

**10571086-1082-113-01**  
Statistical code

**01-09-267926**  
Registration number

**ANNUAL REPORT**  
**Nestlé Hungária Kft.**  
**01/01/2020 - 31/12/2020**

Date and place: Budapest, 19/05/2021

---

Manager of the Company  
(representative)

10571086-1082-113-01

Statistical code

01-09-267926

Registration number

**Nestlé Hungária Kft.**  
**ANNUAL REPORT**  
**BALANCE SHEET - Assets**

Data in thousand HUF

Number	Description	31/12/2019	Modifications to prior year(s)	31/12/2020
A	B	C	D	E
<b>1</b>	<b>A. FIXED ASSETS (I.+II.+III. row)</b>	<b>49 943 782</b>	<b>0</b>	<b>59 167 026</b>
2	I. INTANGIBLE ASSETS	1 793 058	0	1 793 978
3	1 Capitalised value of formation and transformation	0		0
4	2 Capitalised value of research and development	0		0
5	3 Rights and concessions	1 793 058		1 793 058
6	4 Intellectual property	0		920
7	5 Goodwill	0		0
8	6 Advances on intangible assets	0		0
9	7 Upwards revaluation of intangible assets	0		0
10	II. TANGIBLE ASSETS	48 122 594	0	57 353 373
11	1 Land and buildings and related rights and concessions	19 112 386		19 608 105
12	2 Plant, equipment, machinery, vehicles	24 303 678		23 805 841
13	3 Other equipment, fittings, vehicles	3 415 574		3 943 377
14	4 Breeding animals	0		0
15	5 Assets under construction, renovations	1 273 506		4 626 368
16	6 Payments on account	17 450		5 369 682
17	7 Upwards revaluation of tangible assets	0		0
18	III. INVESTMENTS	28 130	0	19 675
19	1 Long-term interests in related companies	0		0
20	2 Long-term loans to related companies	0		0
21	3 Long-term significant ownership interest	0		0
22	4 Long-term loans to companies related through significant ownership interest	0		0
23	5 Other long-term interests	1 850		1 850
24	6 Long-term loans to affiliated companies	0		0
25	7 Other long-term loans	26 280		17 825
26	8 Long-term debt securities	0		0
27	9 Upwards revaluation of investments	0		0
<b>29</b>	<b>B. CURRENT ASSETS (I.+II.+III.+IV. row)</b>	<b>30 941 116</b>	<b>0</b>	<b>34 698 103</b>
30	I. INVENTORIES	10 931 599	0	11 897 634
31	1 Raw materials and consumable goods	6 884 460		7 544 694
32	2 Work in progress and semi-finished goods	39 267		488 068
33	3 Young, fattened and other livestock	0		0
34	4 Finished goods	893 026		824 193
35	5 Goods	3 114 846		3 040 679
36	6 Advances on inventories	0		0
37	II. RECEIVABLES	19 817 154	0	21 164 798
38	1 Trade receivables	5 406 441		4 771 115
39	2 Receivables from related companies	13 636 421		14 024 339
40	3 Receivables from companies related through significant ownership interest	0		0
41	4 Receivables from affiliated companies	0		0
42	5 Bills receivable	0		0
43	6 Other receivables	774 292		2 369 344
46	III. SECURITIES	0	0	0
47	1 Interests in related companies	0		0
48	2 Significant ownership interest	0		0
49	3 Other interests	0		0
50	4 Treasury shares, business shares	0		0
51	5 Debt securities held for trading	0		0
53	IV. LIQUID ASSETS	192 363	0	1 635 671
54	1 Petty cash, cheques	32 661		19 297
55	2 Bank deposits	159 702		1 616 374
<b>56</b>	<b>C. DEFERRED EXPENSES AND ACCRUED INCOME</b>	<b>468 111</b>	<b>0</b>	<b>866 745</b>
57	1 Accrued income	200 805		471 427
58	2 Prepayments	267 306		395 318
59	3 Deferred expenses	0		0
<b>60</b>	<b>TOTAL ASSETS (A.+B.+C. row)</b>	<b>81 353 009</b>	<b>0</b>	<b>94 731 874</b>

Date and place: Budapest, 19/05/2021

\_\_\_\_\_  
representative of the entity  
(representative)

10571086-1082-113-01

Statistical code

01-09-267926

Registration number

**Nestlé Hungária Kft.**  
**ANNUAL REPORT**  
**BALANCE SHEET - Equity and Liabilities**

Data in thousand HUF

Number	Description	31/12/2019	Modifications to prior year(s)	31/12/2020
A	B	C	D	E
<b>61</b>	<b>D. SHAREHOLDERS' EQUITY (rows I+II+III+IV+V+VI+VII/1. row)</b>	<b>12 754 822</b>	<b>0</b>	<b>7 750 336</b>
62	I. Subscribed / Registered capital	6 000 000		6 000 000
63	of which: repurchased ownership shares at face value	0		0
64	II. SUBSCRIBED / REGISTERED, BUT UNPAID CAPITAL (-)	0		0
65	III. CAPITAL RESERVE	0		209 178
66	IV. PROFIT RESERVE	437 439		-270 496
67	V. NON-DISTRIBUTABLE RESERVE	0		0
68	VI. VALUATION RESERVE	0	0	0
71	VII. PROFIT/LOSS AFTER TAX	6 317 383	0	1 811 654
<b>72</b>	<b>E. PROVISIONS</b>	<b>370 240</b>	<b>0</b>	<b>3 183 669</b>
73	1 Provisions for expected liabilities	370 240		3 183 669
74	2 Provisions for future costs	0		0
75	3 Other provisions	0		0
<b>76</b>	<b>F. LIABILITIES (I.+II.+III. row)</b>	<b>63 518 023</b>	<b>0</b>	<b>78 812 012</b>
77	I. SUBORDINATED LIABILITIES	0	0	0
78	1 Subordinated liabilities to related companies	0		0
79	2 Subordinated liabilities to companies related through significant ownership interest	0		0
80	3 Subordinated liabilities to affiliated companies	0		0
81	4 Subordinated liabilities to other entities	0		0
82	II. LONG-TERM LIABILITIES	38 000 000	0	33 000 000
83	1 Long-term borrowings	0		0
84	2 Convertible and equity bonds	0		0
85	3 Debts on the issuance of bonds	0		0
86	4 Investment and development loans	0		0
87	5 Other long-term loans	18 000 000		33 000 000
88	6 Long-term liabilities to related companies	20 000 000		0
89	7 Long-term liabilities to companies related through significant ownership interest	0		0
90	8 Long-term liabilities to affiliated companies	0		0
91	9 Other long-term liabilities	0		0
92	III. CURRENT LIABILITIES	25 518 023	0	45 812 012
93	1 Short-term borrowings	0		0
94	- of which: convertible and equity bonds	0		0
95	2 Short-term loans	0		0
96	3 Advances from customers	1 805		97 618
97	4 Trade creditors	15 077 232		18 383 462
98	5 Bills payable	0		0
99	6 Current liabilities to related companies	8 475 967		23 557 482
100	7 Current liabilities to companies related through significant ownership interest	0		0
101	8 Current liabilities to affiliated companies	0		0
102	9 Other current liabilities	1 963 019		3 773 450
<b>105</b>	<b>G. ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>4 709 924</b>	<b>0</b>	<b>4 985 857</b>
106	1 Income accruing for future periods	32 030		0
107	2 Accrued expenses	4 649 216		4 967 205
108	3 Deferred income	28 678		18 652
<b>109</b>	<b>TOTAL EQUITY AND LIABILITIES (D.+E.+F.+G. row)</b>	<b>81 353 009</b>	<b>0</b>	<b>94 731 874</b>

Date and place: Budapest, 19/05/2021

\_\_\_\_\_  
representative of the entity  
(representative)

10571086-1082-113-01

Statistical code

01-09-267926

Registration number

Nestlé Hungária Kft.

