

Energy Regulators Regional Association

Supplementary Notes to the 2025 simplified annual report

I. GENERAL INFORMATION

1. Brief introduction of the Association

Date of Articles of Association:	December 11, 2000
Date of registration:	March 29, 2001
Commencement of activity:	March 29, 2001
Tax number:	18173194-2-41
Form of business:	Association
Headquarters:	1012 Budapest, Logodi utca 44/b.
Period of operation:	Indefinite
Representative of the Association:	Andrijana Nelkova-Chuchuk
Auditor of the Association:	CMT Audit Kft. 1095 Budapest, Ipar utca 5. 1.em Company reg. no: 01-09-063211 Tax number: 10272172-2-43 Signature authorization: Freiszberger Zsuzsanna (007229)
Accounting service provider:	FSF Audit Kontroll Kft. 1094 Budapest, Berzenczey utca 14. Company reg. no: 01-09-1679090 Tax number: 10781216-2-43
The annual report has been prepared by:	Faragó István statutory auditor (reg. no.: 003182)

As of November 2016 the supervisory organ of the Association is the Ministry of Foreign Affairs and Trade

Date of Balance Sheet: 01.03.2026.

2. Brief description of the accounting policy

Pursuant to the requirements of the Accounting Law (Szt), Section 8, Subsection (1), the Association prepares a simplified annual report type „A” including Balance Sheet, Profit and Loss Statement and Supplementary Notes. The structure of the Balance Sheet has not been more detailed than it is required by the law.

Economic events in scope of operations affecting the Association’s assets, financial and earnings position are being recorded by means of double-entry book-keeping in compliance with the form of the annual report.

When evaluating the assets in foreign exchange, the FX rate of sheet date of the Hungarian National Bank is being taken into account. Accordingly, the balances of foreign exchange accounts have been revaluated at the end of the year.

Depreciation has been established by the straight-line method based on gross value. Depreciation is accounted, also as costs, once a year before the preparation of the simplified annual Balance Sheet.

The historical costs of small-value rights representing assets, intellectual products and tangible assets not exceeding 200 THUF have been accounted in one sum as depreciation when putting into use.

Classification of errors identified during the inspection

Significant Error

An error is considered significant if, in the year it is identified, the cumulative total of all errors and their effects (regardless of sign) affecting profit or equity—identified during audits and assessed separately for each financial year—exceeds 2% of the balance sheet total of the audited year. If 2% of the balance sheet total is less than HUF 1,000,000, the threshold for significance is HUF 1,000,000.

The association did not identify any significant errors in the 2025 financial year.

3. Evaluation of assets, financial and earnings position

3.1. Assets position

a, Capitalization

Index name	Index calculation	Last year THUF	Current year THUF	Last year %	Current year %	Alteration %
Capitalization (Equity ratio)	<u>Equity</u>	<u>782 916</u>	<u>729 245</u>	96,39	93,46	96,96
	Total liabilities	812 264	780 307			

b, Liability ratio

Index name	Index calculation	Last year THUF	Current year THUF	Last year %	Current year %	Alteration %
Liability ratio	<u>Liability</u> Total equity and liabilities	<u>8 394</u> 812 264	<u>11 175</u> 780 307	1,03	1,43	138,58

3.2. Financial position

a, Liquidity ratio

Index name	Index calculation	Last year THUF	Current year THUF	Last year %	Current year %	Alteration %
Liquidity ratio I. (Current ratio)	<u>Current assets</u> Short term liabilities	<u>677 765</u> 8 394	<u>646 761</u> 11 175	8074,40	5787,57	71,68
Liquidity ratio IV.	<u>Liquid assets</u> Short term liabilities	<u>671 415</u> 8 394	<u>631 804</u> 11 175	7998,75	5653,73	70,68

The calculation of indices relating to debt portfolio is not possible since the Association has no long-term liabilities.

3.3. Profitability

Index name	Index calculation	Last year THUF	Last year %	Current year THUF	Current year %
Sales rated profitability	<u>Income from operation</u> Net income	<u>-30 450</u> 184 704	-16,49	<u>-8 103</u> 182 705	-4,44
Equity rated profitability	<u>Income from operation</u> Equity	<u>-30 450</u> 782 916	-3,89	<u>-8 103</u> 729 245	-1,11
Assets rated profitability	<u>Income from operation</u> Total assets	<u>-30 450</u> 812 264	-3,75	<u>-8 103</u> 780 307	-1,04

II. SPECIAL INFORMATION

1. Explanations to the Balance Sheet

The Association has indicated in the Balance Sheet the value of intellectual products and tangible assets serving for its activity on the long run at book value without value adjustment.

