Annual report

ENEFI Vagyonkezelő Nyrt. and its subsidiaries

for the business year ending on 31 December 2023, based on the International Financial Reporting Standards (IFRS) adopted by the European Union

General Information

Board members

Csaba Soós, Chairman of the Board since 30.12.2016

László Bálint, Board member since 30.12.2016

Ferenc Virág, Board member since 30.04.2019

Krisztina Tendli, Board member from 12.09.2022 to 19.03.2023

Supervisory board members

Imre Kerekes, Chairman of the Supervisory Board since 26.09.2017

Dr. Gyula Bakacsi, Member of the Supervisory Board since 30.12.2016

Dr. Miklós László Siska, Member of the Supervisory Board since 30.12.2016

Company contact details

Nánási út 5-7. Budapest H-1031 Building E, 3rd floor door 4.

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Fax: +36 1 631-3785

Web: www.enefi.hu

Auditor

Dr. Csaba Imre Adorján (Auditor's license number: 001089)

UNIKONTO Számvitelkutatási Kft.

Fővám tér 8. 3rd floor, 317/3. Budapest H-1093

Chamber registration number: 001724

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Explanation of abbreviations in the financial statements

IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFRIC/SIC	International Financial Reporting Interpretation Committee/Standing Interpretations Committee
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
CDO	Chief decision officer
EPS	Earnings per share
AC	Audit Committee
ECL	Expected credit loss
EBITDA	Earnings before interest, taxation, depreciation and amortisation

The numbers in parentheses indicate a negative value in the financial statements.

All data in thousand HUF, unless otherwise indicated

I. An introduction to ENEFI Vagyonkezelő Nyrt

ENEFI Vagyonkezelő Nyrt. (previously known as: E-Star Alternatív Nyrt., RFV Nyrt. and ENEFI Energy Efficiency Nyrt.) ("ENEFI" or "Company"), which is the parent company of the company group ("Group"), is a company registered in Hungary. The registered office of the Company is currently Nánási út 5-7. Budapest H-1031 Building E, 3rd floor No. 4

The legal predecessor of the Company is RFV Nyrt. It was established on 29 June 2000 with the aim of using its savings to make primarily energy related investments for its prospective customers that, in addition to long-term operation, help effectively supply energy to its customers. As a result of the strategy formulated in 2019, the Company started working in new segments, with asset management and tourism activities being increasingly important in addition to the core business.

The Company's ownership structure as of 31 December 2023:

Series of shares (BSE)	**ISIN**	**Nominal value (HUF per share)**	**Number of shares issued**	**Total value (HUF)**
COMMON SHARES	HU0000089198	10	11,150,000	111,500,000
Convertible preferred shares	HU0000173737	10	5,456,109	54,561,090
Share capital	-	-	16,606,109	166,061,090

All data in thousand HUF, unless otherwise indicated

The number of voting rights associated with the shares as of 31 December 2023:

Series of shares (BSE)	Issued Quantity	Shares with voting rights	Voting right per share	All voting rights	Number of own and affiliated shares
COMMON SHARES	11,150,000	11,150,000	1	11,150,000	Own stock 1,613,000 Linked shares: 1,031,041 In total 2,644,041
Convertible preferred shares	5,456,109	0	0	0	Linked shares 1,795,000
In total:	16,606,109	11,150,000	1	11,150,000	4,439,041

RS2. The change in the number of own shares for the introduced series (**common shares**) as of 31 December 2023

	Shareholding	
	Number	**% (to two decimal places)**
At company level*	1,613,000	14.46
Subsidiaries[1]	1,031,041	9.25
In total	2,644,041	23.71

[1] Companies included in the consolidation. EETEK Ltd: 500,000 ordinary shares, ENEFI Projekttársaság Kft. 531,041 ordinary shares

RS3. List of and introduction to owners with a more than 5% holding in **ENEFI common shares** (at the end of the period) for the introduced series (ordinary shares) as of 31 December 2023

All data in thousand HUF, unless otherwise indicated

Name	Depository (Yes / No)	Quantity (Number)	Shareholding (%)
Csaba Soós	No	**1,747,200**	15.67
In total:			

RS2. The change in the number of own shares for the introduced series **(SERIES H)** as of 31 December 2023

	Shareholding	
	Number	**% (to two decimal places)**
At company level*	0	0
Subsidiaries[1]	1,795,000	32.9
In total	1,795,000	32.9

[1] Companies included in the consolidation: EETEK Ltd.

RS3. List of and introduction to owners with a more than 5% holding in **ENEFI preferred stock** (at the end of the period) for the introduced series (**ENEFI convertible preferred shares**) as of 31 December 2023

Name	Depository (Yes / No)	Quantity (Number)	Shareholding (%)
EETEK Ltd.	No	1,795,000	32.90
Csaba SOÓS	No	3,349,966	61.40
Ferenc Virág	No	311,143	5.70
In total:			100

Companies included in the consolidation

ENEFI Vagyonkezelő Nyrt. qualifies as a direct parent company, and it prepares the consolidated financial statements based on IFRS. The following companies will be included in the consolidation:

	31.12.2023	31.12.2022

Name	Country	Shareholding	Right to vote	Shareholding	Right to vote
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%	100.00%	100.00%

Group companies under liquidation that were not included in the consolidation, as they are no longer under Group control:

Name	Country	2023		2022	
		Shareholding	Right to vote	Shareholding	Right to vote
E-Star Mures Energy SA "in liquidation"	Romania	99.99%	99.99%	99.99%	99.99%

Since E-Star Mures Energy SA cannot be included in the consolidation due to being under liquidation, the position of the parent company claim arising against it appears as if it were against a third party (meaning it cannot be filtered out).

The registered capital of the Parent Company is HUF 166,061,090, which consists of 11,150,000 ordinary shares with a nominal value of HUF 10 each and 5,456,109 preferential shares with a nominal value of HUF 10 each.

Preferential shares are convertible preferred shares that do not come with voting rights. Shareholders holding other share types and share classes are entitled to a 5% more favourable dividend if the statutory conditions for dividend payment are met. The holder of convertible preferred shares can decide to convert them into the same number of series A dematerialised common shares with a nominal value of HUF 10 each.

The currency the financial statements are presented in and their accuracy

The functional currency of the Group is the Hungarian forint. The financial statements are prepared in forints (presentation currency) and unless otherwise indicated, the numbers are written in thousands of forints (tHUF).

The most important foreign currencies for the group are the euro and the Romanian lei. The exchange rate of the two currencies in the reporting period was as follows (one monetary unit/HUF, MNB exchange rates):

Currency	2023		2022	
	closing	average	closing	average
Euro (EUR)	382.78	381.75	400.25	391.33
Romanian Leu (RON)	76.95	77.21	80.88	79.37
US Dollar (USD)	346.44	350.14	375.68	373.12

II. Changes in accounting policy and the expected impact of IFRS and IFRIC that had not yet entered into force on the date on which the financial statements were published, as well as previous applications

The Group did not voluntarily change the accounting policies it applied in 2022 for 2023. Exceptions to this are the application of accounting policies related to the introduction of new standards and previously non-existent activities.

New and amended standards and interpretations issued before the publication of the Group's financial statements, but not yet effective, are as follows:

At the date of approval of these financial statements, the following standards issued by the IASB and adopted by the EU, as well as amendments to existing standards and interpretations, had been published but had not entered into force:

Amendments to IFRS 16: Lease obligation during sale and leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee applies when valuing a lease liability in a sale-leaseback transaction so that the seller-lessee does not recognize a gain or loss that it is related to the right of use it retains.

The amendments take effect for annual reporting periods beginning on or after 1 January 2024, and must be applied retroactively to leaseback transactions entered into after the date of first application of IFRS 16. Previous application is allowed and this fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

Amendment of IAS 1: Classification of liabilities as short-term or long-term

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69-76 of IAS 1 to determine the conditions for classifying liabilities as short-term or long-term. The amendments clarify that:

- what the right to defer financial settlement means.
- the deferral right must exist at the end of the reporting period.
- this classification is not affected by the likelihood that the entity will exercise its right to deferral.
- exceptionally, if a derivative product embedded in a convertible liability is itself an equity instrument, the conditions related to the liability do not affect the classification.

In addition, a requirement has been introduced to disclose when a liability arising from a credit agreement is classified as non-current and the entity's right to defer financial settlement is dependent on future terms being met within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, and must be applied retroactively. The Group is currently investigating how the amendments will affect current practices and whether it could be necessary to renegotiate existing credit agreements.

The Group does not apply these new standards and amendments to existing standards before the effective dates.

ADMINISTRATIVE BUSINESS REPORT

on the Company's business management, the Company's financial position and business policy, as well as the Company's annual financial statements as of 31 December 2023

ENEFI Vagyonkezelő Nyrt. and the ENEFI Group business and management report

The purpose of this report is to evaluate the data presented in the annual accounts and to describe the status of ENEFI Vagyonkezelő Nyrt. (hereinafter: "Company" or "ENEFI" or "Issuer" from a property, financial and income point of view, as well as to describe the main risks and uncertainties arising from the Company's activity, which - based on past facts and expected future data - provide a reliable and veracious overview that corresponds to the circumstances as they are.

I.

Information regarding the parent company ENEFI Vagyonkezelő Nyrt.:

1. Basic data on the Company and the composition of its registered capital:

Basic information about the Company

Company name: ENEFI Vagyonkezelő Nyrt.
English name of the company: ENEFI Asset Management Plc.
Headquarters: Nánási út 5-7. Budapest H-1031 Building E, 3rd floor No. 4
Branch office: Veszprémi u. 66. Building A Eplény H-8413
Tax number: 13719069-2-41
Country in which the headquarters are located: Hungary
Telephone number: +36-1-279-3550
Fax: +36-1-279-3551
Governing law: Hungarian
IPO: Budapest Stock Exchange
Warsaw Stock Exchange
Form of operation: public limited company

Legal predecessors of the company and any changes in its corporate form

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

Regionális Fejlesztési Vállalat Korlátolt Felelősségű Társaság
Date of formation: 17.05.2000
Date of entry: 29.06.2000
Date of termination: 12.06.2006

Regionális Fejlesztési Vállalat zártkörűen működő Részvénytársaság
Date of entry: 12.06.2006

RFV Regionális Fejlesztési, Beruházó, Termelő és Szolgáltató Nyilvánosan Működő Részvénytársaság
Date of change: 12.03.2007

Shares in the company were listed on the Budapest Stock Exchange on 29 May 2007.

E-STAR Alternatív Energiaszolgáltató Nyrt.
Date of change: 17.02.2011
Registration Date: 04.03.2011

ENEFI Energiahatékonysági Nyrt.
Date of change: 09.12.2013
Registration Date: 17.12.2013

ENEFI Vagyonkezelő Nyrt.
Date of change: 29.11.2019
Registration Date: 09.01.2020 Posted by: 14.01.2020

Duration of the Company's operation

The Company was established for an indefinite period.

The share capital of the Company

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

The Company's shares

The share capital consists of 11,150,000 registered dematerialized common shares with a nominal value of HUF 10 (series A) and 5,456,109 registered dematerialized convertible preferred shares with a nominal value of HUF 10 (series H). The total number of shares issued by the company is: 16,606,109

Composition of share capital, significant shareholders on the record date:

The rights and obligations defined in the legislation and the Company's articles of association are associated with the shares.

2. Transfer of the issued shares embodying the subscribed capital:
The rules for the transfer of shares are set out in the Civil Code, the Capital Markets Act and the Company's Articles of Association. The Company's articles of association do not contain any provisions that deviate from the law, nor do they impose any restrictions.

3. Shares issued that come with special management rights:
The Company has not issued any such shares.

4. A management mechanism prescribed by an employee shareholding system in which management rights are not exercised directly by employees:
The Company does not have such a shareholder system.

5. Limitation of voting rights
At the invitation of the Board of Directors, the shareholder registered in the share register (custodian, shareholder proxy and joint representative in the case of jointly owned shares) must immediately

declare the degree of influence he or she has in the company as a beneficial owner. If the shareholder does not comply with the call by the prescribed deadline, his or her right to vote shall be suspended until he or she complies with his or her obligation to provide information.

The Company's articles of association and other regulations do not contain any additional provisions regarding the limitation of voting rights on top of those prescribed by law. The convertible preferred shares do not come with voting rights.

6. Agreement between owners:
The Company is not aware of any agreement between owners that may result in restrictions on the transfer of issued shares or voting rights.

7. The rules for the appointment and removal of senior officials and the amendment of the articles of association:
The Company’s highest body is the annual general meeting. Decisions are made by a simple majority of the votes cast, unless the articles of association or the stock exchange regulations that are mandatorily applicable to the operation of the company require a higher voting ratio based on legislation or its authorization.

8. Powers of senior officers, in particular rights to issue and buy back shares:
Based on the Company's articles of association:

> *“7. The Board of Directors is entitled to make decisions related to the modification of the company's name, seat (location, branch), scope of activity (with the exception of its main activity) and, in relation to this, to amend the articles of association."*

The annual general meeting can authorize the Board of Directors to raise the Company's share capital and to make related decisions.

“VI/1. The annual general meeting authorizes the Board of Directors to make all decisions related to the conversion of convertible preferred shares into ordinary shares. The authorization covers the modification of the articles of association related to the transformation and the making of all related decisions that otherwise fall within the duties of the annual general meeting. The authorization covers the like-for-like conversion of all convertible preferred shares issued by the company, in part or in whole, into ordinary shares based on one or more decisions. There is no time limit for doing this."

9. Agreement in the event of a public takeover offer:
There are no material agreements concluded with the participation of the Company that would enter into force, be modified or terminated due to a change in the management of the Company following a public takeover offer.

10. Agreement between the company and its employees:
There is no agreement between the Company and its executive officer or employees that stipulates compensation in the event that the executive officer resigns or the employee resigns, if the executive officer's or the employee's legal relationship is unlawfully terminated, or the legal relationship ceases due to a public takeover offer.

11. The Board of Directors of the Company:

Name of the board member	Position
Csaba Soós	Chairman of the Board

Ferenc Virág	Board Member
László Bálint	Board Member
Krisztina Tendli (until 19 March 2023)	Board Member

The Board of Directors is the executive body of the Company. The board exercises its rights, obligations and duties in line with the Civil Code and according to the provisions of other relevant laws. The tasks and powers of the Board of Directors include making all decisions that do not fall within the remit of the annual general meeting or other body based on the legislation or the articles of association. The operation, tasks and remit of the Board of Directors are regulated by the Civil Code and the rules of procedure of the Board of Directors.

The members of the Board of Directors are elected by the annual general meeting for a fixed or indefinite term. Based on the authorization of the annual general meeting, the Board of Directors is entitled to authorize the operation of committees, advisors and other bodies in order to prepare decisions.

12. The Supervisory Board of the Company:

The Supervisory Board of the Company regularly informs itself about significant events that have occurred within the Company. It also takes part in preparing and checking the accounts, then accepts them and prepares a report on them. Members of the Supervisory Board:

Name of the SB member	Position
Miklós László Siska	SB member
Gyula Bakacsi	SB member
Imre Kerekes	SB member

The Supervisory Board oversees the management of the Company on behalf of the highest body. In this context, it can request information from senior officials and examine the Company's books and documents. The Supervisory Board has three members, one of whom is an elected chairperson.

The tasks and powers, organization and operation of the Supervisory Board are governed by the provisions and rules of procedure of the Civil Code. The mandate of the members of the Supervisory Board is for an indefinite period of time.

13. The Audit Committee of the Company:

The Company has a three-member Audit Committee.

AC member name	Position
Miklós László Siska	AC member
Gyula Bakacsi	AC member
Imre Kerekes	AC member

The tasks and competences of the Audit Committee include everything that the legislation, as well as the deed of foundation allow it to do. The chairman of the Audit Committee is elected from among its members, and its decisions are made by a simple majority.

14. The auditor of the Company:

The task of the auditor that is chosen by the Company is to ensure that audits are carried out as specified in the Act on Accounting, and in the process, above all, to determine whether the company's report according to the Act on Accounting complies with the legislation, and whether it provides a reliable and true picture of the Company's situation in terms of property, finances and income and about the results of its operation.

Name:	UNIKONTO Számvitelkutatási Kft.
Headquarters:	Fővám tér 8. 3rd floor 317/3. Budapest H-1093
Company registration number:	01-09-073167
Chamber registration number:	001724
The person responsible for the audit is:	
Name:	Dr. Csaba Imre Adorján
Address:	Árok u. street 21/b. Solymár H-2083
Auditor’s license number:	001089

All data in thousand HUF, unless otherwise indicated

II.

Information on companies included in the consolidation:

The consolidation of ENEFI Vagyonkezelő Nyrt. currently includes the following subsidiaries:

	Company name	Country/Headquarters	Share capital	Direct and indirect ownership share (%)	Right to vote (%)
1	Ski43 Program Nonprofit Zrt.	Hungary Nánási út 5-7. Budapest H-1031 Building E, 3rd floor No. 4	5,000,000 HUF	100%	100%
2	ENEFI Projekttársaság Kft.	Hungary Nánási út 5-7. Budapest H-1031 Building E, 3rd floor No. 4	3,000,000 HUF	100%	100%
3	RFV Józsefváros Szolgáltató Kft.	Hungary Nánási út 5-7. Budapest H-1031 Building E, 3rd floor No. 4	3,000,000 HUF	49%	70%
4	Síaréna Korlátolt Felelősségű Társaság	Hungary Veszprémi utca 68/A. Eplény H-8413	215,000,000 HUF	100%	100%
5	Termoenergy SRL	Romania Gheorgheni, p-ța Libertății nr.14	6,960 RON	99.50%	99.50%
6	E-STAR Centrul de Dezvoltare Regionala SRL	Romania Gheorgheni, p-ța Libertății nr.14	525,410 RON	100%	100%
7	E-STAR Energy Generation SRL	Romania Zilah, Nicolae Titulescu street, number 4, II floor, room 5 (Zalău, Str. Nicolae Titulescu, no. 4, Floor 2, App. room 5)	90,000 RON	99.99%	99.99%
8	E-STAR Alternative Energy SRL	Romania Gheorgheni, p-ța Libertății nr.14	90,000 RON	99.99%	99.99%
9	SC Faapritek SRL	Romania 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	355,000 EUR	100%	100%

Group companies under liquidation, which were not included in the consolidation:

Name	Country/Location	Share capital	Shareholding	Right to vote
E-Star Mures Energy SA "in liquidation"	Romania Marosvásárhely, Forradalom utca 1 (Tg. Mureş str. Revolution no. 1)	90,000 RON	99.99%	99.99%

III.

1. The business environment and development of the business process, a comprehensive analysis of the Company's performance and situation, the Company's business policy:

Brief history of the Company

The legal predecessor of the Company was founded in 2000 by four Hungarian individuals under the name Regionalís Fejlesztési Kft. The founders wanted to create an ESCO type company (Energy Service Co., which deals with energy savings). In the beginning, one of the Company's main activities was to provide cost-effective electricity, which still provides sales revenue today. The Company provides its customers with advice on choosing the most favourable tariff package from the regional power supplier. The service involved the Company purchasing electricity and selling on to its customers at a more favourable price. The Company shared the savings with its clients based on long-term contracts. However, as of 1 January 2008, electricity became a free-market commodity, which meant that economic operators were able to freely choose their electricity supplier and individually define the conditions of the service. The Company adapted to these new circumstances and negotiated with several electricity market traders, uniting its partners and acting together to achieve the best possible outcomes. Another of the Company’s main activities since its foundation was regulation of power for public lighting. Then, from 2004, the Company added heating modernization and heating service to its product range. A significant number of the Company's clients are municipalities and municipal institutions, but its customers also included state institutions, churches, condominiums and private enterprises. The Company was transformed into a private limited company on 12 June 2006, and on 12 March 2007, the Company Court registered the change from a private limited company to a "public limited company. The Company's shares were listed on the Budapest Stock Exchange on 29 May 2007.

The Company then began expanding internationally, first in Romania and then in Poland. The Company's shares were listed on the Warsaw Stock Exchange on 22 March 2011. The Company was subject to bankruptcy proceedings in 2012, which were successfully concluded with an agreement with creditors. The Company was forced to prematurely terminate its contracts in Romania as a result of breaches of contract by the municipalities. The Company sold its Polish operation in 2016, and its presence in Romania was narrowed down to making sure its demands relating to terminated contracts were met. The operation of the Company is currently limited to the territory of Hungary, while legal procedures related to its terminated contracts are ongoing in Romania.

The Company published its strategic goals in 2016, in which it focused on the sale of projects in Hungary and Romania, the downsizing of its operations, and share buybacks.

In 2017, the Company was sold to Enerin Kft. along with the originally calculated expected return on public lighting projects that had previously been purchased from it. After the transaction was completed, the Company completely ceased handling public lighting business.

In June 2019, the Company adopted the Strategy, which is still in force, and the provisions of which will help put the Company back on a growth path.

The Company's business environment

The Budapest-based Group of Companies consists of companies present in Hungary and Romania, whose member companies' main activities are heat production and the provision of related services, as well as the management of assets divided into pillars.

ENEFI no longer operates the project in Romania, although it is enforcing its claims through the courts.

Introduction to the business activity by activity area

Breakdown by pillars (what the pillars mean)

In 2019, the Company decided to expand its business activities and formulated "PILLARS" for its activities to be expanded, as a division of new management areas to be activated in the future. The company has decided on asset management activities that allow for the continuation of existing business operations (related to energy efficiency) and the continuation of past legal proceedings. These activities can be divided into the "BASIC PILLARS," the "REAL ECONOMY PILLARS" focusing on the areas of finance, tourism, real estate, and the food industry. The company has also categorized its cash-equivalent assets and investments, as well as future capital market assets, under the "CAPITAL MARKET PILLARS"

Based on all this, its business activities developed as follows in 2023:

A. **BASIC PILLARS**

1. LAWSUITS

The Company continued its legal proceedings, the progress (events) of which it publicly disclosed.

2. ENERGY EFFICIENCY

a.) Energy efficiency (Heat service with heating modernization)

Start of activity: 2000

Presentation

Local governments and state institutions often waste heat in their institutions by using outdated heating systems. In addition, the maintenance of outdated systems is becoming more and more difficult, not to mention more and more costly. If the equipment fails significant – and unplanned –

investment are often required. Due to the tight budgets local governments run on, investments like this may only be realised by taking out a loan, further worsening their ability to get credit. After the individual assessment of the customer's buildings and the preliminary needs assessment with the customer, the Company prepares a proposal package containing a proposal for a long-term, higher-quality heating service. After concluding the contract, the Company carries out the planned modernization (included in the impact study) using its own capital and without using the client's own resources. The Company then provides long-term (for 10-25 years) services using the modern energy system. This service includes operation and maintenance of the equipment. Depending on individual needs, the modernization may include replacing the boiler, making heat consumption adjustable and measurable (transforming heating systems into multiple circuits, installing thermostats, installing a heat pump, etc.). The Company partially procures anything else that is necessary to ensure the provision of the heat service (e.g.: boiler house rental, electricity and water) from the customers. The Company mostly acquires the equipment from domestic representatives of international companies (e.g. in the case of boilers, these companies are typically Viessmann, Buderus and Hoval). These companies also usually also carry out the construction. The Company also enters into a long-term contracts with a local subcontractors to maintain the equipment. These modernizations result in significant energy cost savings (up to 40-50%) without changing the conditions. The Company generally uses gas-fired equipment. Instead of the previous direct gas provider-municipality relationship, in the gas provider(gas dealer)-Company relationship, the Company buys gas and supplies heat to customers. While their heating systems are being modernized the customers uses the heat service at a lower cost. The customer pays a basic or service fee and, on top of that, a fee corresponding to a pre-fixed formula proportional to his consumption. The Company adjusts the unit price of the heat service to the gas price invoiced by the regional gas supplier.

The Company has not entered into any new heat service contracts in recent years. The practical outcome of the termination of existing contracts depends on the continuation or termination of contractual relationships, the behaviour of the contractual partners in relation to the termination and continuation of contracts, and their formal procedures.

One of the Company's affiliates, RFV Józsefváros Kft., is currently in a legal dispute with the Józsefváros municipality, with which it has a contractual relationship, as well as with the Inner Pest School District. These disputes arose because the parties have different legal positions regarding the date of expiry of the contract. In addition to the above, the customers have not fulfilled their payment obligations in line with their contractual obligations. In view of the above, there is a risk that, in the absence of an agreement, the legal dispute between the parties will force the company to initiate court proceedings in order to enforce its legitimate demands.

The main markets related to energy efficiency (Geographic scope of ENEFI)

- ENEFI Nyrt. initially carried out successful heating, public lighting and kitchen technology investments in Hungary, mainly in the local government sector.

- Due to the changing economic and social expectations in our region, the demand for the Company's services has become greater and greater, which has enabled it to expand regionally and grow stronger and get more references in Hungary.
- Since the local governments in our region are often even more underfunded than those in Hungary, and the heating technology of public institutions is often even more outdated, the possibility to make significant savings open up. In light of this, from 2010, ENEFI's attention increasingly turned to the surrounding countries, primarily Romania, but also to Poland from 2011.

In 2016, the Company sold its operations in Poland. It no longer operates any projects in Romania either, so its area of operation is limited to the territory of Hungary.
As of 1 January 2017, the Company's income has come exclusively from Hungary, from the heating service business, public lighting and kitchen technology business.

The most important energy efficiency services provided by the group as a whole

The most important energy efficiency services provided by the group as a whole are:

- efficient heating and district heating services, based on sustainable primary energy sources
- modernization of energy supply and conversion equipment and increasing energy efficiency

b.) MAHART project

Date of acquisition: 20.12.2019

Presentation

On 8 December 2019, the Company informed its investors that it had been awarded a public procurement procedure by MAHART Magyar Hajózási Zrt. for "Procurement of Fixed LNG - CNG filling facilities" (EKR001321472019), worth approximately HUF 1.5 billion.

Based on the contract, ENEFI's task was to provide the following in relation to a complex charging station unlike any other in Europe:

- concept plan,
- licensee in principle,
- licensee and
- preparation of construction plans,
- submission of plans to the licensing authorities,
- conducting licensing procedures
- procurement of pieces of equipment based on the plans
- the production of the equipment
- integration into a unified system, as well as

- full implementation,
- commissioning of the complex facility
- preparation of the complete documentation required for commissioning,
- training and education of the personnel involved in production.

Given that MAHART has a significant amount of debt towards the company, and substantive negotiations between the parties have stalled, there is a risk that, in the absence of an agreement, the legal dispute between the parties will force the Company to initiate court proceedings in order to enforce its legitimate demands.

B. REAL ECONOMY PILLARS

1. FINANCE

No exposure

2. TOURISM

SÍARÉNA Kft. - operator of the Eplény ski slope

Date of acquisition: 09.01.2020

Property form: 100 percent business share, full consolidation

Presentation

Síaréna Kft. is a company owned by ENEFI Nyrt. Its main activity is the operation of the Eplény ski slope. In operating the slope it runs the following business lines:

– ski slope and ski lift operation (ski pass sales)
– ski equipment rental
– ski lessons
– catering

Thanks to continuous developments and investments, the Eplény Ski Arena is the largest and most modern ski centre in Hungary. There are more than 7 kilometres of ski slopes in Eplény, significant sections of which (4 km) are blue slopes. The blue slopes can also be used after dark thanks to track lighting. The snow cannons and the system that feeds them ensure the safety of the snow on the slopes. High-performance pumps transport water from the storage tanks, which have a total capacity of more than 17,000 cubic meters, to the ski slopes, where the 51 snow cannons make snow. The system can create a total of 600 cubic metres of snow per hour. This enormous snowmaking performance enables ski seasons of 90-100 days on average. In the Ski Arena, two chairlifts, three Tbar lifts and three training lifts take skiers up the slopes. There are six catering establishments serving hungry and thirsty guests, including a restaurant, a pizzeria, an oven buffet and a panoramic bar.

Somewhere between 30,000 and 60,000 people every winter, depending on the length of the seasons. This number represents registered tickets that are used and does not include the significant number people accompanying skiers. Ski lessons and equipment hire is a dynamically developing business. With rising standards of living, more and more people can afford to ski, so the market is growing.

The facility operates all year round. Usually, the last weekend of the ski season is the start of the cable car season, which lasts until November, ensuring year-round operation. The number of tourists visiting the cable car is increasing year by year. Although the facility is open year-round, the main seasons lasts from December to the first half of March (depending on the weather). The Company is working on extending the main season to the rest of the year as well.

The ski slope often hosts large-scale events.

We have a significant presence in the national media due to the events and our ability to make snow.

More information can be found on our website:http://siarena.hu/

3. REAL ESTATE

No exposure

4. FOOD INDUSTRY

No exposure

C. CAPITAL MARKET PILLAR

In the course of its capital market activities, the Company trades capital market investment instruments in order to realize a profit.

The Company's current business environment

The Budapest-based Company Group currently consists of companies present in Hungary and Romania. In terms of sales revenue, the long-term heat supply contracts concluded previously still play an important role. It started new activities through the Capital Raising in 2020.

Operation and main activities of the Company (in 2023)

2023

Throughout 2023 the Company's activities were based on an asset management structure divided into Pillars, which fits into the announced as asset management strategy. The Company continued its heating services business, which provides ESCO-type revenues. The portfolio continued to decrease. One of the Company's affiliates, RFV Józsefváros Kft., is currently in a legal dispute with the Józsefváros municipality, with which it has a contractual relationship, as well as with Belső Pesti Tankerület. The dispute arose because the parties have different legal positions regarding the date of expiry of the contract. In addition to the above, the customers have not been fulfilling the payment obligations in their contracts.

In June 2019, the Company adopted the currently effective Strategy, the provisions of which will put it back on a growth path.

With its new strategy, the Company intends to move its main activity towards asset management.

The activities the Company currently carries out for the basis for this. Specifically, these include heat supply, the operation of Síaréna Kft., the execution of capital market transactions, and litigating. For 2023, the following will be presented:

The Company's main resources

Human resources

The number of direct employees of ENEFI Nyrt. was 15 on average in 2023 (including the Romanian and Hungarian ENEFI operations)
The number of employees working for Síaréna Kft. was 11 people on average in 2023

Financial resources

1. The Company's own funds from continuing operations
2. Own fund liabilities
3. Credit
4. Cash equivalent of fixed assets [e.g. with restrictions on the sale of its own share (liquidity, law, etc.)]
5. Monetary return on court cases

The Company can cover the financing of the operation from its revenues. When starting new projects, the Company acts with due care and by considering the risks. The Company's clients (local governments and their institutions) carry the possibility of the risk of non-payment. At the moment, the entire Hungarian operation is carried out without the use of bank financing. If the capital requirements of newly launched projects exceed the available funds, the Company may need external financing.

Risk factors

A detailed description of the risk factors is contained in the Company's previously published H1 2023 report, which is available at:
https://bet.hu/newkibdata/128958036/ENEFI%2023H1%20riportHU_0928.pdf

All data in thousand HUF, unless otherwise indicated

Results and prospects during the annual reporting period

In 2023, asset management made up the largest portion of the company's sales, with this being supplemented by ESCO-based services:

	31.12.2023	31.12.2022
Revenue	396,013	783,562
Material costs	(546,808)	(844,238)
Personnel costs	(241,628)	(353,771)
Other income/ expenses (-)	107,411	267,527
Depreciation	(102,392)	(89,527)
Net profit/loss from financial activities	181,473	68,771
- -		
Income from the sale of associated companies	-	-
Goodwill impairment	-	-
Profit before tax	**(205,931)**	**(167,676)**
Income tax	(13,975)	(8,115)
Profit/loss after tax for current year	**(219,906)**	**(175,791)**
Part attributable to the owners of the parent company	(223,122)	(179,339)
Part attributable to non-controlling interests	3,216	3,548
Exchange differences resulting from the conversion of foreign operations	(40,763)	20,032
Total other comprehensive income	**(40,763)**	**20,032**
	0	0
Total comprehensive income	**(260,669)**	**(155,759)**
Part attributable to the owners of the parent company from the total comprehensive income	(263,885)	(159,307)
Part attributable to non-controlling interests from the total comprehensive income	3,216	3,548
Earnings per share (HUF)		
Basic earnings per share	(20.66)	(16.61)
Diluted earnings per share	(17.44)	(14.01)
EBITDA	**(285,012)**	**(146,920)**

Síaréna Kft's sales revenue from its ski slope operation decreased by approximately 26 percent. This decrease was significantly offset by the reorganization activity that started in 2022 as well as by lower labour costs.