ANNUAL REPORT

Income statement

Data in thousand HUF

Number		Description	01/01/2019 - 31/12/2019	Modifications to prior year(s)	01/01/2020 - 31/12/2020
A		B	C	D	E
1	1	Net domestic sales revenue	59 665 715		122 603 225
2	2	Net export sales revenue	94 814 667		41 583 018
3	I.	<b>Net sales revenue (01+02)</b>	<b>154 480 382</b>	<b>0</b>	<b>164 186 243</b>
4	3	Changes in self-manufactured inventories	-2 078 796		379 968
5	4	Capitalised value of self-manufactured assets	0		0
6	II.	<b>Own performance capitalised (±03+04)</b>	<b>-2 078 796</b>	<b>0</b>	<b>379 968</b>
7	III.	<b>Other income</b>	<b>483 291</b>		<b>771 548</b>
8		<i>of which: reversed impairment</i>	162 567		101 978
9	5	Material costs	71 175 824		74 601 754
10	6	Services used	24 713 099		24 767 534
11	7	Other services	175 564		235 510
12	8	Cost of goods sold	24 484 224		30 084 323
13	9	Services sold (mediated)	0		0
14	IV.	<b>Material-type expenses (05+06+07+08+09)</b>	<b>120 548 711</b>	<b>0</b>	<b>129 689 121</b>
15	10	Wage costs	10 256 498		11 874 911
16	11	Other staff benefits	3 414 034		4 133 590
17	12	Wage contributions	2 647 568		2 783 615
18	V.	<b>Staff costs (10+11+12)</b>	<b>16 318 100</b>	<b>0</b>	<b>18 792 116</b>
19	VI.	<b>Depreciation</b>	<b>4 477 203</b>		<b>5 087 360</b>
20	VII.	<b>Other expenses</b>	<b>4 267 001</b>		<b>7 953 878</b>
21		<i>of which: impairment</i>	124 055		121 965
22	A.	<b>OPERATING PROFIT/LOSS (I.±II.±III.-IV.-V.-VI.-VII.)</b>	<b>7 273 862</b>	<b>0</b>	<b>3 815 284</b>
23	13	Dividends and profit shares received (due)	83 000		0
24		<i>of which: from related companies</i>	0		0
25	14	Income from, exchange gains on interests	0		0
26		<i>of which: from related companies</i>	0		0
27	15	Income from, exchange gains on investments (securities, loans)	0		0
28		<i>of which: from related companies</i>	0		0
29	16	Other interest received (due) and similar income	141		14 832
30		<i>of which: from related companies</i>	0		14 832
31	17	Other income from financial transactions	1 714 197		3 263 919
32		<i>of which: revaluation difference</i>	0		0
33	VIII.	<b>Income from financial transactions (13+14+15+16+17)</b>	<b>1 797 338</b>	<b>0</b>	<b>3 278 751</b>
34	18	Expenses from exchange losses on interests	0		0
35		<i>of which: to related companies</i>	0		0
36	19	Expenses from exchange gains on investments (securities, loans)	0		0
37		<i>of which: to related companies</i>	0		0
38	20	Interest payable (paid) and similar expenses	288 548		664 818
39		<i>of which: to related companies</i>	0		387 317
40	21	Impairment on interests, securities, long-term loans, bank deposits	0		0
41	22	Other expenses on financial transactions	1 955 198		4 221 879
42		<i>of which: revaluation difference</i>	0		0
43	IX.	<b>Expenses on financial transactions (18+19+20+21+22)</b>	<b>2 243 746</b>	<b>0</b>	<b>4 886 697</b>
44	B.	<b>PROFIT OF FINANCIAL TRANSACTIONS (VIII.-IX.)</b>	<b>-446 408</b>	<b>0</b>	<b>-1 607 946</b>
45	C.	<b>PROFIT/LOSS BEFORE TAX (±A.±B.)</b>	<b>6 827 454</b>	<b>0</b>	<b>2 207 338</b>
46	X.	Tax payable	510 071		395 684
47	D.	<b>PROFIT/LOSS AFTER TAX (±C.-X.)</b>	<b>6 317 383</b>	<b>0</b>	<b>1 811 654</b>

Date and place: Budapest,19/05/2021

representative of the entity  
Income statement

**10571086-1082-113-01**

Statistical code

**01-09-267926**

Registration number

**Supplementary notes**  
**Nestlé Hungária Kft.**  
**01/01/2020 - 31/12/2020**

Date and place: Budapest, 19/05/2021

## SUPPLEMENT

## A. GENERAL INFORMATION

## 1 Details of Company

Full name of Company:	Nestlé Hungária Korlátolt Felelősségű Társaság
Abbreviated name of Company: hereinafter referred to as:	Nestlé Hungária Kft. "Company"
Registration no.:	01-09-267926
Statistical code:	10571086-1082-113-01

## 2 Transformation, merger, demerger

Cereal Partners Hungária Kft. has been merged into Nestlé Hungária Kft. on October 31, 2019. At the time of the merger, the assets and liabilities were valued on market price, no special revaluation was necessary due to the transaction. Correction on the merge performed in current year are reflected in Appendix 1.

## 3 Registered office and sites

Registered office: 1095 Budapest, Lechner Ödön fasor 7.

The annual report of Company is also available on the website of Company.  
Address of or link to the website: <https://www.nestle.hu/>

1061 Budapest, Andrássy street 27. Site  
1117 Budapest, Október Huszonharmadika street 8-10. Site  
1087 Budapest, Kerepesi street 9. Site  
1123 Budapest, Alkotás street 53. Site  
1024 Budapest, Lövőház street 2-6. Site  
3900 Szerencs, Rákóczi street 124. Branch  
3533 Miskolc, Fürdő street 4. Branch  
9737 Bük, Darling street 1. Branch  
9027 Győr, Budai út 1. Site

## 4 Activity of Company

A major activity of the Company is manufacturing and sale of quality food products applying Nestlé's professional background for local and international products.

## 5 Management of the Company

Person(s) authorised to sign the report

Name	Address	Signatory authority
Noszek Péter	1141 Budapest, Vezér utca 97.	single
Ivana Ljubicic	1053 Budapest, Henszlmann Imre u. 3.	joint
Megyesné Kenyó Ilona	2765 Farnos, Tó köz 8.	joint

## 6 Ownership structure

Name	Owner			Level of influence of the owner
	Registered office	Voting right (%)	Amount of subscribed/registered capital	
Société des Produits Nestlé S.A.	1800 Vevey, Av. Nestlé 55., Svájc	100%	6 000 000	qualifying majority
<b>Total</b>		100%	6 000 000	

## 7 Preparation of consolidated annual report

## 7.1 Inclusion in the preparation of consolidated annual report

The following entity prepares the consolidated annual report for the largest unit in the Group in which Company is included as a subsidiary:

Name: Société des Produits Nestlé S.A.  
Registered office: 1800 Vevey, Av. Nestlé 55., Svájc  
Place or website where the report is available for inspection: 1800 Vevey, Av. Nestlé 55., Svájc

The following entity prepares the consolidated annual report for the smallest unit in the Group in which Company is included as a subsidiary:

Name: Société des Produits Nestlé S.A.  
Registered office: 1800 Vevey, Av. Nestlé 55., Svájc  
Place or website where the report is available for inspection: 1800 Vevey, Av. Nestlé 55., Svájc

## 8 Preparation of the report

Person responsible for directing and managing bookkeeping tasks and for the preparation of the report

Name: Megyesné Kenyő Ilona  
Address: 2765 Farnos, Tó köz 8.  
Registration number: 171343

## 9 Audit

The report of Company was audited by an auditor.

