments to suppliers.

8. PREPAYMENTS

As of 31 December 2019 and 31 December 2020 the not invoiced income items were as follows (in EUR):

	2019.12.31	2020.12.31
Availability fee from NFM	8 980 096	8 844 707
Leaseholding fee and overweight fee	107 846 0	75 760
Interest on upstream loans	<u>1 232 0</u>	<u>2 488</u>
Total	<u>9 089 174</u>	<u>8 922 955</u>

In accordance with the VAT law, receivables from the legal successor of GKM, the Prime Minister's Office as of 31 December 2019 and 31 December 2020 are not recorded as Accounts Receivable, but included as deferred income.

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Supplementary Notes for 2020

As of 31 December 2019 and 31 December 2020 prepayments of costs were as follows (in EUR):

	2019.12.31	2020.12.31
Deferred concession fee	6 270 072	5 341 741
Insurance premium	38 735	42 045
Other	3 405	2 236
Total	6 312 212	5 386 022

The deferred part of the additional concession fee paid to the Prime Minister's Office (see Point 11) in accordance with the second amendment of Concession Agreement is recorded among Prepayments. This concession fee is deferred over the concession period (until 2026) and charged as an expense on a straight line basis.

9. ISSUED CAPITAL

The respective shareholdings (which are the same as the voting rights) as of 31 December 2020 were as follows (in EUR):

<u>"Shareholder"</u>	<u>Ownership type</u>	<u>Amount</u>	<u>Portion</u>
M6 Duna B.V.	majority	19 474 321	67.31%
Aberdeen Infrastructure (HoldCo) B.V.	significant	5 786 462	20.00%
Intertoll Capital Partners B.V.	minority	3 671 527	12.69%
Total		28 932 310	100%

10. SUBORDINATED LIABILITIES

The Shareholders provided subordinated loans totalling to 18 420 792 EUR to the Company, in proportion to their shareholdings. The loans expire in October 2026. The interest on these loans is linked to the Company's EBIT (6%) and payable semi-annually.

11. LONG-TERM LIABILITIES

As of 31 December 2019, the outstanding debts with maturity over one year were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total original facility</u>	<u>Outstanding amount LT portion</u>
EIB	Loan	2025.03.31	200 000 000 €	55 480 048 €
Noteholders	Notes	2025.03.31	212 000 000 €	37 196 639 €
Total				92 676 687 €

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Supplementary Notes for 2020

As of 31 December 2020, the outstanding debts with maturity over one year were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount LT portion
EIB	Loan	2025.03.31	200 000 000 €	42 853 099 €
Noteholders	Notes	2025.03.31	212 000 000 €	28 730 894 €
Total				71 583 993 €

Interest and principal repayments on the EIB loan and the Notes are due semi-annually on each 31 March and 30 September. Accordingly, the repayments due on the EIB loan and the Notes in 2021 have been reclassified to Short-term credits (see Point 12).

The floating interest rates of the EIB loan and the Notes are linked to the applicable interbank rate (6M Euribor). The entire debt service under the EIB loan and the Notes is guaranteed by the monoline insurer Assured Guaranty (Europe) Ltd. (formerly called: Financial Security Assurance UK Ltd.).

In order to eliminate the interest risk on the EIB loan and the Notes, the Company concluded swap contracts with BNP Paribas SA (Paris). As a result, the effective interest rates on the EIB loan and the Notes are fixed for the whole term. The notional amounts of the swaps follow the repayment profile of the loan and the Notes.

In 2020 the Company paid a net amount of 5 075 528 EUR on the interest swaps and incurred a net loss of 4 753 199 EUR as difference between the fixed and floating rates of these swaps.

The EIB loan and the Notes are guaranteed by the Company's shares held in custody. All the assets and future receivables of the Company are pledged as security for these borrowings as well.