The management of Síaréna Kft. started a significant reorganization process at the beginning of 2022, which continued into 2023. The most important aspects of the reorganization are the Company moving to all-year-round operation, as well as higher sales and increases in efficiency.

In recent years, the number of permanent employees, regardless of the season, has been between 20-25 people, while currently it has fewer than 10 employees. Considering the seasonal operation of the ski arena, it is trying to fill its staff with casual workers. Based on what has been described, year-on-year personnel expenses have shown significant savings, despite the "central" wage increases. (Wage costs for 2021: HUF 350 million, wage costs for 2022: ca. HUF 190 million, wage costs for 2023: ca. HUF 135 million).

Síaréna's operating costs have been scrutinized, and significant savings have been achieved year on year (2022 other costs: ca. HUF 240 million, and 2023 other costs ca. HUF 130 million), although positive result was cancelled out by the significant year-on-year increase in energy prices in 2023. (2022 energy cost: ca. HUF 30 million, and 2023 energy cost ca. HUF 160 million). A significantly more favourable energy contract was signed for 2024, which will have a significant impact in the future. A significant restructuring took place in the field of hospitality. Due diligence was carried out among suppliers, and this, along with staff optimization, resulted in Síaréna making a profit even during the summer season.

Year-round operation (summer): aim at mountain bikers. In 2022, we started renovating and rebuilding of our bike trails. The first self-organised national mountain bike race was held. The renovated bike trails attracted the attention of mountain bikers and ticket sales started to increase noticeably in the second half of 2023. This process that did not stop in March 2024. Currently, Síaréna has three bike trails in operation (Little Boy Enduro, Red Daemon Enduro and The Witch DH) with three more in the planning stages (Flow Line, Jump Line and Crazy Dance Enduro). Flow Line is currently under construction and could be completed by spring of 2024. The authorization of the other trails will start at the same time. The expectations is for the Síaréna Vibe Park to be transformed into an international arena, with foreign riders also being enticed to visit. Ticket sales are also expected to increase in the coming years, hopefully reaching over 10,000 tickets per season by 2026. During the summer season, the cable car continues to contribute a significant portion of sales revenue.

Year-round operation (winter): how ski lessons wok has been transformed. A new, more reliable entry system was purchased, and enter the ski lift gates is faster. In the 2023/24 winter season, staff optimization was also an important aspect. Despite the unfavourable weather, the operation was profitable at the EBITDA level (approximately HUF 50 million). Ten thousand children have received free skiing lessons under the Ski43 program.

All data in thousand HUF, unless otherwise indicated

The following table shows the analysis of the Group's sales revenue based on activity:

	31.12.2023	31.12.2022
Lease revenues	18,790	42,242
Income from other operations	13,742	13,006
Heat sales	92,022	348,900
Sales revenue from the MAHART project	0	13,189
Operation of the ski slope	271,459	366,225
Total	**396,013**	**783,562**

The sales revenue includes only returns that can be linked to the Group's main activity.

The Group's income comes from the sale of heat it produces itself, revenue from equipment operated for other parties, the implementation of a project, leasing, and the operation of the Síaréna.

The basic reason for the increase in sales revenue from the sale of heat is the increase in utility fees, which was also accompanied by an increase in expenses.

When accounting for sales revenue, with the exception of accounting for accruals, it was possible to following billing since the nature of the services the Company provides is such that it does not require correction between additional periods. For assets operated for third parties, the Group determined the income based on the future cash flows using the implicit interest rate method. These assets are subject to IFRIC 12.

The Group is creating a charging station on behalf of MAHART - based on a public procurement tender it won. The construction of the charging station is based on the customer's guidelines, and the customer will also control charging station once finished. This means the income for this project has to be accounted for proportionally (over a given time).

Given that MAHART has accumulated a significant amount of debt towards the Company, and substantive negotiations between the parties have stalled, there is a risk that, in the absence of an agreement, the legal dispute between the parties will force the company to initiate court proceedings to enforce its legitimate demands.

The degree of completion (PTC) is determined by the Group in proportion to the planned and actual costs. During this period, the Group came to the conclusion that the conditions on the basis of which the agreed sales revenue could be accounted for did not exist. The Group only recognized income on items for which it is highly probable to be repaid, and which appear among expenses. During the period, the Group did not show a gross profit on the project (the balance of the accounted sales revenue and material expenditure is zero). The Group has created provisions for expected losses.

All data in thousand HUF, unless otherwise indicated

Significant items that modify the result not as sales revenue from operations:

Impairment of financial assets and their reversal

	31.12.2023	31.12.2022
Impairment/reversal of impairment of customer receivables	(137,401)	39,640
Impairment/reversal of impairment of other receivables	41,120	8,400
Expected credit loss	(22,367)	2,394
Total	**(118,648)**	**50,434**

The financial result developed as follows as a result of the above items:

	31.12.2023	31.12.2022
Interests and other items	234,841	18,337
Impairment/reversal of impairment	(118,648)	50,434
Total	**116,193**	**68,771**

Future prospects:

The Group sees the possibility of short-term development as follows:

Acquisition of new assets in accordance with the asset management strategy of ENEFI Nyrt. As the direct creation of asset value, their income potential, and the possibility of potential cash flow arising from dividends. Ideas aimed at acquiring assets are currently hampered by the unfavourable international and domestic economic environment. In light of this the Company is acting with due consideration.

Síaréna Kft. changing toa year-round business model from the current winter-season model.

Individually feasible project opportunities can be seen as the intellectual potential of the Company's top management.

The Company expects to win further lawsuits as a result of public litigation. Over the past two years it has been shown several times that payoffs from lawsuits offer real potential.

All data in thousand HUF, unless otherwise indicated

Quantitative and qualitative performance measurement indicators

The group level indicators as of 31 December 2023 are listed in the table below.

Name of index number	31.12.2023	31.12.2022
Fixed asset ratio (Fixed assets/Total assets)	46.67%	46.05%
Indebtedness ratio (Liabilities/Resources)	18.45%	17.35%
Profitability in proportion to sales (Profit before tax/Net sales revenue)	-52.00%	-21.40%
Proportional return on equity (Profit before tax/Equity)	-7.34%	-5.47%
Liquidity indicator 1 (Current assets/Current liabilities)	289.05%	311.37%
Quick liquidity ratio (Cash assets/Current liabilities)	27.11%	193.93%

The unique ENEFI Vagyonkezelő Nyrt. indicators as of 31 December 2023 are shown in the table below:

Name of index number	31.12.2023	31.12.2022
Fixed asset ratio (Fixed assets/Total balance sheet)	69.34%	64.57%
Debt ratio (Liabilities/Resources)	59.25%	56.23%
Profit margin (Profit before tax/Net sales revenue)	-66.87%	-164.92%
Return on equity (Profit before tax/Equity)	-2.65%	-20.96%
Liquidity indicator 2 (Current assets/Current liabilities)	648.01%	729.07%
Quick liquidity ratio (Cash assets/Current liabilities)	38.62%	345.35%

Detailed description of the company's consolidated financial position

A detailed description of the consolidated financial position of the Company is contained in the annual accounts submitted together with this report, and at the company group level in the annual consolidated report.

1. Major economic events of 2023 and their evaluation

ENEFI presented the major economic events of 2023 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), the website of Budapest Stock Exchange Zrt. (www.bet.hu), as well as the on the Hungarian National Bank (MNB) website (www.kozzetetelek.hu).

2. Significant events and particularly significant processes that occurred after the balance sheet date:

ENEFI presented the major economic events it experienced in 2023 in detail in its announcements during the year.

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

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

In the near future the Company group will work on fulfilling its previously published strategic objectives.

4. The field of research and experimental development:

The company group did not carry out such activities in 2023 and does not plan to do so in the future.

5. The sites:

In 2023, the company group did not create any new locations or branches.

6. Employment policy:

According to the company group's employment policy, it operates its headquarters in a "knowledge-cantered" approach, employing typically highly qualified white-collar staff. The group of companies subcontracts specialists necessary for the investments made during its operation.

With the acquisition of ownership of Síaréna Kft., the group has an employment policy typical of Síaréna, which is includes an established permanent staff supplemented by a temporary, seasonal workforce.

All data in thousand HUF, unless otherwise indicated

7. Environmental protection:

The group pays special attention to environmental protection in the way it operates. Its main business activity was previously modernising energy equipment and providing related services through energy investments, which, in addition to being a source of income for the group, helped protect the environment from significant pollution and energy consumption. At this time, the group of companies was constantly looking for the possibility of using and exploiting renewable energies. Energy saving and the increased environmental protection that comes as a result are the basic business goals and business policy of the company group.

8. Use of financial instruments:

During the management of the Company in 2023, the Company had the following positions under the Capital Market pillar of its strategy:

The Group invested part of its free funds into securities. The goal of this was to achieve short-term profit, which is why the group classified the securities in the FVTPL category.

	31.12.2023	31.12.2022
Opening balance	34,512	251,933
Cost of securities	946,731	292,142
Sale of securities	(2,478)	(495,329)
Revaluation to fair value	218,280	(14,234)
Carrying amount	**1,197,045**	**34,512**

The Group determined the fair value based on stock market prices.

9. Risk management policy and hedging policy:

The Company averts any risks arising from foreign exchange rates with cash and foreign exchange market transactions. No such transactions took place in the year in question.

10. Price, credit, interest, liquidity and cash flow risks:

The risks affecting the Company's operation are presented above with references.

IV.

Board of Directors' report for the individual and consolidated accounts of the Company for 2023:

The Board of Directors prepared and accepted the consolidated and individual annual report of ENEFI Vagyonkezelő Nyrt. for 2023 according to IFRS.

The Company recommends to its shareholders that, in the light of the report of the Board of Directors, the Supervisory Board and the Auditor, they accept the IFRS-based **consolidated annual report** for 2023

HUF 3,442,590,000	total assets for the year in question,
HUF (260,669,000)	including comprehensive income for the period

as well as the **individual annual report**

HUF 7,587,497,000	total assets for the year in question,
HUF (82,896,000)	including full comprehensive results

The Board of Directors draws the attention of the shareholders to the fact that the individual and consolidated annual accounts of the Company form an inseparable part of this report, and requests that they make their decision to accept the report with a thorough knowledge of it (including its supplementary annexes and related notes).

The Board of Directors of the Company still does not recommend a decision on the payment of dividends to the annual general meeting.

The Board of Directors of the Company prepared and accepted the responsible corporate governance report to be submitted to the Budapest Stock Exchange this year. It submitted this to the Supervisory Board and the annual general assembly.

V.

Corporate governance statement:

Apart from the parent company, none of the transferable securities of the companies included in the consolidation are traded on the regulated market of a state in the European Economic Area.

The Company's corporate governance statement is contained in its individual business report.

Issuer's statement

Based on the applied accounting standards, the consolidated financial statements and the individual financial statements, prepared to the best of our knowledge, give a true and reliable picture of the assets, liabilities, financial position and results of ENEFI Vagyonkezelő Nyrt. and the companies included in the consolidation. It also describes their development and performance, as well as the main risks and uncertainty factors.

The company declares that the management report provides a reliable picture of the issuer's situation, development and performance, describing the main risks and uncertainty factors.

Budapest, 8 April 2024

Csaba Soós, László Bálint, Ferenc Virág
Board members
ENEFI Vagyonkezelő Nyrt.

ENEFI Vagyonkezelő Nyrt.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ending 31 December 2023
adopted by the European Union
According to International Financial Reporting Standards (IFRS).

All data in thousand HUF, unless otherwise indicated

Consolidated comprehensive income statement

	Notes	31.12.2023	31.12.2022
Revenue	(3.1)	396,013	783,562
Material costs	(3.2)	(546,808)	(844,238)
Personnel costs	(3.3)	(241,628)	(353,771)
Other income/ expenses (-)	(3.4)	107,411	267,527
Depreciation	(4.1-4.2)	(102,392)	(89,527)
Net profit/loss from financial activities	(3.5)	181,473	68,771
Results of affiliated company granted for the group		-	-
Income from the sale of affiliated companies		-	-
Goodwill impairment		-	-
Profit before tax		**(205,931)**	**(167,676)**
Income tax	(3.6)	(13,975)	(8,115)
Profit/loss after tax for current year		**(219,906)**	**(175,791)**
Part attributable to the owners of the parent company		(223,122)	(179,339)
Part attributable to non-controlling interests	(4.17)	3,216	3,548
Exchange differences resulting from the conversion of foreign operations	(3.7)	(40,763)	20,032
Total other comprehensive income		**(40,763)**	**20,032**
		0	0
Total comprehensive income		**(260,669)**	**(155,759)**
Part attributable to the owners of the parent company from the total comprehensive income		(263,885)	(159,307)
Part attributable to non-controlling interests from the total comprehensive income		3,216	3,548
Earnings per share (HUF)			
Basic earnings per share	(3.8)	(20.66)	(16.61)
Diluted earnings per share	(3.8)	(17.44)	(14.01)
EBITDA	(3.8)	**(285,012)**	**(146,920)**

The comprehensive income statement includes the items with their respective signs.

The supplementary notes form an integral part of the financial statements.
References in parentheses refer to chapters 3 and 4 of the financial statements.

All data in thousand HUF, unless otherwise indicated

Consolidated balance sheet

Consolidated balance sheet - Assets	Notes	31.12.2023	31.12.2022
Intangible assets	(4.1)	28,085	31,346
Tangible assets	(4.2)	1,578,657	1,626,076
Long-term receivables from concession assets	(4.3)	0	52,160
Total non-current assets		**1,606,742**	**1,709,582**
Short-term receivables from concession assets	(4.3)	53,580	55,737
Inventories	(4.4)	4,315	6,135
Trade receivables	(4.5)	106,650	164,853
FVTPL Securities	(4.6)	1,197,045	34,512
Income tax receivables	(4.7)	30,812	31,123
Other short-term receivables	(4.8)	264,703	431,448
Active accruals	(4.9)	6,541	31,483
Cash and cash equivalents	(4.10)	172,203	1,247,238
Total current assets		**1,835,847**	**2,002,529**
Total assets		**3,442,590**	**3,712,111**

Consolidated statement of financial position - Equity and liabilities	Notes	31.12.2023	31.12.2022
Share capital	(4.11)	166,061	166,061
Share premium	(4.12)	4,698,538	4,698,538
Accumulated revaluation reserve	(4.13)	45,828	86,591
Share-based benefit reserve	(4.14)	65,520	65,520
Treasury shares	(4.15)	(1,405,717)	(1,405,717)
Retained earnings		(811,456)	(588,334)
Equity attributable to owners of the Company		**2,758,774**	**3,022,658**
Non-controlling interests	(4.17)	48,691	45,475
Total equity		**2,807,465**	**3,068,133**
Provisions	(4.18)	216,714	216,715
Long-term bank loans	(4.20)	-	-
Other long-term liabilities		-	840
Total non-current liabilities		**0**	**840**

continued on the next page

The supplementary notes form an integral part of the financial statements.
References in parentheses refer to chapters 3 and 4 of the financial statements.

All data in thousand HUF, unless otherwise indicated

continued from the previous page

Consolidated statement of financial position - Equity and liabilities	Notes	31.12.2023	31.12.2022
Provisions	(4.19)	216,714	216,715
Short-term bank loans	(4.18)	12,984	42,785
Advances received from customers		-	-
Trade payables	(4.21)	126,873	105,850
Other current liabilities	(4.22)	88,102	97,334
Passive Accruals	(4.23)	190,452	180,454
Total current liabilities		**635,125**	**643,138**
Total liabilities		**635,125**	643,978
Total equity and liabilities		**3,442,590**	**3,712,111**

The supplementary notes form an integral part of the financial statements.
References in parentheses refer to chapters 3 and 4 of the financial statements.

All data in thousand HUF, unless otherwise indicated

Statement of changes in consolidated equity

	Subscribed capital	Reserves	Conversion provisions	Reserve of share-based payments	Own shares	Profit reserve	Own equity attributable to one equity holder of the parent company	Non-controlling interest	Total capital and reserves
31 December 2021	**166,061**	**4,698,538**	**66,559**	**65,520**	**(1,405,717)**	**(408,995)**	**3,181,966**	**41,927**	**3,223,893**
Total comprehensive income 2022	-	-	20,032	-	-	(179,339)	(159,307)	3,548	(155,759)
31 December 2022	**166,061**	**4,698,538**	**86,591**	**65,520**	**(1,405,717)**	**(588,334)**	**3,022,659**	**45,475**	**3,068,134**
Total comprehensive income 2023	0	0	(40,763)	0	0	(223,122)	(263,885)	3,216	(260,669)
31 December 2023	**166,061**	**4,698,538**	**45,828**	**65,520**	**(1,405,717)**	**(811,456)**	**2,758,774**	**48,691**	**2,807,465**

The supplementary notes form an integral part of the financial statements.
References in parentheses refer to chapters 3 and 4 of the financial statements.

All data in thousand HUF, unless otherwise indicated

Consolidated cash flow statement

	Notes	31.12.2023	31.12.2022
Cash flow from operations			
Profit/loss before tax		(205,931)	(167,676)
Net interest expenditure	(3.5)	6,657	6,620
Non-cash items			-
Depreciation	(4.1-4.2)	102,392	89,527
Impairment	(3.5)	96,281	(316,947)
Result from sale of tangible assets	(3.4)	1,560	(119,528)
Profit/loss impact of exchange loss	(3.5)	(85,804)	64,080
Change in receivables from concession assets	(4.3)	73,462	150,241
Revaluation of securities	(3.5)	(218,280)	14,234
Result of affiliated company granted for the group		-	-
Profit/loss impact of expected credit loss	(3.5)	(42,913)	(2,394)
Goodwill impairment		-	-
Interest income	(3.5)	(45,451)	(61,399)
Changes of provisions	(3.4)		216,715
Total non-cash items		**(118,753)**	**34,530**
		-	-
Income tax paid		(13,662)	(28,169)
Interest paid		(6,657)	(6,620)
Adjusted profit/loss in the year in question		**(338,346)**	**(161,316)**
Changes in working capital			
Changes in trade receivables and other current receivables	(4.5)	216,283	144,812
Change in accruals	(4.9 ; 4.23)	34,939	(32,415)
Inventory changes	(4.4)	1,819	10,113
Change in trade payables and other liabilities	(4.21-4.22)	11,791	(653,729)
Net cash flow from operating activity		**(73,514)**	**(692,535)**

Continued on the next page

All data in thousand HUF, unless otherwise indicated

Continued from the next page

Cash flows from investing activities			
Received interest		26,307	61,399
Acquisition of tangible and intangible assets	(4.1-4.2)	(54,004)	(123,018)
Revenue from the sale of tangible and intangible assets		1,078	936,846
Acquisition of an interest in an affiliated company		-	-
Loan repayment	(4.8)	(840)	460,681
Sale/purchase of securities	(4.6)	(944,253)	203,187
Net cash flow from investing activity		**(971,712)**	**1,539,095**
Cash flows from financing activities			
Sale/purchase of own shares		-	-
Changes in bank loans (borrowing - repayment)	(4.20)	(29,801)	(42,224)
Repayment of loan obligation	(4.22)	-	-
Net cash flow from financial activities		**(29,801)**	**(42,224)**
Change in liquid assets		**(1,075,027)**	**804,336**
Currency exchange on cash and cash equivalents	(3.5)	15	13
Expected credit loss on cash and cash equivalents	(3.5)	(24)	(123)
Change in cash and cash equivalents		**(1,075,036)**	**804,226**
Cash and cash equivalents at the beginning of the year	(4.11)	1,247,238	443,012
Cash and cash equivalents at the end of the year	(4.11)	172,203	1,247,238

The cash flow statement includes the items with their respective signs.
The supplementary notes form an integral part of the financial statements.

References in parentheses refer to chapters 3 and 4 of the financial statements.

1. The determining elements of the accounting policy and the basis for preparing the financial statements

Statement of compliance with IFRS

The financial statements were prepared in accordance with IFRS. The management declares that the Group fully applied the rules contained in IFRS/IAS and IFRIC/SIC as adopted by the European Union. The management is aware of the responsibility it bears in making this statement.

Content of the financial statements

These financial statements present the assets, performance and financial position of ENEFI Vagyonkezelő Nyrt., as the parent company and those of the companies included in the consolidation (collectively: “the Group”). The Group's financial statements are prepared, approved and published by the management of the Parent Company. The Group publishes its financial statements on the www.enefi.hu website.

The basis for the preparation of the financial statements, the applied rules and underlying assumptions, evaluation philosophy

The financial statements were prepared based on the International Financial Reporting Standards (IFRS) created by the International Accounting Standard Board (IASB). The Group applied IFRS as adopted by the European Union.

The management of the Parent Company has determined that the requirements for continuing the business have been met. In other words, there is no indication that the Group will terminate or significantly reduce its operations within the foreseeable future - at least within a year.

This financial statement - with the exception of the cash flow statement - was prepared using a natural approach, that is, the actual economic event is the decisive factor in the presentation and not the cash flow.

The Group generally evaluates its assets based on historical cost, except for those in situations in which, according to IFRS, the given item must be evaluated at fair value. In the financial statements, certain financial assets had to be valued at fair value.

Presentation of financial statements

The Group publishes consolidated financial statements of the companies under its control and the parent company (hereinafter: financial statements). The financial statements of the Group include the following (parts):

- consolidated balance sheet;
- consolidated comprehensive income statement;
- consolidated equity change statement;
- consolidated cash-flow statement;
- supplementary notes to the consolidated financial statements

The most important decisions related to the statements

The Group decided to include the comprehensive income statement in a separate statement. This is so that the items related to the other comprehensive income are presented in the same statement, after the net profit (loss) of the period.

Items that increase or decrease net assets (that is, the difference between assets and liabilities) are considered to be other comprehensive income, and this decrease must not be accounted for either as an asset, liability, or against the P&L, but instead directly changes an element of equity. Among other things, capital transactions that change the capital made available are not considered other comprehensive income.

The Group last prepared its consolidated financial statements according to IFRS for the 2023 business year, with comparative data for 2022.

The Group publishes the consolidated financial statements in Hungarian forints. This is the currency of presentation. The consolidated financial statements cover one calendar year. The cut-off date for the consolidated financial statements is 31 December.

In accordance with stock exchange regulations, the Group prepares interim financial statements every six months. The rules of IAS 34 must be applied to the interim financial statements. They do not contain all the disclosures required by IAS 1, and the data is condensed.

The consolidated financial statements contain comparative data, unless a certain period had to be restated or an accounting policy had to be changed. In this situation, the Group also presents the opening balance sheet values of the comparative period. No such publication took place in 2023.

If it becomes necessary to reclassify an item to another category for the sake of presentation (for example, due to a new financial statement line), the Group corrects the previous year's data to achieve this comparability.

The financial statements are published by the management of ENEFI Nyrt. in accordance with the relevant legislation and stock exchange rules.

In the additional notes to its financial statements, the Group also has to disclose information about the operating segments. The operating segments are defined in accordance with the strategic expectations of the Board members.

The value of disclosures not included in the supplementary notes to the financial statements, but that are mandatory according to IFRS, is either zero, cannot be interpreted, or their omission does not significantly affect the conclusions that can be drawn on the basis of the financial statements.

The basis for the preparation of consolidated financial statements

The consolidated financial statements were compiled on the basis of the International Financial Reporting Standards (IFRS) accepted by the European Union. IFRS includes: standards adopted by the European Union, issued by the International Accounting Standards Board (IASB), and International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC). They also include the interpretations of the International Financial Reporting Standards Interpretation

Committee (IFRS Interpretation Committee) and the Standards Interpretation Council (SIC) approved by the Commission of the European Communities.

The basis of consolidation

The consolidated financial statements contain the financial statements (values) of the Parent Company and the companies it directly or indirectly controls (subsidiaries of the Group). From the business year starting on 1 January 2014, the concept of control is defined by the IFRS 10 standard. According to this standard, an investor has control over the company enjoying the investment, if he or she is entitled to a positive return of a variable nature produced by the latter, or if he or she bears the consequences of the negative return and is able to control the operation based on his or her decisions (power), thus influencing the returns. The ability to manage, and by extension control, comes from rights.

Control can be achieved primarily through an ownership stake, an agreement with other owners, or a unique market situation (e.g. a monopoly). The parent company gained control over the companies included in this financial statement through its ownership stake or through its voting rights.

The concept of control was previously defined differently by IFRS (see former IAS 27). As the tests before the entry into force of the IFRS 10 standard showed, the management concluded that the change in the regulation did not lead to the transformation of the group structure, since the existence of the rights creating control and the majority of the voting rights coincide, so the voting right is still the guiding indicator. The income and expenses of subsidiaries acquired or sold during the year are included in the consolidated comprehensive income statement from the actual date of acquisition to the actual date of sale. The full comprehensive income of the subsidiaries belongs to both the Group and non-controlling interest owners. The amount of comprehensive income must be assigned to the non-controlling interest even if it is negative.

If necessary, the financial statements of the subsidiaries shall be amended in order to ensure that their accounting policies correspond to the accounting policies used by the other members of the Group.

At the time of consolidation, transactions, balances, income and expenses within the group are completely filtered out, even if the resulting income appears in the value of an asset.

The income and expenses of affiliated companies acquired or sold during the year are included in the consolidated comprehensive income statement from the actual date of acquisition to the actual date of sale. The entire comprehensive income of the affiliated companies belongs to the Group and the minority shareholders, even if the balance of the non-controlling interests becomes negative.

Some companies belonging to the Group apply a uniform accounting policy.

Business combinations

A business combination occurs when the Group acquires control in a new company with the purpose of the acquisition being to acquire the business activities of the acquired company and not only just its assets. The acquisition of control must be established from the day on which any condition necessary for classification as a subsidiary is fulfilled (e.g. from when the Group's Parent Company can exercise control over the assets owned by the subsidiary, or when the Group becomes entitled to the income derived from it).

The acquirer is the business unit that acquires control over the other one. If it is not clear which party has been acquired, it must be determined based on the following criteria:

In a business combination that occurs primarily through the transfer of funds or other assets or the assumption of liabilities, the acquirer is usually the entity that transfers the funds or other assets or that assumes the liabilities.

In a business combination that is accomplished primarily through an exchange of equity interests, the acquirer is usually the entity that issued the equity interests. In the case of business combinations called reverse acquisitions, the acquired entity is the issuing entity. Other relevant facts and circumstances must also be considered in order to identify the acquirer, such as relative voting rights, existing minority shares, the composition of its governing body, the composition of its senior management and the conditions for the exchange of capital shares.

The acquirer is usually the merging entity whose relative size (measured, for example, in terms of assets, revenues or profit) is significantly greater than that of the other merging entity or entities.

In a business combination involving more than two economic entities, the definition of the acquirer must include, among other things, which of the merging economic entities initiated the combination, as well as the relative size of the merging economic entities.

Acquisitions of businesses are accounted for using the acquisition method. The compensation transferred in the business combination shall be valued at fair value, which is the sum of the fair value of the assets transferred by the Group at the time of acquisition, the liabilities owed by the Group to the previous owners of the acquired assets, and the capital shares issued by the Group that were issued in exchange for obtaining control over the acquired assets. The costs related to acquisitions are accounted for in the P&L when they arise.

At the time of the acquisition, the acquired identifiable assets and assumed liabilities are valued at fair value.

If the first settlement of a business combination has not yet been completed at the end of the reporting period during which the business combination took place, the Group accounts for provisional estimated amounts for those items that have not yet been settled. The Group corrects these estimated amounts during the accounting period (see above) or accounts for additional assets and liabilities, in order to reflect in the amounts any new information obtained regarding the facts and circumstances existing on the date of the acquisition, which – had

they been known – would have influenced what amounts are settled on the day of the acquisition. Such modifications do not constitute a defect.

Goodwill is assessed as the excess of the book value of the transferred consideration, any previous non-controlling interest in the acquiree and the equity interests previously held by the acquirer (if any) over the net value of the identifiable assets and assumed liabilities at the time of the acquisition. If the net value of the identifiable assets and assumed liabilities at the time of acquisition exceeds the consideration paid, and the amount of any previous non-controlling interest in the acquiree and the interest (if any) previously held by the acquirer, the excess is recognized in the P&L as the profit of a beneficial purchase transaction. (In situations like this, the calculation must be performed at least twice.)

Non-controlling interests that represent an ownership interest and give their owner the right to a proportional portion of the net assets of the economic entity in the event of its liquidation, are displayed and evaluated in proportion to the net assets on the balance sheet date of the entity being acquired, even at fair value. The Group does not use the fair value measurement of NCI.

If the initial accounting for a business combination is incomplete at the end of the reporting period in which the combination occurred, the acquirer must include provisional amounts in its financial statements for those items for which accounting is incomplete. During the valuation period, the acquirer must retroactively adjust the provisional amounts recognized as of the acquisition date to reflect new facts and circumstances existing at the acquisition date that, if known, would have affected the evaluation of the amounts recognized at that time. During the valuation period, the acquirer must also present additional assets or liabilities if it has 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 those assets and liabilities at that time. The valuation period ends when the acquirer receives the information it sought regarding the facts and circumstances existing at the time of the acquisition or learns that no further information can be obtained. At the same time, the valuation period cannot exceed one year from the date of acquisition.

The valuation period is the period after the date of acquisition during which the acquirer can adjust the provisional amounts presented for the business combination.

The subsequent accounting of a change in the fair value of the contingent consideration that is not considered a valuation period adjustment depends on the classification of the contingent consideration. A contingent consideration classified as equity cannot be revalued at later reporting dates and its subsequent settlement is accounted for as equity. Contingent considerations classified as receivables or liabilities shall be revalued in accordance with the IFRS 9 or, if applicable, IAS 37 standards on contingent liabilities and contingent receivables at subsequent reporting dates, and the related profit or loss shall be accounted for as net income.

If a business combination is realised in several steps, the capital shares previously held by the Group in the acquired company are valued at fair value on the date of acquisition (that is, when the Group acquires the right of control), and any profit or loss that may arise is recognized in the P&L. Amounts resulting from the share held in the acquired company prior to the acquisition date, which were previously accounted for as comprehensive income, can be reclassified to the P&L if this were to be the appropriate accounting treatment in the event of the sale of the share.

The Group did not participate in a business combination in 2023.

Goodwill

The difference between the consideration given for the acquired subsidiary (cost of inspection) and the acquired net assets is shown as goodwill, which is a non-amortizable intangible asset. The Group assigns this goodwill to a cash-generating unit (CGU) and tests it every year to determine whether the goodwill is impaired. During the goodwill impairment test, the recoverable amount of the CGU must be compared to the book value of the CGU. If the recoverable amount is less than the book value of the CGU, then – unless there is a clearly impaired asset – goodwill must be written off first. Goodwill cannot be reversed later.

For cash-generating units that feature goodwill, an impairment test is performed at least once a year, or more frequently if there are indications that an impairment may exist. If the recoverable amount of the cash-generating unit is lower than its book value, the impairment is first assigned to the book value of the goodwill assigned to the unit (reducing it), and then to the other assets of the cash-generating unit based on the ratio of the book values of the assets. Any impairment loss related to goodwill is recognized directly in the P&L by debiting the net income. Impairment recognized in relation to goodwill cannot be reversed in subsequent periods.

When the relevant cash-generating units are sold, the goodwill is deducted by the Group, so it is taken into account when determining the profit realised on the sale.

The Group's accounting policy on goodwill arising from the acquisition of an affiliated company is explained in more detail in the additional note below.

Investments in affiliates

An affiliated enterprise is an enterprise in which the Group has significant influence and which is neither a subsidiary nor a joint organization. One of the strong signs of controlling influence is if the investor's vote in decisions related to the financial and operational policy of the company that is the subject of the investment directly or indirectly exceeds 20%. There are also other for significant influence to be achieved, including guaranteed significant participation in the Board of Directors.