Data of the entity and natural person performing the audit:

Name of company: Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság  
Address: 1132 Budapest, Váci út 20.  
Registration number: 01-09-267553  
Name of natural person: Bartha Zsuzsanna Éva  
Address: 5900 Orosháza, Rákóczi út 25.  
Registration number: 005268

## B. DESCRIPTION OF ACCOUNTING POLICIES

### 1 Compliance with laws and accounting principles

The procedures, measurement principles and accounting methods used by Company in the preparation of the annual report comply in all material respects with Act C of 2000 on Accounting (hereinafter referred to as: "Act on Accounting") and its amendments.

Company prepared its accounting policies in accordance with the provisions of the Act on Accounting, and they do not deviate from the general accounting principles.

### 2 Financial year, reporting date, balance sheet preparation date

Financial year of Company: Period from 01/01/2020 to 31/12/2020  
Balance sheet preparation date: 31/03/2021

### 3 Bookkeeping, balance sheet and income statement structure

Accounting records are prepared in accordance with the rules of double-entry bookkeeping.

The Act on Accounting provides the option to choose from the balance sheet and income statement templates with different structures included in its Appendix.

Type of chosen balance sheet template: "A"  
Chosen method of preparing the income statement: total-cost method  
Reporting and bookkeeping currency: HUF

### 4 Significant errors

An error shall be construed as significant if, in the year when discovered, the absolute value of all errors discovered by audit (whether negative or positive) in the aggregate for the same year and the impacts thereof - increasing or decreasing the profit or loss or the equity - exceeds 2 per cent of the balance sheet total of the year audited, or HUF 1 million, if such 2 per cent of the balance sheet total does not exceed HUF 1 million.

### 5 Valuation of items and transactions in currencies other than the bookkeeping currency

Exchange rate used for revaluation of assets and liabilities denominated in other than presentation currency at the transaction date and at the year end the official foreign exchange rate published by the Hungarian National Bank ("HNB")

Method used to determine the cost of FX and currency stocks: individual value

### 6 Exceptional items in terms of size

The Company deems an item exceptional in terms of size or occurrence if the amount exceeds 2% of the balance sheet total of the financial year, or HUF 1 million, if such 2 per cent of the balance sheet total does not exceed HUF 1 million.

### 7 Permanent and significant

Any difference that meets the following criteria is considered permanent and significant for the purposes of extraordinary depreciation, impairment and reversal thereof:

#### Permanent

Act on Accounting 45§(4): applying 53-56.§, the difference of netbookvalue and market value is permanent, if it is consist for more than 1 year based on the past facts or future expectations. The difference is permanent too, independently from its existence, if at the valuation the difference could be considered as definitive based on the current information.

#### Significant

It is significant, if the amount is higher than 2% of the balance sheet total, or HUF 1 million, if such 2% of the balance sheet total does not exceed HUF 1 million.

### 8 Valuation of receivables

The Company rates customers, debtors individually when determining impairment on receivables, and the impairment is accounted for based on the expected recoverable amount.

## 9 Valuation of inventories

### Method used for the valuation of inventories

Description	Valuation method	Determination of direct prime cost
Raw materials and consumable goods	FIFO	-
Goods	FIFO	-
Self-manufactured inventories	weighted average cost	post-calculation

## 10 Depreciation of intangible and tangible assets

### 10.1 Depreciation method

Depreciation is accounted for using the straight-line method from the date of capitalisation.

Depreciation is accounted (frequency): monthly

Low-value assets are accounted for in one amount as ordinary depreciation upon first use.

Value limit for low-value assets: 200 eFt

### 10.2 Useful life, depreciation rate

Company specified the following useful lives and depreciation rates for the individual asset groups:

Balance sheet row	Asset group: useful life (years) or depreciation rate (%)
<b>INTANGIBLE ASSETS</b>	
Capitalised value of formation and transformation	20,00%
Capitalised value of research and development	Based on custom evaluation
Rights and concessions	Based on custom evaluation
Intellectual property	33,30%
Goodwill	10.00-20.00%
<b>TANGIBLE ASSETS</b>	
Land and buildings and related rights and concessions	2-5%
Plant, equipment, machinery, vehicles	4-10%;20%
Other equipment, fittings, vehicles	14,5-33%
Breeding animals	N/A

### 10.3 Residual value

The Company determines residual value for the self constructed offices (30%) and warehouses (20%).

### 10.4 Other information relating to ordinary and extraordinary depreciation of intangible and tangible assets

The Company is calculating impairment for those assets, which value is decreasing significantly. The reason could be: the asset became obsolete due to the change of the activities or the asset is not serving its original purpose due to any damage or annihilation.

## 11 Derivative transactions

Our hedging structure type is net, so we have deals for the difference of the Buy and Sell positions in foreign currencies. The hedging currencies are EUR, USD and GBP. The BUY position covers our foreign vendor payments. There are 'affiliate' and 'local' hedge deals.

Based on Nestlé Hungary Treasury input, all deals are concluded by NTCE on behalf of Nestlé Hungary. Benchmark for Buying is 3 months, while Selling is 5 months.

The mentioned foreign currency buying and selling deals are derivative deals as the deal performance is finalized at the time of deal finishing (date of expiry), real delivery of the deal object and payment of defined price, in accordance with immediate buying and selling deals definition.

According to the Accounting law, deadlined delivery deals, not performed - not finalized - at the balance date, do not require selling tasks or impacted by this accounting tasks neither at the balance date nor at the time of balance preparation.

Above the mentioned before deals our company has foreign currency SWAP deals.

Open swap deals on the balance sheet's preparations date are accounted as it is described in the Accounting Law under § 32 and 44.

□

## 12 Material changes in the accounting policies and quantitative effects thereof on profit/loss

The accounting policy defines the scope of material, significant, insignificant, insignificant information, revenues, costs and expenses of exceptional size or occurrence for accounting and valuation purposes.



## C. NOTES TO THE BALANCE SHEET

### 1 Fixed assets

#### 1.1 INTANGIBLE ASSETS

##### 1.1.1 Changes to intangible assets in the reporting year

Changes to intangible assets in the reporting year are presented in the table included in Appendix 4.

#### 1.2 TANGIBLE ASSETS

##### 1.2.1 Changes to tangible assets in the reporting year

Changes to tangible assets in the reporting year are presented in the table included in Appendix 5.

##### 1.2.2 Assets under construction, renovations and payments on account

Description	Assets under construction	Payments on account
Bük	3 428 688	5 369 682
Szerencs-Diósgyőr	1 033 002	-
Budapest	164 678	-
<b>Assets under construction, renovations and payments on account</b>	<b>4 626 368</b>	<b>5 369 682</b>

##### 1.2.3 Other long-term interests

Data of interests in affiliated companies are included in Appendix 6.

### 2 Current assets

#### 2.1 Inventories

##### 2.1.1 Changes in impairment on inventories in the reporting year

Description	Opening	Reporting year impairment	Reversed impairment	Derecognition and other	Closing
Raw materials and consumable goods	15 706	29 621	(15 706)		29 621
Work in progress and semi-finished goods	-	2 064	-		2 064
Finished goods	12 627	7 166	(12 627)		7 166
Goods	2 691	48 207	(2 691)		48 207
<b>Total</b>	<b>31 024</b>	<b>87 059</b>	<b>(31 024)</b>	<b>-</b>	<b>87 059</b>

#### 2.2 Receivables

##### 2.2.1 Trade receivables

Description	Previous year	Reporting year	Change %
Domestic receivables	5 397 423	4 771 115	-12%
Foreign receivables	9 018	-	-100%
<b>Total trade receivables</b>	<b>5 406 441</b>	<b>4 771 115</b>	<b>-12%</b>

##### 2.2.2 Receivables from related companies

###### 2.2.2.1 Receivables from related companies according to the nature of relationship

Description	Previous year	Reporting year	Change %
Joint venture or joint venture of a direct or indirect parent company	13 636 421	14 024 339	3%
<b>Total receivables from related companies</b>	<b>13 636 421</b>	<b>14 024 339</b>	<b>3%</b>

