

13834492-4910-114-01

Statistical code

01-10-045551

Company registration number

MÁV-START Railway Passenger Transport Company

1087 Budapest, Könyves Kálmán körút 54-60.

Balance Sheet and Profit & Loss Account 31 December 2023

Date: Budapest, 9 May 2024

head of company (representative)

STAMP

01-10-045551
Company registration number

BALANCE SHEET VERSION 'A' - Assets

31 December 2023

figures in HUF millions

Serial no.	Item	Prior year	Reporting year	Variance
a	b	c	d	e
A.	Non-current assets	504 903	484 862	-20 041
I.	INTANGIBLE ASSETS	8 957	8 961	4
1.	Capitalised foundation/restructuring	0	0	0
2.	Capitalised research and development	0	0	0
3.	Concessions, licenses and similar rights	761	664	-97
4.	Trade-marks, patents and similar assets	8 169	8 295	126
5.	Goodwill	0	0	0
6.	Advance payments for intangible assets	27	2	-25
7.	Adjusted value of intangible assets	0	0	0
II.	TANGIBLE ASSETS	489 765	474 352	-15 413
1.	Land and buildings and related property rights	2 750	2 718	-32
2.	Plant, machinery, equipment and vehicles	460 898	466 172	5 274
3.	Other equipment, fixtures and fittings, vehicles	2	1	-1
4.	Breeding stock	0	0	0
5.	Assets in the course of construction	19 884	4 561	-15 323
6.	Advance payments for AICC	6 231	900	-5 331
7.	Adjusted value of tangible assets	0	0	0
III.	LONG-TERM FINANCIAL ASSETS	6 181	1 549	-4 632
1.	Long-term equity investments in related parties	6 180	1 548	-4 632
2.	Long-term loans granted to related parties	0	0	0
3.	Significant long-term equity investments	0	0	0
4.	Long-term loans to significant equity investments	0	0	0
5.	Other long-term investments	1	1	0
6.	Long-term loans granted to other investments	0	0	0
7.	Other long-term loans granted	0	0	0
8.	Long-term debt securities	0	0	0
9.	Adjusted value of long-term financial assets	0	0	0
10.	Gain/loss on the valuation of long-term financial assets	0	0	0

Date: Budapest, 9 May 2024

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01-10-045551

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BALANCE SHEET VERSION 'A' - Assets

31 December 2023

figures in HUF millions

Serial no.	Item	Prior year	Reporting year	Variance
a	b	c	d	e
B.	Current assets	83 312	142 334	59 022
I.	INVENTORIES	15 849	21 388	5 539
1.	Raw materials and consumables	14 243	20 187	5 944
2.	Work in progress and semi-finished products	681	442	-239
3.	Animals for breeding, fattening and other livestock	0	0	0
4.	Finished products	840	696	-144
5.	Goods	80	63	-17
6.	Advance payments for inventories	5	0	-5
II.	RECEIVABLES	35 001	75 217	40 216
1.	Trade receivables (debtors)	3 434	3 520	86
2.	Receivables from related parties	16 098	55 042	38 944
3.	Receivables from significant equity investments	284	301	17
4.	Receivables from other investments	24	27	3
5.	Bills of exchange receivable	0	0	0
6.	Other receivables	15 161	16 327	1 166
7.	Gain/loss on the valuation of receivables	0	0	0
8.	Gain on the valuation of derivatives	0	0	0
III.	SECURITIES	0	4 631	4 631
1.	Equity investments in related parties	0	4 631	4 631
2.	Significant equity investments	0	0	0
3.	Other investments	0	0	0
4.	Treasury shares and quotas	0	0	0
5.	Securities held for sale	0	0	0
6.	Valuation gain or loss on securities	0	0	0
IV.	LIQUID ASSETS	32 462	41 098	8 636
1.	Cash, cheques	136	130	-6
2.	Bank deposits	32 326	40 968	8 642
C.	PREPAID EXPENSES & ACCRUED INCOME	5 029	5 234	205
1.	Accrued income	3 700	2 907	-793
2.	Prepaid expenses	446	2 088	1 642
3.	Deferred expenses	883	239	-644
Assets, total		593 244	632 430	39 186

Date: Budapest, 9 May 2024

head of company (representative)

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BALANCE SHEET VERSION 'A' - Equity & liabilities

31 December 2023

figures in HUF millions

Serial no.	Item	Prior year	Reporting year	Variance
a	b	c	d	e
D.	Equity	138 228	141 085	2 857
I.	ISSUED CAPITAL	45 000	45 000	0
	of which: treasury shares redeemed at face value	0	0	0
II.	ISSUED CAPITAL NOT PAID	0	0	0
III.	CAPITAL RESERVE	71 301	71 301	0
IV.	RETAINED EARNINGS	18 290	21 671	3 381
V.	ALLOCATED RESERVES	193	36	-157
VI.	REVALUATION RESERVE	0	0	0
1.	Valuation reserve for adjustments	0	0	0
2.	Fair valuation reserve	0	0	0
VII.	NET PROFIT OR LOSS	3 444	3 077	-367
E.	Provisions	7 400	16 083	8 683
1.	Provisions for expected liabilities	3 058	3 789	731
2.	Provisions for future expenses	3 652	12 091	8 439
3.	Other provisions	690	203	-487
F.	Liabilities	143 071	111 666	-31 405
I.	SUBORDINATED LIABILITIES	0	0	0
1.	Subordinated liabilities to related parties	0	0	0
2.	Subordinated liabilities to significant equity investments	0	0	0
3.	Subordinated liabilities to other investments	0	0	0
4.	Subordinated liabilities to third parties	0	0	0
II.	LONG-TERM LIABILITIES	4 854	2 739	-2 115
1.	Long-term borrowings	0	0	0
2.	Convertible bonds	0	0	0
3.	Debts from the issue of bonds	0	0	0
4.	Investment and development loans	1 430	0	-1 430
5.	Other long-term loans	3 424	2 739	-685
6.	Long-term liabilities to related parties	0	0	0
7.	Long-term liabilities to significant equity investments	0	0	0
8.	Long-term liabilities to other investments	0	0	0
9.	Other long-term liabilities	0	0	0

Date: Budapest, 9 May 2024

head of company (representative)

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BALANCE SHEET VERSION 'A' - Equity & liabilities

31 December 2023

figures in HUF millions

Serial no.	Item	Prior year	Reporting year	Variance
a	b	c	d	e
III.	CURRENT LIABILITIES	138 217	108 927	-29 290
1.	Short-term borrowings	0	0	0
	of which: convertible bonds	0	0	0
2.	Short-term loans	3 588	2 059	-1 529
3.	Prepayments received from debtors	3	26	23
4.	Trade payables (creditors)	37 052	11 404	-25 648
5.	Bills of exchange payable	0	0	0
6.	Current liabilities to related parties	34 245	24 706	-9 539
7.	Current liabilities to significant equity investments	176	309	133
8.	Current liabilities to other investments	26	13	-13
9.	Other current liabilities	63 127	70 410	7 283
10.	Valuation gain or loss on liabilities	0	0	0
11.	Revaluation loss on derivatives	0	0	0
G.	Accrued expenses & deferred income	304 545	363 596	59 051
1.	Deferred income	227	236	9
2.	Accrued expenses	4 294	5 254	960
3.	Deferred other income and negative goodwill	300 024	358 106	58 082
Equity & Liabilities, total		593 244	632 430	39 186

Date: Budapest, 9 May 2024

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PROFIT & LOSS ACCOUNT (total cost method)

31 December 2023

figures in HUF millions

Serial no.	Item	Prior year	Reporting year	Variance
a	b	c	d	e
01.	Domestic sales, net	110 860	118 925	8 065
02.	Export sales, net	22 611	27 398	4 787
I.	Net sales (01+02)	133 471	146 323	12 852
03.	Capitalised value of self-produced assets	-8 272	-383	7 889
04.	Movement in self-produced inventories	5 915	1 881	-4 034
II.	Capitalised own output (±03+04)	-2 357	1 498	3 855
III.	Other income	312 346	320 384	8 038
	Of which: impairment loss reversed	748	663	-85
05.	Material cost	118 037	99 071	-18 966
06.	Material type services utilised	165 624	181 260	15 636
07.	Other services	3 401	3 886	485
08.	Cost of goods sold	6 959	4 068	-2 891
09.	Cost of (intermediary) services	3 588	10 431	6 843
IV.	Material type expenses (05+06+07+08+09)	297 609	298 716	1 107
10.	Payroll cost	82 125	91 494	9 369
11.	Other payments to personnel	10 815	12 062	1 247
12.	Social security and other contributions	12 542	13 884	1 342
V.	Payments to personnel (10+11+12)	105 482	117 440	11 958
VI.	Depreciation charge	32 231	34 831	2 600
VII.	Other expenses	4 436	14 070	9 634
	Of which: impairment loss	1 081	1 383	302
A.	OPERATING PROFIT OR LOSS (I±II+III-IV-V-VI-VII)	3 702	3 148	-554

Date: Budapest, 9 May 2024

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01-10-045551
Company registration number

PROFIT & LOSS ACCOUNT (total cost method)

31 December 2023

figures in HUF millions

Serial no.	Item	Prior year	Reporting year	Variance
a	b	c	d	e
13.	Dividends (due) received	1 532	0	-1 532
	Of which: from related parties	1 532	0	-1 532
14.	Foreign exchange gain on disposal of investments	0	0	0
	Of which: from related parties	0	0	0
15.	Interest and gains on long-term financial investments	0	0	0
	Of which: from related parties	0	0	0
16.	Other interest received (due) and similar income	298	2 008	1 710
	Of which: from related parties	47	162	115
17.	Other financial income	1 069	1 377	308
	Of which: from related parties	0	0	0
VIII.	Financial income (13+14+15+16+17)	2 899	3 385	486
18.	Foreign exchange loss on financial investments	0	0	0
	Of which: to related parties	0	0	0
19.	Expenses and foreign exchange losses on long-term financial assets (secu	0	0	0
	Of which: to related parties	0	0	0
20.	Interest payable and similar charges	1 525	1 634	109
	Of which: to related parties	168	142	-26
21.	Impairment of shares, securities, bank deposits	0	0	0
22.	Other financial expenses	1 632	1 822	190
	Of which: valuation difference	0	0	0
IX.	Financial expenses (18+19+20+21+22)	3 157	3 456	299
B.	FINANCIAL PROFIT OR LOSS (VIII-IX)	-258	-71	187
C.	PROFIT OR LOSS BEFORE TAX (±A±B)	3 444	3 077	-367
X.	Tax liability	0	0	0
D.	PROFIT OR LOSS AFTER TAX (±C-X)	3 444	3 077	-367

Date: Budapest, 9 May 2024

head of company (representative)

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MÁV-START RAILWAY PASSENGER TRANSPORT COMPANY

**NOTES TO THE FINANCIAL
STATEMENTS FOR 2023**

Date: Budapest, 9 May 2024

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head of company (representative)

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I General Disclosures

I.1 The Company

Incorporation and business operations

MÁV-START Vasúti Személyszállító Zártkörűen Működő Részvénytársaság (MÁV-START Railway Passenger Transport Company, hereafter “MÁV-START Zrt.” or the Company) was founded by MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság (MÁV Hungarian State Railways Private Company Limited by Shares) as a single-shareholder company on 15 October 2006. By establishing MÁV-START Zrt., MÁV Zrt’s aim was to transfer its rail passenger transport business on its standard-gauge rail network to the newly set-up Company as of 1 July 2007.

In early 2014, MÁV-TRAKCIÓ Zrt., a company that carried out rail traction operations, and MÁV-GÉPÉSZET Zrt., a company that performed the repair and maintenance of rolling stock, merged into the Company. Thus, since January 2014, MÁV-START Zrt. has encompassed rail activities that are essential to rail passenger transport, such as the operations conducted by cashiers, conductors, carriage and wagon inspectors and train drivers as well as rolling stock repair and maintenance personnel. An integrated MÁV-START Zrt. is thus capable of performing all the activities essential and directly related to serving the travelling public and to delivering high quality passenger services. As of 1 October 2021, vehicle manufacturing activities not directly related to public service passenger transport and maintenance services related to major railway technical tests were transferred to MÁV VAGON Kft.

The Articles of Association contain the key provisions for MÁV-START Zrt’s operations, organisation and governance system.

The Company does not elect a Board of Directors; the powers of the Board of Directors are exercised by the Chief Executive Officer who is considered a senior officer. The Company’s working organisation is managed by the Chief Executive Officer.

Key corporate details of the Company

- **Name of the Company in Hungarian**

MÁV-START Vasúti Személyszállító Zártkörűen Működő Részvénytársaság

- **Name of the Company in foreign languages**

In English: MÁV-START Railway Passenger Transport Company

In French: MÁV-START Transport des Voyageurs Ferroviaires S.A.

In German: MÁV-START Bahnpersonenverkehrs AG

- **Short name of the Company**

MÁV-START Zrt.

- **Short name of the Company in foreign languages**

In English: MÁV-START Co.

In French: MÁV-START S.A.

In German: MÁV-START AG.

- **Registered office of the Company**

1087 Budapest, Könyves Kálmán körút 54-60. tel.: 511-3160

- **Website of the Company**

www.mavcsoport.hu

- **Founder of the Company**

MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság

- **The Company's**

Registration number: **Cg 01-10-045551**

Tax number: **13834492-2-44**

Statistical code: **13834492-4910-114-01**

- **The Company's principal activity**

49.10'08 Interurban railway transport

- **Authorised representative**

The name and domicile of Company's authorised representative who is authorised to sign the annual financial statements: Dr. Mosóczi László Béla, CEO (1171 Budapest, Rákoskert sugárút 10.).