The comprehensive profit and loss, assets and liabilities of the associated enterprises are presented in the consolidated financial statements using the equity method, except when the investments are classified as held for sale, in which case the accounting is based on the IFRS 5 Fixed assets held for sale and discontinued operations standard. Based on the equity method, the investment in the affiliated company is initially shown in the consolidated balance sheet at cost, and then adjusted according to the Group's share in the profit and comprehensive income of the affiliated company. If the Group's share of the affiliated company's losses exceeds the Group's interest in the affiliated company (including any long-term interests that are part of the Group's net investment in the affiliated company), the Group will derecognize its share of additional losses. Additional losses are recognized only to the extent that the Group has a legal or presumed obligation to recognise them, or if the Group has made payments on behalf of the affiliated company.

The surplus of the acquisition costs over the value of the share attributable to the Group from the net fair value of the assets, liabilities and contingent liabilities of the affiliated company shown on the date of acquisition is accounted for as goodwill and forms part of the book value of the invested asset, not on a separate line. The excess of the net fair value of the assets, liabilities and contingent liabilities of the Group's share on the acquisition costs is recognized directly in the P&L.

Fair value adjustments are made by the management within 12 months from the date of inclusion. The spillover effect of fair value adjustments must be reflected in the consolidated financial statements through appropriate adjustments.

When determining the impairment of associated enterprises, the Group applies the valuation method described in IAS 36. The entire book value of the shareholding (including goodwill) is tested for impairment as a single asset using the methodology in accordance with the IAS 36 Impairment of Assets standard, according to which the recovery value (the higher of the value in use and the fair value less selling costs) is compared with book value. Any such recognized loss reduces the carrying amount of the investment. Any reversal of the impairment is done in accordance with IAS 36 to the extent of the subsequent recovery value of the investment. However, the goodwill shown together with the stake cannot be reversed.

If selling an interest in an affiliate company leads to a loss of significant influence, the remaining investments are valued at their fair value on the date of sale, as compared to the fair value taken into account at the initial recognition of a financial asset in accordance with IFRS 9. Any difference between the book value and the fair value of the remaining interest in the affiliate is taken into account in determining the gain or loss from the sale of the interest. Furthermore, the Group accounts for the amounts previously accounted for in the comprehensive income in relation to the affiliated enterprise on the same basis as would be required if the affiliated enterprise were to directly deduct the related assets and liabilities. Thus, the Group reclassifies the profit or loss related to an affiliated company, which was previously included in other comprehensive income and would be transferred to the P&L when the related assets or liabilities are removed, from equity to the P&L (as a reclassification adjustment), while the affiliated company loses its significant influence.

When the Group engages in transactions with an associated enterprise, the resulting outcome from such transactions can only be reflected in the consolidated financial statements up to the proportion attributable to the Group within the associated enterprise. Claims and liabilities are not filtered out. If the investor provides a loan to an affiliated company that can only be repaid in a certain situation, possibly in the distant future, this is shown together with the value of the investments and, during the revaluation, the difference is recorded in the other comprehensive income.

The Group had no affiliated companies during the period in question.

Characteristics of operating segments

An operating segment is a component of a business unit:

(a) that carries out business activities that create income and incur expenses (including those related to transactions with other components of the same economic entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker who then decides on the resources to be allocated to the segment and evaluates its performance, and

(c) for which specific financial information is available.

The following operational segments have been identified by the Group.

- ***Energy sector***

The Group currently generates income from the energy efficiency business that it has already built up. These revenues result in a positive cash flow, so during ENEFI's normal activities, the total value of revenues and inflows for the year exceed the expenses associated with the expenditure of cash equivalents.

- ***Real segment***

Corporate and real estate investments. Real economy exposure acquired through the direct and indirect ownership of real-economic organizations.

In 2023, this included the activities of Síaréna Kft., one of the subsidiaries operating in the field of tourism.

The real segment currently has four branches; namely finance, tourism, real estate and the catering industry. The characteristics of these branches are as follows:

1. Finance

The acquisition of minority shares in companies engaged in: retail banking, investment banking (service provider) and insurance. The goal is to acquire stakes in economic organizations with a defined role, the profiles of which are mainly IT related.

2. Tourism

In the field of tourism and catering, this includes searching for unique potentials. In this sense “unique” means that the Company does not focus on the creation and acquisition of tourism and hospitality units and services used in Hungary as a whole, but on distinctive projects that fill niches, offer special experiences, do not yet exist or are currently not operated efficiently enough.

3. Real estate

ENEFI's management sees real estate investments as an essential as part of a responsibly designed physical and financial investment strategy. The value of real estate also builds a secure foundation for the long term, regardless of what is happens in the world and in the Hungarian economy specifically.

4. Food industry

Food is a basic human need, which is why the food industry is an indispensable part of today's real economy. The Group wants to gain exposure in this industry, which is a defining part of the real economy, and also wishes to show that it considers all areas of the real economy to have investment potential.

- ***Capital market segment***

Investments based on cash equivalents, capital market products and assets. One of the fundamental elements of value creation is that, in addition to investments in the real sector, the Group should make capital market investments with the aim of generating cash flow through exchange rate gains and dividend payments.

Foreign currencies

A foreign currency is a currency different from the functional currency of the entity.

The financial statements are prepared in Hungarian forints.

When preparing the financial statements of all businesses belonging to the Group, transactions carried out in a currency other than the functional currency of the business in question (foreign currency) are settled at the spot exchange rate valid on the day of the transaction. Monetary items denominated in a foreign currency are converted at the end of each reporting period at the then-current exchange rate. Non-monetary items valued at cost expressed in foreign currencies are not converted.

Exchange rate differences are recognized in the P&L in the period in which they arise, except for:

- exchange rate differences related to transactions to hedge certain currency risks; and
- exchange rate differences relating to a monetary item received from or payable to a foreign interest, in relation to which settlement is not planned and is not likely in the near future (which can therefore be interpreted as part of a net investment in a foreign interest). These are initially recognized in other comprehensive income, and then when the monetary items are settled, they are transferred from the equity to the P&L.

For the purposes of the consolidated financial statements, the assets and liabilities of the Group's Hungarian and foreign interests are stated in Hungarian forints, taking into account the exchange rate valid at the end of the reporting period. Income and expenses are converted at the exchange rates valid on the day of the transactions. Any exchange rate differences that may arise are recognized in other comprehensive income and accumulated in equity (allocated to non-controlling interests, if appropriate).

Sale of a foreign operations (i.e. either the sale of the entire interest in a foreign operation held by the Group, or the loss of control of an affiliated enterprise involving a foreign operation, or the termination of joint control over a jointly managed enterprise involving a foreign operation, or the involvement of a foreign operation in the case of a sale resulting in the cessation of significant influence over the affiliated company), all accumulated exchange rate differences attributable to the owners of the Group in connection with the given activity are reclassified to the P&L.

Furthermore, in the event of a partial sale of an affiliated enterprise that does not result in the Group losing control over the enterprise in question, all accumulated exchange rate differences attributable to the Group in connection with the given activity are reclassified to the P&L. In the event of all other partial sales (i.e. in the case of sales of affiliated enterprises or joint organisations that do not result in the loss of significant influence or joint control of the Group), the proportional part of the accumulated exchange rate difference is reclassified to the P&L.

Goodwill resulting from the acquisition of a foreign interest and fair value adjustments made on identified assets and liabilities are accounted for as assets and liabilities of the foreign interest and are converted at the current closing exchange rate at the end of each reporting period. Exchange rate differences that arise are accounted for in other comprehensive income.

Functional currency:

The functional currency of each subsidiary is currency of the country in which it is based. This is because significant portions of the sales revenue of the subsidiaries are invoiced in the currency of the countries in which they are based.

Accounting policies related to the consolidated income statement

Accounting for sales revenue

IFRS 15, Revenue from contracts with customers (issued in May 2014; effective under the IASB for financial years beginning on or after 1 January 2018. The EU adopted the standard). The new standard introduced the basic guideline that sales revenue must be recognized when the goods or services are delivered to the customer at the agreed price. All separable connected goods or services must be accounted for individually and all discounts must be divided among the corresponding elements of the contract. If the consideration changes, the minimum value can be accounted for when the probability of reimbursement does not include significant risk. The costs incurred during the acquisition of the customer contract must be capitalized and amortized over the duration of the contract as the related benefits are obtained by the Group.

The Group has applied the IFRS 15 standard in its financial statements since 1 January 2018. The introduction of the new standard had no effect on the accounting of the Group's sales revenue, as the elements of the contract can be clearly separated and qualified individually when the contract is concluded. The financial data did not change as a result of the amendment.

The Group's sales revenue is recognized when the contracts are fulfilled from the customers’ point of view and when the financial settlement of the claim (when the sales revenue is recognized) is probable.

The Group includes only direct income from its main activity in its sales revenue. The Group displays the consideration values for ad hoc activities in other items.

The main activity of the Group is the production and sale of thermal energy, alongside income from the operation of the Síaréna, income from let properties that falls under asset management and the construction of special equipment and facilities (charging stations). Items related to sales are invoiced and settled on a monthly basis. In addition, service fees related to individual contracts accounted for under IFRIC 12 constitute substantial income for the Group. Sales revenue also includes other rental fees and engineering services.

The Group also has a contract under which it is implementing spanning several periods. It accounts for this project over a given period of time, by starting to show sales revenue and the resulting profit when the output and feasibility of realising the project can be judged (step 1), although it also shows losses if they occur.

The Group accounts for dividends and interest income based on the general rules of IFRS 9.

Operating expenses

- **Material costs:** the Group lists costs incurred in the course of the service provider's activities in order to provide services as material costs. This includes the value of the materials that are purchased and used, the services used and other services, as well as the value of mediated services.
- **Personnel expenses:** This includes the salary costs of employees and senior officials, other personnel payments and salary contributions.
- **Depreciation:** This is the systematic distribution of the depreciable amount of machines, equipment, devices, intangible assets, and usufructuary assets over the useful life of the asset.

Other income and other expenses

The Group classifies the consideration for sales that cannot be classified as sales income and all income that cannot be considered financial income or other topics that increase the P&L as other income. Other expenses are the expenses that are indirectly related to the operation and are not classified as financial expenses or do not reduce the other comprehensive income. The Group shows other income and other expenses in net form in its income statement.

Financial income and financial expenses

Interest income must be accounted for on a time-proportional basis, and dividend income may be shown if the dividend has been granted based on a valid decision of the highest body of the company paying it. Interest expenses must be calculated using the effective interest rate method and classified as financial expenses. If an exchange rate difference of foreign currency items is not part of the other comprehensive income based on the IAS 21 Effects of exchange rates standard the Group shows it in the financial result. The Group shows the financial result in net form in its income statement.

Netting

In the financial statements, in addition to the itemized requirements of IFRS, the Group displays the effect of a transaction on a net basis if the nature of the transaction requires such a statement and the given item is not relevant from a business activity point of view (e.g. sale of used equipment outside of business activity).

Tax liability

The income tax expense is made up of payable and deferred tax. The Group identified corporate income tax and local business tax as income taxes.

Annual tax

The amount of tax payable depends on the taxable profit realised in the year in question. Taxable profit is not the same as profit in the consolidated comprehensive income statement because it does not include income and expense items that are taxable or deductible in other years, and excludes items that are never taxable or deductible. The Group's tax liability is determined based on tax rates already accepted or substantially accepted by the end of the reporting period. In the current year, the Group applies a corporate tax rate of 9% for Hungarian Companies and 16% for Romanian Companies. In Hungary, the business tax rate is 2%.

Deferred tax

Deferred tax is accounted for in the event of temporary differences between the book value of the assets and liabilities in the consolidated financial statements and the tax bases used to calculate the taxable profit. Deferred tax liability is accounted for on all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is expected that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities such as this are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities (except for a business combination) in connection with a transaction that does not affect the comprehensive income or the accounting result.

Deferred tax liability is recognized for taxable temporary differences related to investments in related parties, affiliated companies and jointly managed companies, unless the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences related to such investments and interests are recognized only if it is probable that sufficient taxable profit will be available against which the benefits from the temporary differences can be used and if the temporary differences will be reversed in the foreseeable future.

The book value of deferred tax assets is reviewed at the end of each reporting period and must be reduced to the extent that it is no longer probable that sufficient profits will be available to fully or partially recover the value of the asset.

Deferred tax assets and tax liabilities have to be measured based on the tax rates expected to apply when the liability is settled or when the asset is realised, based on the tax rates and tax laws that have already been adopted or substantially adopted by the end of the reporting period. The valuation of deferred tax assets and liabilities reflects the tax consequences of the Group's expectations for the recovery or settlement of the book value of its assets and liabilities at the end of the reporting period.

Current payable and deferred tax

The payable and deferred tax is recognized as an expense or income in the P&L, unless it is related to an item that is recognized in the comprehensive income statement or directly in equity, since in these cases the payable and deferred tax for the period in question is also classified as other comprehensive income, or is accounted for directly in equity. When the current payable and deferred tax derives from the initial accounting of a business combination, the accounting of business combinations also includes the tax effect.

Earnings per share (EPS)

Earnings per share are calculated by dividing the annual profit attributable to the Group's shareholders by the weighted average number of ordinary shares outstanding in the given year. Diluted earnings per share are calculated by taking into account the weighted average number of dilutive stock options (if any) in addition to common shares.

EBITDA application and its concept

Although IFRS does not use the concept of EBITDA, the Group has decided to use this frequently used indicator as well, given the widespread industry practice and the fact that the Group believes that the disclosure of the value is useful to the users of the financial statements.

For the sake of clarity, the calculation is shown below:

+/-	Profit before tax	X/(X)
-/+	Elimination of financial income and expenditure	(X)/X
-/+	Elimination of depreciation and amortization	(X)/X
	EBITDA	**X/(X)**

Accounting policies related to the balance sheet, and presentation and evaluation of assets and liabilities

Real estate, machinery and equipment

Land and buildings used for the production of goods, provision of services or for administrative purposes are shown in the consolidated balance sheet at their cost less depreciation and possible impairment.

Properties under investment whose purpose serves production, service provision or administrative purposes are valued at cost less depreciation. The cost includes commission fees and, in the case of qualified assets, borrowing costs capitalized in accordance with the Group's accounting policy. When these properties are completed and ready for their intended use they are classified in the appropriate categories of property, plant and equipment. Similar to other tangible assets, depreciation is recognized for such assets when the asset is ready for its intended use.

Equipment is valued at cost less accumulated depreciation and impairment.

Depreciation is accounted for using the straight-line method during the asset's estimated useful life, namely by writing off the cost of the asset (except for land and investments in progress) reduced by residual value. Estimated useful lives, residual values, and depreciation accounting methods are reviewed at the end of each reporting period, and the impact of any changes in estimates is considered for the future.

When real estate, machinery and equipment are sold, or when no future economic benefit is expected to be realised from the use of any such asset, they are written off. The amount of profit or loss realised on the sale or disposal of property, plant and equipment is determined as the difference between the consideration for the sale and the asset's book value and is accounted for in the P&L.

Typical useful life of assets:

- Buildings 50 years
- Structures 10 years
- Machines and equipment 3-5 years
- Vehicles 5 years

Intangible assets

Acquired intangible assets

Separately acquired intangible assets with a finite useful life must be recorded at cost less accumulated amortization and accumulated impairment. Amortization must be accounted for using the straight-line method over the estimated useful life of the asset. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, and the impact of any changes in estimates is considered going forward. Intangible assets that do not have a finite useful life are recorded at cost less accumulated depreciation.

Intangible assets acquired in the context of a business combination

Intangible assets acquired in the context of a business combination and accounted for separately from goodwill are initially recognized at the fair value valid on the date of acquisition (this is considered cost).

After initial recognition, intangible assets acquired during a business combination are recorded at cost less accumulated amortization and impairment, in a manner consistent with separately acquired intangible assets.

Depreciation of intangible assets

An intangible asset is derecognised when it is sold, or when economic benefits from it are no longer expected. The profit or loss arising from the disposal of intangible assets, the value of which can be determined as the difference between the net sales value and the cost price, is accounted for in the P&L when the asset is disposed of.

Impairment of tangible assets and intangible assets, with the exception of goodwill

The Group tests its assets for impairment every year. This testing has two stages. The first stage is to check whether there are any signs that the assets in question are impaired. The following signs may indicate that a particular asset has lost value:

- damage;
- decline in revenues;
- unfavourable changes in market conditions, decline in demand;
- increase in market interest rates

If there are indications that an asset has lost value, the recoverable amount of the asset has to be calculated (second stage). The recoverable amount is the greater of the fair value of the asset less selling costs and the present value of the cash flow from continuous use. In the absence of more precise estimates, sales costs should be set at 10%. If it is not possible to determine the value in use of an asset group because it does not independently generate cash flow (it cannot be used), then the testing must be accounted for by looking at a cash-generating unit (CGU). If the value in use could only be determined for a CGU and an impairment loss had to be accounted for, the impairment loss must be divided as follows:

- the damaged equipment must be reduced first;
- the second step is for goodwill to be reduced;

- the third step is for the remaining impairment to be divided between tangible assets (PPE) and intangible assets in proportion to their pre-impairment book value.

The value of any asset may not fall below its fair value less individual selling costs. Intangible assets with an indefinite useful life and intangible assets that cannot yet be used are tested for impairment at least once a year and also when there are signs of asset impairment.

The recoverable amount is the higher of the fair value less the cost of sales and the value in use. The discount rate used for discounting the estimated future cash flows to their present value during the assessment of utility value reflects the current market perception of the time value of money and the specific risks associated with the future cash flows related to that asset for which no correction has yet been made.

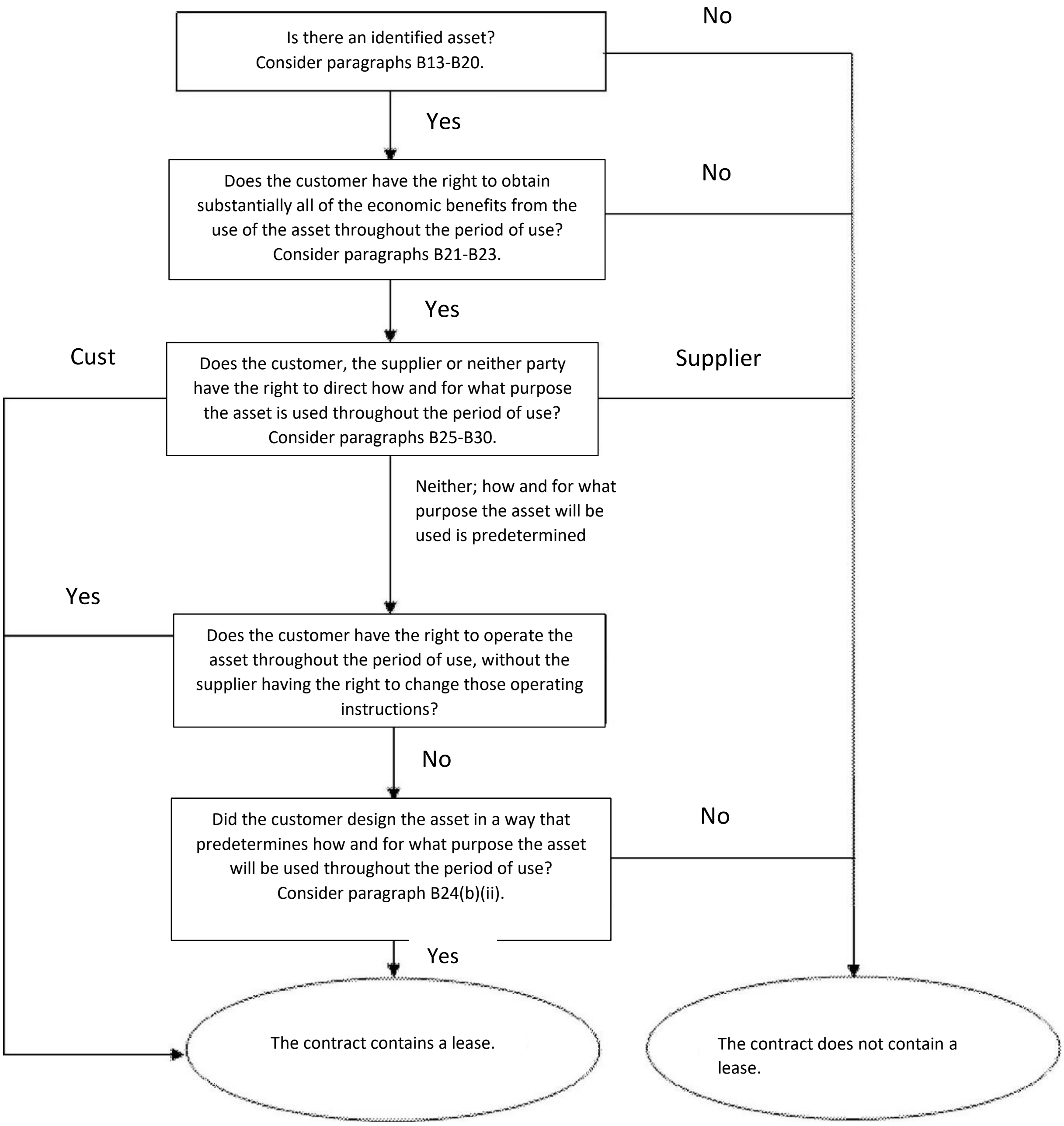
If the estimated recovery value of an asset (or cash-generating unit) is lower than its book value, the book value of the asset (or cash-generating unit) must be reduced to the recoverable amount. The Group immediately recognizes the impairment loss in the result.

If there an impairment loss is later reversed, the book value of the asset (or cash-generating unit) is increased to the revised estimated recoverable amount, but in such a way that the increased book value cannot exceed the book value that would have been valid if in previous years no impairment had been recognized on the asset (or cash-generating unit). The reversal of the impairment is recognized directly in the P&L.

Leasing transactions

A contract is considered a lease or includes a lease if the contract transfers the right to use the underlying asset for a specified period of time in return for payment of a fee. In this case, the lessee is entitled to take advantage of the benefits deriving from the use of the asset and to make authorized decisions regarding its use. When switching to leasing, it was not necessary to examine whether contracts effective before 1 January 2019 would have been considered leasing contracts. If a contract was previously a lease (be it operational or financial), the rules of IFRS 16 must be applied to these leases. If a contract was not previously a lease, neither will it be after the entry into force of IFRS 16.

The Group uses the flowchart in IFRS Standard 16 Appendix B point B31 to identify a lease:



The Group considers an agreement related to car rental under which the Parent company leases a vehicle from its subsidiary Síaréna Kft. as a lease agreement. Items related to leasing were eliminated during consolidation.

If the Group qualifies as a lessee in accordance with IFRS 16 with regard to a contract, it does not apply the general rules of the Standard to short-term leases (less than 12 months) and low-value underlying assets, but instead accounts for the lease payments as a charge to the profit, which is distributes.

Valuation of right-of-use asset

The Group shows its assets utilized under leasing as right-of-use assets in the balance sheet. The right-of-use assets are evaluated according to the cost model, and the depreciation is primarily calculated based on the contractual period. The Group tests right-of-use assets for impairment according to the rules of IAS 36. Right-of-use assets are shown by the Company together with the asset group to which the underlying asset belongs. The right of use assets are separated in the additional notes.

The lessor must classify the leases as either operating leases or financial leases.

The Group defines the term of the lease as the non-cancellable period of the lease, together with the following periods:

- periods covered by a lease extension option if the lessee is reasonably certain to exercise the option; and
- periods covered by a lease termination option if the lessee is reasonably certain that the option will not be exercised.

The Group, as a lessee, should reassess whether it is reasonably certain to exercise the extension option or not to exercise the termination option upon the occurrence of a material event or a material change in circumstances that:

- is under the control of the lessee; and
- affects whether the lessee is reasonably certain that it will exercise the option not previously taken into account when determining the lease term, or that it will not exercise the option previously included in the determination of the lease term.

If the non-cancellable period of the lease changes, the Group, as the lessee, must review the lease term. The non-cancellable period of the lease changes, for example, if:

- the lessee exercises an option that was not previously taken into account when determining the lease term by business unit;
- the lessee does not exercise the option previously included in the definition of the lease term by business unit;
- as a result of a certain event, the lessee is contractually obligated to exercise an option that was not previously taken into account when the lease term was determined by the entity; or
- due to a certain event, the contract prohibits the lessee from exercising the option previously included in the definition of the lease term by business unit.

When accounting for the depreciation of a right-of-use asset, the lessee must apply the standard depreciation requirements of IAS Standard 16 Property, plant and equipment, if the underlying asset is otherwise a fixed asset.

If, within the framework of the lease, the ownership of the underlying asset is transferred to the lessee at the end of the lease term, or if the cost value of the right-of-use asset reflects that the lessee will exercise the purchase option, then the lessee has to account for the depreciation of the right-of-use asset from the start date of the underlying asset until the end of its useful life. Otherwise, the lessee must account for the depreciation of the right-of-use asset from the start date to whichever is sooner of the end of the useful life of the right-of-use asset or the end of the lease term.

Valuation of lease debt

On the start date, the lessee must evaluate the lease obligation as the present value of the lease payments not paid up to that date. Lease payments must be discounted using the implicit lease interest rate, provided it can be easily determined. If this interest rate is difficult to determine, the lessee must use the additional lessee interest rate.

Display at the lessor

On the start day, the lessor must remove the assets held under the finance lease from the balance sheet and present the claims for lease payments at the present value of the cash flows from the lease (net investment in the lease).

The Group presents the present value of cash flows from financial leasing as a lease investment. During the present value calculation, the Group uses the incremental interest rate related to the leasing income. The Group determines the expected credit loss (ECL) for the lease receivable based on the simplified method.

The lessor must show the lease payments from operating leases in the income statement either using the linear method or another systematic method, such that the leased asset is still shown on the balance sheet and depreciated.

The Group considers any construction (as a lessor) to be a financial lease if:

- the underlying asset is transferred to the lessee at the end of the lease term;
- the lessee has the right acquire ownership of the underlying asset at the end of the term and the exercise of this right is highly likely;
- the term of the lease (including proven extension periods) exceeds three quarters of the remaining economic life of the underlying asset;
- the sum of the present value of the lease payments reaches 90% of the fair value of the underlying asset;
- the underlying asset belonging to the lease is a special asset.

If the term of the lease is indefinite, the term must be determined based on the estimate of the enforceable period.

Service Concession Agreements (IFRIC 12)

The Group acts as described below in accounting for public-to-private service concession agreements.

The provisions set out in the interpretation of IFRIC 12 are applied if, in a public-to-private service concession agreement, the following conditions are met:

(a) the transferor controls or regulates which services the operator must provide with the infrastructure, to whom and at what price; as well as

(b) at the end of the term of the agreement, the transferor controls – through ownership, beneficiary rights or otherwise – all significant residual interests related to the infrastructure.

According to the terms of this type of contractual agreement, the operator acts as a service provider. 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 (operation services).

If the contracts concluded with individual public sector actors meet these conditions, then the infrastructure that is the subject of the contract is not shown in the Group's books as property, plant and equipment.

In this type of contract, the construction or development services performed by the Group are shown in the report at the fair value of the consideration specified in the contract, received or receivable. The consideration included in the contract can be shown as a financial asset or an intangible asset.

The construction or development services performed by the Group are shown as financial assets, provided that based on the contract, the Group has an unconditional contractual right to receive funds for the development or construction services from the transferor (Municipal Government) or on its instructions, and provided that the assignor has little or no chance of avoiding payment, since the agreement is legally enforceable. The Group has the right to receive funds if the transferor contractually guarantees to pay the Group specified or determinable amounts, or to pay the difference between the amounts received from the users of the public service and the amounts specified or determinable in the contract.

The construction or development services performed by the Group are shown as intangible assets if, based on the contract, the Group acquires the right (permission) to levy a fee on the users of the public service. In this case, the borrowing costs that can be assigned to the agreement are activated during the construction and implementation phase of the agreement. If the consideration for the construction or development services performed by the Group is paid partly with a financial asset and partly with an intangible asset, then all components of the received consideration are accounted for separately.

The Group has concessions that correspond to the financial asset model.

If the Group has contractual obligations for maintenance or restoration of the acquired or implemented infrastructure, these are included in the financial statements at the estimated amount at the time of reporting (as required by IAS 37).

Capacity expansions must be accounted for based on the provisions of IFRS 15.

The rules of IFRS 16 are not applicable to the situations to which IFRIC 12 applies.

Borrowing costs policy

In accordance with the rules of IAS 23, the Group capitalizes the borrowing costs if it utilizes a loan for a qualified asset. For dedicated loans (if the loan is assigned a specific purpose), the effective interest rate must be used to determine the amount to be activated. The activation rate of general-purpose loans has to be determined. The activation rate is the weighted average of the effective interest rate of general-purpose loans by the time elapsed since the time of payment, or if it is later, the time elapsed since the start of activation and the amount of the payment.

An asset (project) must be considered a qualified asset (project) in the following cases:

- if it is an investment contract;
- if it is an asset that takes more than half a year to build and prepare (regardless of whether the asset is made by the Company or by third parties).
- during assessment, it does not matter what the value of the asset in question is.

The activation of borrowing costs has to start when there is, or is likely to be, an irrevocable commitment to acquire the asset or implement the project. For assets this is usually when the asset is ordered, and for projects it is when the work actually starts, or if the Group does the design work as well, then it is when the plan starts being prepared subject to an authorization procedure.

The activation of borrowing costs has to be suspended if the works are interrupted for longer than is technologically justified. The technical manager of the project confirms the progress of the project and the fact that there was no shutdown longer than technologically justified.

The activation of borrowing costs has to be completed once the asset is ready, the (physical) work related to the project has been completed, or if it is earlier, the asset created in connection with the project is in use and its use has been authorized.

State subsidies

Government grants cannot be accounted for until there is acceptable evidence that the Group will meet the conditions necessary to receive the grant and that the grant will be disbursed.

State grants are recognized as income in the P&L in the periods in which the Group accounts as expenses the related costs that the grant is supposed to offset. Specifically, assets connected with state subsidies, the primary condition of which is that the Group purchases, creates or otherwise acquires fixed assets, are accounted for as deferred income in the consolidated statement, and during the useful life of the asset they are accounted for in a systematic and reasonable manner in the P&L.

State subsidies that are reimbursements of previously incurred expenses or that provide immediate financial support to the Group without future relevant costs are recognized in the profit and loss account in the period in which they become disbursable.

Supplies

Inventories must be recorded at whichever is lower of cost and net realizable value. The closing stock of stocks is determined based on the FIFO principle. Net realisable value is the estimated sale price of inventory less all costs of completion and sales costs.

Provisions

Only an existing obligation based on a past event, the amount and schedule of which is uncertain, may be shown as a provision. It is not possible to account a provision for an obligation that is not a legal or presumed obligation.

If the existence of an obligation cannot be clearly determined, a provision may only be shown if the existence of the provision is more likely than not (probable obligation). If the probability is lower than this, then a contingent liability must be disclosed (possible liability). It is not allowed to display this in the balance sheet, but its development must be presented in the additional notes.

Provisions must be included in liabilities and divided into long-term and short-term liabilities. If the time value of money is considered significant in relation to a provision (because it has to be paid for over a long period of time), then the expected cash flows have to be discounted. The time value of money should be considered significant if cash flows occur after three years or more.

Provisions typically include the following:

- damages payable in connection with litigation;
- indemnification and compensation based on agreement;
- asset decommissioning obligations;
- costs due to severance payments and reorganisation.

If a probability can be assigned to a given field, the nominal (non-discounted) value of the obligation is calculated based on the maximum amount to be paid and the probability of payment.

If the Group has entered into a contract the costs deriving from which exceed the revenues, then the provision can be formed for whichever is smaller of the legal consequences 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 plan for the reorganization that has been approved and communicated to stakeholders. Provisions can only be made for costs related to discontinued activities. They cannot be made for items related to activities to be continued (e.g. retraining or relocation costs).

A provision must not be made:

- for future operating losses;
- "for security purposes", to cover future unseen losses;
- for descriptions (e.g. for descriptions of receivables or inventories).

Employee benefits

The Group mainly provides short-term employee benefits to its employees. The Group accounts for these against the profit when they are earned.

Employee rewards, bonuses and other similar items must be shown in the balance sheet if they lead to a liability, i.e.

- if they are bound by a contractual condition which has occurred (e.g.: the sales revenue level in question has been reached); then the item must not be accounted for in the period in which the contractual condition is established, but when the condition is fulfilled.
- if such an item is not a contractual condition, but a management decision, it may be disclosed when this decision becomes known to the Group (presumed obligation).