###### 2.2.2.2 Receivables from related companies

Description	Previous year	Reporting year	Change %
Trade receivables	13 636 421	14 024 339	3%
<b>Total receivables from related companies</b>	<b>13 636 421</b>	<b>14 024 339</b>	<b>3%</b>

##### 2.2.3 Other receivables

Description	Previous year	Reporting year	Change %
Advances given	28 283	15 616	-45%
Trade creditors with debts	50 843	67 241	32%
Receivables from employees	9 683	12 782	32%
Corporation tax	110 180	626 518	469%
Local business tax	283 959	-	-100%
Other taxes and similar payment obligations	216 973	10 068	-95%
Other	58 157	76 788	32%
Innovation Tax	16 214	-	-100%
Construction trustee	-	1 560 331	100%
<b>Total other receivables</b>	<b>774 292</b>	<b>2 369 344</b>	<b>206%</b>

## 2.2.4 Changes in impairment on receivables in the reporting year

Description	Cost	Opening	Reporting year impairment	Reversed impairment	Derecognition and other	Closing
Trade receivables	70 954	70 954	34 906	- 70 954		34 906
<b>Total</b>	<b>70 954</b>	<b>70 954</b>	<b>34 906</b>	<b>- 70 954</b>	<b>-</b>	<b>34 906</b>

## 3 Equity

### 3.1 Changes in the elements of equity in the reporting year

The table presenting the changes in the individual elements of equity by title is included in Appendix 1.

## 4 Provisions

### 4.1 Provisions for expected liabilities

#### 4.1.1 Changes in provisions for expected liabilities in the reporting year by title

Description	Opening	Allocation in the reporting year	Use in the reporting year	Release in the reporting year	Closing
Other	370 240	3 183 669		- 370 240	3 183 669
<b>Total</b>	<b>370 240</b>	<b>3 183 669</b>	<b>-</b>	<b>- 370 240</b>	<b>3 183 669</b>

### 4.2 Other information on provisions

There is a one off tax provision set for the previous years and current year.

## 5 Long-term liabilities

### 5.1 Other long-term loans

Description	Previous year	Reporting year	Change %
Other long term liabilities	18 000 000	33 000 000	83%
<b>Total other long-term loans</b>	<b>18 000 000</b>	<b>33 000 000</b>	<b>83%</b>

### 5.2 Long-term liabilities to related companies

#### 5.2.1 Long-term liabilities to related companies according to the nature of the relationship

Description	Previous year	Reporting year	Change %
Joint venture or joint venture of a direct or indirect parent company	20 000 000		-100%
<b>Total long-term liabilities to related companies</b>	<b>20 000 000</b>	<b>-</b>	<b>-100%</b>

#### 5.2.2 Details of long-term liabilities to related companies

Description	Previous year	Reporting year	Change %
NFI loan	20 000 000	-	-100%
<b>Total long-term liabilities to related companies</b>	<b>20 000 000</b>	<b>-</b>	<b>-100%</b>

## 6 Current liabilities

### 6.1 Trade liabilities

Description	Previous year	Reporting year	Change %
Domestic trade payables	8 889 953	12 155 609	37%
Foreign trade payables	6 187 279	6 227 853	1%
<b>Total trade liabilities</b>	<b>15 077 232</b>	<b>18 383 462</b>	<b>22%</b>

### 6.2 Current liabilities to related companies

#### 6.2.1 Current liabilities to related companies according to the nature of the relationship

Description	Previous year	Reporting year	Change %
Joint venture or joint venture of a direct or indirect parent company	8 475 967	23 557 482	178%
<b>Total current liabilities to related companies</b>	<b>8 475 967</b>	<b>23 557 482</b>	<b>178%</b>

#### 6.2.2 Details of current liabilities to related companies

Description	Previous year	Reporting year	Change %
Trade payables	8 475 967	23 557 482	178%
<b>Total current liabilities to related companies</b>	<b>8 475 967</b>	<b>23 557 482</b>	<b>178%</b>

### 6.3 Other current liabilities

Description	Previous year	Reporting year	Change %
Trade debtors with receivables	9 725	4 490	-54%
Liabilities related to employees	51 631	1 288 049	2395%
Value added tax	530 222	925 288	75%
Other taxes and similar payment obligations	551 162	547 333	-1%
Other	202 686	2 384	-99%
Commercial expenses	617 593	699 399	13%
Local business tax	-	262 877	100%
Innovation tax	-	43 630	100%
<b>Total other current liabilities</b>	<b>1 963 019</b>	<b>3 773 450</b>	<b>92%</b>

## 7 Accrued expenses and deferred income

### 7.1 Accrued expenses

Description	Previous year	Reporting year	Change %
Public utility fees	337 481	191 841	-43%
Costs of other services	1 551 809	839 227	-46%
Interest	2 660	36 921	1288%
Commercial expenses	1 585 850	2 027 389	28%
Marketing expenses	110 101	455 471	314%
Staff costs	887 995	1 141 509	29%
Logistic expenses	173 320	198 828	15%
Cost of procurement services	-	76 019	100%
<b>Total accrued expenses</b>	<b>4 649 216</b>	<b>4 967 205</b>	<b>7%</b>

## D. NOTES TO THE INCOME STATEMENT

### 1 Net sales revenue

#### 1.1 Sales revenue from related companies

Description	Previous year	Reporting year	Change %
Joint venture or joint venture of a direct or indirect parent company	95 951 265	97 029 908	1%
<b>Total net sales revenue from related companies</b>	<b>95 951 265</b>	<b>97 029 908</b>	<b>1%</b>

#### 1.2 Net sales revenue by activity

Description	Previous year	Reporting year	Change %
Net domestic sales revenue	59 370 179	122 249 956	106%
Domestic services	295 536	353 268	20%
Net export sales revenue	94 172 346	38 471 607	-59%
Export services	642 321	3 111 412	384%
<b>Total net sales revenue</b>	<b>154 480 382</b>	<b>164 186 243</b>	<b>6%</b>

The significant increase in domestic sales is due to a change in the business model of the Purina category, thereby reducing export sales.

#### 1.3 Net export sales revenue

##### 1.3.1 Net export sales revenue broken down by goods exports and services exports

Description	Previous year	Reporting year	Change %
Goods exports	94 172 346	38 471 606	-59%
<b>Goods exports</b>	<b>94 172 346</b>	<b>38 471 606</b>	<b>-59%</b>
Services exports	642 321	3 111 412	384%
<b>Services exports</b>	<b>642 321</b>	<b>3 111 412</b>	<b>384%</b>
<b>Total net export sales revenue</b>	<b>94 814 667</b>	<b>41 583 018</b>	<b>-56%</b>

The significant decrease in export sales was due to the change in Purina's business model, in line with the increase in domestic sales.

##### 1.3.2 Export sales revenue by geographical region

Description	Previous year	Reporting year	Change %
European Union (EU)	77 554 892	29 477 058	-62%
Countries outside the EU	12 506 441	9 592 531	-23%
Other parts of the world	4 753 334	2 513 429	-47%
<b>Total net export sales revenue</b>	<b>94 814 667</b>	<b>41 583 018</b>	<b>-56%</b>

## 2 Other income and other expenses

### 2.1 Other expenses

Description	Previous year	Reporting year	Change %
Carrying amount of intangible and tangible assets sold	114 741	197 305	72%
Extraordinary depreciation of intangible and tangible assets	22 077	-	-100%
Allocation of provisions	370 240	3 183 669	760%
Impairment on inventories	31 024	87 059	181%
Impairment on receivables	70 954	34 906	-51%
Receivables considered bad debts which do not qualify as purchased receivables	28 263	25 384	-10%
Uninvoiced discounts given (payable) subsequently	456 497	640 187	40%
Other	26 508	197 549	645%
Other taxes and similar payment obligations	3 146 697	3 500 247	11%
Donations	-	87 572	100%
<b>Total other expenses</b>	<b>4 267 001</b>	<b>7 953 878</b>	<b>86%</b>