- **Personal details of the person responsible for bookkeeping and reporting**

Public particulars of the person responsible for the management of accounting tasks: Zsolt Karsai (H-2213 Monorierdő, Gyöngyvirág u. 13., Hungary), MÁV-START reporting manager, MÁV Szolgáltató Központ Zrt., registration number: MK181680.

- **Auditing**

Auditors: Ernst & Young Könyvvizsgáló Kft.

Statutory auditor: Attila Kujbus, registered auditor (MKVK 007370).

An audit of the annual financial statements is mandatory.

Contractual audit fee: HUF 25,1 million +VAT

In the reporting year, the auditors charged a fee of HUF 2,75 million + VAT for other assurance services. No fees were charged for tax advisory and other non-audit services.

- **Share capital and shareholder**

As at 31 December 2023, the share capital of MÁV-START Zrt. totalled HUF 45,000,000,000 and the shareholders were as follows:

- 99,996 %: MÁV Magyar Államvasutak Zrt. (Founder) (1087 Budapest, Könyves Kálmán krt. 54-60.)
- 0,002 %: MÁV HÉV Helyiérdekű Vasút Zrt. (1087 Budapest, Könyves Kálmán krt. 54-60.)
- 0,002 %: VOLÁNBUSZ Közlekedési Zrt. (1091. Budapest, Üllői út 131.)

I.2 Significant accounting policies

Key accounting policies used for the preparation of the financial statements

The functional and presentation currency is the Hungarian forint (HUF), and the financial statements are prepared in Hungarian.

The Company's financial year corresponds to the calendar year, i.e. the reporting date is 31 December.

The balance sheet, profit and loss account and notes to the annual financial statements contain figures for monetary values in HUF millions (HUF M) in compliance with the accounting act, except for the statement on passenger transport activities, for which figures are provided in HUF thousands (HUF K) as per the Decree, and the tables presenting the Company's investments, for which monetary values are provided in HUF.

The balance sheet preparation date was 14 February 2024.

The Company keeps records of incurred expenses broken down by expense type in account class 5.

The Company always capitalises the costs of establishment/restructuring and research & development, provided that the applicable legal conditions are met.

The Company keeps perpetual records of the quantity and value of its inventories, with the exception of plants.

The Company used the option provided by section 33(2) of the Accounting Act and makes other provisions for the range of fixed assets specified in the Accounting Act as set out in section 41(4) of the Accounting Act. With regard to current assets, the Company does not use the option provided in Section 33(2) of the Accounting Act.

Income and expense items recognised in any line over HUF 10 million are classified as exceptional and presented item by item in the notes if arose from any of the following events:

- contribution in kind (capital contribution),
- assets transferred/received free of charge
- gifts, estate,
- discontinued operations without legal succession,
- discontinued operations with legal succession (transformation, merger, demerger),
- reducing share capital through disinvestment,
- cancelled debt,
- assigned liabilities,
- assumed debt,
- forgiven liabilities,
- cash received free of charge
- cash transferred free of charge
- services supplied free of charge,
- services used free of charge,
- operational subsidy received,
- development subsidy received,
- grants on any legal grounds
- other items accounted for as other income and other expenses not listed above, presented in notes II.2.2 and II.2.5.

1.3 Changes in the accounting policies

In 2020, the Company adopted a new set of accounting policies, including a new measurement policy in the form of EVIG Order 64/2020 (MÁV Notice No. 13 of 1 May) and EVIG Order 65/2020 (MÁV Notice No. 13 of 1 May) that were applied for the financial year started 1 January 2023 as well. There was no change in the accounting policies.

1.4 Unbundling of the accounts for the Company's railway activities

As required by the Railways Act (act CLXXXIII of 2005), the Passenger Transport Services Act (act XLI of 2012) and combined decree of the government and the finance minister No. 50/2007 (IV.16.) on the accounting unbundling of railway transport activities, the Company has a set of accounting unbundling policies, according to which an annual supervisory report is prepared on the Company's activities subject to unbundling and disclosed as part of the notes to the annual financial statements. Accordingly, an annual supervisory report on the Company's separable activities (balance sheet, profit and loss account, cash flow statement, statement of operations with a narrative, annual average statistical number of employees in the reporting year, government grants per purpose, related party income and expenses per party) must be disclosed in the notes to the financial statements (see Section IV).

Railway activities are unbundled for accounting purposes to public service passenger transport activities, non-public passenger transport activities and other activities and are accounted for in separate business lines.

There was no change in the unbundling and accounting principles in 2023.

1.5 Measurement methods applied by the Company

Assets and liabilities denominated in foreign currency are initially recognised by the Company as converted to HUF based on the official foreign exchange rates published by the National Bank of Hungary. In order to determine the HUF value of receivables and liabilities, the Company has chosen in its accounting policy to apply the foreign exchange rate as set out in the Value Added Tax Act regarding the calculation of the VAT base in HUF.

For financial instruments, the Company does not apply the fair value method provided for in Section 59/A-F of the accounting act.

The ordinary depreciation of tangible assets and amortisation of intangible assets is charged monthly on a straight line basis over the expected useful life of the asset per calendar day.

The cost of Concessions, licences and similar rights intellectual property, and tangible assets with an individual purchase/production value under HUF 200,000 is accounted for in full as amortisation/depreciation when put to use.

The Company does not exercise the market value option under Section 57(3) of the accounting act and does not recognise any adjustment.

The Company accounts for inventories and any movements at weighted average price (standard cost).

The Company determines the amount of impairment to be recognized for inventories based on individual assessment and in view of the expected turnover period.

As a general rule, the Company determines the amount of impairment to be recognized for receivables on the basis of average age in accordance with applicable regulations.

The Company accounts for any decrease in foreign exchange and foreign currencies in cash at the sliding average exchange rate of the relevant foreign currency.

I.6 Key information and changes affecting the Company's operations

On 1 November 2023, purchasing, inventory management and warehousing related activities were transferred to MÁV-SZK Zrt.

I.7 Obligation to prepare consolidated financial statements

Name of the consolidating entity:

MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság.

Registered seat of the consolidating entity:

1087 Budapest, Könyves Kálmán krt. 54-60.

Pursuant to the accounting act, MÁV-START Zrt. qualifies as a parent company. However, MÁV Zrt., the superordinate parent company, prepares and publishes consolidated financial statements and a consolidated business report which include the financial statements of MÁV-START Zrt. and its subsidiary. Accordingly, with a view to Section 116(1) of the accounting act, MÁV-START Zrt. does not prepare consolidated financial statements or a consolidated business report.

The consolidated accounts of MÁV-VOLÁN Group are available on the Company's website at www.mavcsoport.hu.

II Specific disclosures

II.1 Notes to the balance sheet

The Company prepares the type “A” balance sheet as provided for in Annex 1 to the accounting act.

The Company does not add lines to, omit items from, nor combine anything in the balance sheet template specified in the Act.

The valuation methods applied to the individual balance sheet items are the same as used in the previous financial year so no consequential P&L impact can be identified in the current period either.

II.1.1 Non-current assets

The balance sheet value of non-current assets in 2023 was HUF 484,862 million, which shows a HUF 20,041 million (3.97%) decrease compared to the previous year.

Due to the Company's activities, 97.1% of tangible assets at the book value of HUF 460,810 million are railway vehicles.

II.1.1.1 Changes in intangible assets

figures in HUF million

ITEM	Capitalised found., restruct.	Capitalised R&D	Concessions and similar rights	Intellectual property	Goodwill	Advances for capital projects	Total
1. <i>Cost, opening</i>	3	516	4 028	17 597	0	27	22 171
2. Acquisition, renovation, advances paid	0	0	94	2 219	0	1	2 314
3. Self-produced assets	0	0	0	96	0	0	96
4. Reclassified (broken down, aggregated, deducted advance payment)	0	0	268	-268		-26	-26
5. <i>Cost, closing</i>	3	516	4 390	19 644	0	2	24 555
6. <i>Amortisation, opening</i>	3	516	3 267	9 428	0	0	13 214
7. Ordinary charge for the year	0	0	459	1 921	0	0	2 380
8. <i>Amortisation, closing</i>	3	516	3 726	11 349	0	0	15 594
9. <i>NBV, opening</i>	0	0	761	8 169	0	27	8 957
10. <i>NBV, closing</i>	0	0	664	8 295	0	2	8 961

Table 1: Changes in intangible assets in the reporting year

The net value of intangible assets increased by HUF 4 million compared to 2022. The effect of ordinary amortisation charged during the year, that is HUF 2,380 million, is offset by the acquisitions during the reporting year, of which the INKA2 (HUF 853 million), JÉ software development (HUF 260 million) and the designing of an IC+ control car (HUF 468 million) were the most material.

For intangible assets, amortisation is charged on a straight-line basis over the useful lives of the assets.

II.1.1.2 Changes in tangible assets

figures in HUF million

ITEM	Land, buildings and related property rights	Technical equipment, machinery and vehicles	Other equipment, fixtures and fittings, vehicles	Animals for breeding	Assets in the course of construction	Advances for capital projects	Total
1. Cost, opening	3 379	679 967	102	0	19 897	6 231	709 576
2. Acquisition, renovation, advances paid	0	0	0	0	20 725	617	21 342
3. Self-produced assets	0	0	0	0	1 769	0	1 769
4. Transfer without consideration	0	-2	0	0	0	0	-2
5. Disposal	0	-161	-2	0	-32	0	-195
6. Scrapped	0	-158	-5	0	0	0	-163
7. Missing	0	-3	-1	0	0	0	-4
8. Commissioned	97	37 606	0	0	-37 703	0	0
9. Reclassified (broken down, aggregated, deducted advance payment)	0	3	0	0	0	-5 948	-5 945
10. Cost, closing	3 476	717 252	94	0	4 656	900	726 378
11. Depreciation, opening	629	219 069	100	0	13	0	219 811
12. Ordinary charge for the year	129	32 321	1	0	0	0	32 451
13. Extraordinary charge for the year	0	2	0	0	82	0	84
14. Transfer without consideration	0	-1	0	0	0	0	-1
15. Disposal	0	-150	-2	0	0	0	-152
16. Scrapped	0	-158	-5	0	0	0	-163
17. Missing	0	-3	-1	0	0	0	-4
18. Reclassified (broken down, aggregated)	0	0	0	0	0	0	0
19. Depreciation, closing	758	251 080	93	0	95	0	252 026
20. NBV, opening	2 750	460 898	2	0	19 884	6 231	489 765
21. NBV, closing	2 718	466 172	1	0	4 561	900	474 352

Table 2: Changes in tangible assets in the reporting year

The net value of tangible assets decreased by HUF 15,413 million compared to the previous year.

The decrease is due to an ordinary depreciation charge totalling HUF 32,451 million in the reporting year. This was mitigated by the acquisitions made during the reporting year, of which the most significant ones were the acquisition of KISS tram trains for HUF 5,751 million, ETCS system built into Flirt trains for HUF 2,887 million, 3 IC+ cars for HUF 1,850 million and the overhaul of other rolling stock for HUF 8,814 million.

Depreciation is charged on tangible assets (except for TRAXX locomotives) on a straight line basis over the useful lives of the assets.

Most of the advance payments for capital projects related to subsidised vehicle acquisitions, of which the most significant one in the reporting year was the advance in relation to the KISS tram trains totalling HUF 2,675 million and the ETCS system built into Flirt trains in the amount of HUF 948 million.

II.1.1.3 Long-term investments

The details and movements of MÁV-START Zrt's long-term investments are in Note III.6.

II.1.1.4 Impairment of financial assets

In 2023, the Company did not recognize any impairment loss on non-current financial assets presented in its books.

II.1.1.5 Subordinated assets by title

The Company does not have any subordinated asset on its books.

II.1.2 Current assets

The balance sheet value of current assets in 2023 was HUF 142,334 million, which is a HUF 59,002 million (70.84%) increase on the previous year.

II.1.2.1 Movements in inventories

figures in HUF millions

ITEM	Materials	Work in progress	Livestock	Finished products	Goods	Advances for inventories	Total
1. Inventories, opening	15 090	681	0	886	80	5	16 742
2. Acquisition, advances paid	24 213	0	0	0	11 369	1	35 583
3. Received free of charge	0	0	0	0	0	0	0
4. Contribution in kind received	0	0	0	0	0	0	0
5. Reclassified	-2 263	0	0	2 260	0	0	-3
6. Recorded as inventory	0	1 030	0	2 162	0	0	3 192
7. Surplus	8	0	0	0	0	0	8
8. Other increase	0	0	0	189	4	0	193
9. Used (expensed)	-11 517	-1 269	0	-1 417	-50	0	-14 253
10. Reclassified, advance deducted	0	0	0	0	0	-6	-6
11. Disposal	-3 230	0	0	-362	-11 269	0	-14 861
12. Assigned free of charge	0	0	0	0	0	0	0
13. Contribution in kind	0	0	0	0	0	0	0
14. Scrapped	-87	0	0	-8	-71	0	-166
15. Missing	-7	0	0	-6	0	0	-13
16. Other decrease	-953	0	0	-2 982	0	0	-3 935
17. Inventories, closing	21 254	442	0	722	63	0	22 481
18. Impairment, opening	847	0	0	46	0	0	893
20. Impairment in the reporting year	1 047	0	0	27	0	0	1 074
22. Reclassification	0	0	0	0	0	0	0
23. Written off due to decrease	-188	0	0	-23	0	0	-211
24. Reversed impairment loss	-639	0	0	-24	0	0	-663
25. Impairment, closing	1 067	0	0	26	0	0	1 093
26. NBV, opening	14 243	681	0	840	80	5	15 849
27. NBV, closing	20 187	442	0	696	63	0	21 388

Table 3: Inventories

The closing net value of inventories increased by HUF 5,539 million compared to 2022, mainly caused by the increase in warehouse materials.