The Group only participates in a defined contribution pension program, which is directly connected with the salary paid, so it is accounted for together with the salary.

The Group operates in a legal environment in which employees are entitled to paid leave. If the Group has a legal option or an employee-employer agreement that the unused leave can be carried forward to the next year, then at the end of the year, a liability must be created for the accumulated, unused leave, and the employee benefits have to be debited at the same time.

Share-based payments

If the Group provides its employees or elected officials with shares or a benefit related to its price in consideration of their activities, it must be accounted for as a share-based benefit.

The Group currently only pays share-based benefits in the form of stock. The fair value of the benefits has to be determined and if there is a vesting condition attached to it, then it must be accounted for against the P&L in proportion to the fulfilment of the vesting condition as a separate reserve (IFRS 2 reserve) is simultaneously displayed as equity.

If there are no conditions attached to the benefit (e.g. overtime or meeting targets), then it must be shown immediately as an expense, without division between periods.

The separately displayed reserve (IFRS 2 reserve) has to be cancelled when the shares are issued or, if the benefit included an option, when it expires or has been exhausted.

Since the Group has no other share-based benefit programs, 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 as follows:

- Financial assets are divided into three valuation categories: those to be valued at amortized cost after acquisition, to be valued at fair value against other comprehensive income after acquisition (FVOCI), and to be valued at fair value against the income statement after acquisition (FVPL).
- IFRS 9 introduces a new model for showing impairment; namely, the expected credit loss (ECL) model. It uses a three-step approach, the basis of which is the change in the credit quality of financial assets after their initial inclusion. In practice, the new rules mean that the entity is obliged to include an immediate loss corresponding to 12 months' ECL at the initial presentation of financial assets not affected by other impairment (and in the case of trade receivables, it must present the full ECL). If the credit risk has increased significantly, the impairment is determined using the full ECL, not the 12-month ECL. The model also includes operational simplifications for leases and trade receivables.
- The regulations for hedge accounting have been modified to be more consistent with companies' risk management. The IFRS standard gives entities the option to choose between applying the hedge accounting requirements of IFRS 9 and further applying IAS 39 to all hedge

accounting, as the standard does not currently address macro hedge accounting issues. The Group does not apply the rules on hedge accounting.

The Group has applied IFRS 9 in its financial statements since 1 January 2018. As a result of the introduction of the new standard, only the impairment accounted for trade receivables changed, although this did not have a significant impact on the report.

Financial assets

Classification

The Group classifies financial assets into the following categories in accordance with the related legislative changes in force since 1 January 2018:

- recorded at fair value (versus other consolidated income or income statement), and
- to the group of assets registered at amortized cost.

If acquired equity instruments are not for trading purposes, the Group classifies them at fair value against other comprehensive income. For debt instruments, the chosen valuation method depends on the company's business model and must be determined based on the management of financial assets and related cash flows.

Recognition and evaluation

The purchase or sale of a financial asset is settled on the day the transaction is completed, that is, the day on which the Group buys or sells the asset. Investments are initially shown at fair value plus transaction costs for all financial assets that are not recorded at fair value through profit or loss. Financial assets are derecognised when the Group's right to cash flow from the given item has expired or has been transferred, and the Group has also transferred the substantial risks and benefits associated with ownership.

Netting of financial instruments

Financial assets and liabilities are netted and shown as a net amount in the balance sheet if the net settlement of the displayed amounts is legally permitted and the Group wishes to settle the amounts on a net basis or simultaneously realizes the asset and settles the liability.

Impairment of financial assets

Assets recorded at amortized cost

IFRS 9 introduces an impairment model divided into three stages, which links the degree of impairment to changes in the quality of the receivable:

- 12-month expected credit loss: Performer (initial display)
- Expected credit loss during the life of the asset: Underperformance (significant deterioration in credit quality since initial presentation)
- Expected credit loss during the life of the asset: In default (actual credit loss incurred)

"Loan loss" is the difference between the present value of the contractual cash flows and the expected cash flows (discounted at the original effective interest rate) based on the standard. "Expected credit loss" is the weighted average of expected losses. When estimating the expected loss, the Group takes into account all available information, whether this is available within the Group or external, from past experience or future forecasts.

When estimating the credit risk, the Group applies the definition of default event in accordance with its internal risk analysis policy, and during the estimation it also determines the probability of payment and non-payment, as well as the expected timing of cash flows.

The Group uses the simplified method for trade receivables. In the simplified method, loss rates are determined, which are derived from past experience and corrected with future expectations. The current estimate includes the following rates:

Delay (in days)	**Loss rate**
Not late	1.00%
1-180	5.00%
181-365	10.00%
More than 365	100.00%

The Group uses the practical simplifications provided by IFRS 9. These are as follows:

- For trade receivables and contractual assets that do not contain a significant financing component, instead of the 12-month expected credit loss, the Group calculates the lifetime expected credit loss at the time of presentation.
- In the case of trade receivables, contractual assets and leasing receivables with a significant financing component, the Group also chooses to account for the expected credit loss during the lifetime when presenting it.

In the case of trade receivables with the same risk, the above estimate is performed at group level.

From the Group perspective, the expected credit losses, and thus the qualified impairment, cannot be considered significant.

Removal of financial assets

The Group derecognizes a specific financial asset from its books only if the contractual rights to the cash flows from the asset cease in an economic sense (e.g. expire), or if the Group transfers the financial asset, as well as substantially all the risks and benefits resulting from the ownership of the asset, to another owner. If the Group does not transfer the majority of the risks and benefits resulting from ownership, but does not retain it, and the Group continues to control the transferred asset, then the Group accounts for the retained interest in the asset on the one hand, and accounts for a related liability on the other hand for the possible amounts payable. If the Group retains the majority of the risks and benefits resulting from the ownership of a transferred financial asset, the Group continues to recognize the financial asset in question and accounts for the received income as a liability, specifically a collateralized loan.

In case of derecognition of a financial asset in its entirety, the difference between the book value of the asset and the consideration received or obtainable, as well as the amount of accumulated profit or loss accounted for in other comprehensive income and accumulated in equity, is accounted for in the P&L.

Financial liabilities and equity instruments

Classification as a liability or equity

Credit and capital instruments issued by Group companies are classified as financial liabilities or capital, taking into account the content of the contractual agreement and the definition of financial liabilities and capital instruments.

Equity instruments

An equity instrument is any contract that embodies the residual interest in the company's assets after deducting all the obligations of an economic operator. Capital instruments issued by the Group are to be accounted for at the value of the amount received, reduced by the direct issue costs.

When the Group buys back its equity instruments, it must account for it (and deduct it) directly in the equity. During the purchase, sale, issuance and termination of the Group's equity instruments, no profit or loss is recognized in the income statement. The Group shows shares that have been bought back in the equity as a negative item at the value of the repurchase, on a separate line.

Financial liabilities

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

A financial liability is classified in the FVTPL category if it has been designated as a financial liability held for trading or measured at fair value through profit or loss.

A financial liability that is not classified as a financial liability for trading purposes can be designated as a financial liability at fair value through profit or loss if:

- this classification eliminates or significantly reduces a valuation or accounting inconsistency that would otherwise arise; or
- if the financial liability is part of a group consisting of managed financial assets, financial liabilities or both, which is managed and evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and internal information about the grouping is also provided on this basis; or
- it is part of one or more embedded derivative contracts and IFRS 9 financial instruments: The recognition and measurement standard allows the entire contract (asset or liability) to be marked as belonging to the FVTPL category.

Financial liabilities belonging to the FVTPL category are evaluated at fair value, and the profit or loss arising during the revaluation is accounted against the P&L.

Other financial liabilities

Other financial liabilities (including loans, trade and other liabilities) must be valued at amortized cost, using the effective interest rate method (the method is described under assets).

Derivation of financial liabilities

The Group derecognizes a specific financial obligation from its books if and only if the obligation is fulfilled, released or has expired. The difference between the book value of the derived financial liability and the consideration paid or payable must be accounted for in the P&L.

Own share transactions

The Group has carried out own share transactions and buybacks on numerous occasions. In the consolidated financial statements, these items are listed as items that reduce equity. The Group presents this as a component of equity and implements the capital reduction at cost.

General accounting policies related to cash flow

The Group bases its cash flow statement on the indirect method up to operative cash flow. The investment and financing cash flow is prepared using the direct method. Overdrafts must be considered equivalent to cash, unless proved otherwise. The Group presents short-term credit and loans (both given and received) that generally finance operations as part of net working capital. The Group shows the related non-cash items as a change in net working capital in the cash flow statement.

2. Critical accounting decisions and major sources of estimation uncertainties

In applying the Group's accounting policies, management must make decisions, estimates and assumptions regarding the book value of assets and liabilities that are not evident from other sources. Estimates and related assumptions are based on past experience and other factors deemed relevant. Actual results may differ from these estimates.

The estimates and the assumptions underlying them have to be constantly reviewed. Changes to accounting estimates must be accounted for in the period of the amendment, if the amendment affects only that period, or in the period of the amendment and subsequent periods, if the amendment affects that period and subsequent periods as well.

The critical decisions – with the exception of those containing estimates – the Group made in the application of its accounting policies and which had the most significant impact on the amounts shown in the financial statements are described below.

Provisions

One of the Group's projects was not completed due to the customer's insolvency and perceived quality complaints and as a result, it is possible that additional payments will be charged to the Group's parent company. The determination of these liabilities depends on many factors and their evaluation requires complex judgement, which is a significant uncertainty related to the financial statements.

Pending claims

The Group is a plaintiff in a number of lawsuits. Non-final decisions have already been made in some of these lawsuits. IAS 37 requires the Group to account for receivables of this nature in its disclosures and to try to provide numerical data as well. During the quantification, significant estimates have to be made in many cases, which is an uncertainty that shows itself in terms of disclosures, but not in terms of displayed assets.

Useful life of tangible assets

The Group reviews the useful lives of property, plant and equipment at the end of each annual reporting period. During the current year, the board of directors determined that it was not necessary to change the useful life and residual value of tangible assets.

Impairment of tangible assets and intangible assets, as well as concession assets

Impairment of tangible assets and intangible assets is estimated based on the realisable value of the income-generating units, i.e. their fair value or value in use reduced by sales costs. The value in use is determined based on the discounted expected cash flows. These cash flows reflect management's estimates for the future for each fixed asset or investment.

With regard to tangible assets and intangible assets, we examined whether the entity's assets are repaid using an impairment test. The Group includes the necessary corrections based on the impairment test in its consolidated financial statements.

Measurement of sales revenue recorded during a given period of time

This methodology requires complex estimates and lessons learned from past experience, so the estimate carries considerable uncertainty. In 2023, sales revenue did not have to be accounted for in this way (but it was in the previous period).

All data in thousand HUF, unless otherwise indicated

3. Additional notes related to the comprehensive income statement

3.1 Sales revenue

The distribution of sales according to activities is as follows:

	31.12.2023	31.12.2022
Revenues from leases	18,790	42,242
Income of other operations	13,742	13,006
Heat sales	92,022	348,900
Sales revenue from MAHART project	0	13,189
Ski slope operation	271,459	366,225
Total	**396,013**	**783,562**

The sales revenue includes only returns that can be linked to the Group's main activity.

The Group's income comes from the sale and rental of heat it produces itself, revenue from equipment it operates for others, the implementation of a project, and the operation of the Síaréna.

Several of the Group’s heat provision service contracts have expired, which has resulted in a decline of more than 78% in sales revenue from this activity.

When accounting for sales revenue, with the exception of accounting for accruals, it was possible to following billing since the nature of the services the Company provides is such that it does not require correction between additional periods. For assets operated on behalf of others, the Group determined the income based on future cash flows using the implicit interest rate method. These assets are subject to IFRIC 12. These contracts are slowly expiring without the Group concluding new contracts of this nature.

The Group is creating a charging station on behalf of MAHART. This is based on a public procurement procedure that it won. The construction of the charging station is based on the customer's guidelines, and the customer will also control charging station once finished. This means the income for this project has to be accounted for proportionally (over a given time).

The degree of completion (PTC) is determined by the Group in proportion to the planned and actual costs. During this period, the Group came to the conclusion that the conditions allowing the agreed sales revenue to be accounted for did not exist. The Group only recognized income on items for which it is highly probable to be repaid, and which appear among expenses. During the period, the Group did not show a gross profit or sales revenue on the project (the balance of the accounted sales revenue and direct expenses is zero). The Group has created provisions for expected losses.

The main activity of Síaréna Kft. is the operation of the ski slope. Taking into account the nature of this activity the income is accounted for at the same time as the service is provided, with the exception of items from vouchers of insignificant amounts (prepayment of a later service).

All data in thousand HUF, unless otherwise indicated

The Group has other costs related to the ski slope operation, which it invoices to its customers. During such onward billing, the Group acts as an agent, which means the related costs and revenues are accounted for in net form in turnover, so only the net effect (profit) can be found in the turnover. The income from the operation of the Síaréna is highly depended on the weather. During this period, unfavourable weather conditions led to a decrease in sales.

3.2 Material costs

Material costs	31.12.2023	31.12.2022
Cost of goods sold	(5,876)	(19,552)
Public utility fees	(256,530)	(357,576)
Maintenance materials	(10,545)	(11,921)
Work clothes; protective clothing	0	(4,624)
Fuel consumption	(11,277)	(21,219)
Use of office supplies and cleaning agents	(1,045)	(2,065)
Catering industry costs	(11,419)	(26,740)
Cost of sold services (ski training)	(1,177)	(7,347)
Other material costs	(4,349)	(3,061)
Total	**(302,218)**	**(454,106)**

Total material costs fell by approximately 37% in 2023 compared to 2022. This created significant savings for the Group. The decrease was visible in almost all cost categories, which indicates that the Group has implemented a comprehensive cost reduction strategy

The reason for the cost reduction in the catering industry is the narrowing of operations due to unfavourable weather, which also reduced catering expenses and ski instruction costs.

All data in thousand HUF, unless otherwise indicated

Service used	31.12.2023	31.12.2022
Bank charges	(27,638)	(27,532)
Rental fees	(44,042)	(72,562)
Insurance fees	(11,274)	(11,333)
Payment system fees (commission, transaction fee)	(5,950)	(7,601)
Official fees, charges	(3,674)	(2,466)
Advertising and publicity expenses	(1,012)	(35,263)
Legal fees	(50,315)	(41,975)
Maintenance costs	(29,462)	(53,750)
Office, communication costs	(8,048)	(12,846)
Accounting and auditing fee	(30,921)	(46,505)
Management fee	(476)	(814)
Temporary agency costs	0	0
Postal fees	(320)	(884)
Event organisation	(3,552)	(2,115)
Advisory fees	(15,185)	(11,077)
Foreign travel expenses	(673)	(3,539)
Operating expenses	(10,230)	(57,043)
Shipping, handling and storage costs	(564)	0
Education and training costs	(882)	0
Other costs	(374)	(2,827)
Total services	**(244,589)**	**(390,132)**

There were costs related to organising the event for the Síaréna's Vibe Park.

The cost of all services used decreased significantly, by approximately 37.6%, in 2023 compared to 2022.

The table below summarises the material costs and the services used:

	31.12.2023	31.12.2022
Total material cost	(302,218)	(454,106)
Total services	(244,589)	(390,132)
Total	**(546,807)**	**(844,238)**

All data in thousand HUF, unless otherwise indicated

3.3 Personnel expenses

Designation	31.12.2023	31.12.2022
Wages and benefits	(145,158)	(246,429)
Payroll taxes	(19,007)	(28,130)
Other personnel benefits	(36,026)	(40,231)
Temporary agency cost	(41,438)	(38,981)
Total	**(241,628)**	**(353,771)**

Average statistical staff number in 2023: 26 people; in 2022: 42 people. With the decrease in personnel, personnel expenses also decreased compared to 2022.

The reason for this is the lower need for labour due to Síaréna Kft's lower winter sales, and also because the Group used temporary labour for its seasonal workforce.

3.4 Other income/expenses (-)

Designation	31.12.2023	31.12.2022
Correction of an investment	-	24,031
Net profit of sales of property, plant and equipment	-	144,396
Reversal of an impairment loss for tangible assets	-	268,907
Other income	64,912	142
Penalties, interests and compensation for damages	40,696	129,964
Subsidies received	7,559	20
Compensation of insurance	6,164	-
Forgiveness of obligations	-	6,259
IFRIC 12 - amendment of contract	635	-
Amounts received on accounts deemed uncollectible and written off	220	-
Disposal	2,669	-
Expired/Unused Gift Vouchers	**122,855**	**573,719**
Formation of provisions for expected costs	-	(216,715)
Fines and allowances paid	(716)	(598)
Other non-profit taxes	(4,125)	(27,691)
Other expenses	(2,468)	(4,167)
Bad debt	-	(23,700)
Net profit from the sale of property, plant and equipment (-)	(1,560)	(24,868)
Disposal	(2,457)	-
Payments related to claims	(4,084)	-
Total other expenditure	**(15,408)**	**(297,739)**
Other income and expenses (net)	**107,447**	**275,980**

All data in thousand HUF, unless otherwise indicated

The VAT refund and compensation line includes a 2014 Romanian VAT refund of HUF 58,004, as well as HUF 5,599 in compensation for a reserved plot of land, as well as a loan write-off of HUF 285.

Payments made in connection with damage events managed by the Group include compensations awarded to individuals, as well as amounts related to damage to tangible assets.

The Group had to create provisions in 2022 due to the MAHART project, the details of which are contained in additional note 4.19.

3.5 Revenues and expenditures related to financial operations (-)

	31.12.2023	31.12.2022
Interest income	26,305	12,464
IFRIC 12 interest income	19,145	48,935
Interest expenses	(6,657)	(6,620)
Realised loss (-) / profit on sales of investment unit	54	10,038
Realised loss (-) / profit on sales of securities	8,081	(23,041)
Not realised exchange rate loss (-) / profit	(85,804)	(44,870)
Realised exchange rate loss (-) / profit	59,935	(87,848)
Revaluation of securities	218,280	(14,234)
Result of forward dealings	(4,500)	122,392
Dividend income	0	1,121
Impairment/reversal of impairment of customer receivables	(137,401)	39,640
Impairment/reversal of impairment of other receivables	41,120	8,400
Expected credit loss	42,913	2,394
Total	**181,473**	**68,771**

In terms of futures transactions, the Group displays the combined result of foreign currency forward transactions it has entered into and concluded in the current year.

The realised exchange rate loss includes losses realised due to the weakening of the Hungarian forint when transactions with partners that use foreign exchanges are settled, as well as the realised losses from the exchange of foreign exchange reserves during the year.

The expense accounted for as expected credit loss is related to trade receivables, funds, concession receivables and other non-tax receivables.

When displaying trade receivables that do not contain a significant financing component, the Group accounts for the expected credit loss during its lifetime, calculated at the loss rate specified in the accounting policy.

The valuation difference of shares and investment units is the difference between the fair value of securities against profit and loss and their book value on the balance sheet date based on IFRS 9 Standard.

All data in thousand HUF, unless otherwise indicated

3.6 Income tax

	31.12.2023	31.12.2022
Corporate income tax	(10,734)	(4,505)
Local business tax	(2,810)	(3,610)
Deferred tax loss (-) / gain	-	-
Total income tax	**(13,544)**	**(8,115)**

The applied tax rates are as follows in countries economically relevant to the Group:

	31.12.2023	31.12.2022
Hungary- income tax	10%	10%
Hungary - Local business Tax	2%	2%
Romania - Income tax	16%	16%
Cyprus - Income tax	12.5%	12.5%

The distribution of the value of income tax by country is contained in the following table:

	Hungary	Romania	Cyprus	Total
Profit before tax	(618,671)	(26,656)	431,168	(214,158)
Income tax	(2,891)	-	(10,653)	(13,544)
Deferred tax	-	-	-	-
Value of income tax	**(2,891)**	**-**	**(10,653)**	**(13,544)**

When calculating the deferred tax, the Group compares the value that can be taken into account from the point of view of taxation for each asset and liability with the book value. If the difference is reversible (i.e. the difference will be balanced in the foreseeable future), then a deferred tax liability or asset is recognised in accordance with its corresponding sign. When the asset was acquired, the Group would have examined the return separately.

In both years, when determining the tax, the Hungarian enterprises of the Group calculated a turnover rate of 9%, the Romanian enterprises 16%, and the Cypriot enterprise 12.5%, since the given assets and liabilities become actual taxes in periods when the tax rate the given percentage is defined in the current legislation.

The Group decided not to include deferred tax assets in the books for the Hungarian companies, because their return cannot currently be proven. The amount of the taxable differences – including the value of the undisclosed deferred tax asset – is contained in the following table:

All data in thousand HUF, unless otherwise indicated

	Accounting value	Tax value	Difference
Intangible assets	28,085	9,125	18,960
Fixed assets	1,578,657	1,100,596	478,060
Financial instruments (IFRIC 12)	53,580	53,580	-
Securities	1,197,045	978,765	218,279
Supplies	4,315	4,315	-
Buyers	186,435	1,167,350	(980,915)
Other claims	264,703	1,524,258	(1,259,555)
Accruals	6,541	6,541	-
Cash and cash equivalents	172,203	172,279	(76)
Creation of provisions	-	-	-
Loans	12,984	12,984	-
Other long-term liabilities	-	-	-
Advances received from customers	-	-	-
Supplier obligations	126,873	126,873	-
Passive accruals	189,737	189,737	-
Other short-term liabilities	88,102	88,102	-
Loss accrual	-	10,593,863	(10,593,863)
In total	**3,909,260**	**16,028,369**	**(12,119,109)**
Deferred tax assets			(12,616,129)
Deferred tax liabilities			497,020
Deferred tax asset (consolidated net position)			**1,090,720**

All data in thousand HUF, unless otherwise indicated

The tax balance and temporary differences for 2022 are as follows:

	Accounting value	Tax value	Difference
Intangible assets	1,576	1,576	-
Fixed assets	36,648	22,128	14,520
Investments in affiliates	4,644,319	7,392,115	(2,747,796)
Contractual instruments	81,219	81,219	-
Buyers	91,078	1,054,589	(963,511)
Purchased shares	34,512	34,512	-
Other claims	1,109,595	10,458,295	(9,348,700)
Income tax claims	1,349	1,349	-
Active accruals	34,770	34,770	-
Cash and cash equivalents	1,217,287	1,217,451	(164)
Provisions	216,714	-	216,714
Other long-term liabilities	322,205	322,205	-
IFRS 16 is long-term lease obligations	500	500	-
Short-term loans	3,402,533	3,402,533	-
IFRS 16 short-term lease obligations	5,814	5,814	-
Supplier obligations	19,037	19,037	-
Passive accruals	8,621	8,621	-
Contractual obligations	59,200	59,200	-
Other short-term liabilities	43,091	43,091	-
Loss accrual	-	10,599,772	(10,599,772)
In total	**11,330,068**	**34,758,777**	**(23,428,709)**
Taxable difference			**23,428,709**
Deferred tax receivable			**2,108,584**

The tax expenditure can be derived from the accounting result in the following way:

Designation	31.12.2023	31.12.2022
Tax result	(125,271)	39,608
Theoretical tax (at 9%)	-	3,565
Effect of tax adjustments on corporate tax*	49	(3,281)
Correction due to the tax rate of a different country	10,653	4,221
Actual corporate tax	10,702	4,505
Local business tax	2,810	3,610
Deferred tax	**-**	**-**
Tax included in the income statement	**13,512**	**8,115**

All data in thousand HUF, unless otherwise indicated

The essential elements between tax base corrections:

- correction due to accounting for impairment
- the difference between depreciation accounted for according to accounting and tax law
- a correction related to costs incurred not for the sake of the business
- correction related to waived or written-off receivables

3.7 Other comprehensive income for the period

The Group classifies the exchange rate differences arising from the conversion of currencies at foreign subsidiaries into this profit category.

	31.12.2023	31.12.2022
Exchange rate differences	(40,763)	20,032
Total	**(40,763)**	**20,032**

The resulting exchange differences are related to the following currencies and geographical areas:

	31.12.2023	31.12.2022
Romania - RON	(701,176)	(1,048,881)
Cyprus - EUR	(13,153)	8,118
Total	**(714,329)**	**(1,040,762)**

All data in thousand HUF, unless otherwise indicated

3.8 Earnings per share (EPS) and EBITDA calculation

The Group's EPS and EBITDA indicators were as follows:

Basic and diluted EPS	**31.12.2023**	**31.12.2022**
Profit for the period attributable to ordinary shareholders	(138,657)	(111,448)
Weighted average number of ordinary shares (shares)	6,710,959	6,710,959
Basic EPS (tHUF each)	**(20.66)**	**(16.61)**
Profit for the period attributable to diluted EPS	(223,122)	(179,339)
Weighted average number of diluted shares	12,797,068	12,797,068
Diluted EPS from continuing operations (tHUF each)	**(17.44)**	**(14.01)**

When determining the diluted value, the P&L had to be corrected by the portion of the profit attributable to the preferred shareholders, and the number of shares by the number of issued preferred shares and the number of potential ordinary shares due to the option.

EBITDA

Based on industry practice, the Group also publishes the EBITDA indicator, even though it is not a measure defined in IFRS. The calculation of the metric is included in the accounting policies. The derivation of EBITDA is as follows:

	31.12.2023	**31.12.2022**
Profit/loss before tax	(205,931)	(167,485)
Depreciation	102,392	89,527
Elimination of net profit/loss from financial activities	(181,473)	(68,962)
EBITDA	**(285,012)**	**(146,920)**

All data in thousand HUF, unless otherwise indicated

4. Additional notes on the balance sheet

4.1 Intangible assets

	Intangible assets
Gross values	
Balance on 31 December 2022	**82,629**
Purchase	721
Change in value due to exchange rate	(620)
Balance on 31 December 2023	**79,418**
Depreciation	
Balance on 31 December 2022	**(51,283)**
Depreciation recognised	(3,609)
Change in value due to exchange rate	225
Balance on 31 December 2023	**(51,333)**
Book value	
Balance on 31 December 2022	31,346
Balance on 31 December 2023	28,085

In terms of intangible assets, the Group mostly records computer software and license contracts.

The value of intangible assets was reduced by the accounting for depreciation and the exchange rate difference resulting from the conversion of the assets of the Romanian subsidiaries into HUF.

The depreciation opening balance shows the accumulated value of depreciation.

The change in value due to the exchange rate drives from the conversion of the Romanian subsidiaries' assets into HUF.

All data in thousand HUF, unless otherwise indicated

4.2 Tangible assets

The movement of the assets is illustrated in the table below:

	Properties and buildings	Plant and equipment	Other equipment	Investments	Total
Gross values					
Balance on 31 December 2022	**1,312,461**	**1,032,674**	**107,496**	**16,188**	**2,468,819**
Change in value due to exchange rate	0	0	0	0	**0**
Purchase	36,086	8,340	24,456	0	**68,882**
Derecognition due to sales	(4,858)	0	(2,269)	(10,391)	**(17,518)**
Balance on 31 December 2023	**1,343,689**	**1,041,014**	**129,683**	**5,797**	**2,520,183**
Depreciation					
Balance on 31 December 2022	**(221,312)**	**(557,702)**	**(63,034)**	**(695)**	**(842,743)**
Change in value due to exchange rate	0	0	0	0	**0**
Depreciation recognised	(50,266)	(33,144)	(15,373)	0	**(98,783)**
Derecognition due to sales	0	0	0	0	**0**
Balance on 31 December 2023	**(271,578)**	**(590,846)**	**(78,407)**	**(695)**	**(941,526)**
Book value					
Balance on 31 December 2022	1,091,149	474,972	44,462	15,493	**1,626,076**
Balance on 31 December 2023	1,072,111	450,168	51,276	5,102	**1,578,657**

The opening depreciation balance shows the accumulated value of depreciation.

4.3 Claims from concession arrangements

Assumptions used in determining the balance sheet value:

	31.12.2023	**31.12.2022**
Gross value of assets under service concession arrangements	53,580	108,303
Expected credit loss	(297)	(406)
Net value of assets under service concession arrangements	**53,283**	**107,897**
Long-term receivables	**0**	**52,160**
Short-term receivables	**53,580**	**55,737**

All data in thousand HUF, unless otherwise indicated

The Group always uses the internal discount rate valid for the project at the time of closing the deal (the discount rates used in determining the fair value are in the 6-8% range) discounted the future cash flows. (The table does not include the value of the expected credit loss.)

Partner	Date	Date of expiry	31.12.2023	31.12.2022
Érd	1 November 2015	30 September 2024	53,580	108,303
Total			**53,580**	**108,303**

The Group recorded the following movements with respect to the concession assets:

	31.12.2023	31.12.2022
Opening balance	107,897	257,845
Adjustment for IFRS 9	0	0
Estimate change due to inflation	7,915	40,178
Amendment of contract	0	6,259
Decrease in receivables	(62,638)	(196,678)
Expected credit loss	109	293
Closing	**53,283**	**107,897**

Based on the contract, the concession fees must be adjusted annually with inflation, which the Group presents each year as the effect of the current year. The fair value of these items does not differ significantly from the book value.

The Group wrote back expected credit losses of HUF 293,000 on assets from service concession agreements. When calculating the expected loss, the Group set the loss given default (LGD) at 45% and the probability of default (PD) at 6%.

4.4 Supplies

	31.12.2023	31.12.2022
Supply and raw materials	3,343	5,338
Goods	972	797
Total inventories	**4,316**	**6,135**

The raw materials and raw materials in stock at the end of the business year are related to the operation of the restaurant and buffet catering units belonging to the ski slope complex in Eplény, which is operated by Síaréna Kft.
In addition to the needs of catering units, the goods also include the stock of a shop also operated near the ski slopes. The shop sells ski accessories such as goggles, hats and underclothes.

All data in thousand HUF, unless otherwise indicated

4.5 Customers

	31.12.2023	31.12.2022
Trade receivables	106,650	164,853

	31.12.2023	31.12.2022
Not past due	65,286	23,897
Past due 0-90 days	31,526	99,348
Past due 91-180 days	8,730	33,172
Past due 181-360 days	21,158	571,075
More than one year	1,040,651	402,235
Trade receivables gross total	**1,167,351**	**1,129,727**
Impairment	(1,102,324)	(965,523)
ECL	41,622	648
Trade receivables total	**106,650**	**164,852**

The expected credit loss is shown in the financial activity expenses in the profit and loss statement.

The Group did not take advantage of the opportunity to account for the impairment of those receivables that expired on the record date, but – based on the assessment of the Group's management – in terms of the probability of their influence, the Group did not identify the risk (or hedged with another asset or liability).

When examining the realizability of a specific trade receivable, the Group takes into account any changes in the credit quality of the receivable between the date of granting the loan and the end of the reporting period. In all cases, the payment deadline for customer invoices is eight days.

The customers' balance sheet value was reduced by the expected credit loss. In connection with the expected credit loss, the Group used the simplified method for customers.

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

All data in thousand HUF, unless otherwise indicated

4.6 Securities valued at fair value through profit or loss

The Group invested part of its free funds in stock market securities. The goal with the shares is to achieve short-term profit, which is why the group classified them in the FVTPL category.

	31.12.2023	31.12.2022
Opening balance	34,512	251,933
Cost of securities	946,731	292,142
Sale of securities	(2,478)	(495,329)
Revaluation to fair value	218,280	(14,234)
Carrying amount	**1,197,045**	**34,512**

The Group determined the fair value based on stock market prices and investment fund portfolio reports. The portfolio consists of the following securities:

Share name	Number of shares on 31.12.2023	Acquisition value	Market value on 31.12.2023
Épduferr shares	904,917	32,034	37,645
Magyar Telekom shares	1,700,000	946,730	1,159,400
In total	**2,604,917**	**978,764**	**1,197,045**

4.7 Profit tax claim

On the profit tax claim line, the Group records the consolidated claim balance of the corporate and business tax lines.