## 3 Material-type expenses

### 3.1 Material costs

Description	Previous year	Reporting year	Change %
Raw materials	22 135 170	25 637 803	16%
Packaging material	19 564 510	19 854 122	1%
Other	27 109 847	26 461 656	-2%
Other materials	823 877	988 633	20%
Public utility costs	1 542 420	1 659 540	8%
<b>Total material costs</b>	<b>71 175 824</b>	<b>74 601 754</b>	<b>5%</b>

### 3.2 Services used

Description	Previous year	Reporting year	Change %
Transportation, loading	429 028	191 848	-55%
Warehousing	1 198 127	1 373 796	15%
Lease	1 226 288	1 501 394	22%
Maintenance	1 602 046	1 407 596	-12%
Advertising	5 612 923	4 470 818	-20%
Other services used	3 768 685	5 396 064	43%
Royalties	3 512 521	2 341 719	-33%
Cost of sales	5 866 239	7 782 866	33%
Other, information technologies	758 663	110 004	-86%
Audit fees	47 750	21 500	-55%
Office costs	690 829	169 929	-75%
<b>Total services used</b>	<b>24 713 099</b>	<b>24 767 534</b>	<b>0%</b>

### 3.3 Cost of goods sold

Description	Previous year	Reporting year	Change %
Other	1 035 098	2 548 213	146%
Nespresso	4 845 997	5 261 175	9%
Maggi	2 525 687	2 818 653	12%
Nescafé, Dolce Gusto	5 112 282	6 683 682	31%
Chocolate	3 642 801	3 886 069	7%
Baby food	294 784	351 136	19%
Animal food	7 027 575	6 633 308	-6%
Cereals	-	1 902 087	100%
<b>Total cost of goods sold</b>	<b>24 484 224</b>	<b>30 084 323</b>	<b>23%</b>

## 4 Staff costs

### 4.1 Staff-related data

Wage costs and other staff benefits incurred in the reporting year and headcount:

Description	Wage earners	Salaried employees	Total
Wage costs	9 887 313	1 987 598	11 874 911
Other staff benefits	3 422 968	710 622	4 133 590
<b>Total</b>	<b>13 310 281</b>	<b>2 698 220</b>	<b>16 008 501</b>
Average number of staff	1 488	660	2 148

### 4.2 Wage contributions by title

Title	Amount
Health contribution, vocational training contribution	337 599
Wage contributions	2 216 843
Rehabilitation contribution	135 580
Other wage contributions	93 593
<b>Total Wage contributions</b>	<b>2 783 615</b>

## 5 Depreciation

### 5.1 Reporting year depreciation

Depreciation of intangible and tangible assets broken down by balance sheet row and depreciation method is presented in the tables included in Appendices 4. and 5.

## 6 Income from and expenses on financial transactions

### 6.1 Income from financial transactions

#### 6.1.1 Other income from financial transactions

Description	Previous year	Reporting year	Change %
Realised exchange gains on foreign exchange and currency reserves, receivables, investments, securities and liabilities denominated in foreign currencies	1 577 565	2 876 692	82%
Aggregated unrealised exchange gains on foreign exchange and currency reserves, receivables, investments, securities and liabilities denominated in foreign currencies	136 632	387 227	183%
<b>Total other income from financial transactions</b>	<b>1 714 197</b>	<b>3 263 919</b>	<b>90%</b>

### 6.2 Expenses on financial transactions

#### 6.2.1 Other expenses on financial transactions

Description	Previous year	Reporting year	Change %
Realised exchange losses on foreign exchange and currency reserves, receivables, investments, securities and liabilities denominated in foreign currencies	1 899 285	3 404 623	79%
Aggregated unrealised exchange losses on foreign exchange and currency reserves, receivables, investments, securities and liabilities denominated in foreign currencies	55 913	817 256	1362%
<b>Total other expenses on financial transactions</b>	<b>1 955 198</b>	<b>4 221 879</b>	<b>116%</b>

## 7 Proposal relating to the use of profit after tax (approval of dividend)

The 100% of the total profit after-tax of 2020, ie THUF 1,811,654 decreased by the negative profit reserve available for dividend payment, amounting to THUF -270,496 proposed to be paid to the owner as dividends, for a total amount of THUF 1,541,158.

## 8 Dividends

The Company decides on the use of the profit after the approval of the financial statements.

Dividends approved in the reporting year: 6 754 822 THUF

## E. ADDITIONAL INFORMATION

### 1 Grants received

Grants received are described in Note 11.

### 2 Fees for services provided by the auditor

Description	Reporting year
Audit	21 500
Other assurance services	
Tax advisory services	
Other non-audit services	20 493
<b>Total audit-related services</b>	<b>41 993</b>

### 3 Import purchases

Value of import purchases broken down by import of goods and import of services and by geographical segments

Description	Previous year	Reporting year	Change %
Import of goods	73 968 245	93 863 051	27%
<b>Total import of goods</b>	<b>73 968 245</b>	<b>93 863 051</b>	<b>27%</b>
Royalties	3 512 521	2 341 179	-33%
Import of services	7 633 502	9 268 643	21%
<b>Total import of services</b>	<b>11 146 023</b>	<b>11 609 822</b>	<b>4%</b>
<b>Total value of import purchases broken down by import of goods and import of services</b>	<b>85 114 268</b>	<b>105 472 873</b>	<b>24%</b>
European Union (EU)	63 695 961	61 379 786	-4%
Countries outside the EU	13 001 774	35 687 069	174%
Other parts of the world	8 416 533	8 406 018	0%
<b>Total value of import purchases broken down by geographical segments</b>	<b>85 114 268</b>	<b>105 472 873</b>	<b>24%</b>

#### 4 Derivative transactions

---

Derivative transaction are presented in Appendix 7.

#### 5 Hazardous waste

---

Changes in hazardous waste is presented in Appendix 8.

#### 6 Reconciling items

---

Calculation of the tax base is included in Appendix 9.

#### 7 Remuneration of, advances and loans to senior executives, senior executives top management, members of the Supervisory Board

---

##### 7.1 Remuneration

Senior executives, senior executives top management, did not receive remuneration, members of the Supervisory Board are entitled to receive remuneration in amount of HUF 110 000 /member/year.

##### 7.2 Advances, loans and guarantees

The Company did not disburse advances to senior executives, senior executives top management, members of the Supervisory Board.

The Company did not disburse loans to senior executives, senior executives top management, members of the Supervisory Board.

The Company did not undertake guarantees for senior executives, senior executives top management, members of the Supervisory Board.

#### 8 Material transactions with related parties

---

There were no material related party transactions not conducted on terms equivalent to those prevailing in arm's length transactions.

#### 9 Assets, financial position, results of operations

---

Indicators relating to assets, financial position and results of operation are included in Appendix 10.

#### 10 Other information

---

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the Company's 31 December 2020 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future.

Based on the experience of the year 2020, the demand for food products normalized after the initial surplus consumption. The pet food export business is performing as planned during the pandemic, there were no significant decline, and to the best of our knowledge, there will be no decrease in turnover in the future, therefore Nestlé Hungária is committed to making further investments. The solvency of the Company's customers is not expected to change negatively. Based on the revised plans, the financing of the Company is secured, the principle of continuing the business is not questioned.

As one of the largest players in the Hungarian food industry, the Company's key strategic task is the continuous supply of food and pet food to the consumers. To this end, it works closely with its supply chain, distribution and retail partners. Production is continuous in all three factories in Hungary, and all safety and health precautions have been taken for the Company's employees, who ensure the supply of consumers with Nestlé products.

The Company has introduced unique wage benefits in the event of a coronavirus emergency: in addition to an average wage supplement of 10% for its employees in the production and supply chain, including a wage guarantee, a corporate loan moratorium, free meals, sick pay and sick leave and provided an extra wage supplement.

#### F. Cash flow statement

The cash flow statement of the Company is included in Appendix 2.