In 2023, there was one significant economic event: repurchasing inventories from MÁV VAGON Kft. in the amount of HUF 7,612 million.

II.1.2.2 Receivables

II.1.2.2.1 Receivables and impairment loss

figures in HUF million

Item	Total gross receivables	Impairment loss						Net book value 2023	Net book value 2022	Change
		Opening	Impairment loss	Reversed	Collected impaired receivable	Other write-offs	Closing			
<i>Trade receivables (debtors)</i>	3 582	47	15	0	0	0	62	3 520	3 434	86
<i>Related party receivables</i>	55 042	0	0	0	0	0	0	55 042	16 098	38 944
of which: from parent company	47 471	0	0	0	0	0	0	47 471	1 102	46 369
of which: from fully consolidated subsidiaries and joint ventures	7 571	0	0	0	0	0	0	7 571	14 996	-7 425
of which: from non-fully consolidated subsidiaries and joint ventures	0	0	0	0	0	0	0	0	0	0
<i>From significant related parties</i>	301	0	0	0	0	0	0	301	284	17
<i>From other investments</i>	27	0	0	0	0	0	0	27	24	3
<i>Bills of exchange</i>	0	0	0	0	0	0	0	0	0	0
<i>Other receivables</i>	16 726	376	44	0	6	15	399	16 327	15 161	1 166
Receivables, total:	75 678	423	59	0	6	15	461	75 217	35 001	40 216

Table 4: Receivable and impairment loss

The closing balance of receivables increased by HUF 40,216 million compared to 2022, of which HUF 38,944 million related to receivables from related parties. Receivables from the parent company increased by HUF 46,369 million; of which the subsequently received unbilled discount related to track usage charge totalling HUF 46,227 million was significant.

Receivables decreased from MÁV VAGON Kft. by HUF 8,621 million, from MÁV RAIL TOURS Kft. by HUF 265 million, from MÁV KfV Kft. by HUF 27 million and from MÁV Szolgáltató Központ Zrt. by HUF 3 million. Receivable from related parties increased as follows: from VOLÁNBUSZ Zrt. by HUF 1,393, from MÁV-HÉV Zrt. by HUF 97 million, from MÁV FKG Kft. by HUF 1 million. Receivables from a significant equity investment, TS-MÁV Gépészet Services Kft., increased by HUF 39 million on the previous year.

Of other receivables, fare subsidies increased by HUF 2,390 million, excise tax asset related to railway transport activities by HUF 74 million and fare claims by 37 million, while reclaimed VAT decreased by HUF 1,296 million, social contributions payable by employers by HUF 99 million and personal income tax by HUF 75 million compared to the previous year.

In 2023, 100% impairment loss was recognized on fare claims related to passengers for travelling without a ticket, and the accumulated impairment loss totalled HUF 384 million.

II.1.2.2.2 Related party receivables

The closing balance of receivables from related parties of MÁV-START Zrt. was as follows in 2023:

figures in HUF million

Item	Parent company	Fully consolidated subsidiaries	Non-fully consolidated subsidiaries	Total
Advances for capital projects	0	60	0	60
Related party debtors	47 471	7 571	0	55 042
Total:	47 471	7 631	0	55 102

Table 5: Related party receivables

Receivables from related parties totalled HUF 55,102 million, of which, HUF 47,471 million was from MÁV Zrt.

Receivables from fully consolidated subsidiaries totalled HUF 6,002 million from MÁV VAGON Kft. Other receivables from fully consolidated subsidiaries were as follows: HUF 1,411 million from VOLÁNBUSZ Zrt., HUF 106 million from MÁV-HÉV Zrt., HUF 29 million from MÁV Szolgáltató Központ Zrt, HUF 12 million from MÁV RAIL TOURS Kft, HUF 7 million from MÁV KfV Kft. and HUF 4 M Ft from MÁV FKG Kft.

The classification of related parties is based on the Group categories defined from the perspective of the superordinate parent company (MÁV Zrt.).

II.1.2.3 Securities

In the reporting year, 75% of the quota owned by the Company in MÁV VAGON Kft, which is to be sold within one year, is presented in the books among securities totalling HUF 4,631 million.

II.1.2.3.1 Impairment of securities

No impairment loss on securities is recorded in the Company's books

II.1.3 Prepaid expenses & accrued income

figures in HUF millions

Item	Prior year	Reporting year	Change
Accrued income			
RIC car rent	971	933	-38
Unbilled revenues	1 252	1 443	191
Accrued cash-pool income and interest received	41	26	-15
Late payment penalty, penalties and damages related to the reporting year	261	194	-67
Unrealised foreign exchange gain or loss on accrued income	-19	3	22
Accrued subsidy applied for (receivable) to reimburse costs and expenses	33	219	186
Accrued income related to development subsidies	1 161	89	-1 072
Accrued income, total:	3 700	2 907	-793
Prepaid expenses			
Prepaid pre-billed costs	366	572	206
Prepaid unbilled costs (credits)	80	1468	1 388
Prepaid severance payment	0	48	48
Prepaid expenses, total:	446	2 088	1 642
Deferred expenses			
Unrealised FX loss on EUR 41,437,500 KfW Bank loan	459	124	-335
Unrealised FX loss on EUR 38,250,000 EIB Bank loan	424	115	-309
Deferred expenses, total:	883	239	-644
Total:	5 029	5 234	205

Table 6: Prepaid expenses & accrued income

The HUF 191 million increase in unbilled revenues was mainly due to the increase of accrued fare subsidies for county and Hungary passes (HUF 476 million), the HUF 141 million decrease of accrued material sales to MÁV-VAGON Kft. and the release of the accrued HUF 186 million related to cross-border railway lines.

The decrease in accrued development grants related to expected subsidies was mainly caused by the release of the HUF 1,000 million accrual related to IC+ cars.

The HUF 206 million change in prepaid pre-billed costs was largely due to the HUF 88 million increase in pre-paid traction services by MÁV Rail Tours Kft and the HUF 109 million increase in prepaid pre-billed IT services.

The HUF 1,388 million change in prepaid unbilled expenses (credits) was mainly due to the HUF 996 million adjustment to the services provided by MÁV SZK Zrt. and the prepaid HUF 333 million for rolling stock rental to MÁV Zrt.

The HUF 644 million drop in foreign exchange losses was due to loan repayments in 2023.

II.1.4 Equity

II.1.4.1 Movements in equity

figures in HUF millions

Item	Issued capital	Issued capital not paid	Capital reserve	Retained earnings	Undistributable reserves	Net profit after tax	Equity
<i>Opening balance</i>	<i>45 000</i>	<i>0</i>	<i>71 301</i>	<i>18 290</i>	<i>193</i>	<i>3 444</i>	<i>138 228</i>
Prior year profit reclassified to retained earnings	0	0	0	3 444	0	-3 444	0
Released non-distributable reserve for unrealised FX loss	0	0	0	157	-157	0	0
Net profit for the year	0	0	0	0	0	3 077	3 077
Dividend paid	0	0	0	-220	0	0	-220
<i>Closing balance</i>	<i>45 000</i>	<i>0</i>	<i>71 301</i>	<i>21 671</i>	<i>36</i>	<i>3 077</i>	<i>141 085</i>

Table 7: Movements in equity

II.1.4.2 Issued share capital

There was no change in 2023. The Company's issued capital totalled HUF 45,000,000,000.

The Company's issued capital consists of 100 registered ordinary shares at a face value of HUF 100,000,000 each and 35,000,000 registered ordinary shares at a face value of HUF 1,000 each.

MÁV-START Zrt. has no convertible or equity bonds.

II.1.4.3 Non-distributable reserves

figures in HUF millions

Non-distributable reserves	Opening	Released in current year	Made in current year	Closing
Difference between the provision made for unrealised FX loss on FX loans and deferred expenses	193	157	0	36
<i>KFW</i>	101	81	0	20
<i>EIB</i>	92	76	0	16
Total:	193	157	0	36

Table 8: Details of non-distributable reserves

II.1.5 Provisions

II.1.5.1 Provisions for expected liabilities

figures in HUF millions

Provisions for expected liabilities	Opening	Released	Made	Closing
for redundancy costs	99	91	124	132
for litigations	299	152	87	234
for damages	120	0	0	120
for uniform costs	346	45	821	1 122
for default interest	33	31	18	20
for bonus payment (related to 2022)	20	0	0	20
for other litigated liabilities	0	0	0	0
Provision for other liabilities	2 141	0	0	2 141
Total:	3 058	319	1 050	3 789

Table 9: Provisions for expected liabilities

In 2022, a provision of HUF 99 million was made for employment-related liabilities and severance pay due to staff rationalisation, of which HUF 91 million was released in 2023 due to utilisation. Further HUF 124 million was made for similar expenses in the reporting year.

The workwear ordered and due was not distributed in 2023. The submitted requests will be fulfilled in the first half of 2024. For that reason, the provision amount is higher than in the previous year.

The Company did not make a provision for the bonuses due for the reporting year. The HUF 20 million provision made in the previous year was not paid out in the reporting year. Because of that, the provision for bonuses was not released.

No payments were made from the HUF 2,141 million provision made for other liabilities, including leisure time related litigations. The provision amount remains unchanged.

II.1.5.2 Provisions for liabilities to related parties

figures in HUF millions

Liabilities to related parties	Opening	Released	Made	Closing
MÁV Szolgáltató Központ Zrt.	0	0	2	2
MÁV MAGYAR ÁLLAMVASUTAK Zrt.	0	0	1	1
MÁV VAGON Kft.	11	11	0	0
Total:	11	11	3	3

Table 9: Provisions for liabilities to related parties

The provision for liabilities to associates relates to default interest. The figures are from Table 9.

II.1.5.3 Provisions for future expenses

figures in HUF millions

Provisions for future expenses	Opening	Released	Made	Closing
for TRAXX engine maintenance	1 733	168	2 105	3 670
for the maintenance of FLIRT vehicles	1 919	1 564	781	1 136
for the maintenance of KISS vehicles	0	0	7 285	7 285
Total:	3 652	1 732	10 171	12 091

Table 10: Provisions for future expenses

A provision of HUF 2,105 million was made for the periodical (longer than annual) maintenance costs of TRAXX engines from the profit for 2023 and provisions totalling HUF 168 million were released in relation to maintenance work.

Since 2014, the Company has also recognised provisions for the maintenance costs of FLIRT multiple unit trains: HUF 781 million was made and HUF 1,564 million was released for annual maintenance works in 2023.

Based on the mileage of the 815 series KISS high-capacity trains, a provision of HUF 7,285 million was made for the first time for K5 maintenance costs in 2023.

II.1.5.4 Other provisions

II.1.5.4.1 Provisions for foreign exchange losses

figures in HUF million

Loan	Opening	Released	Made	Closing
KfW Bank loan (41,437,500 EUR) TRAXX	358	253	0	105
EIB bank loan (38,250,000 EUR) TRAXX	332	234	0	98
Total:	690	487	0	203

Table 11: Provision for foreign exchange losses

II.1.5.4.2 Other statutory provisions

No other statutory provision was made by MÁV-START Zrt. based on other laws and regulations.

II.1.6 Liabilities

II.1.6.1 Subordinated liabilities

The Company does not carry any subordinated liability in its books.

II.1.6.2 Long-term liabilities

Long-term liabilities totalled HUF 2,739 million at the balance sheet date, which includes other long-term loans. These loans are secured by lien on the Company's rolling stock.

II.1.6.2.1 Long-term loans

Most of MÁV-START Zrt's loans are „KFW, EIB TRAXX loans” and MKB refinancing loans taken out to repay the Eurofima loan which was bullet paid on 13 December 2018. The „KFW, EIB TRAXX loans” will be fully repaid on 15 May 2024, hence they are presented among short-term loans.

The Company's long-term loans are presented in the table below:

Loan	Date of agreement	Matures on	Government guarantee (decision No.)	Currency	Facility (original currency)	Outstanding at 31 Dec 2023	
						EUR	HUFm
Project and development loans							
KFW (TRAXX)	2009.12.03	2024.05.15	-	EUR	41 437 500	1 657 500	634
EIB (TRAXX)	2009.12.03	2024.05.15	-	EUR	38 250 000	1 530 000	586
MFB*	2009.10.27	2024.09.30	-	HUF	2 800 000 000	-	154
Total:						3 187 500	1 374
Other loans							
MKB	2018.12.12	2028.12.12	-	HUF	6 847 623 010	-	3 424
Total:						0	3 424
Grand total:						3 187 500	4 798

* The table shows the actually drawn amount, the contractual amount as per the loan agreement is HUF 3,464 million.

Table 12: The Company's long-term loans

Of the outstanding loan portfolio, HUF 2,059 million related to instalments due in 2024 was included in short-term loans. Foreign exchange loans were translated at a rate of 382.78 HUF/EUR (as at the balance sheet date, published by the MNB).

As at 31 December 2023, MÁV-Start Zrt. has no loans that matures over 5 years.

figures in HUF millions

Loan	2024	2025	2026	2027	2028	Total
Project and development loans						
KfW	634	0	0	0	0	634
EIB	586	0	0	0	0	586
MFB	154	0	0	0	0	154
Total:	1 374	0	0	0	0	1 374
Other loans						
MKB	685	685	685	685	684	3 424
Total:	685	685	685	685	684	3 424
Grand total:	2 059	685	685	685	684	4 798

Table 13: Long-term loan repayment schedule

MÁV-START Zrt. repays its long-term loans according to the underlying agreements. Contractual debt service of these loans is a top priority for both the Company and MÁV-VOLÁN Group.

The Company's short-term foreign exchange liabilities constitute EIB and KFW loans for the acquisition of TRAXX locomotives.

The Company used the option allowed in section 33(2) of the accounting act and carried forward the unrealised losses of HUF 239 million on the year-end revaluation of foreign exchange loans and presented among deferred expenses in the balance sheet.