	31.12.2023	31.12.2022
Corporate tax receivable	23,462	26,969
Local tax receivable	7,351	4,155
Total other receivables gross	**30,812**	**31,123**

4.8 Other short-term receivables

	31.12.2023	31.12.2022
Given loans	1,303,494	1,300,869
Collateral	45,986	50,428
VAT receivable	24,527	29,984
Foreign VAT receivable	5,911	3,154
Receivables from litigation	137,031	338,137
Advance payment to suppliers	5,543	213,471
Other receivables	1,790	3,301
Other tax receivables	27	267

All data in thousand HUF, unless otherwise indicated

Expected credit loss	(51)	(22)
Total other gross receivables	**1,524,258**	**1,939,590**
Impairment recognized	(1,259,555)	(1,508,141)
Total other receivables	**264,703**	**431,449**

The amount of the Legal Claim includes the claim for the concession fee awarded to the E-Star CDR SRL subsidiary by a Romanian court in its final judgment, as well as the default interest settled on the entire claim until 31.12.2023.

Details of loans:

Related loan and interest	31.12.2023	31.12.2022
E-Star Mures Energy SA loan	913,337	954,456
E-Star Mures Energy SA interest loan	345,975	345,975
E-Star ZA Distriterm SRL	-	82
E-Star Investment Management SRL	-	256
Loans to employees	40,000	100
Interest loans to employees	3,939	-
Total	**1,303,251**	**1,300,869**

The recognized impairment losses were formed in connection with the following receivables in 2022:

31.12.2023	Gross value	Impairment/ECL	Net value
Given loans	1,303,494	(1,259,555)	43,939
Advance payment to suppliers	5,543	-	5,543
Receivables from litigation and other receivable	138,821	-	138,821
Total	**1,447,857**	**(1,259,555)**	**188,302**

In accordance with accounting policy, expected credit losses of HUF 51,000 in 2023 and HUF 22,000 in 2022 were accounted for as non-tax receivables. No credit losses could be accounted for the other items.

Comparative data for 2022:

31.12.2022	Gross value	Impairment/ECL	Net value
Given loans	1,300,869	(1,300,687)	182
Advance payment to suppliers	213,471	(207,454)	6,018
Receivables from litigation and other receivable	341,438	(22)	341,416
Total	**1,855,779**	**(1,508,163)**	**347,616**

All data in thousand HUF, unless otherwise indicated

Non-impaired receivables:

	31.12.2023	31.12.2022
Collateral	45,986	50,428
VAT receivable	24,527	29,984
Foreign VAT receivable	5,911	3,154
Receivables from litigation	137,031	-
Advances for investments	999	-
Receivables for taxes outside the scope of VAT	27	267
Other receivables	1,790	-
Total	**216,270**	**83,833**

The Group presents taxes registered with the same tax authority on a net basis. Negative tax balances are classified as liabilities (if the given company owes the tax authority as a whole).

4.9 Active accruals

	31.12.2023	31.12.2022
Insurance accrual	1,926	1,508
Subscription fee accrual	-	-
Legal fee accrual	858	575
Other costs	1,598	667
Rental of tangible assets	-	750
Communication and office expenses	315	-
Travel and assignment expenses	265	-
Accrual of revenue from heat sales	-	27,983
Accrual of other operations income	1,579	(0)
Total	**6,541**	**31,483**

Heat fee revenue performed by the Parent Company for December 2023 but not invoiced was included in other sales revenue accruals.

4.10 Cash and cash equivalents

	31.12.2023	31.12.2022
Bank balances	151,354	111,320
Term Deposits	-	1,115,770
Investment accounts	1,928	3,731
Electronic money	14,164	12,663
Cash	4,833	3,953
Expected credit loss	(76)	(198)
Cash and cash equivalents	**172,203**	**1,247,238**

All data in thousand HUF, unless otherwise indicated

Funds include only balances that can be immediately converted into cash and used.

The Group recognized an expected credit loss of HUF 76,000 on cash and cash equivalents. The fair value of E items does not differ significantly from the book value.

4.11 Registered capital

The registered capital includes the nominal value of the issued shares. The current face value is HUF 10 each. The following table shows the movement of shares during the period in question:

Number of shares issued and paid	31.12.2023 piece	31.12.2022 piece
Quantity on January 1	16,606,109	16,606,109
Mid - year share issue	-	-
31.12.2023	**16,606,109**	**16,606,109**

The composition of the Group's share capital in 2023:

Series of shares	Nominal value (HUF each)	Number of issued shares	Total nominal value (HUF)
Common shares	10	11,150,000	111,500,000
Convertible preferred shares	10	5,456,109	54,561,090
Capital		**16,606,109**	**166,061,090**

The number of voting rights attached to the shares in 2023:

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

The tradability of both types of share is unlimited.

The convertible preferred shares entitle holders to a 5% more favourable dividend from the after-tax profit, which can be distributed among the shareholders, than shares belonging to other share types and share classes, provided the statutory conditions for dividend payment are met. Owners of convertible preferred shares can decide to convert them into series A dematerialized common shares with a nominal value of HUF 10 each. The holder may notify the Board of Directors of his or her request for conversion twice a year, by the end of the first half-year and at the end of year, as long as he or she can prove ownership and as long as the notification is verifiably received by the company before the deadline. Within 30 days after the last day of the given calendar half-year, the Board of Directors is obliged to decide on the conversion of the declared convertible preferred shares into common shares, if the aggregate amount of the notified claims in the given calendar half-year reaches 500,000 H-series convertible preferred shares. The Board of Directors is entitled and obliged to determine the further detailed rules of the transformation (thus, in particular, the day of the transformation). In the event of a partial conversion, the Board of Directors may require that the shares affected by the conversion be blocked or transferred to a specified account number as a condition for the execution of the conversion.

All data in thousand HUF, unless otherwise indicated

4.12 Capital reserve

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

	31.12.2023	31.12.2022
Balance at the beginning of the year	4,698,538	4,698,538
Balance at the end of the year	**4,698,538**	**4,698,538**

The value of the capital reserves includes the amount made available to the Group for the share in addition to the nominal value, which was reduced by the amount transferred to the retained earnings.

4.13 Accumulated foreign exchange reserve

Some of the Group's subsidiaries do not keep their books in Hungarian forints, but in Romanian lei or euros.

During the conversion into Hungarian Forints, the use of different exchange rates used when converting equity and assets and liabilities causes a difference. This difference changes and accumulates from year to year. The Group presents this difference on a separate line within equity under the name accumulated exchange reserve.

The table below shows the change in the stock of the reserve:

	31.12.2023	31.12.2022
Opening balance	86,591	66,559
Exchange difference accounted for	(40,763)	20,032
Closing	**45,828**	**86,591**

4.14 Reserve for share-based benefits

The reserve for share-based payments includes the fair value of a share option vested in a previous period. The stock option is for 630,000 shares. The withdrawal period has not yet expired. During this period – since no performance obligation was attached to it and it was not drawn down – the value of the reserve remained unchanged. The reserve could not be revalued to its current market value. The option can be exercised. There are no related conditions to be fulfilled. The holder can decide to make the draw down. The parties changed the option period open for exercising the purchase right from 31.12.2025 to 25.09.2022.

All data in thousand HUF, unless otherwise indicated

4.15 Own shares

The stock of own shares did not change from the 2022 business year to the 2023 business year.

The following tables show the evolution of the number and value of own shares:

Movements of treasury shares	31.12.2023 piece	31.12.2022 piece
Opening balance	4,439,041	4,439,041
Number of treasury share purchase in the period	-	-
Closing balance (piece)	**4,439,041**	**4,439,041**
Attributable to a subsidiary	2,826,041	2,826,041
owned by EETEK:	2,295,000	2,295,000
owned by Enefi Projekttársaság	531,041	531,041

Movements of book value of treasury shares	31.12.2023	31.12.2022
Opening balance	(1,405,717)	(1,405,717)
Book value of treasury shares purchased	-	-
Movements of treasury shares in book value	**(1,405,717)**	**(1,405,717)**

630,000 own shares were set aside to fulfil stock options (see additional note 23).

4.16 Profit reserve

The retained earnings contain the accumulated, undistributed net profit.

4.17 Non-controlling interests

The Group did not face any uncertainty or have to decide on any more complex issues when deciding how to manage its investments. All of the Group companies are subsidiaries, with the exception of two companies in which the Groups 100% owns. The Group does not have a 100% share in RFV Józsefváros Kft. and Termoenergy SRL. Control is clearly in the hands of the parent company for all subsidiaries (including those not 100% owned), as the conditions for management, operational daily tasks, and exposure to variable returns are fully and visibly met. Exceptions to this provision are subsidiaries under liquidation, which cannot be included due to the lack of control.

Movement table of non-controlling interests for the previous year and the current year:

All data in thousand HUF, unless otherwise indicated

	31.12.2023	31.12.2022
Opening balance	45,475	41,927
Share of profit (loss) / profit for the year	3,216	3,548
Balance at end of year	**48,691**	**45,475**

4.18 Loans

Síaréna Kft. has a current account loan provided by K&H Bank Zrt.

	31.12.2023	31.12.2022
Short-term bank loans	12,984	42,785
Total loans	**12,984**	**42,785**

The breakdown of loans by maturity is shown in the table below:

Debtor	Expiry	Interest	31.12.2023	Due within one year	Due within five years	Due after more than five years
Síaréna Kft.	08.08.2024	One-month BUBOR + 2% interest margin	12,984	12,984	0	0
Total			**12,984**	**12,984**	**0**	**0**

Changes in the portfolio of loans are shown in the table below:

	Long-term loans
Opening	42,785
Loan repayment	(29,801)
Interest payment 2021	5,730
Borrowing	-
Closing	**12,984**

The loans do not include any material items that would deviate the effective interest rate from the nominal interest rate. The fair value of these items does not differ significantly from the book value.

4.19 Provisions

Provisions include expected payment obligations related to the MAHART project. The Group fulfilled its obligations contained in the contract and it invoiced 90% of the fee, but MAHART disputed the last two partial invoices issued, and did not pay them. From the Group's point of view, the partial invoices were issued in a regular manner, and the amounts are due to the Group. As the Group sees its influence as uncertain, sales revenue arising from these sub-accounts could not be accounted for [IFRS 15.9e]. At the same time, the Group may have to pay one of its subcontractors, so it created a provision for the amount owed.

All data in thousand HUF, unless otherwise indicated

The stock of provisions did not change in 2023.

In connection with the above case, a contingent liability was also published (see 5.4. point).

4.20 Other long-term liabilities

Other long-term liabilities were paid in the current year.

	31.12.2023	31.12.2022
Tangible asset purchased in instalments	-	347
Received member's loan	-	493
Total	**0**	**840**

The table below shows changes in other long-term liabilities:

	31.12.2023	31.12.2022
Opening	**840**	**849**
Loan repayment	**(840)**	**(9)**
Closing	**-**	**840**

4.21 Suppliers

Trade payables only include items due within a short period of time, which are shown at a non-discounted value. The fair value and book value of the balance are almost identical.

The maturity breakdown of accounts payable is presented in the table below:

	31.12.2023	31.12.2022
Not-due	440	44,837
Between 0-90 days	85,984	13,095
Between 91-180 days	1,477	1,374
Between 181-360 days	1,803	4,781
More than one year overdue	37,169	41,763
Total	**126,873**	**105,850**

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

4.22 Other short-term obligations

	31.12.2023	31.12.2022

MAHART's downpayment	59,200	59,200
Penalties and surcharges	1,238	1,228
Other taxes payable	773	3,301
VAT payable	7,080	0
Wages and salaries	15,126	21,829
Loans received	2,675	5,942
Gift certificates	1,905	4,470
Other liabilities	105	1,363
Total	**88,102**	**97,334**

The MAHART contractual obligation includes the amount already received, but not yet accounted for as income.

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

4.23 Passive accruals

	31.12.2023	31.12.2022
Accrued revenue	8,707	-
Accounting and payroll fees	3,575	4,871
Audit fee	6,263	5,031
Accrued revenue from government grants	159,878	167,437
Accrued legal and professional fees	-	-
Utility charges	10,286	-
Interest on arrears	5	-
Bank charges	617	-
Travel expenses and costs of foreign travel	1	-
Other costs	1,117	3,115
Total	**190,450**	**180,454**

The Group received state subsidies for the implementation of Síaréna's year-round development of the Eplény ski slope, as well as the innovative development of the snowboard slope and bike trail. The Group records the assets purchased from the grant as tangible assets. Accrued income is also released in proportion to the depreciation.

All data in thousand HUF, unless otherwise indicated

4.24 Expected credit loss

The table below contains the value of the expected credit loss recognized in the current year:

	2023	2022
Created Impairment		
Other receivables	(29)	(11)
Cash and cash equivalent	122	(123)
Total	**93**	**(134)**
Reversal of impairment		
Impairment of concession receivables	(184)	293
Impairment of trade receivables	43,004	2,235
Total	**42,819**	**2,528**
Expected credit loss of financial instruments	**42,913**	**2,394**

4.25 Fair value hierarchy of financial assets

Based on IFRS 13, the Group presents the fair value hierarchy based on the three-level evaluation described below, with the aim of increasing consistency and comparability of its assets and liabilities valued at fair value:
The inputs used to determine the fair value of the asset or liability can be classified into the three levels within the fair value hierarchy. In these cases, the fair value measurement is classified entirely in the level of the fair value hierarchy that includes the lowest level input that is significant for the overall measurement. Assessing how significant a particular input is to the overall evaluation requires a judgment that takes into account factors that are relevant to the asset or liability.

Evaluation level 1: quoted, usually stock market prices in active markets of homogeneous assets or liabilities to which the Group has access at the time of the evaluation.
Evaluation level 2: a measurement that includes directly or indirectly observable inputs in relation to the asset or liability, other than quoted prices.
Evaluation level 3: measurement of the value of the asset or liability using inputs that are not directly observable.

The Group has the following financial assets and liabilities:

Financial assets and balances

Description	31.12.2023	31.12.2022
Securities	1,197,045	34,512
Trade receivables	106,650	164,853
Other receivables	1,493,845	398,043
Cash and cash equivalents	172,203	1,247,238
Total	**2,969,742**	**1,844,646**

All data in thousand HUF, unless otherwise indicated

Financial liabilities and balances

Description	31.12.2023	31.12.2022
Bank loans	12,984	42,785
Trade payables	126,873	105,850
Other liabilities	63,885	70,976
Total	**203,741**	**219,611**

The individual instruments are positioned in the fair value hierarchy as follows:

Description	31.12.2023			31.12.2022		
	Evaluation level 1	Evaluation level 2	Evaluation level 3	Evaluation level 1	Evaluation level 2	Evaluation level 3
Financial assets						
Securities	1,159,400	37,645	-	34,512	-	-
Trade receivables	-	-	106,650	-	-	164,853
Other receivables and accruals	-	-	1,493,845	-	-	398,043
Cash and cash equivalents	172,203	-	-	1,247,234	-	-
Total (assets)	**1,331,602**	**37,645**	**1,600,494**	**1,281,746**	**-**	**562,896**
Financial liabilities						
Bank loans	-	-	12,984	-	-	42,785
Trade payables	-	-	126,873	-	-	105,850
Other liabilities and accruals	-	-	63,885	-	-	70,976
Total (liabilities)	**-**	**-**	**203,741**	**-**	**-**	**219,610**

Securities in the first evaluation level are listed or contain cash.

All data in thousand HUF, unless otherwise indicated

5 Other Disclosures for the consolidated report

5.1 Transactions with related parties

The key managers of the company are considered related parties. In the period in question, the following related parties were defined by the Group's management:

On the part of the board:

Csaba Soós, Chairman of the Board since 30.12.2016

László Bálint, Board member since 30.12.2016

Ferenc Virág, Board member since 30.04.2019

Krisztina Tendli, Board member from 12.09.2022 to 19.03.2023

The remuneration of senior executives is presented in the table below:

	31.12.2023	31.12.2022
Wages	19,800	30,425
Benefits	35,640	32,646
Commission	18,000	18,000
Total	**73,440**	**81,071**

The Group did not conduct the following other transactions with the above related parties.

The Group conducted the following transactions with related companies in 2023, and the relationship is characterized by the following outstanding balances (the transactions were essentially priced on a market basis):

E-Star Mures Energy SA "in liquidation"

Balance position	Amount
Given loans	1,259,312
Trade receivables	18,485
Total	**1,277,797**

Steel Manufaktúra Kft.

Balance position	Amount
Vendor liabilities	1,303

All data in thousand HUF, unless otherwise indicated

5.2 Segment information

The Parent Company is a listed company, which means it is obliged to publish segment information.

The operating segment is a component of the business unit:

a) that engages in business activities involving income and expenses (including income and expenses related to transactions with other components of the same economic entity);
b) whose operating results are regularly reviewed by the entity's chief operating decision-maker in order to decide on the resources to be allocated to the segment and to evaluate its performance;
c) which has the relevant financial information at its disposal.

From the point of view of the Group's operation, strategic decisions are made by the members of the Board of Directors, so in terms of establishing the segments, the management took the statements prepared for them as a basis when compiling this financial statement.

Consolidated revenue and profit per segment on 31.12.2023 is as follows:

31.12.2023	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Revenue	107,212	288,801	-	-	396,013
Material cost	(233,468)	(313,207)	(133)	-	(546,809)
Personnel cost	(106,134)	(135,495)	-	-	(241,628)
Other income/expenses (-)	97,506	9,905	-	-	107,411
Depreciation	(14,146)	(88,246)	-	-	(102,392)
Net profit/loss from financial activities	(8,428)	(4,638)	194,539	-	181,473
Result of affiliated company granted for the group	-	-	-	-	-
Profit before tax	**(157,459)**	**(242,880)**	**194,407**	**0**	**(205,931)**
Income tax	(1,458)	(12,517)	-	-	(13,975)
Profit/loss after tax	**(158,917)**	**(255,397)**	**194,407**	**0**	**(219,906)**

Designation	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Sales revenue from external parties	107,212	288,801	-	-	396,013
Intragroup sales revenue	63,434	-	-		63,434
Sales revenue of the segment (including inter-segment revenues)	**170,646**	**288,801**	**0**	**0**	**459,447**
Profit or loss of the segment (before tax)	**(157,459)**	**(242,880)**	**194,407**	**0**	**(205,931)**

All data in thousand HUF, unless otherwise indicated

Reconciliation of sales revenues	31.12.2023
Total sales revenues allocated to the segment	396,013
Elimination of intragroup sales revenues	63,434
Revenues not allocated to any segment	0
Reconciliation of profit or loss	**31.12.2023**
Profit or loss not allocated to the segment	(219,906)
Profit or loss not allocated to the segment	0
Total	**(219,906)**

Group comparative data for 31.12.2022:

31.12.2022	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Revenue	391,633	375,159	-	16,770	783,562
Material cost	(538,781)	(285,026)	(100)	(20,331)	(844,238)
Personnel cost	(141,961)	(205,732)	-	(6,078)	(353,771)
Other income/ expenses (-)	(188,450)	428,900	-	27,077	267,527
Depreciation	(6,458)	(82,793)	-	(277)	(89,527)
Net profit/loss from financial activities	57,335	(6,664)	(5,967)	24,067	68,771
Results of affiliated company granted for the group	-	-	-	-	-
Profit before tax	**(426,682)**	**223,845**	**(6,067)**	**41,228**	**(167,676)**
Income tax	(2,734)	(2,594)	-	(2,787)	(8,115)
Profit/loss after tax	**(429,416)**	**221,251**	**(6,067)**	**38,441**	**(175,791)**

Designation	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Sales revenue from external parties	391,633	375,159	-	16,770	783,562
Intragroup sales revenue	428,556	-	-	3,380	431,937
Sales revenue of the segment (including inter-segment revenues)	**820,189**	**375,159**	**0**	**20,150**	**1,215,499**
Profit or loss of the segment (before tax)	**(426,682)**	**223,845**	**(6,067)**	**41,226**	**(167,676)**

Reconciliation of sales revenues	31.12.2022
Total sales revenues allocated to the segment	766,792
Elimination of intragroup sales revenues	431,937
Revenues not allocated to any segment	16,770
Reconciliation of profit or loss	**31.12.2022**
Profit or loss not allocated to the segment	(214,232)
Profit or loss not allocated to the segment	38,441
Total	**(175,791)**

The Group omits the presentation of assets and liabilities of the segment because the CDOs do not monitor it continuously.

5.3 Management of financial and market risks

When managing the assets entrusted to it, the Group acts in such a way as to ensure value maximization for the owners. In doing so, it:

- strives to ensure the continued operation of the Group under all circumstances;
- strives to create an optimal capital-credit ratio in order to keep the cost of capital at an appropriate level.

The Group's capital structure corresponds to the industry average. The Group has not set a numerically defined capital-to-credit ratio as a goal. The requirement of the minimum registered capital specified in the legislation applicable to the Group is HUF 20,000,000. No special regulation applies to the management of its capital.

The Group is exposed to risks arising from changes in market and financial conditions. These changes can affect the results and the value of assets and liabilities. The goal of financial risk management is to continuously reduce risks through operational and financing activities.

The Group is exposed to the following risks:

- Market risk
  - Currency risk
  - Interest rate risk
- Liquidity risk
- Credit risk

Currency risk

The Group also conducts activities in foreign currencies, which entails risks arising from changes in foreign exchange rates. Foreign currency transactions appear through Romanian and Cypriot subsidiary transactions. The functional currency of the Romanian subsidiaries is the Romanian lei, while the functional currency of the Cypriot subsidiary EETEK Limited is the euro.

However, the majority of the Group's sales revenue is generated in Hungarian forints.

At certain intervals, the management reviews the contracts concluded in foreign currency and examines the possibilities of risk management through derivative products.

The book value of the Group's monetary assets and monetary liabilities in foreign currency at the end of the reporting period was as follows:

All data in thousand HUF, unless otherwise indicated

31.12.2023	RON	EUR	HUF
Receivables	1,805	0	118,791
Trade payables and other liabilities	557	(2,997)	186,454
Net position	**2,362**	**(2,997)**	**305,245**

Sensitivity test:

The most typical transaction currencies are RON and EUR, HUF.

The table below illustrates the Group's exchange rate sensitivity on 31 December 2023 in the event of a 10% or 20% change:

Exchange rate changes in %	Exchange rates		Impact on reporting year
	HUF/EUR	HUF/RON	
90.00%	344.50		
		72.79	64
		80.88	300
		88.97	536
100.00%	382.78		
		72.79	(236)
		80.88	0
		88.97	236
110.00%	421.06		
		72.79	(536)
		80.88	(300)
		88.97	(64)

31.12.2023

Exchange rate changes in %	Exchange rates		Impact on reporting year
	HUF/EUR	HUF/RON	
80.00%	306.22		
		64.70	127
		80.88	599
		97.06	1,072
100.00%	382.78		
		64.70	(472)
		80.88	0
		97.06	472
120.00%	459.34		
		64.70	(1,072)

All data in thousand HUF, unless otherwise indicated

	80.88	(599)
	97.06	(127)

Interest rate risk

Interest rate risk is the risk that the future cash flows of certain financial assets and liabilities will fluctuate due to changes in market interest rates.

The effect of a change in interest expenses on the P&L:

		Figures of the reporting year	Interest rate change of 1 percentage point	Interest rate change of 5 percentage points
Profit or loss before tax	(205,931)	(185,307)	(180,431)	(170,679)
Interest income	26,305	27,281	32,157	41,909
Current year value of interest-bearing assets	97,519	97,519	97,519	97,519
Given loans	43,939	43,939	43,939	43,939
Short-term receivables from concession assets	53,580	53,580	53,580	53,580
Average interest rate	26.975%	27.975%	32.975%	42.975%
Interest rate change		3.7%	22.2%	59.3%
Change in profit or loss		**-11.13%**	**-12.38%**	**-17.12%**

A 1-percentage point change in the average interest rate would result in a -11.13% change in the net profit and loss.
A 5-percentage point change in the average interest rate would result in a -12.38% change in the net profit and loss.
A 10-percentage point change in the average interest rate would result in a -17.12% change in the net profit and loss.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations. The Board of Directors is responsible for managing the liquidity risk. The Group manages its liquidity risk by maintaining bank credit lines and reserved borrowing options at an appropriate level, by continuously monitoring the planned and actual cash-flow data, and by coordinating the maturities of financial assets and liabilities.

Data for the current year:

in thousand HUF	Immediately liquid	Due within 1 year	Due in between 1 and 5 years	Due in over 5 years or liquid in certain situations	Total
Cash and cash equivalents	172,203	-	-	-	172,203
Other receivables and accruals	-	271,244	-	-	271,244
Income tax receivable	-	30,812	-	-	30,812
Trade accounts receivables	-	106,650	-	-	106,650
Inventories	-	4,315	-	-	4,315
Receivables from concession assets	-	53,580	0	-	53,580
Intangible assets	-	-	-	28,085	28,085
Tangible assets	-	-	-	1,578,657	1,578,657
FVTPL Securities		1,197,045	-		1,197,045
Total financial assets	**172,203**	**1,663,646**	**0**	**1,606,742**	**3,442,590**

in thousand HUF	Immediately liquid	Due within 1 year	Due in between 1 and 5 years	Due in over 5 years or liquid in certain situations	Total
Other liabilities and passive accruals	-	278,552	-	-	278,552
Trade payables	-	126,873	-	-	126,873
Provisions	-	216,714	-	-	216,714
Bank loans and other long-term liabilities	-	12,984	-	-	12,984
Equity	-	-	-	2,807,466	2,807,466
Total financial liabilities	**0**	**635,123**	**0**	**2,807,466**	**3,442,590**
Accumulated position	**172,203**	**1,200,724**	**1,200,725**	**-**	**-**

Comparative data for 2022:

in thousand HUF	Immediately liquid	Due within 1 year	Due in between 1 and 5 years	Due in over 5 years or liquid in certain situations	Total
Cash and cash equivalents	1,247,238	-	-	-	**1,247,238**
Other receivables and accruals	-	462,932	-	-	**462,932**
Income tax receivable	-	31,123	-	-	**31,123**
Trade accounts receivables	-	164,853	-	-	**164,853**
Inventories	-	6,135	-	-	**6,135**
Receivables from concession assets	-	55,737	52,160	-	**107,897**
Intangible assets	-	-	-	31,346	**31,346**
Tangible assets	-	-	-	1,626,076	**1,626,076**
FVTPL Securities		34,512	-		**34,512**
Total financial assets	**1,247,238**	**755,291**	**52,160**	**1,657,421**	**3,712,111**

in thousand HUF	Immediately liquid	Due within 1 year	Due in between 1 and 5 years	Due in over 5 years or liquid in certain situations	Total
Other liabilities and passive accruals	-	277,788	-	-	**277,788**
Trade payables	-	105,850	-	-	**105,850**
Provisions	-	216,715	-	-	**216,715**
Bank loans and other long-term liabilities	-	42,785	840	-	**43,625**
Equity	-	-	-	3,068,133	**3,068,133**
Total financial liabilities	**0**	**643,137**	**840**	**3,068,133**	**3,712,111**
Accumulated position	**1,247,238**	**1,359,392**	**1,410,712**	**0**	**(0)**

Credit risk

Credit risk is the risk of the debtor not fulfilling its contractual obligations, resulting in a financial loss for the Group.

The majority of the Group's customers are listed companies or affiliates of large multinational companies, local governments or units controlled by local governments.

All data in thousand HUF, unless otherwise indicated

The Group's aged receivables were as follows:

	31.12.2023	31.12.2022
Not past due	65,286	23,897
Past due 0-90 days	31,526	99,348
Past due 91-180 days	8,730	33,172
Past due 181-360 days	21,158	571,075
More than one year	1,040,651	402,235
Trade receivables gross total	**1,167,351**	**1,129,727**
Impairment	(1,102,324)	(965,523)
ECL	41,622	648
Trade receivables total	**106,650**	**164,852**

Publications related to the Russia-Ukraine war

The management examined the impact of the Russia-Ukraine war, which broke out at the end of February 2022, on the Group's business. The Group considers that there is no direct exposure caused by the war and no direct, immediate impact on the Group's financial position and thus on the financial report. However, the emerging crisis may have indirect economic effects on the corporate sector and society, which can indirectly affect the operation and management of the ENEFI Group. The management is constantly monitoring the development of the situation.

5.4 Lawsuits in progress, contingent claims, contingent liabilities

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

Plaintiff	Defendant	Subject of litigation
EETEK LTD	Hungarian National Bank	Revision of an administrative decision

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

Case No.	Plaintiff	Defendant	Subject of litigation
1.	E-Star Mures Energy SA	**37** owner association member	Validation of disablement
2.	E-Star Mures Energy SA		Filing of a request for bankruptcy protection on 8 February 2013
3.	E-Star CDR SRL	**247** residential consumer	payment of fees based on the consumer contract

All data in thousand HUF, unless otherwise indicated

4.	E-Star CDR SRL	The City of Gyergyószentmiklós	This is separate from the compensation lawsuit, and its subject is the compensation for the investments set out in the basic compensation lawsuit: 100,707,289 RON + contributions + 15% of the annual internal profit rate for the entire contracted period
5.	Individuals	Termoenergy	The plaintiffs requested the annulment of the land registration of a 2,300 square-metre plot purchased by Termoenergy in 2006, as well as the annulment of the sales contract between the former owner and Termoenergy on 21.12.2006, citing that the measurement of the referenced land was irregular and incorrect, as it was built on the defendants' land, which is still undeveloped.

Inflow of money is possible from lawsuits in which any legal unit of the Group is in the position of plaintiff. These potential cash inflows, unless practically certain, are considered contingent receivables. Contingent receivables were not allowed to be shown in the balance sheet, so the net assets do not include these values.

Apart from those published above, the following contingent items have not been identified by the Group:

From the sale of random shares, the buyer withheld 30% of the purchase price as security. The discounted value of the withheld amount, according to the management's estimate: HUF 25,447,000

According to IAS 37.32, the withheld purchase price is considered a contingent receivable. It is a claim from which an inflow of economic benefits is expected, but the amount and timing of the claim is uncertain.

As a result of the MAHART project, the Group also has a possible payment obligation, although based on the provisions of the contract the financial settlement cannot be demanded. The item is HUF 143,209,000. The Group takes the position that this item is considered a contingent liability, which cannot be shown in the balance sheet. The management is of the opinion that the items registered as contingent liabilities do not involve cash outflows. Based on the rules of IAS 37.92, the Group refrains from a more detailed description. At the same time, the Group has legal claims arising from the project that could not be shown in the financial statements.

5.5 Significant events after the reporting period

- On 25.01.2024, in connection with the MNB's earlier decision on market influence and insider trading (HPJ-III-B-3/2017.), the Supreme Court today partially upheld the decision of the Capital Court rejecting the lawsuit in the area of insider trading, and again partially annulled the decision of the Metropolitan Court in the area of market influence, instructing the Court to conduct a new procedure.

- On 06.02.2024, following the objection of the Marosvásárhely Municipality, the court modified the amount of the debt established in the compensation lawsuit, reducing it from 2,656,318 RON to 1,608,681.78 RON, and abolished the enforcement of the inflation rate. Based on the final decision, the Company has taken measures to correctly determine the inflation rate and to implement it legally.
- On 20.02.2024 The Board of Directors of ENEFI Vagyonkezelő Nyrt. made three important decisions:
    - The share capital of Síaréna Kft. was reduced from HUF 215 million to HUF 5 million, with the goal of increasing other elements of the equity capital. Following this, the company will start the necessary company law procedures and amend the deed of establishment.
    - The Board of Directors decided to take the claims of ENEFI Vagyonkezelő Nyrt. regarding the MAHART and Józsefváros projects to court, based on discussions with legal representatives.
    - It held negotiations with the managers of White IT Fintech Zrt. about a possible investment that is in line with the company's previously announced strategy. The Board of Directors decided to acquire a 27.04% stake in White IT Fintech Zrt. through a HUF 272 million share capital increase, thereby supporting its future plans.
- ENEFI Vagyonkezelő Nyrt., EETEK Ltd. and the Board of Directors carried out share transactions, which include the sale and purchase of shares and the provision of option rights. These steps are aimed at reorganizing the share portfolio and the capital and related positions of ENEFI and EETEK Ltd., as well as at modifying the share ownership and option rights of Csaba Soós and Ferenc Virág. The purpose of the transactions is to optimize the structure of the companies and support future business strategies. The Board of Directors also plans to prepare the next steps, including capital reductions and settlement of mutual claims.