Small-value tangible assets have been depreciated at their capitalization. In the current year there were no such acquisitions.

Among tangible assets, there are no assets serving environment protection purposes. In the reported year, there was no extraordinary depreciation.

The value of intangible and tangible fixed assets during the reporting period is formed in accordance with Annex 1. In December 2016 the Association purchased a real estate which was renovated and it has been in use since May 2017. The Association determines the residual value of the property equal to the purchase price plus duty paid after the building. The increase in the value of the building as a result of the renovation is amortized with 2%.

The composition of the items not detailed in the balance sheet is as follows:

Receivables

	Last year THUF	Current year THUF
Accounts receivable	5 331	11 679
Advances to suppliers	0	3 278
Overpayment to suppliers	64	0
VAT recoverable in the following period	1	0
Local business tax	277	0
VAT receivable	677	0
Total	6 350	14 957

Liquid assets in HUF and EUR

	Last year		Current year	
	THUF	EUR	THUF	EUR
Petty cash - HUF, other currency	51	1 507	56	2 423
Bank accounts - Unicredit, OTP - HUF, EUR, USD	6 861	1 618 877	5 754	1 621 861
Total	6 912	1 620 384	5 810	1 624 284

	Last year THUF	Current year THUF
Liquid assets	671 415	631 804

The table below presents the impact of the year-end exchange rate revaluation on foreign currency balances in the 2024–2025 financial statements.

The value of cash assets expressed in HUF decreased by HUF 39,611 thousand between 2024 and 2025 due to exchange rate changes (from 410.09 to 385.40 HUF/EUR). During the same period, the HUF-denominated cash balance decreased only slightly, by HUF 1,102 thousand,

while the foreign currency cash balance increased by EUR 3,900. As shown in the table, the revaluation of cash balances at the balance sheet date resulted in an unrealized loss of HUF 38,509 thousand. The total negative financial result of HUF 45,569 thousand reported in the financial statements differs from this amount due to additional realized exchange rate losses arising from cash flows during the year.

	2024.12.31					2025.12.31					
	TOTAL IN	IN		RATE		TOTAL IN	IN	IN		RATE	DIFF.
	TH HUF	TH HUF	EUR	TH HUF-value	HUF/EUR	TH HUF	TH HUF	EUR	TH HUF-value	HUF/EUR	TH HUF
Liquid Assets	671415	6 912	1 620 384	664 503	410,09	631 804	5 810	1 624 284	625 994	385,40	-38 509

Accrued and deferred assets

	Last year THUF	Current year THUF
Costs, expenses, accruals and deferrals	1 110	1 170
Accrued assets total	1 110	1 170

Shareholders' equity change

	Last year	Last year results	Growth	Decrease	Current year
Change in equity / retained results	765 136	17 780	0	0	782 916
Profit from basic activity	-1 832	1 832	11 190	0	11 190
Profit from business activity	19 612	-19 612	0	64 861	-64 861
Shareholders' equity	782 916	0	11 190	64 861	729 245

Short-term liabilities

	Last year THUF	Current year THUF
Total liability to suppliers	1 145	1 129
Liabilities on wages, taxes, social taxes	7 249	10 046
Total	8 394	11 175

Accrued expenses

	Előző év eFt	Tárgyév eFt
Accrued income	11 739	13 978
Accrued expenses	8 365	25 059
Deferred income	850	850
Accrued expenses total	20 954	39 887

In order to deduct VAT related to the business and core activities, the Association set a ratio between deductible and non-deductible VAT. The proportion of deductible VAT is 75,06 % accordingly.

2. Explanations to the P/L Statement

The Association carried out business activities and basic (core) association activities in the fiscal year 2025, realizing revenues as shown below in THUF:

Business activities net revenue

	Last year THUF	Current year THUF
Revenue from training courses	181 961	175 813
Revenue from other services	0	6 892
Net sales revenue total	181 961	182 705

Core activities net revenue:

The Association has accounted the annual membership fees as part of core activities under Membership dues in the P/L statement.