Foreign exchange (FX)	Amount in FX	Of which current part in FX	FX rate	Liability	Of which current	Accrued/deferred FX gain or loss at year-end
<i>EUR</i>	3 187 500	3 187 500	382,78	1 220	1 220	239
<i>Total:</i>				<i>1 220</i>		<i>239</i>

Table 14: Long-term liabilities in foreign exchange

II.1.6.2.2 Long-term borrowings and bonds payable

The Company does not carry any long-term borrowings or bonds payable in its books.

II.1.6.3 Current liabilities

Current liabilities totalled HUF 108,927 million at the balance sheet date and make up for 17.22% of the balance sheet total and while 97.55% of total liabilities. Compared to the previous year, current liabilities increased by 21.19%.

Short-term loans at the balance sheet date totalled HUF 2,059 million, which is a decrease of HUF 1,529 million compared to the previous year as a result of a significant decrease in the instalments of the FX loans due the following year due to their maturity and recognized foreign exchange gain.

The annual total of trade payables of HUF 11,404 million included the following significant items: domestic creditors (HUF 7,141 million), received but unbilled deliveries (HUF 1,952 million) and import creditors (HUF 1,755 million). The decrease from last year's HUF 37,052 million to HUF 25,648 million is attributable to the following factors: import creditors fell short of last year's figures by HUF 26, 980 million, while there was increase in domestic creditors by HUF 811 million and received but unbilled deliveries by HUF 809 million.

Current liabilities to related parties totalled HUF 24,706 million, which is a HUF 9,539 million decrease on the previous year, of which the most material amount was HUF 15,367 million owed to the parent company.

Other current liabilities totalled HUF 70,410 million, which reflects a 11.54% increase compared to the previous year which was largely due to a decrease in the liabilities related to subsidised vehicle purchase projects (subsidy amount: HUF 37,654 million) and a HUF 57,324 million increase in public service cost reimbursement liability.

II.1.6.4 Liabilities to related parties

figures in HUF millions

Item	Parent company	Fully consolidated subsidiaries	Non-fully consolidated sub.	Total
Current liabilities to related parties	15 424	9 282	0	24 706
<i>Total:</i>	<i>15 424</i>	<i>9 282</i>	<i>0</i>	<i>24 706</i>

Table 15: Liabilities to related parties

Liabilities to the parent company include primarily HUF 6,837 million traction electricity cost, HUF 3,771 million track usage charge, HUF 1,336 million property rental and management charge, HUF 1,166 million rolling stock rental fee, HUF 910 million vehicle maintenance fee, HUF 747 gasoline cost, HUF 186 million thermal energy cost, HUF 138 million electricity cost.

Debts owed to fully consolidated subsidiaries included:

- HUF 3,857 million to MÁV VAGON Kft.,
- HUF 2,719 M million to MÁV Szolgáltató Központ Zrt.,
- HUF 2,562 million to VOLÁNBUSZ Zrt.,
- HUF 102 million to MÁV-HÉV Zrt.,
- HUF 42 million to MÁV RAIL TOURS Kft.

The classification of related parties is based on the Group categories defined from the perspective of the superordinate parent company (MÁV Zrt.).

II.1.7 Accrued expenses and deferred income

figures in HUF millions

Item	2022	2023	Change
Deferred income			
Pre-billed revenues	93	98	5
Unbilled revenues (credited)	134	138	4
Deferred income, total:	227	236	9
Accrued expenses			
Unbilled costs	3 579	4 315	736
RIC car rent	296	327	31
Accrued overdraft interest	169	0	-169
Interest (other than late payment penalty) due for the period	70	30	-40
Accrued cash-pool interest	3	19	16
Unrealised foreign exchange gain or loss on accrued expenses	-2	0	2
Performance incentive - payroll	158	498	340
Performance incentive - taxes	21	65	44
Accrued expenses, total:	4 294	5 254	960
Deferred other income			
Surplus non-current assets	8	4	-4
Surplus materials and goods	2	2	0
KÖZOP-42 MV subsidies	53 575	51 184	-2 391
GOP subsidies	135	127	-8
KÖZOP-INKA subsidies	2	0	-2
KÖZOP-6 MV subsidies	8 283	7 908	-375
KÖZOP-JKA subsidies	9	2	-7
KÖZOP-JÉ subsidies	0	0	0
KDOP subsidies	0	0	0
IKOP-6+9 MV subsidies	21 547	20 638	-909
CEF project Flirt ETCS 59	5 282	7 276	1 994
KISS LOT I-II 8+11db MV	92 568	98 118	5 550
INKA2	888	561	-327
FLIRT standardization	3 051	4 025	974
Tram-train	19 151	19 006	-145
KISS LOT III 21 db MV	95 523	111 768	16 245
Tram-train 4 pcs	0	8 692	8 692
IC+ (70 pcs)	0	28 795	28 795
Deferred other income, total:	300 024	358 106	58 082
Total:	304 545	363 596	59 051

Table 16: Accrued expenses and deferred income

The HUF 736 million increase in unbilled expenses was due to a number of factors such as: significant increase in accrued rail replacement bus services provided by VOLÁNBUSZ Zrt. and intermediary services related to VOLÁNBUSZ Zrt.'s share in the revenue from county and Hungary passes, and decrease in the energy costs owed to MÁV Zrt. and the maintenance and major railway technical tests related costs owed to MÁV-VAGON Kft, and due to the released accrual related to cross-border railway lines.

Of the settlements with international railways in 2023, accrued expenses related to RIC car rents and uncounted traffic show a combined increase of HUF 31 million.

Overdraft interest shows a decrease of HUF 169 million.

There was a significant (HUF 384 million) increase in incentive benefits compared to the previous year.

The change in deferred extraordinary income reflected the proportionate reversal of depreciation related to the grants received, and the recognition of grants received to finance the projects.

II.1.8 Other balance sheet disclosures

There was no business line disposal in 2023.

II.1.9 Disclosures relating to off-balance sheet items

II.1.9.1 Draw down and repayment schedule of loans not disbursed by the reporting date

The Company did not enter into any loan agreement in 2023 which is actually disbursed in 2024.

II.1.9.2 Hedging contracts

II.1.9.2.1 Derivative contracts

Most of the Company's revenues were earned in HUF in 2023.

In 2023, the Company had foreign exchange expenses totalling EUR 45.7 million (EUR 6.84 million in contractual debt service for foreign currency loans and EUR 38.86 million in trade payables), of which EUR 22.5 million was not covered by the opening EUR balance and revenues in EUR earned during the year.

II.1.9.2.2 Futures, swaps and options in 2023

In order to make up for foreign exchange shortages, spot contracts of EUR 24.17 million. None of these contracts stretched into 2024.

No commodity hedging contract was signed in 2023 to mitigate the risks of increased fuel costs as a result of higher gasoline prices.

No hedging contract was signed in 2023 to cover the risks of interest rate fluctuations.

II.1.9.3 Joint and several guarantees and guarantee agreements

The Company did not have any joint and several guarantee agreement at the reporting date. The existing guarantee agreements are presented below:

figures in HUF millions

Beneficiary	Guarantee type	Contracting bank	Start date	End date	Amount
Bank guarantees					
Ministry for Innovation and Technology based on government decree 271/2007. (X.19.)	payment guarantee	OTP Bank Nyrt.	2021.01.01	2023.12.31	1 100
Ministry for Innovation and Technology based on government decree 6/2010. (I.21.)	payment guarantee	OTP Bank Nyrt.	2021.01.01	2023.12.31	150
Ministry for Innovation and Technology based on government decree 6/2010. (I.21.)	payment guarantee	OTP Bank Nyrt.	2021.01.01	2023.12.31	5
Ministry for Innovation and Technology based on government decree 271/2007. (X.19.)	payment guarantee	OTP Bank Nyrt.	2021.01.01	2023.12.31	10
Ministry for Innovation and Technology based on government decree 6/2010. (I.21.)	payment guarantee	OTP Bank Nyrt.	2021.06.01	2023.12.31	20
Government Office of the Capital City of Budapest based on government decree 213/1996. (XII.23.)	payment guarantee	OTP Bank Nyrt.	2022.07.01	2025.12.31	7,5
Natural and legal persons, as well as organizations with legal capacity making a claim (incl. restitution) based on government decree 24/2016. (VII. 18.) and implementing regulation (EU) 2019/779	payment guarantee	Raiffeisen Bank Nyrt.	2023.07.01	2026.12.31	1 000
Bank guarantees, total:					2 292,5

The guarantee agreements expiring at the reporting date are entered into with Raiffeisen Bank Nyrt. as of 1 January 2024.

Table 17: Guarantee agreements effective at the reporting date

II.1.9.4 Lien liabilities

MÁV-START Zrt's lien liabilities are as follows:

figures in HUF millions

Loan	Loans secured with lien at 31 Dec 2023	Security
EIB (TRAXX)	586	Rolling stock
KfW (TRAXX)	634	Rolling stock
MFB	154	Rolling stock
MKB	3 424	Rolling stock
Total:	4 798	

Table 18: Lien liabilities

The EIB and KfW loans relating to the purchase of 25 TRAXX locomotives are secured with liens on the TRAXX locomotives. The refinancing loan from MBH Bank Nyrt. (formerly known as MKB) is secured by lien on 20 IC+ cars.

II.1.9.5 Expected environmental and reconstruction liabilities not presented among liabilities

The Company did not incur any off-balance sheet liability related to environment protection.

II.1.9.6 Operating leases where the Company is a lessee existing at the reporting date

figures in HUF millions

Contractor (lessor)	Subject matter	Date of agreement	Matures on	Amount (HUF million/month)	Outstanding at the BS date
Deutsche Leasing Hungaria	8 db Desiro motor trains	2008.09.24	2029.02.28	27	1 646
MAV Zrt.	Office building rent	2014.09.08	indefinite	39	n/a
MÁV Zrt.	Railway vehicles (rolling stock) rent	2007.06.20	indefinite	803	n/a
Mercarius Flottakezelő Kft.	Vehicle rents	2023.11.28	2026.11.28	27	35
Összesen:				896	1 681

Table 19: Operating leases at the reporting date

II.1.9.7 Other disclosures relating to off-balance sheet items

In 2023, the Company did not have any disclosures relating to off-balance sheet items other than the figures presented in the separate tables.

II.2 Notes to the profit and loss account

The Company prepares its profit and loss account with the total cost method as described in annex 2 of the accounting act.

The Company does not add lines to or omit items from nor merges items in the profit and loss account template specified in the act.

As the measurement methods applied to the individual balance sheet items are the same as used in the previous financial year, no consequential P&L impact is identifiable in the reporting year.

II.2.1 Net sales revenue

II.2.1.1 Net sales revenues by activity

figures in HUF millions

Activity	2022		2023		Change
	Amount	Percentage (%)	Amount	Percentage (%)	
Public passenger transport service revenues	108 968	81,64	114 543	78,28	5 575
of which Fares and seats	57 738	43,26	67 334	46,02	9 596
Fare subsidy	30 848	23,11	35 642	24,36	4 794
Materials and goods sold	13 462	10,09	3 738	2,55	-9 724
Mileage charge	6 054	4,54	6 310	4,31	256
Other	866	0,65	1 519	1,04	653
Non-public passenger transport service revenues	7 791	5,84	16 130	11,02	8 339
of which Fares and seats	3 774	2,83	4 587	3,13	813
Fare subsidy	200	0,15	166	0,11	-34
Mileage charge	1 627	1,22	1 809	1,24	182
Intermediary services	1 685	1,26	8 944	6,11	7 259
Other	505	0,38	624	0,43	119
Other activities	16 712	12,52	15 650	10,70	-1 062
of which Passenger and freight train traction	4 680	3,51	4 916	3,36	236
Traction services	4 082	3,06	3 811	2,60	-271
Shunting	3 777	2,83	3 842	2,63	65
Other traction	582	0,44	329	0,23	-253
Engineering	361	0,27	269	0,18	-92
Materials and goods sold	195	0,15	194	0,13	-1
Other	3 035	2,27	2 289	1,57	-746
Total:	133 471	100,00	146 323	100,00	12 852

Table 20: Net sales revenue by activity

In 2023, sales revenues from public service passenger transport increased by HUF 5,575 million and by HUF 8,339 million from non-public passenger transport compared to the previous period. Passenger numbers increased on both domestic and international routes. The excess in intermediary services is due to the fact that the county and Hungary passes introduced as of 1 May 2023 are settled with different partners.

Social policy fare support increased by HUF 4,794 million in public services and decreased by HUF 34 million in non-public services compared to 2022.

Revenues from other activities decreased by HUF 1,062 million compared to 2022, the majority of which came from railway vehicle maintenance and traction revenues.