5.6 Disclosures due to interests in other entities

The Group has investments in subsidiaries and affiliated enterprises. The classification into individual categories could be made on the basis of the ownership share, with the following exception:

- former subsidiaries under liquidation cannot be included, because control is already being exercised by the liquidator.

In connection with any of its businesses, the Group is not facing any restrictions that affect access to net assets, profit or cash flow.

The Group has no consolidated or non-consolidated interests in which control cannot be established on the basis of voting rights or where voting rights are not used to direct the relevant activities leading to control (structured companies).

None of the members of the Group are considered investment companies and none of them are part of such companies. All businesses publish their individual financial statements in accordance with applicable law.

5.7 Auditor-Related Disclosures

Pursuant to Act C of 2000 on Accounting, the Group must have its consolidated financial statements audited by an auditor. In 2022, the audit was carried out by UNIKONTO Számvitelkutatási Kft. (Fővám tér 8. III/317.3. Budapest, 1093 Hungary tax number: 10491252-2-43; chamber registration no.: 001724).

On behalf of UNIKONTO Számvitelkutatási Kft., the person responsible for performing the audit:
Dr. Csaba Imre Adorján (auditor card number: 001089).

The annual fee for the audit in connection with the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) based on the Act on Accounting: HUF 3 million + VAT. The auditor did not and does not carry out activities other than statutory audits at the Group.

5.8 Accounting Service Provider Disclosures

The Consolidated Financial Statements were compiled by Hajnalka Réti, who is a registered IFRS accountant (registration number: 202580). The chartered accountant performed her duties as an agent of CVA ClearVision Accounting Kft.

5.9 Statements

We draw your attention to the fact that there are a number of important factors that may cause the actual results to differ significantly from those contained in the forward-looking statements.

Disclaimer - The Consolidated Financial Statements, prepared to the best of our knowledge based on the applied accounting regulations, provide a true and reliable picture of the assets, liabilities, financial position and profit and loss of ENEFI Vagyonkezelő Nyrt. and its consolidated companies, as well as the situation, development and performance of the consolidated companies, describing the main risks and uncertainty factors.

5.10 Approval of financial statements

At the Board meeting held on 8 April 2024, ENEFI Vagyonkezelő Nyrt. approved the Group's 2023 consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Budapest, 8 April 2024

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Csaba Soós	Ferenc Virág	László Bálint
Chairman of the Board	Board member	Board member

Individual financial statements

for ENEFI Vagyonkezelő Nyrt

for the business year ending 31 December 2023
based on IFRS

All data in thousand HUF, unless otherwise indicated

Individual comprehensive income statement
for the business year ended 31 December 2023

	Notes	Year ending 31.12.2023 audited	Year ending 31.12.2022 audited
Sales revenue	(1)	122,634	403,445
Direct costs	(2)	(76,018)	(328,232)
Gross profit		**46,617**	**75,213**
Material costs	(3)	(102,521)	(176,540)
Personnel expenses	(4)	(73,054)	(99,025)
Other income/expenses (-)	(5)	58,529	105,786
Operating expenses		**(70,429)**	**(94,566)**
Depreciation	(8., 9)	(13,134)	(11,104)
Other expenditure and income of financial operations	(6)	1,552	(559,702)
Profit before tax		**(82,011)**	**(665,372)**
Income tax	(7)	(887)	(699)
Net profit		**(82,898)**	**(666,071)**
Other overall result		-	-
Total comprehensive income		**(82,898)**	**(666,071)**

The numbers in the comprehensive income statement are correct. Brackets indicate a negative number.

All data in thousand HUF, unless otherwise indicated

Custom scale
On 31 December 2023

Individual balance - Assets	Notes	Audited 31.12.2023	Audited 31.12.2022
Intangible assets	(8)	1,182	1,576
Fixed assets	(9)	22,765	36,648
Investments in subsidiaries and affiliated companies	(10)	5,184,965	4,644,319
Fixed assets		**5,208,912**	**4,682,543**
Concession assets	(11)	52,049	81,219
Buyers	(13)	56,475	91,078
Shares valued at fair value against earnings	(14)	1,197,045	34,512
Other claims	(15)	921,522	1,109,595
Income tax claims	(16)	1,005	1,349
Active accruals	(17)	12,820	34,770
Cash and cash equivalents	(18)	138,673	1,217,287
Current assets		**2,379,590**	**2,569,810**
TOTAL ASSETS		**7,588,501**	**7,252,353**

Individual balance - Sources	Notes	Audited 31.12.2023	Audited 31.12.2022
Registered capital	(19)	166,061	166,061
Capital reserve (Asia)	(20)	4,698,537	4,698,537
Own shares	(21)	(382,327)	(382,327)
Profit reserve		(1,456,053)	(1,373,155)
Reserve for share-based payments	(22)	65,520	65,520
Equity		**3,091,738**	**3,174,636**
Long-term loans	(27)	3,814,526	3,402,533
Long-term leasing liability	(28)	-	500
Long-term liability to subsidiaries	(26)	322,205	322,205
Long-term liabilities		**4,136,731**	**3,725,238**
Provisions	(24)	216,714	216,714
Short-term loans		5	-
Short-term leasing liabilities	(28)	500	5,814
Supplier obligations		28,518	19,037
Passive accruals	(29)	17,358	8,621
Contractual obligations	(30)	59,200	59,200
Other short-term liabilities	(31)	37,737	43,093
Short-term liabilities		**360,032**	**352,479**
TOTAL OWN CAPITAL AND LIABILITIES		**7,588,501**	**7,252,353**

All data in thousand HUF, unless otherwise indicated

Individual cash flow statement

for the business year ending on 31 December 2023

	MJ	Year ending 31.12.2023 audited	Year ending 31.12.2022 audited
Profit before tax		(82,898)	(665,372)
Interest expense, net		435,260	-
Interest income		(180,332)	-
Accounted for depreciation		13,134	11,103
Fair value difference of a security		(218,280)	-
Profit impact of expected credit loss		2,189	-
The difference between provisioning and use		-	216,714
Result from the sale of fixed assets		1,490	(102,535)
Result of impairment of fixed assets		109,355	(380,605)
Result of impairment of customer tracking		(7,680)	7,164
Result effect of consolidated foreign exchange loss		(5,241)	-
Result of impairment of other receivables		(278,479)	474,109
Change in the cash flow of concession assets		29,155	134,788
Total non-cash items		**(354,357)**	**360,738**
Change in supplier obligations		9,481	(120,261)
Changes in other short-term liabilities		(8,486)	(471,739)
Change in passive accruals		8,737	(5,803)
Change in accounts receivable		40,255	117,385
Change in current assets excluding customers		- 183,448	71,122
Change in active accruals		21,950	(33,322)
Change in net working capital		**(111,511)**	**(442,618)**
Interest paid		**(245)**	**-**
Paid, payable tax		343	(699)
Change in funds from ordinary activities (Operating Cash Flow)		**(293,740)**	**(747,951)**
Acquisition of fixed assets		(3,246)	(21,609)
Sale of fixed assets		2,899	847,710
Financially arranged interests		180,332	-
Change in funds from investment activities (Investment cash flow)		**179,985**	**826,101**

All data in thousand HUF, unless otherwise indicated

Purchase of securities		(946,731)	(79,544)
Sale of securities		2,478	296,965
Repayment of the capital part of the lease obligation		(5,814)	(5,814)
Loan repayment (EETEK)		(14,646)	286,935
Repayment of a given loan		-	590,377
Loan given		-	(288,680)
Change in funds from financial operations (Financing cash flow)		**(964,713)**	**800,242**
Credit loss accounted for in cash		(146)	-
Effect of foreign exchange consolidated exchange rate loss on financial assets		-	-
Change in funds		**(1,078,614)**	**878,392**
Opening funds and their equivalents	(18)	1,217,287	338,895
Closing funds and their equivalents	(18)	138,673	1,217,287
		(1,078,614)	**878,392**

The numbers in the cash flow are correct. Brackets indicate a negative number.

All data in thousand HUF, unless otherwise indicated

Individual equity change statement
for the period ending 31 December 2023

Notes	Registered capital (19)	Capital reserve (20)	Own shares (21)	Profit reserve	Reserve for share-based payments (22)	In total
Opening 01.01.2022	166,061	4,698,537	(382,327)	(707,084)	65,520	3,840,707
Total comprehensive income for 2022	-	-	-	(666,071)	-	(666,071)
Balance on 31.12.2022	**166,061**	**4,698,537**	**(382,327)**	**(1,373,155)**	**65,520**	**3,174,636**
Total comprehensive income for 2023	-	-	-	(82,898)	-	(82,898)
Balance on 31.12.2023	**166,061**	**4,698,537**	**(382,327)**	**(1,456,053)**	**65,520**	**3,091,738**

The figures in the statement of changes in equity have the correct signs. Brackets indicate a negative number.

I. The defining elements of accounting policies and the basis for the preparation of financial statements

1. The basis for the preparation of financial statements is the continuation of the business

Statement of compliance with IFRS

The financial statements were prepared in accordance with IFRS. The management declares that the Company has fully applied the rules contained in IFRS/IAS and IFRIC/SIC as adopted by the European Union. The management made this statement with an awareness of its responsibility.

Content of the financial statements

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

Basis for the preparation of the financial statements; the system of rules used and the underlying assumptions and the evaluation philosophy

The financial statements were prepared based on the International Financial Reporting Standard (IFRS) created by the International Accounting Standard Board (IASB). The Company applied IFRS as adopted by the European Union.

The Company's management has determined that the requirement to continue the business has been met, that is, there are no signs that the Company will terminate or significantly reduce its operations in the foreseeable future, at least within the next year.

This financial statement - with the exception of the cash flow statement - was prepared using a natural approach, that is, the actual economic event is the decisive factor in the presentation and not the cash flow.

The Company generally evaluates its assets based on historical cost, unless the given item has to be evaluated at fair value based on IFRS.

In 2017, the Company first published individual financial statements based on IFRS.

2. The company

An introduction to the Company (centre of operation, legal form, ownership structure, applicable law)

ENEFI Vagyonkezelő Nyrt. (previously known as: E-Star Alternatív Nyrt., RFV Nyrt. and ENEFI Energy Efficiency Nyrt.) ("ENEFI" or "Company"), which is the parent company of the company group ("Group"), is a company registered in Hungary. Its seat until 27.12.2022 was at Pünkösdfürdő u. 52. 4th floor door 413 Budapest 1039 Hungary. The Company's registered office is currently located at Nánási út Budapest 1031 Hungary land registry number 23779/8/E/24 (Nánási út 5-7.). The legal predecessor of the Company was RFV Nyrt. It was established on 29 June 2000 with the aim of using its savings to make primarily energy related investments for its future customers that, in addition to long-term operation, help effectively supply energy to its customers

The Company's ownership structure as of 31 December 2023:

Owner	Ownership (%) *	
	31 December 2023	31 December 2022
Own stock	14.46%	9.71%
Affiliated company	9.25%	17.02%
Csaba Soós	15.67%	30.69%
Public share	60.62%	39.28%
In total	**100.00%**	**100.00%**

*Ownership share: projected on all shares issued by the Company, regardless of whether they are associated with voting rights or listed on the stock exchange.

The currency the financial statements are presented in and their accuracy

The functional currency of the Company is the Hungarian forint. The financial statements are prepared in forints (presentation currency) and unless otherwise indicated, the numbers are written in thousands of forints (tHUF).

The most important foreign currencies for the Company are the euro and the Romanian lei. The exchange rate of the two currencies in the reporting period was as follows (one monetary unit/HUF, MNB exchange rates):

Currency	2023		2022	
	closing	average	closing	average
Euro (EUR)	382.78	381.75	400.25	391.33
Romanian Lei (RON)	76.95	77.21	80.88	79.37
US Dollar (USD)	346.44	350.14	375.68	373.12

Auditor of the Company

The Company's current auditor is UNIKONTO Számvitelkutatási Kft. (head office: Fővám tér 8. 3rd floor 317 Budapest H-1093, registered office number: 01-10-045428). The auditor's mandate has been in place since 30 December 2016. The auditor personally responsible for auditing of the Company Dr. Csaba Imre Adorján (mother's maiden name: Erzsébet Kiss, ID number: 001089), his mandate has been in place since 28 April 2023.

The auditor charges an audit fee of HUF 2,000,000 + VAT for auditing these (individual) financial statements and does not provide services for the Company other than audits and other assurance services.

The auditor is personally responsible for compiling the financial statements

The individual financial statements were compiled by Hajnalka Réti, who is a registered IFRS accountant (registration number: 202580). The chartered accountant performed her duties as an agent of CVA ClearVision Accounting Kft.

III. Changes in accounting policy and the expected impact of IFRS and IFRIC that had not yet entered into force on the date the financial statements were published, as well as previous applications

The Group did not voluntarily change the accounting policies it applied in 2022 for 2023. Exceptions to this are the application of accounting policies related to the introduction of new standards and previously non-existent activities.

New and amended standards and interpretations issued before the publication of the Group's financial statements, but not yet effective, are as follows:

At the date of approval of these financial statements, the following standards issued by the IASB and adopted by the EU, as well as amendments to existing standards and interpretations, had been published but had not entered into force:

Amendments to IFRS 16: Lease obligation during sale and leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee applies when valuing a lease liability in a sale-leaseback transaction so that the seller-lessee does not recognize a gain or loss that it is related to the right of use it retains.

The amendments take effect for annual reporting periods beginning on or after 1 January 2024, and must be applied retroactively to leaseback transactions entered into after the date of first application of IFRS 16. Previous application is allowed and this fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

Amendment of IAS 1: Classification of liabilities as short-term or long-term

In January 2020 and October 2022, the IASB issued amendments to IAS 1 paragraphs 69-76 to determine the conditions for classifying liabilities as short-term or long-term. The amendments clarify that:

- what the right to defer financial settlement means.
- the deferral right must exist at the end of the reporting period.
- this classification is not affected by the likelihood that the entity will exercise its right to deferral.
- exceptionally, if a derivative product embedded in a convertible liability is itself an equity instrument, the conditions related to the liability do not affect the classification.

Furthermore, a requirement has been introduced that mandates disclosing when an obligation arising from a loan agreement is classified as long-term, and the entity's right to defer financial settlement depends on the fulfillment of future conditions within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, and must be applied retroactively. The Group is currently investigating how the amendments will affect current practices and whether it could be necessary to renegotiate existing credit agreements.

The Group does not apply these new standards and amendments to existing standards before the effective dates.

3. Essential elements of the accounting policies

Presentation of financial statements

The Company's financial statements include the following (parts):

- individual statement of the financial position (hereinafter: balance sheet);
- individual comprehensive income statement (hereinafter: income statement);
- individual equity change statement;
- individual cash flow;
- supplementary notes to individual financial statements.

The Company decided to include the comprehensive income statement in a separate report, so that the items related to the other comprehensive income are presented in the same statement, after the net profit or loss of the period by title.

Items that increase or decrease net assets (that is, the difference between assets and liabilities) are considered to be other comprehensive income, and this decrease must not be accounted for either as an asset, liability, or against the P&L, but instead directly changes an element of equity. Among other things, capital transactions that change the capital made available are not considered other comprehensive income.

The most important decisions related to the statements

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

The Company publishes the individual financial statements in Hungarian forints. This is the currency of presentation. Individual financial statements cover one calendar year. The cut-off date for individual financial statements is 31 December. The Company prepares interim financial statements every six months in accordance with stock exchange regulations. The rules of IAS 34 must be applied to the interim financial statements. They do not contain all the disclosures required by IAS 1, and the data is condensed.

The individual financial statements contain a comparative figure, unless a period has to be restated or an accounting policy has to be changed. In this situation, we also present the opening balance sheet values of the comparative period. No such publication took place in 2021.

If it becomes necessary to reclassify an item to another category for the sake of presentation (for example, due to a new financial statement line), the Group corrects the previous year's data to achieve this comparability. No such reclassification took place during this period.

The financial statements are published by the management of ENEFI Nyrt. in accordance with the relevant legislation and stock exchange rules.

In its financial statements, the Company must also disclose information about the operating segments in the additional notes. The operational segments are defined in accordance with the strategic expectations of the Board members. According to the rules of IFRS 8.4, the Group presents its report by segment only in the consolidated financial statements.

Accounting policies related to the income statement

Sales revenue

IFRS 15, Accounting for sales revenue from customer contracts - (issued in May 2014; effective under IASB for financial years beginning on or after 1 January 2018. The EU adopted the standard). The new standard introduced the basic guideline that sales revenue is recognized when the goods or services are delivered to the customer at the agreed price. All separable connected goods or services must be accounted for separately and all discounts must be divided among the corresponding elements of the contract. If the consideration changes, the minimum value can be accounted for when the probability of reimbursement does not include significant risk. The costs incurred during the acquisition of the customer contract must be capitalized and amortized during the duration of the contract as the related benefits are obtained by the company.

The Company has applied IFRS standard 15 in its financial statements since 1 January 2018. The introduction of the new standard has no effect on the accounting of the Company's sales revenue, as the elements of the contract can be clearly separated and qualified individually when the contract is concluded. The financial data did not change as a result of the amendment.

The Company accounts for its sales revenue when the customer contract has been fulfilled and the financial settlement of the claim (when accounting for the sales revenue) is probable.

In the sales revenue, the Company includes only direct returns from its main activity. The Company displays the consideration values for ad hoc activities among other items.

The Company’s main activity is the production of thermal energy and its sale, the sales revenue of properties let out as part of asset management, and the construction of special equipment (charging stations). Items related to sales are invoiced and settled on a monthly basis. In addition to thermal energy, a significant source of income for the Company is service fees related to individual contracts accounted for under IFRIC 12. In addition to these, other rental fees and engineering services are included in the sales revenue.

The Company also has a contract under which it is implementing spanning several periods. It accounts for this project over a given period of time, by starting to show sales revenue and the resulting profit when the output and feasibility of realising the project can be judged (step 1), although it also shows losses if they occur.

Operating expenses

Non-financial expenditures must be classified into the following categories:

- direct costs: expenses directly related to sales revenue should be classified here;
- indirect costs: items not classified in the previous category and not related to other income, which must be divided
  - into sales expenses (advertising, marketing, sales promotion and similar items) and
  - administrative cost categories.

Other revenues

In other income, the Company displays the consideration for sales that cannot be classified as sales income and all income that cannot be considered as financial income or other topics that increase the overall result. Other expenses are the expenses that are indirectly related to the operation and are not classified as financial expenses or do not reduce the other comprehensive income. The Company presents other income and other expenses in net form in its income statement.

Financial income and expenditure

Interest income must be accounted for on a time-proportional basis, and dividend income may be shown if the dividend has been granted based on a valid decision of the highest body of the company paying it. Interest expenses must be calculated using the effective interest rate method and classified as financial expenses. If an exchange rate difference of foreign currency items is not part of the other comprehensive income based on the IAS 21 Effects of exchange rates standard the Company shows it in the financial result. The Company shows the financial result in net form in its income statement.

Netting

In the financial statements, in addition to the itemized requirements of IFRS, the Company displays the effect of a transaction on a net basis if the nature of the transaction requires such a statement and the given item is not relevant from a business activity point of view (e.g. sale of used equipment outside of business activity).

Accounting policies related to the balance sheet, and presentation and evaluation of assets and liabilities

Property, plant and equipment

The Company classifies as property, plant and equipment (PPE) only those assets that serve a production purpose or an administrative purpose and utilize the asset for at least one year after being put into use. From the point of view of the purpose, the company separates the assets into productive and non-productive (other) assets.

The initial book value of the asset includes all items related to the purchase or creation of the asset in question, plus borrowing costs (see in detail: accounting policy related to borrowing costs).

The discounted liability must be increased year-on-year, taking into account the passage of time (discounting) and subsequent changes in the estimate of dismantling costs. The increase in the liability resulting from the breakdown of the discount must be accounted for as an interest expense.

The Company applies the component approach, i.e. primarily for production assets, it separates the main parts with the same useful life within a physically uniform asset.

Tangible assets must be valued according to the rules of the cost model after acquisition (initial value, reduced by accumulated depreciation and accumulated impairment).

The depreciable amount is the initial cost less the residual value. The residual value must be determined if it is significant. The residual value is equal to the income that can be realised after the asset is withdrawn from use, reduced by the sales costs.

Depreciation must be determined based on the depreciable amount, per component. In the case of gas engines, the Company calculates operating hours, and in the case of other assets it uses the linear depreciation method. The Company applies the following depreciation rates to its assets:

Land	cannot be depreciated
Buildings	1-5%
Power plant equipment	1-14%
Non-productive machines	14-33%

The useful life of the assets must be reviewed item by item and it must be established whether the asset in question can be utilized during its remaining useful life and whether the residual value is realistic. If not, the depreciable amount and the residual value must be adjusted for the future.

The value of the tangible asset is increased by any major repair works (representing financial expenses) that occur regularly, but not annually. The Company regards these works as a component of the asset in question, and the useful life is adjusted to the next (expected) occurrence of these investments.

Proceeds from the sale of a fixed assets must be recognized as other items, from which the remaining book value of the asset must be deducted. Expenditure from the disposal of tangible assets must also be shown in other items. In this case, no income is generated, only expenditure.

Intangible assets

The Company determines whether there are any intangible assets that have an indefinite life.

The Company does not carry out research activities and does not produce software or other intangible assets that would meet display requirements. As a result, the Company currently does not disclose internally produced intangible assets and does not define an accounting policy for them.

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

Intangible assets with an indefinite useful life should not be impaired, instead they should be tested for impairment in each period (or immediately when indicated) (see impairments).

In relation to other intangible assets, it must be taken into account whether there is a contractual period that limits the use of this right. In this situation, the depreciation period cannot be longer than this period, but it can be shorter. By default, the contractual period must be accepted as the useful life.

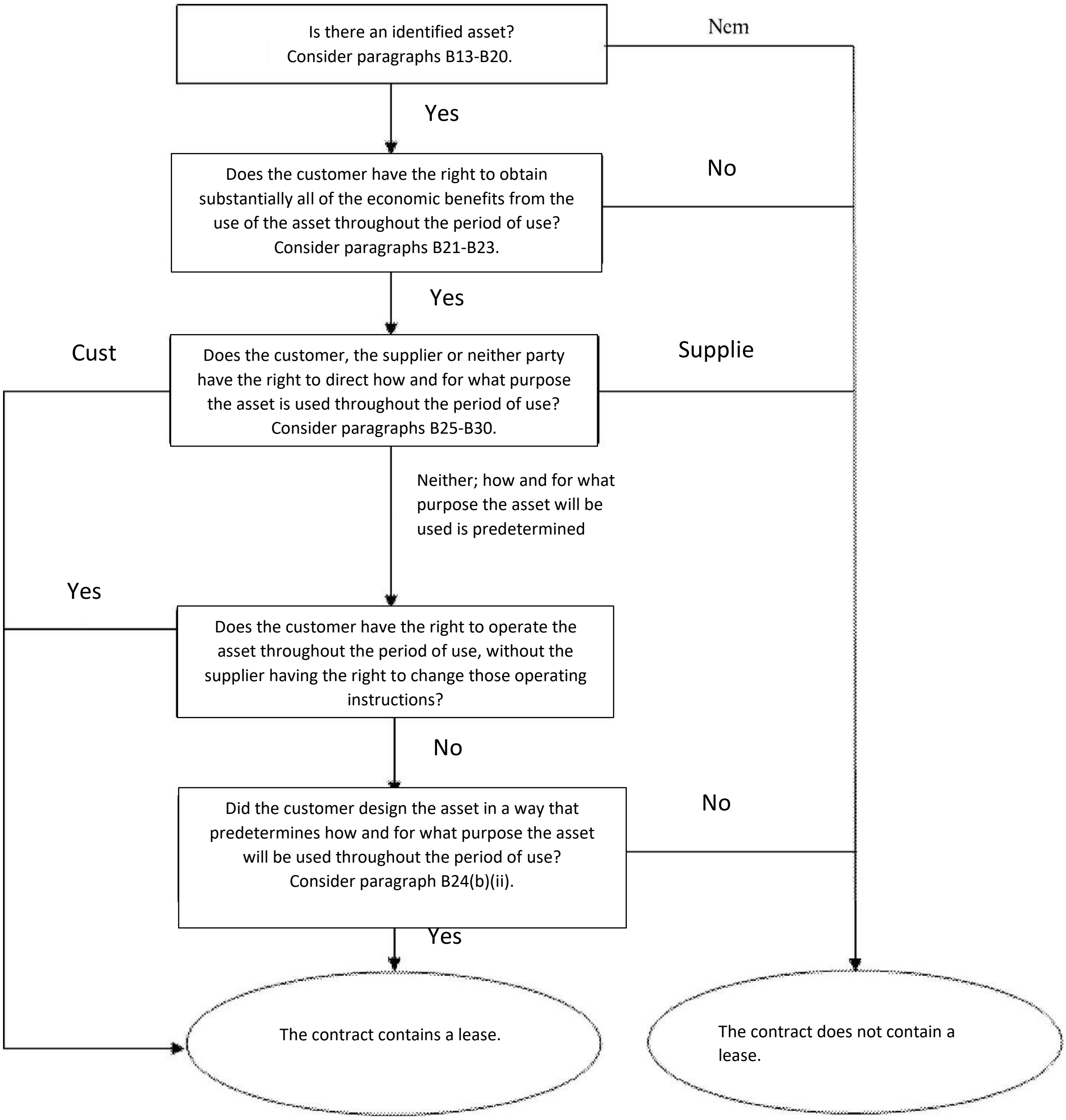
Amortization rates of 20-33% must be applied to software and similar intangible assets. The cost model must be uniformly applied to the valuation of intangible assets after their acquisition. The residual value of intangible assets must be considered zero until proven otherwise.

Leases

A contract is considered a lease or includes a lease if the contract transfers the right to use the underlying asset for a specified period of time in return for payment of a fee. In this case, the lessee is entitled to take advantage of the benefits deriving from the use of the asset and to make authorized decisions regarding its use. When switching to leasing, it was not necessary to examine whether contracts effective before 1 January 2019 would have been considered leasing contracts. If a contract was previously a lease (be it operational or financial), the rules of IFRS 16 must be applied to these leases. If a contract was not previously a lease, neither will it be after the entry into force of IFRS 16.

The Company uses the flowchart in IFRS Standard 16 Appendix B point B31 to identify a lease:

No



During the transition, the Company leased a car and a boiler.

Recognition at lessee

The lessee must present a right-of-use instrument and a lease liability on the commencement date.

Display exceptions

If the Company qualifies as a lessee in accordance with IFRS 16 with regard to a contract, it does not apply the general rules of the Standard to short-term leases (less than 12 months) and low-value underlying assets, but instead accounts for the lease payments as a charge to the profit, which is distributes.

Evaluation of a right-of-use asset

The Company shows its assets used in the framework of leasing as right-of-use assets in the balance sheet. The right-of-use assets are evaluated according to the cost model, and the depreciation is primarily calculated based on the contractual period. The Company tests right-of-use assets for impairment according to the rules of IAS 36. Right-of-use assets are shown by the Company together with the asset group to which the underlying asset belongs. The right of use assets are separated in the additional notes.

The lessor must classify the leases as either leases or finance leases.

The Company defines the term of the lease as the non-cancellable period of the lease, together with the following periods:

- periods covered by a lease extension option if the lessee is reasonably certain to exercise the option; and
- periods covered by a lease termination option if the lessee is reasonably certain that the option will not be exercised.

The Company, as a lessee, should reassess whether it is reasonably certain to exercise the extension option or not to exercise the termination option upon the occurrence of a material event or a material change in circumstances that:

- is under the control of the lessee; and
- affects whether the lessee is reasonably certain that it will exercise the option not previously taken into account when determining the lease term, or that it will not exercise the option previously included in the determination of the lease term.

If the non-cancellable period of the lease changes the Company, as the lessee, must review the lease term. The non-cancellable period of the lease changes, for example, if:

- the lessee calls up an option that was not previously taken into account when determining the lease term by business unit;

- the lessee does not exercise the option previously included in the definition of the lease term by business unit;
- as a result of an event, the lessee is contractually obligated to exercise an option that was not previously taken into account when the entity determined the lease term; obsession
- due to an certain event, the contract prohibits the lessee from exercising the option previously included in the definition of the lease term according to the economic unit.

When accounting for the depreciation of the right-of-use asset, the lessee must apply the standard depreciation requirements of IAS 16 Property, plant and equipment, if the underlying asset is otherwise a fixed asset.

If, under the lease, ownership of the underlying asset is transferred to the lessee at the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the purchase option, the lessee has to depreciate the value of the right-of-use asset from the start date of the underlying asset until the end of its useful life. Otherwise, the lessee must account for the depreciation of the right-of-use asset from whichever is sooner of the start date to the end of the useful life of the right-of-use asset and the end of the lease term.

Valuation of lease debt

On the start date, the lessee must evaluate the lease obligation as the present value of the lease payments not paid up to that date. Lease payments must be discounted using the implicit lease interest rate, if it can be easily determined. If this interest rate is difficult to determine, the lessee must use the additional lessee interest rate.

Recognition at the lessor

On the starting day, the lessor must remove the assets held under the finance lease from the balance sheet and present the claims for lease payments at the present value of the cash flows from the lease (net investment in the lease).

The Company presents the present value of cash flows from financial leasing as lease investments. The Company uses the incremental interest rate related to leasing income in the present value calculation. The Company determines the ECL for the lease receivable based on the simplified method.

The lessor must recognise the lease payments from operating leases either by method or by another systematic method in the income statement, such that the leased asset is still shown on the balance sheet and depreciated.

The Company considers any construction (as a lessor) to be a financial lease if

- it transfers the underlying asset to the lessee at the end of the lease term;

- the lessee has a right based on which it can acquire the ownership of the underlying asset at the end of the term and the exercise of this right is sufficiently probable;
- the term of the lease (including proven extension periods) exceeds three quarters of the remaining economic life of the underlying asset;
- the sum of the present value of the lease payments reaches 90% of the fair value of the underlying asset;
- the underlying asset belonging to the lease is a special asset.

If the term of the lease is indefinite, the term must be determined based on the estimate of the enforceable period.

Service Concession Agreements (IFRIC 12)

The Company acts as described below in accounting for public-to-private service concession agreements.

The provisions set out in the interpretation of IFRIC 12 are applied if, in a public-to-private service concession agreement, the following conditions are met:

(a) the transferor controls or regulates which services the operator must provide with the infrastructure, to whom and at what price; as well as

(b) at the end of the term of the agreement, the transferor controls – through ownership, beneficiary rights or otherwise – all significant residual interests related to the infrastructure.

According to the terms of this type of contractual agreement, the operator acts as a service provider. 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 (operation services).

If the contracts concluded with individual public sector actors meet these conditions, then the infrastructure that is the subject of the contract is not shown in the Company's books as property, plant and equipment.

In the case of this type of contract, the construction or development services performed by the Company are shown in the report at the fair value of the received or receivable consideration specified in the contract. The consideration included in the contract can be shown as a financial asset or an intangible asset.

Construction or development services performed by the Company are shown as financial assets, if, based on the contract, the Company has an unconditional contractual right to receive funds for the development or construction services from the transferor (Municipal Government) or on its instructions, and provided that the assignor has little or no chance of avoiding payment, since the agreement is legally enforceable. The Company has the right to receive funds if the transferor contractually guarantees to pay the Company specified or determinable amounts, or to pay the difference between the amounts received from the users of the public service and the amounts specified or determinable in the contract.

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

The Company has concessions that correspond to the financial asset model.

If the Company has contractual obligations for maintenance or restoration of the acquired or implemented infrastructure, these are included in the financial statements at the estimated amount at the time of reporting (as required by IAS 37).

Capacity expansions must be accounted for based on the provisions of IFRS 15.

The rules of IFRS 16 are not applicable to the situations to which IFRIC 12 applies.

Borrowing costs policy

In accordance with the rules of IAS 23, the entity capitalizes the borrowing costs if it utilizes the loan for a qualified asset. For dedicated loans (if the loan is assigned a specific purpose), the effective interest rate must be used to determine the amount to be activated. The activation rate of general-purpose loans has to be determined. The activation rate is the weighted average of the effective interest rate of general-purpose loans by the time elapsed since the time of payment, or if it is later, the time elapsed since the start of activation and the amount of the payment.