Date and place: Budapest, 19/05/2021

\_\_\_\_\_  
Manager (representative) of the  
Company

## Appendix 1.

## Equity movement schedule

		Subscribed / Registered capital	Subscribed / Registered, but unpaid capital	Capital reserve	Profit reserve	Non-distributable reserve	Valuation reserve	Profit/Loss after tax	TOTAL
<b>Opening balance</b>	<b>31/12/2019</b>	<b>6 000 000</b>	<b>0</b>	<b>0</b>	<b>437 439</b>	<b>0</b>	<b>0</b>	<b>6 317 383</b>	<b>12 754 822</b>
Increase in subscribed / registered capital						-	-	-	0
Decrease in subscribed / registered capital			-				-	-	0
Transformation				209 178	-270 495			-	-61 317
Additional payments		-	-	-			-	-	0
Additional payments for loss		-	-	-			-	-	0
Repayment of additional payments for loss			-	-			-	-	0
Offset negative profit reserve		-	-		0		-	-	0
Increase in non-distributable reserve		-	-			0	-	-	0
Decrease in non-distributable reserve		-	-			0	-	-	0
Assets obtained based on regulations		-	-			-	-	-	0
Assets given based on regulations		-	-			-	-	-	0
Amount transferred to replenish subscribed, but unpaid capital									
Approved dividends and profit shares		-	-	-	-6 754 823	-	-	-	-6 754 823
Amount released from liability for dividends									
Upwards revaluation		-	-	-	-	-	0	-	0
Transfer of profit/loss after tax		-	-	-	6 317 383	-	-	-6 317 383	0
Retained profit for the year		-	-	-	-	-	-	1 811 654	1 811 654
<b>Closing balance</b>	<b>31/12/2020</b>	<b>6 000 000</b>	<b>0</b>	<b>209 178</b>	<b>-270 496</b>	<b>0</b>	<b>0</b>	<b>1 811 654</b>	<b>7 750 336</b>

## Appendix 2.

## Cash-flow statement

	01/01/2019 - 31/12/2019	01/01/2020 - 31/12/2020
<b>I. Variation in cash-flow from operations (Operating cash-flow) (Rows: 1-14)</b>	<b>5 034 185</b>	<b>5 260 518</b>
1a Profit or loss before tax ±	6 827 454	2 207 338
of which: grant received for operations, financially settled	0	
1b Adjustments in profit/loss before tax ±	0	0
1 Adjusted profit/loss before tax (1a+1b) ±	6 827 454	2 207 338
2 Amortisation +	4 477 203	5 087 360
3 Impairment loss and reversal ±	-81 203	246 887
4 Difference between the creation and usage of provisions ±	235 578	2 813 429
5 Gain or loss on sale of fixed assets ±	72 851	-7 431
6 Change in trade payables ±	-322 688	3 422 271
6a Adjustment in Change in trade payables ±	0	
7 Change in short-term liabilities ±	68 248	1 908 045
7a Adjustment in Change in short-term liabilities ±	0	
8 Change in income accruing for future periods, accrued expenses and deferred income ±	-227 659	275 933
8a Adjustment in Change in income accruing for future periods, accrued expenses and deferred income ±	0	
9 Change in trade receivables ±	-1 940 916	-527 052
9a Adjustment in Change in trade receivables ±	0	
10 Change in current assets (excluding trade receivables and liquid assets) ±	1 260 694	-2 617 123
10a Adjustment in Change in current assets (excluding trade receivables and liquid assets) ±	0	
11 Change in accrued income, prepayments and deferred expenses ±	-218 410	-398 634
11a Adjustment in Change in accrued income, prepayments and deferred expenses ±	0	
12 Change in long-term liabilities ±	0	0
12a Adjustment in Change in long-term liabilities ±	0	
13 Tax paid (on profit) -	-510 070	-395 684
14 Dividends and profit-sharing paid -	-4 606 898	-6 754 822
<b>II. Variation in cash-flow from investments (Investment cash-flow) (Rows: 15-21)</b>	<b>-4 227 586</b>	<b>-14 775 186</b>
15 Purchase of fixed assets -	-4 826 898	-9 232 983
16 Sale of fixed assets +	41 888	72 069
17 Repayment of non-current loans and termination, withdrawal of bank deposits +	36 985	8 455
18 Long-term loans and bank deposits -	0	0
19 Dividends and profit-sharing received +	83 000	0
20 Given supplementary payment -	0	0
21 Refund of supplementary payment +	0	0
Advance payment to investment suppliers	0	-5 352 231
Correction of the merge of Cereal Partners Hungária Kft.	437 439	-270 496
<b>III. Variation in cash-flow from financial transactions (Financial cash-flow) (Rows:22-31)</b>	<b>-778 963</b>	<b>10 957 976</b>
22 Proceeds from issuance of shares, capital increase +	0	0
23 Receipts from the issue of bonds and debt securities +	0	0
24 Receipt of loans +	0	15 000 000
25 Liquid assets received free of charge +	0	0
26 Cancellation of shares, disinvestment (capital reduction) -	0	0
27 Redemption of bonds and debt securities -	0	0
28 Redemption and repayment of loans -	0	-20 000 000
29 Liquid assets given free of charge -	0	0
30 Supplementary payment received +	0	0
31 Repayment of supplementary payment -	0	0
Change on Capital reserves	-80 857	209 178
Change of Cash-pool balance	-698 106	15 748 798
<b>IV. Change in liquid assets (±I±II±III.) ±</b>	<b>27 636</b>	<b>1 443 308</b>
32 Revaluation of FX cash ±		0
<b>V. Change in liquid assets at balance sheet (IV. + row: 32)</b>	<b>27 636</b>	<b>1 443 308</b>
<b>Opening balance of liquid assets</b>	<b>164 727</b>	<b>192 363</b>
<b>Closing balance of liquid assets</b>	<b>192 363</b>	<b>1 635 671</b>



**Notes to the cash flow statement****1. Items within "1b. Adjustments in profit/loss before tax" by title**

Title	Amount
Dividends, profit shares received (-)	
Gain or loss on assets transferred as contribution in kind (±)	
Non-repayable cash and cash equivalents received for development purposes (-)	
Non-repayable cash and cash equivalents transferred (+)	
Forgiven liabilities related to assets (-)	
Unrealised exchange difference as at the reporting date on investments, non-current liabilities (±)	
Unrealised exchange difference as at the reporting date on FX cash and cash equivalents (±)	
Valuation difference from fair value measurements (±)	
<b>1b. Total adjustments in profit/loss before tax</b>	<b>-</b>

**2. Reason for differences between changes in the balance sheet item and changes according to operating cash flows**

Title	Trade liabilities	Other current liabilities	Accrued expenses and deferred income	Trade receivables	Current assets (without trade receivables and cash and cash equivalents)	Deferred expenses and accrued income
<b>Change in the balance sheet item*</b>	<b>3 422 271</b>	<b>16 873 523</b>	<b>275 933</b>	<b>(537 716)</b>	<b>(1 777 768)</b>	<b>(398 634)</b>
Impairment, reversal of impairment (±)				10 664	(839 355)	
Missing, surplus inventory items (±)						
Damage (-)						
Bad debts (-)						
Dividends, profit shares received (-)						
Dividends, profit shares paid (+)						
Income tax paid (+)						
Non-repayable cash and cash equivalents received for development purposes (-)						
Forgiven liability related to assets (+)						
Purchase of fixed assets (-)						
Interest, insurance premium, other costs not paid and capitalised as part of the cost of fixed assets (-)						
Self-manufactured fixed assets (-)						
Sale of fixed assets (±)						
Carrying amount of treasury shares, business shares repurchased in previous years and withdrawn in the reporting year (-)						
Carrying amount of current assets transferred as contribution in kind, derecognised, if the interests received in exchange for them are recognised as fixed assets (-)						
Value of interests recognised as current assets that were received in exchange for fixed assets transferred as contribution in kind, derecognised (contribution in kind value) (+)						
Recorded value at initial recognition of current assets received as contribution in kind (contribution in kind value) (+)						
Issuance of shares, capital increase (±)						
Withdrawal of shares (capital decrease) (-)						
Additional capital contribution provided or received back other than in cash (±)						
Additional capital contribution received or returned other than in cash (±)						
Reclassifications between fixed assets and current assets (±)						
Reclassifications between non-current and current liabilities (±)						
Changes between balance sheet line items (±)						
Change of Cash-pool balance		(14 965 478)				
<b>Change according to the cash flow statement (±)</b>	<b>3 422 271</b>	<b>1 908 045</b>	<b>275 933</b>	<b>(527 052)</b>	<b>(2 617 123)</b>	<b>(398 634)</b>

\*In the 'Change in the balance sheet item' column a positive (negative) amount represents an increase (decrease) for liability items and a decrease (increase) for asset items.