II.2.1.2 Export revenues and imports

figures in HUF millions

Country	2022						2023					
	Exported goods	Exported services	Export total	Imported goods	Imported services	Import total	Exported goods	Exported services	Export total	Imported goods	Imported services	Import total
EU countries												
Germany	0	2 133	2 133	376	514	890	0	2 505	2 505	736	270	1 006
Austria	0	10 867	10 867	574	5 125	5 699	0	14 485	14 485	5 397	982	6 379
Slovakia	0	1 783	1 783	37	424	461	0	1 796	1 796	405	67	472
Czech Republic	0	1 498	1 498	251	280	531	0	1 671	1 671	289	60	349
Slovenia	0	198	198	0	4	4	0	227	227	1	3	4
Poland	0	823	823	13	18	31	0	910	910	369	16	385
France	0	22	22	0	3	3	0	37	37	1	3	4
Sweden	0	16	16	0	2	2	0	32	32	0	3	3
Belgium	0	33	33	260	87	347	0	26	26	2 806	4	2 810
Denmark	0	3	3	0	0	0	0	4	4	0	0	0
Holland	0	1 524	1 524	0	255	255	0	1 767	1 767	20	228	248
Luxembourg	0	0	0	0	5	5	0	0	0	5	0	5
Spain	0	0	0	30 138	11 186	41 324	0	0	0	0	0	0
Romania	0	2 405	2 405	0	373	373	0	2 677	2 677	110	84	194
Croatia	0	73	73	0	6	6	0	53	53	6	3	9
Bulgaria	0	1	1	0	0	0	0	0	0	0	0	0
Italy	0	0	0	0	0	0	0	0	0	1	0	1
EU countries total:	0	21 379	21 379	31 649	18 282	49 931	0	26 190	26 190	10 146	1 723	11 869
Non-EU countries												
UK	0	20	20	1	0	1	0	25	25	0	1	1
Serbia	0	6	6	0	1	1	0	4	4	5	0	5
Ukraine	0	253	253	0	29	29	0	510	510	0	50	50
Switzerland	0	953	953	69 500	7 134	76 634	0	669	669	5 770	62	5 832
Morocco	0	0	0	0	0	0	0	0	0	1	0	1
Non-EU countries	0	1 232	1 232	69 501	7 164	76 665	0	1 208	1 208	5 776	113	5 889
Grand Total:	0	22 611	22 611	101 150	25 446	126 596	0	27 398	27 398	15 922	1 836	17 758

Table 21: Exports and imports

In 2023, the Company's major import suppliers were Austria and Switzerland. The main EU suppliers included Germany, Austria, Czech Republic, Slovakia and Romania, where the settlement is based on the use of the rail passenger cars.

II.2.2 Other income

figures in HUF millions

Item	2022	Percentage (%)	2023	Percentage (%)	Change
Gains on tangible and intangible asset disposals	112	0,04	9	0,00	-103
Reversed impairment loss on inventories	747	0,24	663	0,21	-84
Gains on the disposal of receivables	0	0,00	0	0,00	0
Reversed impairment loss on receivables	1	0,00	0	0,00	-1
Collected impaired receivables	9	0,00	6	0,00	-3
Damages received	772	0,25	211	0,07	-561
Late payment penalties collected	102	0,03	110	0,04	8
Penalties collected	22	0,01	460	0,15	438
Provision for contingent liabilities, released	481	0,15	319	0,10	-162
Provision fo future liexpenses, released	3 184	1,02	1 732	0,56	-1 452
Provision for unrealised foreign exchange losses, released	71	0,02	487	0,16	416
Other provision, released	0	0,00	0	0,00	0
Public service reimbursement	294 053	94,14	253 594	78,53	-40 459
Development subsidies received	11 736	3,76	15 434	4,96	3 698
Subsidies, allowances received for the reimbursement of costs and expenses	150	0,05	518	0,17	368
Surplus assets received free of charge, found during asset count	4	0,00	11	0,00	7
Miscellaneous other income	902	0,29	46 830	15,05	45 928
Total:	312 346	100,00	320 384	100,00	8 038

Table 22: Other income

Other income increased by a total of HUF 8,038 million on 2022, public cost reimbursement decreased by HUF 40,459 million. Development subsidies received increased by HUF 3,698 million as a result of subsidies for the reporting year released in proportion to the depreciation of commissioned assets constructed from the subsidy.

Provisions for future liabilities released decreased by HUF 1,452 million on 2022 and reflect the release of provisions for the maintenance of FLIRT and TRAXX vehicles. Miscellaneous other income increased by HUF 45,928 million on the previous year, the majority of which is attributable to the subsequently received unbilled discount related to track usage charge, of which HUF 46,227 million was received from MÁV Zrt. and HUF 44 million from GYSEV Zrt.

The public service cost reimbursement for the reporting year is presented in detail in Chapter V.

II.2.3 Services used

figures in HUF millions

Item	2022	Percentage within total cost in 2022	2023	Percentage within total cost in 2023	Change
Services used					
Rail network access charge	80 884	18,58	83 863	18,60	2 979
Revenues from rail and road cars	7 564	1,74	12 450	2,76	4 886
Railcar rent, RIC and other usage charges	7 087	1,63	7 584	1,68	497
Railcar maintenance	30 404	6,98	34 656	7,68	4 252
Train heating/cooling, car tests, train replacement, call center, labour hire and other railway operating services	2 304	0,53	4 405	0,98	2 101
Property rents	3 365	0,77	3 848	0,85	483
IT services	7 374	1,69	7 641	1,69	267
Procurement and inventory management services	1 798	0,41	2 078	0,46	280
Building management, maintenance	2 557	0,59	2 704	0,60	147
Traction and shunting	2 528	0,58	2 303	0,51	-225
Railcar cleaning, graffiti removal	7 631	1,75	6 261	1,39	-1 370
Security services	2 869	0,66	2 810	0,62	-59
Training and human services	3 155	0,72	3 520	0,78	365
Ticket sales commission	1 415	0,33	1 799	0,40	384
Other maintenance	867	0,20	987	0,22	120
Accounting and financial services	750	0,17	792	0,18	42
Public utilities (sewage, remote heating)	965	0,22	1 364	0,30	399
Telecom and postal services	240	0,06	198	0,04	-42
Secondment	572	0,13	624	0,14	52
Advertising, promotion, market surveys	315	0,07	431	0,10	116
Railtrack measuring, cleaning, welding	68	0,02	141	0,03	73
Other rents	247	0,06	270	0,06	23
Legal	26	0,01	35	0,01	9
Experts, tenders, authorship	92	0,02	58	0,01	-34
Track maintenance	1	0,00	0	0,00	-1
Other services used	546	0,13	438	0,10	-108
Services used, total:	165 624	38,04	181 260	40,19	15 636

Table 23: Services used

Services used totalled HUF 181,260 million, which is a HUF 15,636 million increase on 2022. Railway and road vehicle hire costs increased by HUF 4,886 million, railway vehicle maintenance by HUF 4,252 million, rail network access charges by HUF 2,979 million and the cost of train heating/cooling, inspection, rail replacement, call centre, workforce hire and other railway operations by HUF 2,101 million compared to the previous year.

II.2.4 Significant changes in ordinary depreciation

The material change in ordinary annual depreciation due to the restatement of useful lives and residual values did not have a notable effect on the profit or loss.

II.2.5 Other expenses

figures in HUF millions

Item	2022	Percentage (%)	2023	Percentage (%)	Change
Expenses of scrapped and missing tangible and intangible assets, capital projects	5	0,11	0	0,00	-5
Extraordinary depreciation of tangible and intangible assets	26	0,59	84	0,60	58
Inventories impaired, scrapped	1 014	22,86	1 240	8,81	226
Inventory shortage	0	0,00	13	0,09	13
Impairment of receivables	36	0,81	59	0,42	23
Losses from damage events	128	2,89	73	0,52	-55
Late payment penalties paid	335	7,55	398	2,83	63
Damages paid	83	1,87	143	1,02	60
Tax paid as a result of self-audit	57	1,28	101	0,72	44
Taxes and similar charges	33	0,74	136	0,97	103
Penalties, fines	36	0,81	46	0,33	10
Provisions for expected liabilities	1 513	34,11	1 050	7,46	-463
Provisions for future expenses	826	18,62	10 171	72,29	9 345
Assets transferred and services provided free of charge	1	0,02	1	0,01	0
Forgiven receivables	3	0,07	191	1,36	188
Amounts transferred free of charge	335	7,55	360	2,56	25
Assumed liabilities	0	0,00	0	0,00	0
Miscellaneous other expenses	5	0,11	4	0,03	-1
Total:	4 436	100,00	14 070	100,00	9 634

Table 24: Other expenses

Other expenses increased by HUF 9,634 million compared to 2022. Provisions for future expenses increased by HUF 9.345, most of which was made to cover the maintenance costs of KISS tram trains and TRAXX locomotives. Of the HUF 188 million change in forgiven receivables, HUF 185 million was time-barred. Inventories impaired, scrapped increased by HUF 266 million, while taxes and similar charges increased by HUF 103 million compared to the previous year.

II.2.6 Financial profit or loss

II.2.6.1 Financial income

figures in HUF millions

Megnevezés	2022	Percentage (%)	2023	Percentage (%)	Change
Dividends received (due)	1 532	52,85	0	0,00	-1 532
Bank interest received (due) and similar income	251	8,66	1 846	54,53	1 595
Other interest received (due) and similar income	47	1,62	162	4,79	115
Realised foreign exchange gains on receivables and liabilities in foreign exchange	1 066	36,77	1 318	38,94	252
Other financial income	3	0,10	59	1,74	56
Total:	2 899	100	3 385	100	486

Table 25: Financial income

Financial income increased by HUF 486 million in total on the previous year. Most of it came from bank interest and similar income received, which increased by HUF 1,595 million compared to the previous year. Dividend received is HUF 1,532 less than in the previous year. Realized foreign exchange gain on receivables and liabilities is HUF 252 million higher than in the previous year.

II.2.6.2 Financial expenses

figures in HUF millions

Item	2022	Percentage (%)	2023	Percentage (%)	Change
Bank interest payable (paid) and similar charges	1 357	42,98	1 492	43,17	135
Other interest payable (paid) and similar charges	168	5,32	142	4,11	-26
Realised foreign exchange losses on receivables and liabilities in foreign exchange	1 626	51,50	1 821	52,69	195
Other financial expenses	6	0,19	1	0,03	-5
Total:	3 157	100	3 456	100	299

Table 26: Financial expenses

Financial expenses increased by HUF 299 million compared to the previous year. Realised foreign exchange losses on receivables and liabilities held in foreign currencies also increased by HUF 195 million compared to the previous year. Bank interest paid and similar charges increased by HUF 135 million on 2022.

II.2.7 Income from related parties

figures in HUF millions

Item	Parent company	Fully consolidated subsidiaries	Non-fully consolidated subsidiaries	Total
Sales revenues, net	5 078	5 925	0	11 003
Other income	46 274	463	0	46 737
Financial income	1	185	0	186
Revenues, total:	51 353	6 573	0	57 926

Table 27: Income from related parties

The most significant revenues from the parent company included shunting of HUF 3,640 million and emergency response and chemical protection emergency revenues of HUF 1,040 million, as well as subsequently received unbilled discount of HUF 46,227 million relating to track usage charge.

In the case of the fully consolidated subsidiaries, most of the revenues came from MÁV VAGON Kft., VOLÁNBUSZ Zrt., MÁV-HÉV Zrt. and MÁV RAIL TOURS Kft. Revenues from MÁV VAGON Kft. totalled HUF 4,485 million, of which from materials and goods sold totalled HUF 3,747 million. Revenues from VOLÁNBUSZ Zrt. totalled HUF 1,193 million, consisting of fare revenues only. Revenues from MÁV-HÉV Zrt. totalled HUF 416 million, of which fare revenues amounted to HUF 275 million. Revenues from MÁV RAIL TOURS Kft. totalled HUF 319 million, of which traction revenues amounted to HUF 240 million.

No deferred income was recognised in relation to any Group entity.

The classification of related parties is based on the Group categories defined from the perspective of the ultimate parent company (MÁV Zrt.).

II.2.8 Corporate tax base adjusting items

figures in HUF millions

Item	Increasing items	Reducing items	Change in tax base
Pre-tax profit			3 077
Adjustment due to provisions	11 221	2 051	9 170
Adjustment due to depreciation	34 061	65 622	-31 561
Costs and expenses incurred outside the normal course of business	485	0	485
Penalty/reimbursement identified by authorities	39	0	39
Adjustment due to the employment of student in vocational training	0	16	-16
Impairment loss on receivables recognised/reversed	59	6	53
Expense/income identified by tax audit, self-audit	1 840	809	1 031
Donation	0	5	-5
Total:	47 705	68 509	-17 727

Table 28: Corporate tax base adjusting items

The corporate tax base is established from the pre-tax profit, which must be adjusted with items increasing or reducing the tax base specified by law.

MÁV-START Zrt. does not have any corporate tax payment liability to the Hungarian Tax Authority as an overall result of the pre-tax profit and the adjusting items.

II.2.9 Profit and loss account using the cost of sales method

The Company does not prepare a profit and loss account with the cost of sales method.

II.2.10 Other P&L related disclosures

The Company intends to use its net after-tax profits to fund vehicle improvements and requests to distribute profits of HUF 220 million to support the Children's Railway.