An asset (project) must be considered a qualified asset (project) in the following cases:

- if it is an investment contract;
- if it is an asset that takes more than half a year to build and prepare (regardless of whether the asset is made by the Company or by third parties).
- During assessment, it does not matter what the value of the asset in question is.

The activation of borrowing costs has to start when there is, or is likely to be, an irrevocable commitment to acquire the asset or implement the project. For assets this is usually when the asset is ordered, and for projects it is when the work actually starts, or if the Company does the design work as well, then it is when the plan starts being prepared subject to an authorization procedure.

The activation of borrowing costs has to be suspended if the works are interrupted for longer than is technologically justified. The technical manager of the project confirms the progress of the project and the fact that there was no shutdown longer than technologically justified.

The activation of borrowing costs has to be completed once the asset is ready, the (physical) work related to the project has been completed, or if it is earlier, the asset created in connection with the project is in use and its use has been authorized.

Accounting for state subsidies

According to the main rule, the Company recognises state subsidies as income The income must be distributed over the periods during which the asset is used. The part that cannot be shown in the P&L is shown under liabilities as deferred income. The item to be accounted for in the P&L is deducted from the related expenditure if this is feasible. In accordance with the principle above, the Company lists the assets received free of charge among its assets.

If a grant is related to expenses, it is primarily accounted for by reducing expenses, but if this is not possible, it is presented as other income.

Subsidies may be accounted for

- if it is essentially certain that the Company will meet the conditions attached to the grant and
- it is certain that it will receive the grant.

If the support has to be repaid afterwards, when this becomes clear, a liability must be shown, by increasing the value of the asset or the cost.

Supplies

Inventories must be shown in the financial statements at whichever is lower of cost and net realizable value. A distinction must be made between inventories expected to be paid off within one year and those expected to be paid off in more than one year. For heating materials, it must be assumed that they will be used within a year. The Company determines the closing value of the inventory on the basis of the average acquisition cost and adds all costs that are required to utilize the inventory in the intended manner and place to the value of the inventory.

Impairment accounting

The Company tests its assets for impairment every year. This testing has two stages. The first stage is to check whether there are any signs that the assets in question are impaired. The following signs may indicate that a particular asset has lost value:

- damage;
- decline in revenues;
- unfavourable changes in market conditions, decline in demand;
- increase in market interest rates

If there are indications that an asset has lost value, the recoverable amount of the asset has to be calculated (second stage). The recoverable amount is the greater of the fair value of the asset less selling costs and the present value of the cash flow from continuous use.

The Company performs the impairment test between December and February.

Provisions

Only an existing obligation based on a past event, the amount and schedule of which is uncertain, may be shown as a provision. It is not possible to account a provision for an obligation that is not a legal or presumed obligation.

If the existence of an obligation cannot be clearly determined, a provision may only be shown if the existence of the provision is more likely than not (probable obligation). If the probability is lower than this, then a contingent liability must be disclosed (possible liability). It is not allowed to display this in the balance sheet, but its development must be presented in the additional notes.

Provisions must be included in liabilities and divided into long-term and short-term liabilities. If the time value of money is considered significant in relation to a provision (because it has to be paid for over a long period of time), then the expected cash flows have to be discounted. The time value of money should be considered significant if cash flows occur after three years or more.

Provisions typically include the following:

- damages payable in connection with litigation;
- indemnification and compensation based on agreement;
- asset decommissioning obligations;
- costs due to severance payments and reorganisation.

If a probability can be assigned to a given field, the nominal (non-discounted) value of the obligation is calculated based on the maximum amount to be paid and the probability of payment.

If the Company has entered into a contract the costs deriving from which exceed the revenues, then the provision can be formed for whichever is smaller of the legal consequences 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 plan for the reorganization that has been approved and communicated to stakeholders. Provisions can only be made for costs related to discontinued activities. They cannot be made for items related to activities to be continued (e.g. retraining or relocation costs).

A provision must not be made:

- for future operating losses;
- "for security purposes", to cover future unseen losses;
- for descriptions (e.g. for descriptions of receivables or inventories).

Employee benefits

The Company mainly provides short-term employee benefits to its employees. The Company accounts for these against the profit when they are earned.

Employee rewards, bonuses and other similar items must be shown in the balance sheet if they lead to a liability, i.e.

- if they are bound by a contractual condition which has occurred (e.g.: the sales revenue level in question has been reached); then the item must not be accounted for in the period in which the contractual condition is established, but when the condition is fulfilled.
- if such an item is not a contractual condition, but a management decision, it may be disclosed when this decision becomes known to the Company (presumed obligation).

The Company only participates in a defined contribution pension program, which is directly connected with the salary paid, so it is accounted for together with the salary.

The Company operates in a legal environment in which employees are entitled to paid leave. If the Company has a legal option or an employee-employer agreement that the unused leave can be carried forward to the next year, then at the end of the year, a liability must be created for the accumulated, unused leave, and the employee benefits have to be debited at the same time.

Share-based payments

If the Company provides its employees or elected officials with shares or a benefit related to its price in consideration of their activities, it must be accounted for as a share-based benefit.

The Company currently only pays share-based benefits in the form of stock. The fair value of the benefits has to be determined and if there is a vesting condition attached to it, then it must be accounted for against the P&L in proportion to the fulfilment of the vesting condition as a separate reserve (IFRS 2 reserve) is simultaneously displayed as equity.

If there are no conditions attached to the benefit (e.g. overtime or meeting targets), then it must be shown immediately as an expense, without division between periods.

The separately displayed reserve (IFRS 2 reserve) has to be cancelled when the shares are issued or, if the benefit included an option, when it expires or has been exhausted.

Since the Company has no other share-based benefit programs, 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 as follows:

- Financial assets are divided into three valuation categories: those to be valued at amortized cost after acquisition, to be valued at fair value against other comprehensive income after acquisition (FVOCI), and to be valued at fair value against the income statement after acquisition (FVPL).
- IFRS 9 introduces a new model for showing impairment; namely, the expected credit loss (ECL) model. It uses a three-step approach, the basis of which is the change in the credit quality of financial assets after their initial inclusion. In practice, the new rules mean that the entity is obliged to include an immediate loss corresponding to 12 months' ECL at the initial presentation of financial assets not affected by other impairment (and in the case of trade receivables, it must present the full ECL). If the credit risk has increased significantly, the impairment is determined using the full ECL, not the 12-month ECL. The model also includes operational simplifications for leases and trade receivables.
- The regulations for hedge accounting have been modified to be more consistent with companies' risk management. The IFRS standard gives entities the option to choose between applying the hedge accounting requirements of IFRS 9 and further applying IAS 39 to all hedge accounting, as the standard does not currently address macro hedge accounting issues. The Company does not apply the rules on hedge accounting.

The Company has applied IFRS 9 in its financial statements since 1 January 2018. As a result of the introduction of the new standard, only the impairment accounted for trade receivables changed, although this did not have a significant impact on the report.

Financial assets

Classification

The Company classifies financial assets into the following categories in accordance with the related legislative changes in force since 1 January 2018:

- recorded at fair value (versus other consolidated income or income statement), and
- to the group of assets registered at amortized cost.

The chosen valuation method depends on the company's business model and must be determined based on the management of financial assets and related cash flows.

The Company only has cash, receivables and loans as financial assets. It values all financial assets at amortized cost, and has no financial instruments valued at fair value.

Display and evaluation

The purchase or sale of a financial asset is settled on the day the transaction is completed, that is, on the day on which the Company undertakes to purchase or sell the asset. Investments are initially shown at fair value plus transaction costs for all financial assets that are not recorded at fair value through profit or loss. Financial assets are derecognised when the Company's right to cash flow from the given item has expired or has been transferred, and the Company has also transferred the substantial risks and benefits associated with ownership.

Netting of financial instruments

Financial assets and liabilities are netted and shown as a net amount in the balance sheet if the net settlement of the displayed amounts is legally permitted and the Company wishes to settle the amounts on a net basis or simultaneously realizes the asset and settles the liability.

Impairment of financial assets

Assets recorded at amortized cost

IFRS 9 introduces an impairment model divided into three stages, which links the degree of impairment to changes in the quality of the receivable:

CREDIT QUALITY CHANGE SINCE INITIAL DISCLOSURE

VARIABLE LOAN LOSS DISPLAY

12-month expected credit loss	**12-month expected credit loss**	**12-month expected credit loss**
Fulfilling (Initial display)	**Underperforming** (Significant deterioration in credit quality since initial recognition)	**Non-fulfilling** (Actual credit loss incurred)

"Loan loss" is the difference between the present value of the contractual cash flows and the expected cash flows (discounted at the original effective interest rate) based on the standard. "Expected credit loss" is the weighted average of expected losses. When estimating the expected loss, the Company takes into account all available information, whether this is available within the Company or external, from past experience or future forecasts.

When estimating the credit risk, the Company applies the definition of default event in accordance with its internal risk analysis policy, and during the estimation it also determines the probability of payment and non-payment, as well as the expected timing of cash flows.

The Company uses the simplified method for trade receivables. In the simplified method, loss rates are determined, which are derived from past experience and corrected with future expectations. The estimate currently includes the following rates:

All data in thousand HUF, unless otherwise indicated

Delay (in days)	Loss rate
Not late	1.00%
1-180	5.00%
181-365	10.00%
More than 365	100.00%

The Company uses the practical simplifications provided by IFRS 9. These are as follows:

- For trade receivables and contractual instruments that do not contain a significant financing component, instead of the 12-month expected credit loss, the Company calculates the lifetime expected credit loss upon presentation.
- In the case of leasing receivables with a financing component and receivables falling within the scope of IFRIC 12, the Company can also account for the expected credit loss during the lifetime upon presentation.

In the case of trade receivables with the same risk, the above estimate is performed by the Company as a group.

Removal of financial assets

The Company derecognizes a specific financial asset from its books only if the contractual rights to cash flows from the asset cease in an economic sense (e.g. expire), or if the Company transfers the financial asset, as well as substantially all the risks and benefits resulting from the ownership of the asset, to a transfer to another farmer. If the Company does not transfer the majority of the risks and benefits resulting from ownership, but does not retain it, and the Company continues to control the transferred asset, then the Company accounts for the retained interest in the asset on the one hand, and accounts for a related liability on the other hand for the possible amounts payable. If the Company retains substantially all of the risks and rewards resulting from the ownership of a transferred financial asset, the Company continues to recognize the given financial asset and accounts for the received income as a collateralized loan, as a liability.

In case of derecognition of a financial asset in its entirety, the difference between the book value of the asset and the consideration received or obtainable, as well as the amount of accumulated profit or loss accounted for in other comprehensive income and accumulated in equity, is accounted for in the P&L.

Financial liabilities and equity instruments

Classification as a liability or equity

Credit and capital instruments issued by the entities belonging to the Company are classified as financial liabilities or capital, taking into account the content of the contractual agreement and the definition of financial liabilities and capital instruments.

Equity instruments

An equity instrument is any contract that embodies the residual interest in the company's assets after deducting all the obligations of an economic operator. Capital instruments issued by the Company are to be accounted for at the value of the amount received, reduced by the direct issue costs.

When the Company buys back its equity instruments, it must account for it (and deduct it) directly in the equity. During the purchase, sale, issuance and termination of the Company's equity instruments, no profit or loss is recognized in the income statement. The Company shows its own shares it has bought back in the capital as a negative item at the value of the repurchase, in a separate section of the balance sheet.

Financial liabilities

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

A financial liability is classified in the FVTPL category if it has been designated as a financial liability held for trading or measured at fair value through profit or loss.

A financial liability that is not classified as a financial liability for trading purposes can be designated as a financial liability at fair value through profit or loss if:

- this classification eliminates or significantly reduces a valuation or accounting inconsistency that would otherwise arise; or
- if the financial liability is part of a group consisting of managed financial assets, financial liabilities or both, which is managed and evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and internal information about the grouping is also provided on this basis; or
- is part of one or more embedded derivative contracts and IFRS 9 Financial instruments: The recognition and measurement standard allows the entire contract (asset or liability) to be marked as belonging to the FVTPL category.

Financial liabilities belonging to the FVTPL category are evaluated at fair value, and the profit or loss arising during the revaluation is accounted against the result.

Other financial liabilities

Other financial liabilities (including loans, trade and other liabilities) must be valued at amortized cost, using the effective interest rate method (the method is described under assets).

Derivation of financial liabilities

The Company derecognizes a specific financial obligation from its books if and only if the obligation is fulfilled, released or has expired. The difference between the book value of the derived financial liability and the consideration paid or payable must be accounted for in the P&L.

Actual and deferred income tax

The Company calculates the actual profit tax for the current year according to the tax rules in force in Hungary. It displays this under short-term liabilities (possibly receivables). It also estimates deferred tax, which is included in long-term liabilities or fixed assets. Deferred tax is calculated using the balance sheet method, taking into account the effect of subsequent rate changes. The deferred tax asset is only disclosed if it can be proven that the item in question can be realised (reversed). Deferred tax is determined at the rate in effect at the time of expected turnover.

General accounting policies related to cash flow

The Company bases its statement of cash flow up to operative cash flow on the indirect method. The investment and financing cash flow is prepared using the direct method. Overdrafts must be considered equivalent to cash, unless proved otherwise.

Foreign currency

The Company presents its individual financial statements in HUF. The functional currency is the currency that best characterizes the operation of the company in question.

The decision points are as follows:

- the currency the company mainly earns its revenues in;
- the currency in which the costs of the given farmer are incurred;
- the main currency of the financing.
- These aspects are listed in order of importance.

A given economic unit can only have exchange rate differences in foreign currencies.

The Company divides its assets and liabilities into monetary and non-monetary assets. Monetary elements are those elements the equalization or influence of which involves the movement of money. Money itself is considered a monetary element. Items containing receivables and liabilities that do not involve cash flow (e.g. advances for services, supplies) are not considered monetary elements.

Monetary elements expressed in foreign currencies must be revalued at the spot exchange rate on the day of the transaction. All economic units apply the exchange rate published by the Hungarian National Bank on the exchange date.

II. Significant estimates used in the preparation of financial statements and other sources of uncertainty

In applying the Company's accounting policies, the management has to make decisions, estimates and assumptions regarding the book value of assets and liabilities that are not obvious from other sources. Estimates and related assumptions are based on past experience and other factors that are deemed relevant. Actual results may differ from these estimates.

The estimates and the assumptions underlying them must be constantly reviewed. Changes to accounting estimates must be accounted for in the period of the amendment, if the amendment affects only that period, or in the period of the amendment and subsequent periods, if the amendment affects that period and subsequent periods as well.

The critical decisions – with the exception of those containing estimates – the Company made in the application of its accounting policies and which had the most significant impact on the amounts shown in the financial statements are described below.

Useful life of tangible assets

The Company reviews the useful lives of property, plant and equipment at the end of each annual reporting period. During the current year, the board of directors determined that it was not necessary to change the useful life and residual value of tangible assets.

Impairment of tangible assets and intangible assets, as well as concession assets

Impairment of tangible assets and intangible assets is estimated based on the realisable value of the income-generating units, i.e. their fair value or value in use reduced by sales costs. The value in use is determined based on the discounted expected cash flows. These cash flows reflect management's estimates for the future for each fixed asset or investment.

With regard to tangible assets and intangible assets, we examined whether the entity's assets are repaid within the framework of an impairment test. The Company includes the necessary corrections based on the impairment test in its financial statements.

Realisation of profits constituting an adequate tax base against which the deferred tax asset can be asserted

A deferred tax asset can only be taken up if it is probable that the Company will realize a profit that creates a tax base in the course of its future activities, against which the deferred tax asset can be asserted. In the light of the tax planning strategy significant assumptions are required on the part of the management in relation to the deferred tax assets that can be withdrawn, as well as the date and amount of the profit forming the tax base arising in the future.

In the current year, the Company followed a conservative methodology and established the expected amount of the deferred tax asset that can be used solely on the basis of the expected income-generating capacity of existing and contracted projects. This business plan does not include external financing, nor on investing the cash generated in the Hungarian operation.

Uncertainty about valuation of subsidiaries

During the evaluation of the Company's subsidiaries, their recoverable amount appears as a significant uncertainty, the change of which may lead to a loss of value or its reversal. These impairments and write-backs directly affect the net profit and loss.

Uncertainty about the valuation of the claim being litigated

In connection with some of its claims on its subsidiary in Marosvásárhely, the Company previously recorded a loss of value, as the Marosvásárhely Municipality belonging to the subsidiary was unwilling to pay the claims arising from the services the subsidiary provided. In connection with these claims, a compensation lawsuit was initiated. A final court judgment was issued in the lawsuit, which obliged the municipality to pay the debt and accept the related legal consequences. Given that the Marosvásárhely subsidiary is being liquidated, special rules apply to the payment of distributable assets, and additional procedures may become necessary if voluntary payments are not made. Since the final court judgment confirmed the existence of the claim, it became necessary to evaluate the claim, however, during the evaluation, the extent of the assets to be divided must be estimated, and corrections arising from the willingness to pay must also be taken into account, which leads to significant uncertainty regarding the evaluation of the claim.

All data in thousand HUF, unless otherwise indicated

III. Additional notes related to the comprehensive income statement

1. Sales revenue

The distribution of sales according to activities is as follows:

Designation	31.12.2023	31.12.2022
Sale of heat	76,018	315,044
Rentals	43,236	69,050
Income from the MAHART project	-	13,189
Income from other activities	3,380	6,162
In total	**122,634**	**403,445**

The sales revenue includes only returns that can be linked to the Company’s main activity.
The rental line contains income from contracts subject to IFRIC 12.

When accounting for sales revenue, with the exception of accounting for accruals, it was possible to following billing since the nature of the services the Company provides is such that it does not require correction between additional periods.

The Company's sales revenue was not affected by the introduction of the IFRS 15 Accounting for sales revenue from customer contracts standard, which was introduced on 1 January 2018, as the Company's revenue comes from the service fee for concession equipment leased to local governments, which is reported according to the interpretation of IFRIC 12 and does not result in a revenue accounting discrepancy.

The Company is creating a charging station on behalf of MAHART. This is based on a public procurement procedure that it won. The construction of the charging station is based on the customer's guidelines, and the customer will also control charging station once finished. This means the income for this project has to be accounted for proportionally (over a given time). In this year, it was not necessary to account for sales revenue on this basis.

The degree of completion (PTC) is determined by the Group in proportion to the planned and actual costs. During this period, the Company concluded that the conditions on the basis of which the agreed sales revenue could be accounted for did not exist. The Company only recognized income on items for which it is highly probable to be repaid, and which appear among expenses. During the period, the Company did not show a gross profit on the project (the balance of accounted sales and direct expenses is zero). The Company has created provisions for expected losses.

All data in thousand HUF, unless otherwise indicated

2. Direct costs

Designation	31.12.2023	31.12.2022
Forwarded utility fees	(76,018)	(315,043)
MAHART project expenditures	-	(13,189)
In total	**(76,018)**	**(328,232)**

Direct expenses include expenses that can be directly linked to sales revenue. The Company accounts for the expenses of the MAHART project and the forwarded utility fees as direct expenses (see sales revenue for details).

3. Material costs

Designation	31.12.2023	31.12.2022
Office supplies	(236)	(230)
Fuel	(1,545)	(3,071)
Utility charges	(269)	(117)
Assets the useful life of which is less than one year	(71)	(1,855)
Legal costs	(24,106)	(23,145)
Operating costs	(1,271)	(15,312)
Rent costs	(11,549)	(24,175)
Consultant and expert fees	(1,400)	(11,266)
Bank charges	(17,863)	(16,202)
Other costs	(37)	(13,447)
Insurance fees	(4,585)	(5,138)
Communication and IT costs	(4,199)	(2,287)
Maintenance costs	(9,096)	(21,535)
Accounting and auditing	(15,100)	(21,205)
Advertising and advertising costs	(576)	(4,200)
Travel and dispatch costs	(228)	(2,142)
Authority fees and charges	(303)	(1,551)
Administrative costs	(4,609)	(4,950)
Stock exchange fees	(5,478)	(4,712)
In total	**(102,521)**	**(176,540)**

The development of material expenses is presented in the table above. The value of material expenses decreased compared to the previous year mainly due to utility fees and other material costs that were settled.

All data in thousand HUF, unless otherwise indicated

4. Personnel expenses

Designation	31.12.2023	31.12.2022
Wages and benefits	(28,897)	(48,918)
Wage contributions	(8,137)	(10,335)
Other personal benefits	(36,020)	(39,772)
In total	**(73,054)**	**(99,025)**

The development of the value of personal expenses is presented in the table above. The table shows that the value of personal expenses did not change significantly compared to the previous year.
The average number of employees of the Company, including Board members, was 12 in 2021 and 13 in 2022.

5. Other income and expenses

Other revenues:

Designation	31.12.2023	31.12.2022
Income from the sale of tangible assets	-	847,711
Reversal of unplanned depreciation	-	268,907
Income related to loss events	251	-
Received late payment interest	881	-
VAT refund, compensation	63,887	-
Other revenues	3	75
In total	**65,023**	**1,116,693**

The VAT refund and compensation line includes a 2014 Romanian VAT refund of HUF 58,004, as well as HUF 5,599 in compensation for a reserved plot of land, as well as a loan write-off of HUF 285.

All data in thousand HUF, unless otherwise indicated

Other expenses:

Designation	31.12.2023	31.12.2022
Fines, self-revision fees	(361)	(567)
Other taxes	(1,437)	(25,790)
Book value of tangible assets sold at the time of disposal	(1,490)	(720,307)
Provisions	-	(216,714)
Value of scrapped assets	(1,833)	-
Other expenses	(1,372)	(47,529)
In total	**(6,493)**	**(1,010,907)**
Other income and expenses (net)	**58,530**	**105,786**

Provisions had to be created in connection with the MAHART project (see 24. point).

All data in thousand HUF, unless otherwise indicated

6. Expenditure (income) of financial operations

Designation	31.12.2023	31.12.2022
Interest received from an affiliated company	137,979	82,960
Other interest income	26,305	11,996
IFRIC 12 interest income	16,047	49,125
Realised exchange rate gain	69,434	(162,041)
Unrealised exchange rate gain	-	-
Valuation gains on units	54	10,038
Gains related to the sale of securities	8,081	633
Futures profit	-	126,082
Dividend received	-	1,121
Valuation gains on shares	218,280	-
Interest paid to an affiliated company	(435,015)	(306,815)
IFRS 16 lease interest expense	(186)	(515)
Other interest expense	(60)	-
Realised exchange rate loss	(9,870)	-
Unrealised exchange rate loss	(85,889)	-
Valuation loss of shares	-	(14,234)
Futures loss	(4,500)	-
In total	**(59,340)**	**(201,650)**

All data in thousand HUF, unless otherwise indicated

Impairments, credit loss:

Designation	31.12.2023	31.12.2022
Impairment (-) / write-back of EETEK Limited shareholding	242,115	381,973
Loss of value (-) / write-back of Ski43 Program Nonprofit Zrt shareholding	(4,166)	17,991
Impairment (-) / write-back of Síaréna Kft's shareholding	(462,235)	(270,275)
Impairment (-) / write-back of Síaréna Kft's loan capital	262,683	(689,311)
E-Star Mures Energy SA loan acc. impairment (-) / reversal	41,120	41,320
Impairment loss (-) / write-back of E-Star Centrul de Dezvoltare Regionala SRL capital claim	59,392	-
Loss of value (-) / write-back of E-Star Centrul de Dezvoltare Regionala SRL share	-	287,241
Impairment loss (-) / write-back of SC Faapritek SA stake	-	16,389
Impairment loss (-) / write-back of E-Star Energy Generation SA stake	-	74,403
Loss of value (-) / write-back of Ski43 Nonprofit Zrt	-	(3,580)
Impairment of RFV Józsefváros Kft's trade receivables and its write-back	(84,716)	-
Impairment of RFV Józsefváros Kft's shareholding (-) / write-back	(1,470)	-
Impairment (-) / write-back of Pannon Fuel Kft's shareholding	-	(207,284)
Impairment of trade receivables	(1,700)	-
Impairment and write-back of trade receivables	7,680	-
Financial expenditure – expected credit loss	2,189	(6,919)
In total	**60,892**	**(358,052)**

All data in thousand HUF, unless otherwise indicated

7. Income tax expenses

The Company shows only local business tax expenses in both periods as income tax expenses. The cost of both the innovation contribution and the corporate tax is zero.

The derivation of corporate tax is presented in the following table:

Designation	31.12.2023	31.12.2022
Profit before tax	**(82,011)**	**(665,372)**
Items increasing the tax base	**216,879**	**1,868,680**
Accounting depreciation	13,134	5,586
Book value of tangible assets sold	-	720,307
Formation of provisions	-	216,714
Fines, late payment interest	-	245
Loss of customer value	-	7,164
Impairment of other receivables	203,745	901,115
Other increasing item		17,549
Items reducing the tax base	**382,452**	**1,435,018**
Depreciation according to the Tax Act	7,734	5,698
Unplanned depreciation of tangible assets reversed	-	268,907
Calculated book value of tangible assets sold	-	720,307
Local business tax	887	699
Impairment reversal	373,831	438,286
Dividend received	-	1,121
Tax base	**(247,584)**	**(231,710)**
Tax to pay	**-**	**-**

Designation	31.12.2023	31.12.2022
Corporate Tax	-	-
Deferred tax expense/income	-	-
Local business tax	887	(699)
Total (sign correct)	**887**	**(699)**

All data in thousand HUF, unless otherwise indicated

IV. Additional notes related to the balance sheet

8. Intangible assets

The movement of intangible assets is illustrated in the table below:

Gross value	Intellectual products	Property rights	In total
31 December 2022	**4,121**	**35,656**	**39,777**
Acquisition	0	55	55
Stock reduction	0	(32,185)	(32,185)
31 December 2023	**4,121**	**3,526**	**7,647**

Accumulated depreciation	Intellectual products	Property rights	In total
31 December 2022	**2,545**	**35,656**	**38,201**
Depreciation for the current year	394	55	449
Stock reduction	0	(27,784)	(27,784)
Loss of value and its reversal	0	(4,401)	(4,401)
31 December 2023	**2,939**	**3,526**	**6,465**

Net value 31 December 2022	**1,576**	**(0)**	**1,576**
Net value 31 December 2023	**1,182**	**(0)**	**1,182**

9. Fixed assets

The movement of assets is illustrated in the table below:

Gross value	Real estate and buildings	Technical equipment	Other equipment	Right of use instruments	In total
31 December 2022	**2,288**	**317,920**	**26,537**	**16,554**	**363,299**
Acquisition	-	1,576	1,560	-	**3,136**
Stock reduction	(2,288)	(1,055)	(7,840)	-	**(11,183)**
31 December 2023	**-**	**318,441**	**20,257**	**16,554**	**355,252**

All data in thousand HUF, unless otherwise indicated

Accumulated depreciation	Real estate and buildings	Technical equipment	Other equipment	Right of use instruments	In total
31 December 2022	**1,113**	**295,080**	**19,883**	**10,576**	**326,652**
Depreciation for the current year	1,175	4,891	2,934	5,518	**14,518**
Stock reduction	(2,288)	(1,055)	(5,340)	-	**(8,683)**
Loss of value and its reversal	-	-	-	-	**-**
31 December 2023	**-**	**298,916**	**17,477**	**16,094**	**332,486**
Net value on 31 December 2022	**1,175**	**22,840**	**6,654**	**5,978**	**36,648**
Net value on 31 December 2023	**-**	**19,525**	**2,780**	**460**	**22,765**

Book value	Real estate and buildings	Technical equipment	Other equipment	Right of use instrument	In total
31 December 2022	1,175	22,840	6,655	5,978	**36,648**
31 December 2023	-	19,525	2,780	460	**22,765**

The Company shows the right of use related to the rental of a car and its depreciation as right-of-use assets.

All data in thousand HUF, unless otherwise indicated

10. Shareholdings in subsidiaries, affiliated companies and joint ventures

	31.12.2023	31.12.2022
RFV Józsefváros Kft	1,470	1,470
Termoenergy SRL	38,500	38,500
E-Star Regional Development Center SRL	34,525	34,525
E-Star Mures Energy SA (in liquidation)	5,913	5,913
E-Star Energy Generation SA	5,913	5,913
SC Faapritek SA	5,913	5,913
E-Star Alternative Energy SA	5,913	5,913
Ski43 Program Nonprofit Zrt. (formerly: E-Star Management Zrt.)	96,500	96,500
EETEK LIMITED	6,384,260	6,384,260
Siaréna Kft	1,411,017	761,017
ENEFI Projekttársaság Kft.	52,191	52,191
In total	**8,042,115**	**7,392,115**
Impairment recognized	(2,857,150)	(2,747,796)
Book value	**5,184,965**	**4,644,319**

The table below shows the impairment recognized for shares:

	31.12.2023	31.12.2022
Termoenergy SRL	(38,500)	(38,500)
E-Star Regional Development Center SRL	(34,525)	(34,525)
E-STAR Mures Energy SA	(5,913)	(5,913)
E-STAR Energy Generation SA	(5,913)	(5,913)
SC Faapritek SA	(5,913)	(5,913)
E-STAR Alternative Energy SA	(5,913)	(5,913)
SKi43 Program Nonprofit Zrt	(96,500)	(96,500)
EETEK LIMITED	(1,551,486)	(1,793,602)
Síaréna Kft	(1,111,017)	(761,017)
RFV Józsefváros Kft.	(1,470)	0
In total	**(2,857,150)**	**(2,747,796)**

All data in thousand HUF, unless otherwise indicated

Other long-term receivables

	31.12.2023	31.12.2022
SC Faapritek SA loan	15,685	15,685
SC Faapritek SA Loan interest	10,821	10,821
In total	**26,505**	**26,506**
SC Faapritek SA loan loss	15,685	15,685
SC Faapritek SA loan interest impairment	10,821	10,821
Book value	-	-

The Company accounts for the loan granted to SC Faapritek SA and the related interest in other long-term receivables.

All data in thousand HUF, unless otherwise indicated

11. Concession assets

Property, plant and equipment disclosed in accordance with IFRIC 12:

	31.12.2023	31.12.2022
Current assets from service concession agreements	52,049	81,219
In total	**52,049**	**81,219**

Assumptions used in determining the fair value at the balance sheet date:

In all cases, the Company discounted the future cash flows with the internal discount rate valid for the project at the time of the deal (the discount rates used in determining the fair value range from 6% to 8%).

Project	Date	Expiration date	31.12.2023	31.12.2022
Érd	)1.11.2015	30.09.2024	52,049	81,439
			52,049	**81,439**

The Company recorded the following movements in terms of concession assets:

Movement of concession assets	31.12.2023	31.12.2022
Opening balance	**81,219**	**216,007**
Estimate subject to change due to inflation	10,512	38,123
Claim reduction	(39,887)	(173,131)
Expected credit loss	205	220
Closing balance	**52,049**	**81,219**

Based on the contract, the concession fees must be adjusted annually with inflation, which the Company displays each year as the effect of the current year.

The Company recorded an expected credit loss of HUF 586,000 on assets from service concession agreements. When calculating the expected loss, the Company set the loss given default (LGD) at 45% and the probability of default (PD) at 6%.

12. Deferred tax assets and liabilities

During the calculation of deferred tax, the Company compares the value that can be taken into account from the point of view of taxation for each asset and liability with the book value. If the difference is reversible (i.e. the difference will be balanced in the foreseeable future), then a deferred tax liability or asset is recognised in accordance with its corresponding sign. When taking on the asset, the Company examined the return separately.

All data in thousand HUF, unless otherwise indicated

In both years, when determining the tax, the Company calculated a turnover rate of 9%, since the given assets and liabilities become actual taxes in periods when the tax rate is set at 9% in the current legislation.