**Appendix 3.****Transactions with related parties**

Transaction type	Type of relationship	Transaction value	Other information necessary to evaluate the transaction
Net sales	other related party	94 213 277	
Cost of goods purchased	other related party	52 386 160	
Dividend - paid	other related party	6 754 823	
Royalties	other related party	2 341 719	
Interest - received	other related party	14 832	
Interest - paid	other related party	387 317	

**Appendix 4.****Intangible assets**

	Capitalised value of formation and transformation	Capitalised value of research and development	Rights and concessions	Intellectual property	Goodwill	Total
<b>GROSS BOOK VALUE</b>						
<b>Opening balance</b>	0	0	1 793 058	4 901 306	0	6 694 364
Increase				920		920
Decrease				-859		-859
Reclassification						0
Other						0
<b>Closing balance</b>	0	0	1 793 058	4 901 367	0	6 694 425
<b>Accumulated amortization</b>						
<b>Opening balance</b>	0	0	0	4 901 306	0	4 901 306
Amortization						0
Extraordinary amortization						0
Reversal of extraordinary amortization						0
Decrease				-859		-859
Reclassification						0
Other						0
<b>Closing balance</b>	0	0	0	4 900 447	0	4 900 447
<b>Opening balance</b>	<b>0</b>	<b>0</b>	<b>1 793 058</b>	<b>0</b>	<b>0</b>	<b>1 793 058</b>
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>1 793 058</b>	<b>920</b>	<b>0</b>	<b>1 793 978</b>
<b>ADVANCES ON INTANGIBLE ASSETS</b>						
<b>Opening balance</b>						<b>0</b>
<b>Closing balance</b>						<b>0</b>
<b>Opening balance</b>	<b>0</b>	<b>0</b>	<b>1 793 058</b>	<b>0</b>	<b>0</b>	<b>1 793 058</b>
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>1 793 058</b>	<b>920</b>	<b>0</b>	<b>1 793 978</b>

## Appendix 5.

## Tangible assets

	Land and buildings and related rights and concessions	Plant, equipment, machinery, vehicles	Other equipment, fittings, vehicles	Breeding animals	Assets under construction, renovations	Total
<b>GROSS BOOK VALUE</b>						
<b>Opening balance</b>	25 805 828	51 767 164	11 047 646	0	1 463 150	90 083 787
Capitalization	1 483 735	2 653 201	1 745 383		-5 882 318	0
Increase					9 232 063	9 232 063
Decrease	-164 010	-1 336 157	-981 627			-2 481 794
Reclassification	-19 650		16 533		-186 527	-189 644
Other						0
<b>Closing balance</b>	27 105 903	53 084 208	11 827 935	0	4 626 368	96 644 413
<b>Accumulated amortization</b>						
<b>Opening balance</b>	6 693 441	27 463 487	7 632 072	0	189 644	41 978 644
DEPRECIATION	868 992	3 017 565	1 200 803			5 087 360
Extraordinary amortization						0
Reversal of extraordinary amortization						0
Decrease	-64 636	-1 202 684	-948 317			-2 215 637
Reclassification					-189 644	-189 644
Other						0
<b>Closing balance</b>	7 497 797	29 278 367	7 884 558	0	0	44 660 722
<b>Opening balance</b>	19 112 386	24 303 678	3 415 574	0	1 273 506	48 105 144
<b>Closing balance</b>	19 608 105	23 805 841	3 943 377	0	4 626 368	51 983 691
<b>PAYMENTS ON ACCOUNT</b>						
<b>Opening balance</b>						17 450
<b>Closing balance</b>						5 369 682
<b>Opening balance</b>	19 112 386	24 303 678	3 415 574	0	1 273 506	48 122 594
<b>Closing balance</b>	19 608 105	23 805 841	3 943 377	0	4 626 368	57 353 373

**Appendix 6.****Investments****1 Affiliated companies**

Name of entity	Address	Interest (%)	Book value	
			Long-term interest	Current assets
Forum-Pro Industry Non-Profit Kft.	2184 Vácegres, Akácfa u. 16.	4%	1 850	
<b>Total</b>			<b>1 850</b>	<b>-</b>

## Appendix 7.

## Derivative transactions

## 1 Details of derivative transactions that are still open at the reporting date

Identifier	Subject matter of the transaction	Type of derivative deal	Hedge deal?	Clearing or delivery purpose?	Stock exchange deal?	Maturity date	Contracted amount (strike price, rate)	Estimated impact on profit or loss (fair value)	Expected cash flow effect	Impact on profit or loss for the current year
7927524	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.20	357	- 2 233 796		
7929589	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.20	357	- 3 210 157		
7927518	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.20	357	- 2 857 331		
7967219	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.20	400	479 878		
7966996	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.20	300	449 760		
7966482	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.20	302	423 077		
7992109	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.30	357	2 353 560		
7992467	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.04.30	356	2 846 829		
7992271	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	357	- 1 195 411		
7994456	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	356	- 2 850 289		
8012591	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	359	- 1 795 119		
7992583	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	356	- 1 422 394		
8012069	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	396	209 002		
7995335	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	387	182 622		
8008859	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	291	305 214		
7995350	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.25	293	131 791		
7992578	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.28	356	1 067 918		
7992589	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2021.05.28	356	1 422 732		
<b>Total</b>								<b>5 692 115</b>		

## 2 Details of derivative transactions closed out by the reporting date

Identifier	Subject matter of the transaction	Type of derivative deal	Hedge deal?	Clearing or delivery purpose?	Stock exchange deal?	Gain or loss on the transaction	Cash flow effect
8036297	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	238 527	
8036294	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	455 426	
7728663	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 2 666 192	
7728649	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 2 943 334	
7728658	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 2 943 283	
7699506	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	190 935	
7728656	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	150 975	
7725258	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	116 690	
7699347	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	290 390	
7728650	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	438 069	
7921171	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	1 074 090	
7838339	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	1 081 888	
8036299	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 238 661	
8001337	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	222 994	
7838334	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	1 442 565	
7849004	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	1 443 690	
8036296	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 455 683	
7838343	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 1 461 654	
7896052	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 2 579 279	
7838336	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 2 526 399	
7838344	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 1 804 511	
7849005	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 1 806 048	
7901729	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2 583 223	
7796099	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	388 922	
7785941	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	740 755	
7927520	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2 247 705	
8002065	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	807 843	
7927514	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2 852 300	
7918655	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 1 260 103	
7915091	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 759 912	
7901730	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 2 585 755	
7883956	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 1 832 382	
7895648	sell	Forward	hedge deal	delivery purpose	non-stock exchange deal	- 1 839 250	
7929283	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	478 800	
7929495	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	452 685	
7929591	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2 352 949	
8011759	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	1 075 632	
8001338	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	1 109 057	
7929586	buy	Forward	hedge deal	delivery purpose	non-stock exchange deal	2 852 059	
<b>Total</b>						<b>- 2 614 274</b>	