II.3 Cash-Flow Statement

The Company's cash flow statement for 2023 is presented in the following table:

figures in HUF millions

No.	Item	2022	2023
I.	Operating cash flows (lines 1-13)	50 410	19 478
1.	Pre-tax profit or loss +	3 444	3 077
	of which: financially settled public service cost reimbursement and reimbursement subsidy	293 009	251 594
1a.	Dividends received -	-1 532	0
1b.	Amounts received/transferred free of charge recognised in profit or loss ±	0	0
1c.	Unrealised foreign exchange gain or loss on liquid assets +	5	-4
1d.	Gain or loss on forgiven or assumed long-term liabilities ±	0	0
1e.	Unrealised foreign exchange gain or loss on non-current assets and long-term liabilities ±	161	-55
1f.	Realised foreign exchange gain or loss related to the repayment of long-term loans granted and long-term liabilities ±	144	-152
1g.	Non-specified pre-tax profit or loss adjustments related to managed state-owned assets ±	0	0
1h.	Non-current assets contributed ±	0	0
1i.	Non-current assets granted free of charge +	0	1
1j.	Other non-specified adjustments to the pre-tax profit or loss ±	0	0
1.	Adjusted pre-tax profit or loss (1a+1b+1c+1d+1e+1f+1g+1h+1i+1j+1k) ±	2 222	2 867
2.	Amortisation charge +	32 231	34 831
3.	Impairment loss recognised and reversed +	333	720
4.	Difference between provisions made and released ±	-1 398	8 684
5.	Gains/Losses on non-current asset disposals ±	-112	-9
6.	Movements in creditors +	20 045	34 418
7.	Movements in other current liabilities ±	10 520	-1 777
7a.	Changes in intra-division settlements (liabilities) ±	0	0
8.	Movements in accrued expenses and deferred income ±	-12 853	-13 465
9.	Movements in debtors ±	-1 106	-77
10.	Movements in current assets (less debtors and liquid assets) ±	-635	-46 289
10a.	Changes in intra-division settlements (receivables) ±	0	0
11.	Movements in prepaid expenses and accrued income ±	1 163	-205
12.	Income taxes paid, payable -	0	0
13.	Dividends paid, payable -	0	-220
II.	Investing cash flows (lines 14-18)	-25 767	-13 946
14.	Non-current asset additions -	-27 854	-13 998
15.	Non-current asset disposals +	555	52
16.	Long-term loans and bank deposits repaid, terminated, redeemed +	0	0
17.	Long-term loans granted and bank deposits placed -	0	0
18.	Dividends received +	1 532	0
III.	Financing cash flows (lines 19-26)	976	3 100
19.	Shares issued, capital injection +	0	0
20.	Issue of bonds and debt securities +	0	0
21.	Loans and borrowings taken +	0	0
22.	Amounts received free of charge +	4 843	6 897
23.	Shares withdrawn, disinvestment (capital reduction) -	0	0
24.	Bonds and debt securities repaid -	0	0
25.	Loans and borrowings repaid -	-3 532	-3 437
26.	Amounts transferred free of charge -	-335	-360
IV.	Cash flows (I.+II.+III.)	25 619	8 632
27.	Revaluation of cash and cash equivalents held in foreign exchange	-5	4
V.	Change in cash and cash equivalents (IV.+27)	25 614	8 636

Table 29: Cash flow statement

In accordance with the accounting policies, adjustments over HUF 500m of the changes in lines 6 to 11 of the cash flow statement were as follows:

line 6 Movement in creditors
(related to fixed asset acquisitions) HUF 60,067 million

line 8 Movements in accrued expense and deferred income
(related to assets constructed/acquired from subsidiaries) HUF -72,516 million

line 10 Movements in current assets (less debtors and liquid assets)
(relating to the reclassification of equity investments, impairment of inventories and other receivables) HUF 4,011 million

The pre-tax profit was HUF 3,077 million.

The change in cash and cash equivalents (line IV) reflects the Cash and cash equivalents line in the balance sheet line (B. IV.) which shows an increase of HUF 8,636 million in 2023. This change was due to the following factors:

- Operating cash flows relating to core operations show inflows of HUF 19,478 million in 2023 and were predominantly due to the changes in recognised depreciation charge, trade creditors and current assets.
- There was a HUF -13,946 million outflow from investing cash flows as a result of tangible asset acquisitions.
- Financing cash flows show an inflow of HUF 3,100 million mostly as a result of subsidies received for the Company's own assets and loan repayments.

II.4 True and fair asset, financial and income position

Assets

Non-current asset ratio

$$\frac{\text{Non-current assets}}{\text{Total assets}} = \frac{484\,862}{632\,430} = 76,67\% \quad (\text{basis: } 85,11 \%)$$

Tangible asset margin

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{141\,085}{474\,352} = 29,74\% \quad (\text{basis: } 28,22 \%)$$

Fixed asset margin

$$\frac{\text{Equity}}{\text{Own non-current assets}} = \frac{141\,085}{484\,862} = 29,10\% \quad (\text{basis: } 27,38 \%)$$

Current assets to non-current assets

$$\frac{\text{Current assets}}{\text{Non-current assets}} = \frac{142\,334}{484\,862} = 29,36\% \quad (\text{basis: } 16,50 \%)$$

Equity and liabilities

Gearing ratio

$$\frac{\text{Equity}}{\text{Total equity and liabilities}} = \frac{141\,085}{632\,430} = 22,31\% \quad (\text{basis: } 23,30 \%)$$

Borrowed capital ratio

$$\frac{\text{Borrowed capital (Liabilities)}}{\text{Equity}} = \frac{111\,666}{141\,085} = 79,15\% \quad (\text{basis: } 103,50 \%)$$

Indebtedness ratio

$$\frac{\text{Borrowed capital (Liabilities)}}{\text{Total equity and liabilities}} = \frac{111\,666}{632\,430} = 17,66\% \quad (\text{basis: } 24,12 \%)$$

Long-term liabilities ratio

$$\frac{\text{Long-term liabilities}}{\text{Long-term liabilities + Equity}} = \frac{2\,739}{143\,824} = 1,90\% \quad (\text{basis: } 3,39 \%)$$

Equity increase ratio

$$\frac{\text{Equity}}{\text{Issued capital}} = \frac{141\,085}{45\,000} = 3,14 \quad (\text{basis: } 3,07)$$

Profitability ratios

<i>EBITDA (operating profit + depreciation)</i>	=	3 148	+	34 831	=	37 979	(basis: 35.933 M Ft)
<i>EBITDA rate</i>	=	$\frac{\text{EBITDA}}{\text{Sales revenues, net}}$	=	$\frac{37\,979}{146\,323}$	=	25,96%	(basis: 26,92 %)
<i>Return on sales (ROS)</i>	=	$\frac{\text{Operating profit}}{\text{Sales revenues, net}}$	=	$\frac{3\,148}{146\,323}$	=	2,15%	(basis: 2,77 %)

Financial position

Working capital and liquidity

Net working capital

Current assets – Current liabilities	=	142 334	-	108 927	=	33 407	(basis: -54.905 M Ft)
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Liquidity ratio

$\frac{\text{Current assets}}{\text{Current liabilities}}$	=	$\frac{142\,334}{108\,927}$	=	130,67%	(basis: 60,28 %)
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Quick ratio

$\frac{\text{Current assets - Inventories}}{\text{Current liabilities}}$	=	$\frac{120\,946}{108\,927}$	=	111,03%	(basis: 48,81 %)
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Cash liquidity

$\frac{\text{Liquid assets}}{\text{Current liabilities}}$	=	$\frac{41\,098}{108\,927}$	=	37,73%	(basis: 23,49 %)
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II.5 Balance sheet and profit and loss account for items affecting previous years

The impact of the errors detected for the previous years in 2023 was below the threshold defined in the accounting policies and therefore the detected errors were recognised in the profit or loss for the reporting year and not in a separate column.

III Other information

III.1 Environment protection

MÁV-START Zrt's environmental service provider is MÁV SZK Zrt's Environmental Unit which delivers environmental services based on the underlying general service contract (Back-office contract). The Company's Safety Directorate is in charge of the technical management of our environmental activities.

As of 1 July 2023, a new concession system has entered into force in waste management. According to the amendment of Act CLXXXV of 2012 on Waste, the Concessionaire or its subcontractor is entitled to transport and accept the waste. The concession system operator is MOHU MOL Waste Management Zrt. (hereinafter: MOHU). The registration required (via the Partner Portal) has been completed by the deadline, enabling collection orders to be placed based on a contractual relationship (Individual Agreement). Nevertheless, the contract does not cover a number of elements such as invoicing. A second version of the Special Agreement, including the detailed regulation, is currently being negotiated. The other main element of the concession system is extended producer responsibility (EPR). This means that the waste generated from products falling within the scope of EPR are disposed at the cost of the manufacturer, hence the producer of the waste has no payment obligation. Such waste includes, for example, various household and electronic appliances and packaging materials. At the end of January, waste collection started off with difficulties, with many orders unprocessed. Collections are documented differently than before, the weighing note appears in the Partner Portal only.

No documents or invoices were received for the removal of waste under the concession scheme in 2023. According to the data available on the Partner Portal (whether it can qualify as a document is debatable), a total of 18,223 kg of waste was removed (in the second half of 2023), of which 10,345 kg falls under the scope of EPR, the removal of which is not paid for by the producer. The total amount of 8,520 kg not subject to EPR is non-hazardous mixed packaging waste, the disposal cost of which based on Annex 3 of the relevant 8/2023.(VI.2) EM Regulation is expected to be HUF 3,084,366 calculated with an ad hoc service fee of HUF 362 / kg. In summary, the main reason why waste costs for 2023 may deviate from previous years lies in the new concession system, and the lack of invoicing for the waste removed.

In connection with water protection, demonstrable additional costs have to be expected compared to previous years due to a utility failure at the Szombathely site, the repair of which has been dragging on for years. The additional costs are incurred in the increased use of the existing framework contract. Since the technological wastewater treatment plant connected to the pipeline was shut down, all oily wastewater generated has been removed without treatment as hazardous waste (HAK 130508*) in trucks. Following the trend of recent years, the actual quantity removed continued to increase, 122,040 kg were removed in 2023, exceeding the 108,800 kg in 2022. To resolve this, the construction of a new sewage treatment plant was planned. Spending cuts in recent years have affected the operation of several wastewater-related plants. In 2023, the automated train wash in Szombathely was shut down; and in 2022, the procurement procedure for the overhaul of the wastewater treatment plant in Ferencváros was suspended. Several procedures aiming to modernize coach cleaning stations have not been completed or are stuck in the planning or construction phase (Nagykanizsa, Miskolc). Maintenance works can no longer keep up with the increasing number of poor waste water samples across the country.

Government Decree 271/2023 (VI.29.) on environmental insurance was published mid-year in 2023 and was repealed by Government Decree 681/2023 (XII.29.) (hereinafter: R.) before its entry into force. Pursuant to this legislation, a group of economic operators (depending on the hazardousness and quantity of waste generated) are obliged to take out "environmental insurance to cover the financing required for the elimination of unforeseen environmental damage that their activities may cause". This obligation applies to MÁV-START Zrt. The legislation currently in force prescribes one environmental insurance policy with a HUF 10 million coverage. Since the regulation was published, we have been monitoring the insurance market, and after the decree was published, we initiated the procedures required for taking out insurance, which are conducted by a financial organization. Although the decree entered into force on 1 January 2024 and the insurance obligation applies from this date, the transitional rules for companies already operating at the time of entry into force have not been published yet, so we are trying our best to obtain the insurance as soon as possible.

On 22 December 2023, Act CVIII of 2023 was published on corporate responsibility (ESG) under the title "Amending the rules of corporate social responsibility and other relating acts taking into account environmental awareness, societal and welfare aspects to encourage sustainable financing and uniform corporate responsibility". From an environmental point of view, this legislation does not affect our Company because it does not fall within the scope of the definitions and rules contained therein (mercury, international shipment of waste).

III.1.1 Environmental liabilities

The Company did not have any reserve or provision for environmental liabilities in 2023.

figures in HUF millions

Item	2022	2023	Change
Environmental expenses	359	291	-68

Table 30: Environmental expenses

III.1.2 Tangible assets directly serving environment protection

figures in HUF millions

Serial No.	ITEM	Properties and related rights	Technical machinery, equipment	Other equipment, fittings, vehicles	Capital projects, renovations	Total
1.	Cost, opening	736	248	0	0	984
2.	Additions	0	0	0	0	0
3.	Disposals	0	-2	0	0	-2
4.	Reclassified	0	0	0	0	0
5.	Cost, closing	736	246	0	0	982
6.	Depreciation, opening	127	107	0	0	234
7.	Ordinary depreciation in 2023	34	15	0	0	49
8.	Extraordinary deprec. in 2023	0	0	0	0	0
9.	Extraordinary deprec., reversed	0	0	0	0	0
10.	Depreciation written off	0	-2	0	0	-2
11.	Other increase	0	0	0	0	0
12.	Other decrease	0	0	0	0	0
13.	Reclassified	0	0	0	0	0
14.	Depreciation, closing	161	120	0	0	281
15.	NBV, opening	609	141	0	0	750
16.	NBV, closing	575	126	0	0	701

Table 31: Tangible assets directly serving environment protection

Depreciation is charged on MÁV-START Zrt's environmental assets, just as for all other tangible assets, on a straight line basis over the useful life of the asset.

III.1.3 Hazardous waste values and quantities

Waste resulting from the Company's operations is continuously disposed of.

- Movements in hazardous and polluting waste

figures in HUF millions

EWC code	Item	Opening	Increase	Decrease	Closing
130205*	Non-chlorine lubricants	2	6	7	1
130307*	Crude oil based, non-chlorine insulation and heat transmission oils	0	1	1	0
160601*	Lead batteries	7	16	22	1
Total		9	23	30	2

Table 32: Hazardous and polluting waste

The opening value in Table 33 was added taking into account the prices of the previous year, different for each waste type (oils: 65 or 58, batteries: 166 HUF/kg), but the closing value was calculated using the price effective after 1 July 2023 (after the start of the concession scheme, as specified by law) for each waste (oils: 55 HUF/kg, battery: 187 HUF/kg).