Upon refinancing, the Company made an obligation to pay in total 19 013 067 EUR of additional concession fee to GKM (and its legal successors) at predetermined dates, ending on 30 September 2024. Up to 31 December 2020, 12 572 358 EUR of that was paid to GKM in total. Of the remaining 6 440 709 EUR liability, the scheduled payments in 2021 (in total 1 008 525 EUR) are reclassified to Other short-term liabilities as of 31 December 2020.

12. SHORT-TERM CREDITS

The short-term credits as of 31 December 2019 were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount ST portion
EIB	Loan	2025.03.31	200 000 000 €	18 614 680 €
Noteholders	Notes	2025.03.31	212 000 000 €	12 480 234 €
Total				31 094 914 €

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The short-term credits as of 31 December 2020 were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total original facility</u>	<u>Outstanding amount ST portion</u>
EIB	Loan	2025.03.31	200 000 000 €	12 626 940 €
Noteholders	Notes	2025.03.31	212 000 000 €	8 465 745 €
Total				21 092 685 €

13. ACCRUALS

As of 31 December 2019 and 31 December 2020 accruals included the following items (in EUR):

	2019.12.31	2020.12.31
Accrued income from "deemed operation"	3 134 046	2 651 585
Accrued income from petrol station leaseholding contracts	1 698 759	1 453 214
Accrued swap costs	1 392 837	1 070 508
Guarantee payment to cover defect rectification	1 217 359	970 374
Motorway operation & maintenance cost	550 289	512 563
Accrued interest on loans and Notes	400 224	394 101
Accrued guarantee fee	56 999	43 183
Technical and financial advisory fees	17 073	18 901
Audit fee	14 555	14 555
Seconded director's fee	10 961	11 143
Legal advisory fees	0	4 500
Other	11 126	11 996
Total	8 504 228	7 156 623

14. NET SALES

Net sales in 2019 and 2020 consisted of the following items (in EUR):

	2019	2020
Availability fee income	53 692 287	53 414 789
Released income of "deemed operation"	464 705	463 555
Leaseholding income	360 910	343 617
Reinvoiced items	127 012	137 678
Secondment fee income	124 200	124 200
Other operational income from the motorway	143 284	112 623
Total	54 912 398	54 596 462

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Supplementary Notes for 2020

15. OTHER REVENUES

Other revenues in 2019 and 2020 consisted of the following items (in EUR):

	2019	2020
Released guarantee payment	377 092	246 985
Proceeds from sales of fixed assets	12 555	166 841
Previous year's corporate tax credit	90 335	83 550
Liquidated damages from supplier	22 517	0
Other	118	4 436
	<hr/>	<hr/>
Total	502 617	501 812

16. VALUE OF RENDERED SERVICES

The value of rendered in 2019 and 2020 consisted of the following items (in EUR):

	2019	2020
Concession fee	950 068	952 521
Defect rectification cost	377 092	246 985
Legal, technical & financial advisory cost	213 455	227 397
Seconded officers' fees	125 747	130 593
Vehicle rental	37 364	31 337
Office rent	24 354	29 927
Audit fee	23 328	21 954
Bookkeeping, payroll calculation etc.	16 667	16 973
Other	34 096	21 321
	<hr/>	<hr/>
Total	1 802 171	1 679 008

17. VALUE OF OTHER SERVICES

Other services in 2019 and 2020 consisted of the following items (in EUR):

	2019	2020
Insurance premiums	200 464	213 623
Bank charges	7 831	6 173
Authority fees	933	544
	<hr/>	<hr/>
Total	209 228	220 340

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Supplementary Notes for 2020

18. VALUE OF SOLD (INTERMEDIATED) SERVICES

Value of sold (intermediated) services in 2019 and 2020 consisted of the following items (in EUR):

	2019	2020
Operation subcontractor's fee	2 473 254	2 344 864
Reinvoiced costs	<u>126 217</u>	<u>138 114</u>
Total	<u>2 599 471</u>	<u>2 482 978</u>

19. OTHER EXPENSES

Other expenses in 2019 and 2020 consisted of the following items (in EUR):

	2019	2020
Local business tax	953 987	951 871
Innovation contribution	156 883	156 287
Book of value of sold fixed assets	2 031	24 926
Donations	1 823	861
Other	<u>579</u>	<u>481</u>
Total	<u>1 115 303</u>	<u>1 134 426</u>

20. STAFF

The average statistical staff number for 2019 and 2020 was 3.69 and 3.79 persons, respectively. At the end of 2019 there were 4, while at the end of 2020 there were 4 employees, working in intellectual jobs. One of them is a part-time employee.