## Appendix 8.

## Hazardous waste

Nr	EWC code	Quantity (kg)	Vendor	Place
1	200133	12	ÉMK Kft - 100327813	Szerencs
2	200121	17	ÉMK Kft	Szerencs
3	80317	79	ÉMK Kft.	Szerencs
4	160506	511	ÉMK Kft.	Szerencs
5	150202	76	ÉMK Kft.	Szerencs
6	80409	5	ÉMK Kft.	Szerencs
7	150111	4	ÉMK Kft	Szerencs
8	150110	748	ÉMK Kft	Szerencs
9	180103	6	Meditrade Kft. - 100908764	Szerencs
10	130205	4	ÉMK Kft.	Diósgyőr
11	200121	13	ÉMK Kft.	Diósgyőr
12	150110	86	ÉMK Kft.	Diósgyőr
13	140603	113	ÉMK Kft.	Diósgyőr
14	150202	173	ÉMK Kft.	Diósgyőr
15	200133	7	ÉMK Kft.	Diósgyőr
16	180103	6	Meditrade Kft.	Diósgyőr
17	200135	2 595	Megoldás Kft	Bük
18	150202	3 074	Megoldás Kft	Bük
19	150202	15	Envirotrade Kft	Bük
20	150110	5 560	Megoldás Kft	Bük
21	200121	127	Megoldás Kft	Bük
22	60205	126	Megoldás Kft	Bük
23	60106	1 963	Megoldás Kft	Bük
24	150111	465	Megoldás Kft	Bük
25	80317	515	Megoldás Kft	Bük
26	130205	720	Envirotrade Kft	Bük
<b>Total</b>		<b>17 020</b>		

**Appendix 9.****Corporate income tax calculation****1 Income tax calculation**

Description	Corporate income tax
<b>Profit or loss before tax</b>	<b>2 207 338</b>
<b>Tax base increasing items</b>	
Provision made	3 183 668
Depreciation expense according to Hungarian Accounting Law, disposal of tangible assets and intangible assets	5 353 722
Costs and expenses not incurred in the interest of the business activity	338 580
Fine, expenses arising from sanctions prescribed by law	2 387
Debts cancelled, if the debts are not treated as irrecoverable	25 384
The amount accounted for as a reduction in income, capitalised value of own performance or as an increase in costs, expenses in the course of a tax audit or self-revision	224
Impairment on receivables	34 906
<b>Tax base decreasing items</b>	
Provision used, released	- 370 241
Depreciation deductible for corporate income tax purposes	- 6 274 729
Write-back of impairment on receivable	- 70 954
Grant to public benefit organization	- 33 797
<b>Tax base</b>	<b>4 396 488</b>
Tax rate	9%
<b>Calculated tax</b>	<b>395 684</b>
<b>Tax calculated on the basis of minimum income</b>	<b>-</b>
<b>Tax liability for the current year</b>	<b>395 684</b>

<b>Profit or loss before tax</b>	<b>2 207 338</b>
<b>Total tax liability for the current year</b>	<b>395 684</b>
<b>Profit or loss after tax</b>	<b>1 811 654</b>



**Appendix 10.****Profitability, financial indicators, property and capital structure, expense structure****1 Profitability**

Description	Calculation method	Balance Sheet reference	Previous year	Current year
Return on sales	$\frac{\text{Trading profit}}{\text{Net sales revenue}}$	$\frac{\text{Er. A}}{\text{Er. I.}}$	4,71%	2,32%
Net equity effectiveness	$\frac{\text{Profit after tax}}{\text{Equity}}$	$\frac{\text{Er. F}}{\text{D.}}$	49,53%	23,38%
Net equipment effectiveness	$\frac{\text{Profit after tax}}{\text{Total assets}}$	$\frac{\text{Er. F}}{\text{A+B+C}}$	7,77%	1,91%

**2 Financial indicators**

Description	Calculation method	Balance Sheet reference	Previous year	Current year
Liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{\text{B}}{\text{F.III.}}$	1,21	0,76
Liquidity quick ratio	$\frac{\text{Liquid assets + Securities + Receivables}}{\text{Current liabilities}}$	$\frac{\text{B.IV.+B.III.+B.II.}}{\text{F.III.}}$	0,78	0,50
Cash liquidity ratio	$\frac{\text{Liquid assets + Securities}}{\text{Current liabilities}}$	$\frac{\text{B.IV.+B.III.}}{\text{F.III.}}$	0,01	0,04
Net working capital	Current assets – Current liabilities	B – F.III.	5 423 093	-11 113 909
Receivables (in days)	$\frac{\text{Closing receivables}}{\text{Daily average revenue}}$	$\frac{\text{B.II.1.}}{\text{Er.I./365}}$	12,77	10,61
Inventories (goods) (in days)	$\frac{\text{Closing inventories (goods)}}{\text{Daily average cost of goods sold}}$	$\frac{\text{B.I.5.}}{\text{Er.IV.8/365}}$	46,43	36,89

### 3 Property and capital structure

Description	Calculation method	Balance Sheet reference	Previous year	Current year
Capital structure ratio	$\frac{\text{Equity}}{\text{Liabilities}}$	$\frac{D}{F}$	0,20	0,10
Equity - Subscribed / Registered capital ratio	$\frac{\text{Equity}}{\text{Subscribed / Registered capital}}$	$\frac{D}{D.I.}$	2,13	1,29
Fixed assets coverage by equity	$\frac{\text{Fixed assets}}{\text{Equity}}$	$\frac{A}{D}$	3,92	7,63
Property structure	$\frac{\text{Fixed assets}}{\text{Current assets}}$	$\frac{A}{B}$	1,61	1,71
Fixed assets coverage	$\frac{\text{Fixed assets}}{\text{Total assets}}$	$\frac{A}{A+B+C}$	61,39%	62,46%

### 4 Cost structure

Description	Previous year		Current year	
	Amount	%	Amount	%
Net sales revenue	154 480 382	-	164 186 243	-
Changes in self-manufactured inventories	-2 078 796	-	379 968	-
Capitalised value of self-manufactured assets	0	-	0	-
<b>Gross revenue</b>	<b>152 401 586</b>	-	<b>164 566 211</b>	-
Other income	483 291	-	771 548	-
<b>Total income</b>	<b>152 884 877</b>	<b>100,00%</b>	<b>165 337 759</b>	<b>100,00%</b>
Material costs	71 175 824	46,56%	74 601 754	45,12%
Services used	24 713 099	16,16%	24 767 534	14,98%
Other services	175 564	0,11%	235 510	0,14%
Cost of goods sold	24 484 224	16,01%	30 084 323	18,20%
Services sold (mediated)	0	0,00%	0	0,00%
<b>Material-type expenses</b>	<b>120 548 711</b>	<b>78,85%</b>	<b>129 689 121</b>	<b>78,44%</b>
Wage costs	10 256 498	6,71%	11 874 911	7,18%
Other staff benefits	3 414 034	2,23%	4 133 590	2,50%
Wage contributions	2 647 568	1,73%	2 783 615	1,68%
<b>Staff costs</b>	<b>16 318 100</b>	<b>10,67%</b>	<b>18 792 116</b>	<b>11,37%</b>
Depreciation	4 477 203	2,93%	5 087 360	3,08%
Other expenses	4 267 001	2,79%	7 953 878	4,81%
<b>Total expenses</b>	<b>145 611 015</b>	<b>95,24%</b>	<b>161 522 475</b>	<b>97,69%</b>
<b>Trading profit</b>	<b>7 273 862</b>	<b>4,76%</b>	<b>3 815 284</b>	<b>2,31%</b>

## Appendix 11.

Grants received

Description of the grant (identifier)		25/2020. (VI. 22.) AM regulation					
Nature of grant		non-repayable grant received					
Year (period)	Amount received	Amount used detailed by title					Total amount used
		Mitigating COVID-19' economic effects (HUF)					
2020	215 241 176	215 241 176					215 241 176
Total	215 241 176	215 241 176	-	-	-	-	215 241 176
Amount available							-