- Hazardous waste and pollutant quantities

figures in kgs

HAK	Item	Opening	Additions	Disposals	Closing
060102*	Chlorohydric acid	3	0	0	3
060106*	Acidic sulphur waste	51	0	0	51
060204*	Natrium and potassium hidroxide	0	4 000	4 000	0
061301*	Inorganic plant protection products, wood-preserving agents and other biocides	0	380	0	380
070104*	Other organic solvents, washing liquids and solid caustics	30	11	30	11
070404*	Other organic solvents, washing liquids and mother liquors	0	410	0	410
070604*	Washing liquids	0	590	0	590
080111*	Waste paint and varnish containing organic solvents and other hazardous substances	914	1 729	2 148	495
080117*	Waste containing organic solvents or pther hazardous substances from the removal of paint and varnish	0	0	0	0
080317*	Toner waste with hazardous substances	574	642	975	241
080409*	Waste adhesive, filling and sealing agents with organic solvents and other hazardous substances	40	96	96	40
120112*	Waste wax and grease	255	803	739	319
120118*	Metal sludge (grinding, honing and lapping sludge) containing oil	0	0	0	0
130113*	Other hydraulic oils	510	1 597	1 780	327
130205*	Chlorine engine and other lubricants	29 710	97 116	121 231	5 595
130208*	Other engine and gear lubricants	0	1 000	0	1 000
130307*	Mineral oil based,non-chlorine insulation and heat transmitting oils	4 904	17 898	19 058	3 744
130502*	Sludge from oil/water separators	0	84 234	84 204	30
130506*	Oil from oil/water separators	0	29 071	29 071	0
130508*	Mixed waste from de-gritter and from oil/water separators	618	471 638	471 798	458
130701*	Burning oil and diesel oil	89	330	50	369
130899*	Unspecified waste (stained fuel)	600	0	600	0
140601*	Chlorine-fluorine-hydrocarbons, HCFC, HFC	0	44	44	0
150110*	Packaging with hazardous content or stains	5 620	11 753	9 283	8 090
150111*	Metal packaging with hazardous solid porous matrix (e.g. asbestos) including empty spray cans	477	1 289	566	1 200
150202*	Absorbents, filters (incl. Non-specified oil filters), clothes and protective clothing stained with hazardous materials	15 431	67 883	71 981	11 333
160107*	Oil filters	1 517	6 061	6 264	1 314
160114*	Anti-freeze with hazardous substances	2 295	2 012	1 120	3 187
160121*	Hazardous spare parts	355	1 208	1 553	10
160211*	Decommissioned equipment with HCFC and HFC content	183	0	23	160
160213*	Scrapped equipment with hazardous material content	724	1 235	407	1 552
160303*	Inorganic waste with hazardous substances	57	564	574	47
160305*	Organic waste with hazardous substances	2 547	4 772	6 485	834
160504*	Gases with hazardous content stored in pressure-proof tanks (including halons)	2	2	2	2
160506*	Hazardous laboratory materials and contaminated laboratory materials, including mixtures	238	75	272	41
160507*	Demissioned inorganic checmicals with hazardous substance contents	0	63	62	1
160601*	Lead batteries	42 078	62 986	91 718	13 346
160606*	Electrolites collected separately from batteries	0	4 670	4 000	670
160708*	Olajat tartalmazó hulladékok Wastes containing oil	0	74	0	74
161001*	Hazardous liquid waste	0	36 877	36 877	0
170204*	Stained/contaminated glass, plastic, timber	177	167	338	6
170503*	Stained soil and stones	1 672	14 574	16 246	0
180103*	Other waste the collection and treatment of which require special conditions in order to avoid contamination	24	22	32	14
200121*	Light tubes and other mercurous waste	97	795	856	36
200133*	Batteries including those with codes 16 06 01, 16 06 02 and 16 06 03	293	1 184	1 247	230
200135*	Hazardous scrapped electric and electronic equipment other than waste coded 20 01 21 and 20 01 23	5 608	18 944	13 414	11 138
Total:		117 693	948 799	999 144	67 348

The closing figures for 2023 were determined based on calculations provided by specialists. Final figures will be available after reporting.

Table 33: Hazardous waste and pollutant quantities

III.2 Research and development expenses

No research and development costs incurred in 2023.

III.3 Subsidies received

figures in HUF million

Subsidy	Subsidy received (approved) (as in the underlying document)	Subsidised amount in previous year(s)	Subsidised amount	Unused subsidy	Disbursed subsidy	Paid from subsidy	Cash available from the subsidy at the balance sheet date	Subsidised amount in previous year(s)	Subsidised amount	Unused subsidy	Disbursed subsidy	Paid from subsidy	Cash available from the subsidy at the balance sheet date
Subsidised fares on social grounds*	40 484	4 676	35 808	0	37 805	0	7 066	2 227	31 047	0	34 753	0	4 676
Reimbursed excise tax on gasoline use*	3 639	472	3 166	0	2 620	0	546	583	2 793	0	2 320	0	472
Subsidies (project + cost)	433 075	228 220	192 682	12 171	37 221	0	6 248	178 252	84 572	27 671	59 282	59 282	40 106
of which:													
KÖZOP-IKOP INKA	630	630	0	0	0	0	0	630	0	0	0	0	0
IKOP Tram Train	21 276	19 563	567	1 146	869	0	411	71	19 492	1 713	11 647	11 647	0
ETCS 59 motor trains	8 123	5 283	2 694	146	1 789	0	-9	3 297	1 986	2 068	1 392	1 392	-9
IKOP 19 high-capacity KISS trains	107 325	97 597	9 383	344	9 445	0	-65	93 398	4 269	8 300	130	130	0
IKOP- INKA2	2 469	2 054	264	151	139	0	-116	1 828	225	1 546	166	166	0
FLIRT strandardisation	5 421	3 639	1 544	237	1 334	0	208	2 187	1 453	1 348	997	997	0
IKOP 21 high-capacity KISS trains	122 736	98 389	20 304	4 042	17 645	0	0	42 307	56 082	8 179	40 433	40 433	0
IC+	31 045	1 000	30 045	0	0	0	0	30 045	1 000	0	0	0	31 045
Tram Train domestic subsidies	9 070	65	9 006	0	0	0	0	4 489	65	4 517	4 517	4 517	9 070
IKOP Plusz 19 high-capacity KISS trains**	112 900	0	107 230	5 670	5 587	0	5 587	0	0	0	0	0	0
IKOP Plusz 2 high-capacity KISS trains**	11 900	0	11 464	436	413	0	413	0	0	0	0	0	0
IKOP HKIR 2017-00014	80	0	79	1	0	0	-79	0	0	0	0	0	0
IKOP HKIR 2017-00028	100	0	102	-2	0	0	-102	0	0	0	0	0	0
Prior years public service reimbursement settlements in 2023	2 000	0	2 000	0	0	0	0	0	2 000	0	0	0	0
Public service reimbursement for 2023	297 486	0	251 594	0	297 486	297 486	45 892	0	292 053	0	305 485	305 485	13 432
GINOP Spektrum program received to cover costs	1	0	1	0	0	0	0	0	7	58	3	3	0
GINOP-001 received to cover costs	65	0	48	17	55	0	0	0	0	0	0	0	0
Tram Train contribution from state budget	0	29	73	0	0	0	0	0	29	0	0	0	0
Total:	776 750	233 397	485 372	12 188	375 187	297 486	59 752	181 062	412 501	27 729	401 843	364 770	58 686

*notes:

* Reflects the amount of statutory subsidy receivable in the reporting year

** On 7th December 2023, the IKOP-2.1.0-15-2021-00062 21 high-capacity trains project turned into 2 new projects: the IKOP-PLUS.2.2.0-23-2023-00001 2 high-capacity trains project and the IKOP-PLUS 2.1.0-23-2023-00001 19 high-capacity trains project. The items accounted for within the framework of the 21 high-capacity trains project were shown in the table for the 2 new projects.

Table 34: Subsidies recognised in the reporting year

Further details of subsidies are presented in Chapter IV.5 among the other disclosures relating to accounting unbundling.

III.4 Average headcount, payroll cost and other payments to personnel

figures in HUF millions

Staff category	2022				2023			
	Payroll cost	Other payments to personnel	Total	Percentage (%)	Payroll cost	Other payments to personnel	Total	Percentage (%)
Blue collar	58 779	7 590	66 369	71,41	65 761	8 593	74 354	71,80
White collar	23 287	3 207	26 494	28,51	25 615	3 462	29 076	28,08
Inactive	59	18	77	0,08	119	7	126	0,12
Total:	82 125	10 815	92 940	100,00	91 494	12 062	103 557	100,00

Table 35: Payroll cost and other payment to personnel

figures in HUF millions

Payroll taxes	2022		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Social contribution tax	11 471	91,46	12 648	91,10
Rehabilitation contribution	1 072	8,55	1 236	8,90
Vocational training contribution	-1	-0,01	0	0,00
Total:	12 542	100,00	13 884	100,00

Table 36: Payroll taxes by type

Staff category	2022		2023	
	Average statistical number of staff	Percentage (%)	Average statistical number of staff	Percentage (%)
Blue collar	8 552,3	69,75	8 554,6	69,88
White collar	3 709,9	30,25	3 687,6	30,12
Total number of staff:	12 262,2	100,00	12 242,2	100,00

Table 37: Number of employees

III.5 Information about senior officers and Supervisory Board members

III.5.1 Remuneration of executive officers and members of the Supervisory Board in the reporting year

figures in HUF millions

Category	2022	2023	Change
Senior officers	43	95	52
Supervisory Board	12	38	26
Total:	55	133	78

Table 38: Remunerations paid in 2023

III.5.2 Advance payments, loans disbursed to executive officers and Supervisory Board members, guarantees assumed on their behalf

No advances were paid or loans were disbursed to, nor were guarantees assumed on the behalf of executive officers and Supervisory Board members in 2023.

III.5.3 Pension payment obligations towards former executive officers and Supervisory Board members

The Company has no pension payment obligations towards its former executive officers or Supervisory Board members.

III.6 The Company's investments

figures in HUF

Company code	Name	Ownership (%)	Date of foundation/acquisition	Postcode	Seat	Address	Issued capital at 31 Dec 2023	Reserves at 31 Dec 2023 *	Net profit for 31 Dec 2023 *	Equity at 31 Dec 2023 *	Registered capital 1 Jan 2023	Accumulated impairment loss at 1 Jan 2023	Book value at 1 Jan 2023
138	MAV Szolgáltató Központ Zrt.	0,09	2011.07.19	1087	Budapest	Könyves Kálmán körút 54-60.	1 167 000 000	4 684 002 519	878 132 245	6 729 134 764	1 000 000	-	1 000 000
195	MÁV Rail Tours Kft.	1,00	2020.02.27	1142	Budapest	Tatai utca 93/A	102 000 000	582 106 953	592 092 726	1 276 199 679	5 545 387	-	5 545 387
020	MÁV VAGON Kft.	99,92	2014.01.01	5000	Szolnok	Körösi út 1-3.	245 180 000	6 536 053 841	1 137 981 341	7 919 215 182	6 170 157 873	-	6 170 157 873
194	MÁV HÉV Zrt.	0,01	2021.10.20	1087	Budapest	Könyves Kálmán körút 54-60.	11 000 000 000	7 843 375 981	796 761 596	19 640 137 577	1 654 811	-	1 654 811
196	VOLÁNBUSZ Zrt.	0,01	2021.10.20	1091	Budapest	Üllői út 131.	82 768 309 000	73 362 445 240	8 192 248 602	164 323 002 842	1 189 554	-	1 189 554
<i>Fully consolidated subsidiaries, total:</i>											6 179 547 625	0	6 179 547 625
191	TS-MÁV Gépészet Services Kft.	49,02	2011.12.14	1097	Budapest	Fék u. 8/a					250 000	0	250 000
<i>Associates, total:</i>											250 000	0	250 000
147	BCC	1,36	1997.01.28	B-1060	Bruxelles	40 Avenue de la Porte de Hal	42 201 495	n.a.	n.a.	n.a.	600 375	0	600 375
120	Vasútegészszolgálati Kft.	0,010	2013.10.07	1062	Budapest	Podmaniczky u 109.	701 020 000	n.a.	n.a.	2 554 747 000	100 000	0	100 000
<i>Other investments total:</i>											700 375	0	700 375
Total:											6 180 498 000	0	6 180 498 000

* based on preliminary figures

Table 39: The Company's investments and opening balances

figures in HUF

Company code	Name	Foundation	Purchase	Capital increase, capital injection	Capital decrease, divestment	Reclassified as current asset due to disposal	Reversal due to winding up	Increase due to transformation	Decrease due to transformation	Exchange difference at the end of the reporting year	Issued capital at 31 Dec 2023	Impairment for 2023	Impairment reversal	Reversal due to sale, contribution	Reversal due to winding up	Accumulated impairment at 31 Dec 2023	BV at 31 Dec 2023
138	MAV Szolgáltató Központ Zrt.										1 000 000						1 000 000
195	MÁV Rail Tours Kft.										5 545 387						5 545 387
020	MÁV VAGON Kft.					4 631 396 361					1 538 761 512						1 538 761 512
194	MÁV HÉV Zrt.										1 654 811						1 654 811
196	VOLÁNBUSZ Zrt.										1 189 554						1 189 554
<i>Fully consolidated subsidiaries, total:</i>		0		0		4 631 396 361	0	0	0	0	1 548 151 264	0	0	0		0	1 548 151 264
191	TS-MÁV Gépészet Services Kft.										250 000						250 000
<i>Associates, total:</i>		0		0		0	0	0	0	0	250 000	0	0	0		0	250 000
147	BCC									-26 205	600 375						574 170
120	Vasútegészszolgálati Kft.										100 000						100 000
<i>Other investments, total:</i>		0		0		0	0	0	0	-26 205	700 375	0	0	0		0	674 170
Total:		0		0		4 631 396 361	0	0	0	-26 205	1 549 101 639	0	0	0		0	1 549 075 434

Table 40: Changes in the Company's investments in 2023

There was no change in MÁV-START Zrt's investments in 2023.

III.7 Disclosures of the exempted parent company

MÁV-START Zrt. exercises direct dominant control over MÁV VAGON Kft. due to its 99.92% participating interest held in the company.

figures in HUF millions

MÁV VAGON Kft.	2023.12.31
Non-current assets	2 819
Equity	7 919
Sales revenues, net	46 994
Net profit	1 138
Statistical number of staff	1 606

Table 42: MÁV VAGON Kft. reported figures as at 31 December 2023

III.8 Material not arm's length transactions with related parties

The Company had no significant not arm's length transactions in the reporting year.