	Last year THUF	Current year THUF
Membership dues	57 710	76 751
Support received to cover costs	2 743	0
Revenue from damage recovery	0	287
Various other revenues	101	20
Total	60 554	77 058

Revenues from financial transactions

	Last year THUF		Current year THUF	
	Core act.	Business act.	Core act.	Business act.
Received interest rate and revenue of an interest nature	513	1 544	364	867
Realised and valuation exchange gains	11 121	35 810	167	417
Total	11 634	37 354	531	1 284

Material-type expenses

	Last year THUF		Current year THUF	
	Core act.	Business act.	Core act.	Business act.
Material costs	310	932	380	1 020
Costs of services received	20 238	149 155	20 311	145 813
Costs of other services	921	2 824	1 120	2 711
Intermediary services		6 807		3 783
Total	21 469	159 718	21 811	153 327

Staff related expenses

The average statistical staff size of the ERRA Secretariat in the reported year was 4,33.

	Last year THUF		Current year THUF	
	Core act.	Business act.	Core act.	Business act.
Wages	15 112	47 492	18 859	47 759
Other salary related expenses	10 880	2 258	3 758	3 777
Social taxes on wages	3 143	5 957	2 907	6 238
Total	29 135	55 707	25 524	57 774

The senior officials of the Association did not receive any remuneration in the course of the year.

Planned depreciation

	Last year THUF		Current year THUF	
	Core act.	Business act.	Core act.	Business act.
Depreciation	450	1 353	375	893

Other expenses

	Last year THUF		Current year THUF	
	Core act.	Business act.	Core act.	Business act.
Irrecoverable VAT	1 025	0	1 181	68
Local municipality tax	0	3 484	0	3 558
Tax on real estate	127	382	175	418
Various other expenses	49	148	2 592	19
Support	75	225	44	106
Total	1 276	4 239	3 992	4 169

Expenses of financial transactions

	Last year THUF		Current year THUF	
	Core act.	Business act.	Core act.	Business act.
Exchange rate loss	512	246	14 479	32 905
Total	512	246	14 479	32 905

3. Informative Data

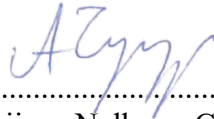
Calculation of Corporate Tax:

	Last year THUF	Current year THUF
Result before taxation of business operation	-1 832	-64 861
Items increasing pre-tax result		
Depreciation and net value of assets sold - accounted	1 803	893
Other	259	119
Items increasing pre-tax result - total	2 062	1 012
Items decreasing pre-tax result		
Depreciation and net value of assets sold - tax deductible	3 892	2 364
Items decreasing pre-tax result - total	3 892	2 364
Tax base	-3 662	-66 213

There has been no change in the depreciation of the tangible and intangible assets. In the reported year, no costs have been recognized for R&D activities.

The Association does not have any liabilities with a lifespan longer than 5 years. It has no liabilities which are subject to lien or mortgage.

Budapest, April 1, 2026



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Andrijana Nelkova-Chuchuk
Representative of the Association

**Gross value of intangible and tangible assets, accumulated depreciation
and changes in net worth**

data in THUF

Name	Gross value					Depreciation							Net value
	Opening value	Growth	Decrease	Reclassification	Closing	Opening value	Growth			Decrease	Graduation	Closing	
							Planned	Above planned	Small value				
Capitalised value of formation/reorganisation expenses					0							0	0
Capitalised value of research and development					0							0	0
Property rights	5 302				5 302	5 137	165					5 302	0
Intellectual product					0							0	0
Goodwill					0							0	0
Advances for intangible assets					0							0	0
Revaluation of intangible assets					0							0	0
Low value intangible assets	50				50	50						50	0
INTANGIBLE ASSETS	5 352	0	0	0	5 352	5 187	165	0	0	0	0	5 352	0
Real estate and related property rights	135 897				135 897	4 820	629					5 449	130 448
Technical equipment, vehicles	0				0	0						0	0
Other equipment, vehicles	11 888	235			12 123	9 741	454					10 195	1 928
Breeding stock	0				0	0						0	0
Projects, renovations	0	255	255		0	0						0	0
Advances paid for investment	0				0	0						0	0
Revaluation of tangible assets	0				0	0						0	0
Low value fixed assets	5 056	20			5 076	5 056	20					5 076	0
FIXED ASSETS	152 841	510	255	0	153 096	19 617	1 103	0	0	0	0	20 720	132 376
Total:	158 193	510	255	0	158 448	24 804	1 268	0	0	0	0	26 072	132 376