The Company decided not to include deferred tax assets in the books because they are unlikely to be recovered. The amount of the taxable differences – including the value of the undisclosed deferred tax asset – is contained in the following table:

The tax balance and temporary differences for 2023 are as follows:

	Accounting value	Tax value	Difference
Intangible assets	1,182	1,774	(592)
Fixed assets	22,765	17,747	5,018
Investments in affiliates	5,184,965	2,327,814	2,857,151
Contractual instruments	52,049	52,049	-
Buyers	56,475	1,094,994	(1,038,518)
Purchased shares	1,197,045	1,197,045	-
Other claims	921,522	9,361,824	(8,440,302)
Income tax claims	1,005	1,005	-
Active accruals	12,820	12,820	-
Cash and cash equivalents	138,673	138,692	(19)
Provisions	216,714	216,714	-
Other long-term liabilities	322,205	322,205	-
IFRS 16 is long-term	-	-	-
Short-term loans	5	5	-
IFRS 16 short-term lease obligations	500	500	-
Supplier obligations	28,518	28,518	-
Passive accruals	17,358	17,358	-
Contractual obligations	59,200	59,200	-
Other short-term liabilities	37,737	37,737	-
Loss accrual	-	10,593,863	(10,593,863)
In total	8,270,737	25,481,863	**(17,211,126)**

Taxable difference	**(17,211,126)**
Deferred tax receivable	**(1,549,001)**

The Company does not display the deferred tax asset, as it currently does not have a tax strategy that establishes the return on the deferred tax asset. If the Company later achieves a taxable profit or positive tax base adjustment items arise, this asset can be realised.

All data in thousand HUF, unless otherwise indicated

The tax balance and temporary differences for 2022 are as follows:

Intangible assets	Accounting value	Tax value	Difference
Intangible assets	1,576	1,576	-
Fixed assets	36,648	22,128	14,520
Investments in affiliates	4,644,319	7,392,115	(2,747,796)
Contractual instruments	81,219	81,219	-
Customers	91,078	1,054,589	(963,511)
Purchased shares	34,512	34,512	-
Other claims	1,109,595	10,458,295	(9,348,700)
Income tax claims	1,349	1,349	-
Active accruals	34,770	34,770	-
Cash and cash equivalents	1,217,287	1,217,451	(164)
Provisions	216,714	-	216,714
Other long-term liabilities	322,205	322,205	-
IFRS 16 is long-term	500	500	-
Short-term loans	3,402,533	3,402,533	-
IFRS 16 short-term lease obligations	5,814	5,814	-
Supplier obligations	19,037	19,037	-
Passive accruals	8,621	8,621	-
Contractual obligations	59,200	59,200	-
Other short-term liabilities	43,091	43,091	-
Loss accrual	-	10,599,772	(10,599,772)
In total	**11,330,068**	**34,758,777**	**(23,428,709)**

Taxable difference	**23,428,709**
Deferred tax receivable	**2,108,584**

All data in thousand HUF, unless otherwise indicated

13. Trade receivables

The following information is relevant to trade receivables and their impairment:

	31.12.2023	31.12.2022
Not past due	45,892	13,287
Past due 1-90 days	34,224	59,591
Past due 91-180 days	8,908	23,441
Past due 181-365 days	7,922	592,869
More than one year	998,047	395,401
Total gross customer	**1,094,993**	**1,054,589**
Accounted for loss of customer value	(1,038,518)	(963,511)
Customer stock on the balance sheet date	**56,475**	**91,078**

The aging of non-impaired trade receivables is as follows:

Aging of non-impaired customers	31.12.2023	31.12.2022
Not past due	33,767	13,154
Past due 1-180 days	18,119	78,880
Past due 181-365 days	3,217	(956)
More than one year	1,372	-
In total	**56,475**	**91,078**

At the Company, the impairment on trade receivables developed as follows:

	31.12.2023	31.12.2022
Balance on 1 January	**963,511**	**392,416**
Specific impairment for receivables	78,415	576,531
Expected credit loss	(3,408)	(5,436)
Balance on 31 December	**1,038,518**	**963,511**

The expected credit loss is shown in the financial activity expenses in the profit and loss statement.

When examining the realizability of a specific customer receivable, the Company takes into account any changes in the credit quality of the receivable between the date of granting the loan and the end of the reporting period. In all cases, the payment deadline for customer invoices is eight days.

All data in thousand HUF, unless otherwise indicated

14. Purchased shares

On 31 December 2023, the Company had the following shares:

Share name	Number of shares on 31.12.2023	Acquisition value	Market value on 31.12.2023
Épduferr shares	904,917	32,034	37,645
Magyar Telekom share	1,700,000	946,730	1,159,400
In total	**2,604,917**	**978,764**	**1,197,045**

	Épduferr Plc.	Magyar Telekom Plc.	In total
Opening	34,512	-	34,512
Increase	-	946,731	946,731
Decrease	(2,478)	-	(2,478)
Year-end fair value revaluation	5,610	212,670	218,280
Closing balance	**37,644**	**1,159,401**	**1,197,045**

The Company holds the shares for trading purposes, so fair value changes are accounted for against the result (FVTPL).

15. Other claims

	31.12.2023	31.12.2022
Linked loan	6,359,680	6,966,488
Linked loan rate	2,907,289	2,769,311
Claim – Pannon Fuel Kft.	-	207,284
Other tax claims	-	14
VAT claim	4,023	5,722
Other claims	90,832	55,156
Other receivables gross total	**9,361,824**	**10,003,975**
Impairment recognized	(8,440,302)	(8,894,380)
Total other receivables	**921,522**	**1,109,595**

All data in thousand HUF, unless otherwise indicated

The breakdown of linked loans and loan interest is shown in the table below:

Linked loans	31.12.2023	31.12.2022
Termoenergy SRL	17,955	17,955
E-Star Regional Development Center SRL	4,444,827	4,588,251
E-Star Mures Energy SA	913,337	954,456
SC Faapritek SA	11,808	11,808
E-Star Alternative Energy SA	1,396	1,396
E-Star Energy Generation SA	511	511
E-Star Energy Generation SA	45,418	45,418
Siaréna Kft.	849,633	1,274,633
Ski43 Program Nonprofit Zrt.	18,060	17,060
Enefi Projekttársaság Kft.	56,735	55,000
In total	**6,359,680**	**6,966,488**

Received loan interest	31.12.2023	31.12.2022
Termoenergy SRL	19,772	19,772
E-Star Regional Development Center SRL	2,148,207	2,147,614
E-Star Mures Energy SA	345,975	345,975
SC Faapritek SA	3,201	3,201
E-Star Alternative Energy SA	4,751	4,751
E-Star Energy Generation SA	128,619	128,618
Siaréna Kft.	228,092	103,989
Ski43 Program Nonprofit Zrt.	8,034	4,868
Enefi Projekttársaság Kft.	20,638	10,523
In total	**2,907,289**	**2,769,311**

The impairment of other receivables is shown in the table below:

Linked loans	31.12.2023	31.12.2022
Termoenergy SRL	(17,955)	(17,955)
E-Star Regional Development Center SRL	(4,234,990)	(4,294,382)
E-Star Mures Energy SA	(913,337)	(954,456)
SC Faapritek SA	(11,808)	(11,808)
E-Star Alternative Energy SA	(1,396)	(1,396)
E-Star Energy Generation SA	(512)	(511)
E-Star Energy Generation SA	(45,418)	(45,418)
Ski43 Program Nonprofit Zrt.	(18,060)	(17,060)
Siaréna Kft.	(424,817)	(637,317)
In total	**(5,668,291)**	**(5,980,303)**

All data in thousand HUF, unless otherwise indicated

Linked loan rate	31.12.2023	31.12.2022
Termoenergy SRL	(19,772)	(19,772)
E-Star Regional Development Center SRL	(2,147,614)	(2,147,614)
E-Star Mures Energy SA	(345,975)	(345,975)
SC Faapritek SA	(3,201)	(3,201)
E-Star Alternative Energy SA	(4,751)	(4,751)
E-Star Energy Generation SA	(128,619)	(128,618)
Ski43 Program Nonprofit Zrt.	(8,034)	(4,868)
Siaréna Kft.	(114,046)	(51,994)
In total	**(2,772,011)**	**(2,706,793)**
	-	2,706,793
In total	**826,667**	**1,048,702**

Other receivables with a book value other than zero are shown in the table below:

	31.12.2023	31.12.2022
Síaréna Kft. loan and loan interest	538,863	689,311
Enefi Projekttársaság Kft. loan and loan interest	77,373	65,523
E-Star Regional Development Center SRL	210,431	293,869
Subsidiaries and former subsidiaries (subtotal):	**826,667**	**1,048,702**
Other tax claims	-	14
VAT claims	4,023	5,722
Security and surety	45,900	51,352
Advance given to supplier	-	1,553
Other claims	44,932	2,252
Total other receivables	**921,522**	**1,109,595**

The Company displays taxes registered with the same tax authority on a net basis. Negative tax balances are classified as liabilities (if the given company owes the tax authority as a whole).

16. Income tax claims

The Company shows the local business tax claim in the income tax claims line.

17. Active accruals

The table below shows the breakdown of accruals:

	31.12.2023	31.12.2022
Active accrual of costs and expenses	2,534	2,706
Active accruals of current income	10,285	32,064
In total	**12,819**	**34,770**

All data in thousand HUF, unless otherwise indicated

The breakdown of the active accruals of costs is as follows:

	31.12.2023	31.12.2022
Insurance fee	1,103	715
Rent	-	750
Communication and IT costs	184	-
Advertising and advertising costs	124	667
Travel and dispatch costs	265	-
Legal cost	858	574
In total	**2,534**	**2,706**

The breakdown of the accrual of accrued income is as follows:

	31.12.2023	31.12.2022
Management fee	-	3,380
Gas fee to be invoiced	10,286	28,684
In total	**10,286**	**32,064**

18. Cash and cash equivalents

	31.12.2023	31.12.2022
Bank balances	138,675	1,217,037
Cash	17	414
Expected credit loss	(19)	(164)
Cash and cash equivalents	**138,673**	**1,217,287**

Funds include only balances that can be immediately converted into cash and used.

The Company recorded an expected credit loss of HUF 164,000 on cash and cash equivalents.

All data in thousand HUF, unless otherwise indicated

19. Registered capital

The registered capital includes the nominal value of the issued shares. The current face value is HUF 10 each. The following table shows the movement of shares during the relevant period:

Subscribed capital at nominal value	31.12.2023	31.12.2022
Nominal value on 1 January	166,061	166,061
Nominal value of shares issued during the year	-	-
In total	**166,061**	**166,061**

Amount of common shares issued and paid	31.12.2023	31.12.2022
Quantity on 1 January	16,606,109	16,606,109
In total	**16,606,109**	**16,606,109**

The registered capital of the Company was increased on 9 January 2020 in line with the contribution decision of 29 November 2019. As a result, 1,150,000 common shares and 5,456,109 convertible preferred shares were issued. The nominal value of the issued shares increased the subscribed capital.

The composition of the Company's share capital in 2023:

Series of shares	Nominal value	Number of shares issued	Total value (HUF)
Common shares	10	11,150,000	111,500,000
Convertible preferred shares	10	5,456,109	54,561,090
Share capital		**16,606,109**	**166,061,090**

The composition of the Company's share capital in 2022:

Series of shares	Nominal value	Number of shares issued	Total value (HUF)
Common stock	10	11,150,000	111,500,000
Convertible preferred shares	10	5,456,109	54,561,090
Share capital		**16,606,109**	**166,061,090**

All data in thousand HUF, unless otherwise indicated

The number of voting rights attached to the shares in 2023:

Series of shares	Number of shares issued	Shares with voting rights	Voting right per share	All voting rights
Common shares	11,150,000	11,150,000	1	11,150,000
Preferred stock	5,456,109	-	-	-
In total	**16,606,109**	**11,150,000**	**1**	**11,150,000**

The number of voting rights attached to the shares in 2022:

Series of shares	Number of shares issued	Shares with voting rights	Voting right per share	All voting rights
Common shares	11,150,000	11,150,000	1	11,150,000
Convertible preferred shares	5,456,109	-	-	-
In total	**16,606,109**	**11,150,000**	**1**	**11,150,000**

The tradability of both types of share is unlimited.

The convertible preferred shares entitle holders to a 5% more favourable dividend from the after-tax profit, which can be distributed among the shareholders, than shares belonging to other share types and share classes, provided the statutory conditions for dividend payment are met. Owners of convertible preferred shares can decide to convert them into series A dematerialized common shares with a nominal value of HUF 10 each. The holder may notify the Board of Directors of his or her request for conversion twice a year, by the end of the first half-year and at the end of year, as long as he or she can prove ownership and as long as the notification is verifiably received by the company before the deadline. Within 30 days after the last day of the given calendar half-year, the Board of Directors is obliged to decide on the conversion of the declared convertible preferred shares into common shares, if the aggregate amount of the notified claims in the given calendar half-year reaches 500,000 H-series convertible preferred shares. The Board of Directors is entitled and obliged to determine the further detailed rules of the transformation (thus, in particular, the day of the transformation). In the event of a partial conversion, the Board of Directors may require that the shares affected by the conversion be blocked or transferred to a specified account number as a condition for the execution of the conversion.

20. Capital reserves (Asia)

	31.12.2023	31.12.2022
Balance at the beginning of the year	4,698,537	4,698,537
In total	**4,698,537**	**4,698,537**

The capital reserve did not change during the year.

All data in thousand HUF, unless otherwise indicated

21. Own shares

Development of the number of own shares	31.12.2023 Number	31.12.2022 Number
Opening value	1,613,000	1,613,000
Number of own shares repurchased	-	-
Development of shares (number)	**1,613,000**	**1,613,000**

Changes in the value of own shares	31.12.2023	31.12.2022
Opening value	382,327	382,327
Book value of repurchased own shares	-	-
Development of shares	**382,327**	**382,327**

630,000 of the Company's own shares were set aside to fulfil share options (see the following additional note).

22. Reserve for share-based payments

The reserve for share-based payments includes the fair value of a share option vested in a previous period. The stock option is for 630,000 shares. The withdrawal period has not yet expired. During this period the value of the reserve remained unchanged since no performance obligation was attached to it and it was not called. The reserve could not be revalued to its current market value. The option can be exercised until 25 September 2022. There is no longer any related condition to be fulfilled, and it is up to the holder to decide on exercising the option.

23. Calculation of earnings per share (EPS).

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

All data in thousand HUF, unless otherwise indicated

24. Provisions

	31.12.2023	31.12.2022
Opening balance	216,714	-
Creating provisions	-	216,714
Use of provisions	-	-
In total	**216,714**	**216,714**

Provisions include expected payment obligations related to the MAHART project. The Group fulfilled its obligations contained in the contract and it invoiced 90% of the fee, but MAHART disputed the last two partial invoices issued, and did not pay them. From the Group's point of view, the partial invoices were issued in a regular manner, and the amounts are due to the Group. As the Group sees its influence as uncertain, sales revenue arising from these sub-accounts could not be accounted for [IFRS 15.9e]. At the same time, the Group may have to pay one of its subcontractors, so it created a provision for the amount owed.

A contingent liability was also disclosed in relation to the transaction.

25. Long-term lease liability

On this balance sheet, the Company records the capital obligation of leased assets due in more than one year. For other relevant information, see point 29.

26. Long-term liability to subsidiaries

	Number of shares	Purchase price per share	Obligation
ENEFI Projekttársaság Kft.	301,283	480	144,616
EETEK LIMITED	369,977	480	177,589
In total			**322,205**

On 28 June 2019, the Company bought back 301,283 of its own shares from ENEFI Projekttársaság and 369,977 of its own shares from EETEK LIMITED. In both cases the price was HUF 480 per share.

All data in thousand HUF, unless otherwise indicated

27. Long-term loans

	31.12.2023	31.12.2022
Loan from EETEK LIMITED - loan 1	3,699,692	3,279,323
Loan from EETEK LIMITED - loan 2	114,834	123,210
In total	**3,814,526**	**3,402,533**

The conditions of loans to EETEK LIMITED are presented in the table below:

	Repayment frequency	Interest rate	Nominal debt on 31.12.2023	Foreign currency
EETEK LIMITED - loan 1	at the end of the term	One month BUBOR + 3%	3,699,692	thousand HUF
EETEK LIMITED - loan 2	at the end of the term	interest free	300,000	EUR

The movements of the loans received from EETEK LIMITED in 2023 are summarized in the table below:

Loan received from EETEK LIMITED 1	Amount
Balance 01.01.2023	3,279,323
Loan repayment	(14,646)
Interest	435,015
In total	**3,699,692**

Loan received from EETEK LIMITED 2	Amount
Balance 01.01.2023	120,075
Year-end revaluation difference	(5241)
In total	**114,834**

28. Short-term lease liabilities

	31.12.2023
Long-term liabilities from renting assets	-
Short-term liabilities from renting assets	500
In total	**500**

The Company leases a car, and the value of the lease payments to be paid within the year is included in this liability position.

All data in thousand HUF, unless otherwise indicated

Presentation of leasing obligations

The company shows the adjusting item in the financial statements due to leases based on the following factors:

- renting a car.

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

The evolution of leasing fees is presented in the table below:

	Lease fees
in 1 year	500
Between 1 and 5 years	-
Over 5 years	-
All lease fees	**500**
No interest earned	186
Present value of lease payments	**314**

The evolution of the leasing obligation is presented in the table below:

	31.12.2023
Opening balance	6,314
Lease fee reduction	(6,000)
In total	**314**

29. Passive accruals

The distribution of the balance sheet is as follows:

	31.12.2023	31.12.2022
Accrued costs	17,359	8,621
In total	**17,359**	**8,621**

The breakdown of the passive accruals of costs is as follows:

	31.12.2023	31.12.2022
Utility charges	10,286	-
Audit	3,750	3,750
Bookkeeping fees	3,035	1,201
Other expert fees	-	3,600
Other costs	-	70
Default interest	5	-
Communication and IT costs	0	-
Travel and dispatch costs	1	-

All data in thousand HUF, unless otherwise indicated

Bank charges	281	-
In total	**17,359**	**8,621**

30. Contractual obligations

The distribution of the balance sheet is as follows:

	31.12.2023	31.12.2022
MAHART down payment	59,200	59,200
In total	**59,200**	**59,200**

No substantial economic transactions took place in connection with the MAHART deal, which means the contractual obligation shown last year did not change.

31. Other short-term obligations

The distribution of the balance sheet is as follows:

	31.12.2023	31.12.2022
VAT	33,059	35,150
Wages to be paid	3,477	4,223
Wage contributions	1,257	1,665
Other obligations	(104)	2,055
Fines, late payment fees	47	-
In total	**37,736**	**43,093**

All data in thousand HUF, unless otherwise indicated

V. Other disclosures

32. Related party disclosures

The company's leaders are considered related parties. During the period of the financial statements, the Company's management determined the following related parties:

On the part of the board:

Csaba Soós, Chairman of the Board since 30.12.2016

László Bálint, Board member since 30.12.2016

Ferenc Virág, Board member since 30.04.2019

Krisztina Tendli, Board member since 12.09.2022

There were no transactions with the above related parties in 2021, and the balance sheet does not show balances for these related parties at the balance sheet date, excluding the benefits given to senior officials.

The remuneration of senior executives is presented in the table below:

	31.12.2023	31.12.2022
Gross salary, commission fee, honorarium	50,640	47,646
In total	**50,640**	**47,646**

The Company's subsidiaries are considered affiliated companies. Additional note 15 of the financial statements provides information on the balances against them.

The Group conducted the following transactions with affiliated companies in 2023, and the relationship is characterized by the following outstanding balances (the transactions were essentially priced on a market basis):

E-Star Mures Energy SA "in liquidation"

Balance position	Amount
Loans given	1,259,312
Accounts receivable	18,485
In total	**1,277,797**

Special disclosures to be included in individual financial statements (IAS 27)

As the parent company, the Company publishes consolidated financial statements. It publishes and deposits these consolidated financial statements in the form required by Hungarian regulations.

The Company's subsidiaries:

All data in thousand HUF, unless otherwise indicated

Name	Country	2023		2022	
		Shareholding	Right to vote	Shareholding	
EETEK LIMITED	Cyprus	100.00%	100.00%	100.00%	100.00%
Síaréna Kft.	Hungary	100.00%	100.00%	100.00%	100.00%
RFV Józsefváros Kft.	Hungary	49.00%	70.00%	49.00%	70.00%
Ski43 Program Nonprofit Zrt.	Hungary	100.00%	100.00%	100.00%	100.00%
ENEFI Projekttársaság Kft.	Hungary	100.00%	100.00%	100.00%	100.00%
E-Star Regional Development Center 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%

Companies under liquidation belonging to the Group, which were not included in the consolidation, as the Company does not exercise control over them:

Name	Country	2023		2023	
		Shareholding	Right to vote	Shareholding	
E-Star Mures Energy SA "in liquidation"	Romania	99.99%	99.99%	99.99%	99.99%

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

All data in thousand HUF, unless otherwise indicated

33. Liquidity risks

The liquidity risk is shown in the liquidity plan. The 2023 breakdown is as follows:

31 December 2023	Expired	Due within 1 year	Due in between 1 and 5 years	Due in Due in over 5 years or liquid in certain situations	In total
Intangible assets	-	-	-	1,182	1,182
Fixed assets	-	-	-	22,765	22,765
Investments in subsidiaries and affiliated companies	-	-	-	5,184,965	5,184,965
Concession assets	-	-	-	0	0
Assets held for sale	-	-	-	-	-
Concession assets	-	52,049	-	-	52,049
Buyers	-	56,475	-	-	56,475
Shares valued at fair value against earnings	-	1,197,045	-	-	1,197,045
Other claims	-	921,522	-	-	921,522
Income tax claims	-	1,005	-	-	1,005
Active accruals	-	12,820	-	-	12,820
Cash and cash equivalents	138,673	0	-	-	138,673
Financial claims	**138,673**	**2,240,916**	**0**	**5,208,912**	**7,588,501**

31 December 2023	Expired	Due within 1 year	Due in between 1 and 5 years	Due in Due in over 5 years or liquid in certain situations	In total
Registered capital	-	-	-	166,061	166,061
Capital reserve (Asia)	-	-	-	4,698,537	4,698,537
Own shares	-	-	-	(382,327)	(382,32
Profit reserve	-	-	-	(1,456,051)	(1,456,051)
Reserve for share-based payments	-	-	-	65,520	65,520
Long-term loans	-	-	3,814,525	-	3,814,525
Long-term leasing liability	-	-	-	-	-
Long-term liability against subsidiaries	-	-	22,205	-	322,205
Provisions	-	216,714	-	-	216,714
Short-term loans	-	5	-	-	5
Short-term leasing liability	-	500	-	-	500
Supplier obligations	-	28,518	-	-	28,518
Passive accruals	-	17,359	-	-	17,359
Contractual obligations	-	59,200	-	-	59,200
Income tax liability	-	1,005	-	-	(1,005)
Other short-term liabilities	-	37,736	-	-	37,736
Financial liabilities	**-**	**359,027**	**4,136,730**	**3,091,740**	**7,587,497**

All data in thousand HUF, unless otherwise indicated

Cumulative position	**-**	**1,967,509**	**(2,169,221)**	**-**	**-**

Comparative data for 2022:

31 December 2022	Expired	Due within 1 year	Due in between 1 and 5 years	Due in Due in over 5 years or liquid in certain situations	In total
Intangible assets	-	-	-	1,576	1,576
Fixed assets	-	-	-	36,648	36,648
Investments in subsidiaries and affiliated companies	-	-	-	4,644,319	4,644,319
Concession assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Concession assets	-	81,219	-	-	81,219
Buyers	-	91,078	-	-	91,078
Shares valued at fair value against earnings	-	34,512	-	-	34,512
Other claims	-	1,109,595	-	-	1,109,595
Income tax claims	-	1,349	-	-	1,349
Active accruals	-	34,770	-	-	34,770
Cash and cash equivalents	1,217,287		-	-	1,217,287
Financial claims	1,217,287	**1,352,523**	**-**	**4,682,543**	**7,252,353**

31 December 2022	Expired	Due within 1 year	Due in between 1 and 5 years	Due in over 5 years or due in certain situations	In total
Registered capital	-	-	-	166,061	166,061
Capital reserve (Asia)	-	-	-	4,698,537	4,698,537
Own shares	-	-	-	(382,327)	(382,327)
Profit reserve	-	-	-	(1,373,155)	(1,373,15
Reserve for share-based payments	-	-	-	65,520	65,520
Long-term loans	-	-	3,402,533	-	3,402,533
Long-term leasing liability	-	-	500	-	500
Long-term liability to subsidiaries	-	-	322,205	-	322,205
Provisions	-	216,714	-	-	216,714
Short-term loans	-	-	-	-	-
Short-term leasing liability	-	5,814	-	-	5,814
Supplier obligations	-	19,037	-	-	19,037
Passive accruals	-	8,621	-	-	8,621
Contractual obligations	-	59,200	-	-	59,200
Income tax liability	-	-	-	-	-
Other short-term liabilities	-	43,093	-	3,174,636	3,217,729
Financial liabilities	**-**	**352,479**	**3,725,238**	**6,349,272**	**10,426,989**
Cumulative position	**1,217,287**	**2,217,331**	**(1,507,907)**	**(3,174,636)**	**(3,174,636)**

34. Equity reconciliation table

Pursuant to § 114/B of Act C of 2000 on accounting, an entrepreneur preparing an annual report in accordance with IFRS must prepares an equity reconciliation table for the balance sheet date of the report. This has to be presented as part of the supplementary notes.
The Company fulfils this presentation obligation as follows:

The agreed value of equity is as follows on 31 December 2023:

Equity based on IFRS	
Equity based on IFRS (difference between assets and liabilities based on IFRS)	3,091,740
+ amount of additional payment received shown as a liability based on IFRS	-
- the amount of a given supplementary payment shown as an asset based on IFRS	-
+ funds received to be placed in capital reserves, if it is deferred revenue (IFRS)	-
+ value of assets taken over, if it is deferred revenue (IFRS)	-
- capital increase resulting in a capital instrument, if it had to be shown as a claim against the owners (IFRS)	-
Equity (reconciled)	**3,091,740**

As agreed, the individual elements of the equity capital are as follows:

Subscribed capital based on IFRS	
The registered capital shown in the deed of establishment, is the same as the capital registered at the company court	166,061
Subscribed but unpaid capital	
Subscribed but unpaid capital	-
Restricted reserve	
Additional payment received	-
Limitation due to own shares	-
Unused development reserve, adjusted for deferred tax effects	-
Reserve for share-based payments	**-**
Restricted reserve	-
Profit reserve	

All data in thousand HUF, unless otherwise indicated

After-tax and undistributed accumulated profit from previous years according to IFRS	
+/- Based on IFRS, the amounts credited or debited to the accumulated profit	(1,373,155)
- The amount of any given supplementary payment shown as an asset	-
- Unused development reserve, adjusted for deferred tax effects	-
+ Closing profit reserve before the transition year, corrected by the transition corrections	-
Retained earnings (reconciled)	**-**
	(1,373,155)
Profit after tax	
Taxed profit, Section 114/A.9 of the Act on Accounting	(82,898)

Valuation reserve	
Cumulative amount of items recognized in other comprehensive income	-
Capital reserve	
Adjusted equity	3,091,740
- Registered capital based on IFRS	(166,061)
- Subscribed but unpaid capital	-
- Profit reserve	1,373,155
- Profit after tax	82,896
- Restricted reserve	
- Valuation reserve	**-**
Capital reserve (reconciled)	4,381,730

Equity created as a result of the negotiation:

Adjusted equity (according to § 114/B of the Act on Accounting)	
Registered capital	166,061
Subscribed but unpaid capital	-
Capital reserve	4,381,730
Profit reserve	(1,373,155)
Restricted reserve	
Valuation reserve	-
Profit after tax	**(82,898)**
Total equity (adjusted)	**3,091,740**

Profit reserve available for dividend payment (according to § 114/B (5) point b. of the Act on Accounting)	
Retained earnings (reconciled)	
Profit after tax for the current year	(1,373,155)
Profit reserve available for dividend payments	**(82,898)**

There are no funds available for dividend payments.

35. Contingent liabilities and contingent claims

As a result of the MAHART project, the Group also has a possible payment obligation, although based on the provisions of the contract the financial settlement cannot be demanded. The item is HUF 143,209. The Group is of the view that this item is considered a contingent liability, which cannot be shown in the balance sheet. The management is of the opinion that the items registered as contingent liabilities do not involve cash outflows. According to the rules of IAS 37.92, the Group refrains from a more detailed description. At the same time, the Group has legal claims arising from the project that could not be shown in the financial statements.

The Company has already initiated several lawsuits in which it intends to enforce its contractual claims. Many of these lawsuits were either still ongoing when the financial statements were authorized for publication, or had not been legally concluded. More detailed information on the magnitude of the claims made in connection with the lawsuits can be found in point 37 of the additional notes. The Company shows these receivables as contingent receivables. These could not be displayed in the balance sheet at the time the document was published.

36. Events after the balance sheet date: general disclosures

- On 25.01.2024, in a lawsuit initiated in connection with the Hungarian National Bank's earlier decision on market influence and insider trading (HPJ-III-B-3/2017.), the Court partially upheld the decision of the Capital District Court, rejecting the lawsuit in the area of insider trading, and partially re-exempted it and placed the decision of the Metropolitan Court in the area of market influence, instructing the Court to conduct a new procedure.

- On 06.02.2024 based on on objection from the Marosvásárhely municipality, the court modified the amount of the debt established in the compensation lawsuit, reducing it from 2,656,318 RON to 1,608,681.78 RON, and abolished the enforcement of the inflation rate. Based on the final decision, the Company takes measures to correctly determine the inflation rate and to implement it legally.
- The Board of Directors of ENEFI Vagyonkezelő Nyrt. made three important decisions:
  - The share capital of Síaréna Kft. was reduced from HUF 215 million to HUF 5 million, with the goal of increasing other elements of the equity capital. Following this, the company will start the necessary company law procedures and amend the deed of establishment.

- The Board of Directors decided to take the claims of ENEFI Vagyonkezelő Nyrt. regarding the MAHART and Józsefváros projects to court, based on discussions with legal representatives.
- It held negotiations with the managers of White IT Fintech Zrt. about a possible investment that is in line with the company's previously announced strategy. The Board of Directors decided to acquire a 27.04% stake in White IT Fintech Zrt. through a HUF 272 million share capital increase, thereby supporting its future plans.

- ENEFI Vagyonkezelő Nyrt., EETEK Ltd. and the Board of Directors carried out share transactions, which include the sale and purchase of shares and the provision of option rights. These steps are aimed at reorganizing the share portfolio and the capital and related positions of ENEFI and EETEK Ltd., as well as at modifying the share ownership and option rights of Csaba Soós and Ferenc Virág. The purpose of the transactions is to optimize the structure of the companies and support future business strategies. The deals are still being finalized, and the transfer of ownership will be completed after the shares are transferred to the market. The Board of Directors also is also planning to take the next steps, including capital reductions and settlement of mutual claims.

37. Litigation matters

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

Plaintiff	Defendant	Subject of litigation
EETEK LTD	Hungarian National Bank	Review of an administrative decision

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

Case No.	Plaintiff	Defendant	Subject of litigation
6.	E-Star Mures Energy SA	**37** owner association member	Validation of disablement
7.	E-Star Mures Energy SA		Filing of a request for bankruptcy protection on 8 February 2013
8.	E-Star CDR SRL	**247** residential consumer	payment of fees according to the consumer contract
9.	E-Star CDR SRL	The City of Gyergyószentmiklós	This is separate from the compensation lawsuit, and its subject is the compensation for the investments set out in the basic compensation lawsuit: 100,707,289 RON + its contributions + 15% of the annual internal profit rate for the entire contracted period

All data in thousand HUF, unless otherwise indicated

10.	Individuals	Termoenergy	The plaintiffs requested the annulment of the land registration of a 2,300 square-metre plot purchased by Termoenergy in 2006, as well as the annulment of the sales contract between the former owner and Termoenergy on 21.12.2006, citing that the measurement of the referenced land was irregular and incorrect, as it was built on the defendants' land, which is still undeveloped.

38. Dividends to be paid to the owners of the Company

No dividends will be paid to the Company's owners for the 2023 business year. After the general annual assembly approves the financial statements for the 2023 business year, the management may not propose that dividend be paid.

39. Authorization of financial statements for publication

The financial statements were approved for publication in this form by the Company's management on 08.04.2024.

Budapest, 08.04.2024

On behalf of ENEFI Vagyonkezelő Nyrt.:

Csaba Soós	Ferenc Virág	László Bálint
member of the Board of Directors	member of the Board of Directors	member of the Board of Directors