21. BOARD OF DIRECTORS, SUPERVISORY BOARD

No remuneration, advances or loan were provided by the company to the members of the Board of Directors or the Supervisory Board in 2019 and 2020.

The original Hungarian version of this annual report has been signed by:

Marc Hörnig – Chairman of the Board of Directors
Fáskerti Zsolt – Member of the Board of Directors

Their business address is 1117 Budapest, Alíz utca 1.

The person in charge of bookkeeping is Fodor-Szathmáry Zsófia (mother's name: Vöröskői Terézia), who is a registered accountant at the Ministry of Finance under the registration number 198600.

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Supplementary Notes for 2020

22. CORPORATE TAX

The following is the calculation of the corporate tax charge for 2019 and 2020 (in EUR):

	2019	2020
Profit before tax	17 960 325	18 814 272
<u>Adjusting items:</u>		
Proportional part of previous years' unrealised foreign exchange gain	1 321 941	1 218 114
Difference in net book value of disposed assets under statutory and tax accounts	-3 521	20 441
Non-deductible expenses	53	0
Allowable donation	-363	-164
Previous year's tax credit	<u>-88 214</u>	<u>-80 469</u>
Corporate tax base for 9% rate	<u>19 190 220</u>	<u>19 972 194</u>
Corporate tax payable	<u>1 727 120</u>	<u>1 797 497</u>

23. DIVIDEND DECLARATION

The Board of Directors proposes to the Shareholders to declare around 11.5 mEUR from the profit after tax of the year 2020 as dividend on their Annual General Meeting.

Budapest, 5 February 2021

BUSINESS REPORT FOR 2020

M6 Duna Autópálya Koncessziós Zrt. (the “Company”) was founded on 7 October 2004. The Company is a private company limited by shares, established for a fixed term of 22 years, which is the concession period as set out in the Concession Agreement concluded with the Hungarian State.

In accordance with the Concession Agreement, the Company is engaged in the design, construction, renovation, operation and maintenance of the 58.6 km long section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities.

The construction works started in October 2004. The interim completion – so the opening of the motorway – took place on 11 June 2006. The relevant Traffic Authority issued the final licence to operate on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006. On 31 March 2010 the further sections of the M6 Motorway has been opened for traffic. Consequently, the M6 Motorway gives direct access to the city of Pécs.

In the 13.5 years that elapsed since the opening, the motorway has been operated in an orderly manner, without significant performance point events or unavailability incidents. The motorway is properly operated, maintained etc., in accordance with the routine maintenance plans and Hungarian road standards, by our operation subcontractor, Duna-Intertoll Zrt. In 2020 the contract with Duna-Intertoll Zrt. was prolonged until the end of the concession. The operation of the motorway is regularly checked by the relevant Hungarian authorities.

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state property (e.g. main road) and to receive the benefits deriving from those assets. Accordingly, the Company receives revenues starting from 11 June 2006, in the form of monthly availability fees paid by the Hungarian State, calculated with the formulas set out in the Concession Agreement. These fees were fully received in 2020 as well.

In addition, the ancillary facilities of the motorway also generate revenues for the Company. Accordingly, 2*2 petrol stations are operated by MOL and OMV, respectively, in the Complex Rest Areas at km 30 and 70 of the motorway.

The Company has fulfilled its debt service obligations in 2020 as well, in full compliance with the credit agreements.

The Aberdeen investment group and EBRD are committed to the long-term successful and efficient operation of the Company.

There were no significant events after the balance sheet date.

Budapest, 5 February 2021