III.9 Permanent establishments abroad

The Company has no permanent establishments abroad.

IV Annual supervisory report – Disclosures pursuant to decree 50/2007 of the Ministry for Economy and Transport and the Finance Ministry (GKM-PM) on the accounting unbundling of rail transport activities within railway companies

The balance sheet, profit and loss account and cash-flow statement prepared separately for the unbundled activities required in the supervisory report are included in the tables below and reflect the values of assets, equity & liabilities, costs and expenses and revenues of the:

- public service passenger transportation division (SK) with respect to passenger transportation performed based on public service contract
- non-public service division (SN) with respect to non-public service passenger transportation and
- the other activities division (E) with respect to non-passenger transport services.

IV.1 Balance sheet disclosures

figures in HUF millions

Line	Item	Public service passenger transport (SK)		Non-public service passenger transport (SN)		Other activities (E)		MÁV-START Zrt. Total	
		2022	2023	2022	2023	2022	2023	2022	2023
		A. NON-CURRENT ASSETS	496 571	477 003	8 332	7 859	0	0	504 903
I. INTANGIBLE ASSETS	8 779	8 872	178	89	0	0	8 957	8 961	
1.	Capitalised cost of foundation/restructuring	0	0	0	0	0	0	0	
2.	Capitalised cost of development	0	0	0	0	0	0	0	
3.	Concessions, licenses and similar rights	761	664	0	0	0	761	664	
4.	Trade-marks, patents and similar rights	7 991	8 206	178	89	0	8 169	8 295	
5.	Goodwill	0	0	0	0	0	0	0	
6.	Advance payments for intangible assets	27	2	0	0	0	27	2	
7.	Revaluation of intangible assets	0	0	0	0	0	0	0	
II. TANGIBLE ASSETS	481 611	466 582	8 154	7 770	0	0	489 765	474 352	
1.	Land and buildings and related property rights	2 750	2 718	0	0	0	2 750	2 718	
2.	Plant, machinery, equipment and vehicles	452 744	458 402	8 154	7 770	0	460 898	466 172	
3.	Other equipment, fixtures and fittings, vehicles	2	1	0	0	0	2	1	
4.	Breeding stock	0	0	0	0	0	0	0	
5.	Capital projects in progress	19 884	4 561	0	0	0	19 884	4 561	
6.	Advance payments for capital projects	6 231	900	0	0	0	6 231	900	
7.	Adjusted value of tangible assets	0	0	0	0	0	0	0	
III. NON-CURRENT FINANCIAL ASSETS	6 181	1 549	0	0	0	0	6 181	1 549	
1.	Long-term investments in related parties	6 180	1 548	0	0	0	6 180	1 548	
2.	Long-term loans granted to related parties	0	0	0	0	0	0	0	
3.	Other long-term investments	0	0	0	0	0	0	0	
4.	Long-term loans to significant investments	0	0	0	0	0	0	0	
5.	Other long-term investments	1	1	0	0	0	1	1	
6.	Long-term loans granted to other investments	0	0	0	0	0	0	0	
7.	Other long-term loans granted	0	0	0	0	0	0	0	
8.	Long-term debt securities	0	0	0	0	0	0	0	
9.	Adjusted value of financial investments	0	0	0	0	0	0	0	
10.	Gain/Loss on the valuation of financial investments	0	0	0	0	0	0	0	
IV. DEFERRED TAX ASSET	0	0	0	0	0	0	0	0	
B. CURRENT ASSETS	81 211	135 939	100	346	11 296	14 368	83 312	142 334	
I. INVENTORIES	15 762	21 283	0	0	87	105	15 849	21 388	
1.	Materials	14 243	20 187	0	0	0	14 243	20 187	
2.	Work in progress and semi-finished products	594	337	0	0	87	681	442	
3.	Animals for breeding, fattening and other livestock	0	0	0	0	0	0	0	
4.	Finished products	840	696	0	0	0	840	696	
5.	Goods	80	63	0	0	0	80	63	
6.	Advance payments for inventories	5	0	0	0	0	5	0	
II. RECEIVABLES	33 894	71 043	20	205	10 382	12 288	35 001	75 217	
1.	Trade debtors	701	1 094	20	61	2 713	3 434	3 520	
2.	Receivables from related parties	15 337	53 595	0	144	761	16 098	55 042	
3.	Receivables from significant investments	0	0	0	0	284	301	301	
4.	Receivables from other investments	24	27	0	0	0	24	27	
5.	Bills of exchange receivable	0	0	0	0	0	0	0	
6.	Other receivables	15 161	16 327	0	0	0	15 161	16 327	
7.	Revaluation difference of receivables	0	0	0	0	0	0	0	
8.	Gain on derivative transactions	0	0	0	0	0	0	0	
	<i>Receivables from inter-division settlements</i>	2 671	0	0	0	6 624	8 319	0	
III. SECURITIES	0	4 631	0	0	0	0	0	4 631	
1.	Equity in related parties	0	4 631	0	0	0	0	4 631	
2.	Significant equity investment	0	0	0	0	0	0	0	
3.	Other equity investments	0	0	0	0	0	0	0	
4.	Treasury shares and quotas	0	0	0	0	0	0	0	
5.	Marketable debt securities	0	0	0	0	0	0	0	
6.	Revaluation difference of securities	0	0	0	0	0	0	0	
IV. LIQUID ASSETS	31 555	38 982	80	141	827	1 975	32 462	41 098	
1.	Cash, cheques	136	130	0	0	0	136	130	
2.	Bank deposits	31 419	38 852	80	141	827	32 326	40 968	
C. PREPAID EXPENSES AND ACCRUED INCOME	4 210	4 609	461	369	358	256	5 029	5 234	
1.	Accrued income	2 882	2 282	460	369	358	3 700	2 907	
2.	Prepaid expenses	445	2 088	1	0	0	446	2 088	
3.	Deferred expenses	883	239	0	0	0	883	239	
	ASSETS, TOTAL	581 992	617 551	8 893	8 574	11 654	593 244	632 430	

Table 43: Asset side of MÁV-START Zrt's unbundled balance sheet

figures in HUF million

Line	Item	Public service passenger transport (SK)		Non-public service passenger transport (SN)		Other activities (E)		MÁV-START Zrt. Total	
		2022	2023	2022	2023	2022	2023	2022	2023
D.	EQUITY	128 043	129 224	-1 118	-2 566	11 303	14 427	138 228	141 085
I.	ISSUED CAPITAL	44 767	44 767	233	233	0	0	45 000	45 000
	of which: treasury shares redeemed at face value	0	0	0	0	0	0	0	0
II.	ISSUED CAPITAL NOT PAID	0	0	0	0	0	0	0	0
III.	CAPITAL RESERVE	69 273	69 273	2 028	2 028	0	0	71 301	71 301
IV.	RETAINED EARNINGS	11 224	13 968	-2 716	-3 380	9 782	11 083	18 290	21 671
V.	ALLOCATED RESERVES	193	36	0	0	0	0	193	36
VI.	REVALUATION RESERVE	0	0	0	0	0	0	0	0
1.	Revaluation reserve on value adjustments	0	0	0	0	0	0	0	0
2.	Revaluation reserve on fair value	0	0	0	0	0	0	0	0
VII.	PROFIT FOR THE YEAR	2 586	1 180	-663	-1 447	1 521	3 344	3 444	3 077
E.	PROVISIONS	7 400	16 083	0	0	0	0	7 400	16 083
1.	Provisions for expected liabilities	3 058	3 789	0	0	0	0	3 058	3 789
2.	Provisions for future expenses	3 652	12 091	0	0	0	0	3 652	12 091
3.	Other provisions	690	203	0	0	0	0	690	203
F.	LIABILITIES	142 197	109 707	9 925	10 219	244	59	143 071	111 666
I.	SUBORDINATED LIABILITIES	0	0	0	0	0	0	0	0
1.	Subordinated liabilities to related parties	0	0	0	0	0	0	0	0
2.	Subordinated liabilities to significant investments	0	0	0	0	0	0	0	0
3.	Subordinated liabilities to other investments	0	0	0	0	0	0	0	0
4.	Subordinated liabilities to third parties	0	0	0	0	0	0	0	0
II.	LONG-TERM LIABILITIES	4 854	2 739	0	0	0	0	4 854	2 739
1.	Long-term borrowings	0	0	0	0	0	0	0	0
2.	Convertible bonds	0	0	0	0	0	0	0	0
3.	Debts from the issue of bonds	0	0	0	0	0	0	0	0
4.	Investment and development loans	1 430	0	0	0	0	0	1 430	0
5.	Other long-term loans	3 424	2 739	0	0	0	0	3 424	2 739
6.	Long-term liabilities to related parties	0	0	0	0	0	0	0	0
7.	Long-term liabilities to significant investments	0	0	0	0	0	0	0	0
8.	Long-term liabilities to other investments	0	0	0	0	0	0	0	0
9.	Other long-term liabilities	0	0	0	0	0	0	0	0
10.	Deferred tax asset	0	0	0	0	0	0	0	0
III.	CURRENT LIABILITIES	137 343	106 968	9 925	10 219	244	59	138 217	108 927
1.	Short-term borrowings	0	0	0	0	0	0	0	0
	of which: convertible bonds	0	0	0	0	0	0	0	0
2.	Other short-term loans	3 588	2 059	0	0	0	0	3 588	2 059
3.	Prepayments received from debtors	3	1	0	0	0	25	3	26
4.	Creditors	36 486	10 851	558	528	8	25	37 052	11 404
5.	Bills of exchange payable	0	0	0	0	0	0	0	0
6.	Short-term debts to related parties	33 937	23 325	72	1 372	236	9	34 245	24 706
7.	Short-term debts to significant investments	176	309	0	0	0	0	176	309
8.	Short-term debts to other investments	26	13	0	0	0	0	26	13
9.	Other current liabilities	63 127	70 410	0	0	0	0	63 127	70 410
10.	Revaluation difference of liabilities	0	0	0	0	0	0	0	0
11.	Loss on the revaluation of derivative transactions	0	0	0	0	0	0	0	0
	Liabilities from inter-division settlements	0	0	9 295	8 319	0	0	0	0
G.	ACCRUED EXPENSES AND DEFERRED INCOME	304 352	362 537	86	921	107	138	304 545	363 596
1.	Deferred income	125	90	0	8	102	138	227	236
2.	Accrued expenses	4 203	4 341	86	913	5	0	4 294	5 254
3.	Deferred other income and negative goodwill	300 024	358 106	0	0	0	0	300 024	358 106
	EQUITY AND LIABILITIES, TOTAL	581 992	617 551	8 893	8 574	11 654	14 624	593 244	632 430

Table 44: Equity and liabilities side of MÁV-START Zrt's unbundled balance sheet

IV.2 Profit and loss account disclosures

figures in HUF millions

Line	Item	Public service passenger transport		Non-public service passenger transport		Other activities (E)		MÁV-START Zrt. Total	
		2022	2023	2022	2023	2022	2023	2022	2023
01.	Domestic sales, net	90 434	92 479	4 698	11 776	15 728	14 670	110 860	118 925
02.	Export sales, net	18 534	22 064	3 093	4 354	984	980	22 611	27 398
I.	Sales revenues, net (01.+02.)	108 968	114 543	7 791	16 130	16 712	15 650	133 471	146 323
	1. Revenues from other internal settlements	316 913	322 294	3 805	4 064	4	2	320 722	326 360
	4. Central management	22 152	23 847	0	0	0	0	22 152	23 847
I/A.	Internal revenues recognised:	339 065	346 141	3 805	4 064	4	2	342 874	350 207
03.	Movements in self produced inventories	-8 260	-401	0	0	-12	18	-8 272	-383
04.	Capitalised value of self produced assets	5 915	1 881	0	0	0	0	5 915	1 881
II.	Capitalised own output (±03.+04.)	-2 345	1 480	0	0	-12	18	-2 357	1 498
III.	Other income	312 339	319 945	0	426	7	13	312 346	320 384
	of which: reversed impairment loss	748	663	0	0	0	0	748	663
05.	Materials	118 021	99 049	0	0	16	22	118 037	99 071
06.	Services used	164 135	179 962	757	1 181	732	117	165 624	181 260
07.	Other services	3 349	3 870	52	16	0	0	3 401	3 886
08.	Cost of goods sold	6 822	3 842	111	166	26	60	6 959	4 068
09.	Cost of (consignment) services	96	111	3 053	10 254	439	66	3 588	10 431
IV.	Material-type expenses (05.+06.+07.+08.+09.)	292 423	286 834	3 973	11 617	1 213	265	297 609	298 716
	1. Revenues from other internal settlements	300 623	305 969	7 445	9 544	12 654	10 847	320 722	326 360
	4. Central management	20 407	22 236	390	416	1 355	1 195	22 152	23 847
IV/A.	Internal expenses recognised	321 030	328 205	7 835	9 960	14 009	12 042	342 874	350 207
10.	Payroll cost	82 125	91 494	0	0	0	0	82 125	91 494
11.	Other payments to personnel	10 815	12 062	0	0	0	0	10 815	12 062
12.	Social security and other contributions	12 542	13 884	0	0	0	0	12 542	13 884
V.	Payments to personnel (10.+11.+12.)	105 482	117 440	0	0	0	0	105 482	117 440
VI.	Depreciation charge	31 758	34 358	473	473	0	0	32 231	34 831
VII.	Other expenses	4 432	14 055	0	0	4	15	4 436	14 070
	of which: impairment loss (862)	1 081	1 368	0	0	0	15	1 081	1 383
A.	OPERATING PROFIT (I±II+III-IV-V-VI-VII)	2 902	1 217	-685	-1 430	1 485	3 361	3 702	3 148
13.	Dividends (due) received	1 532	0	0	0	0	0	1 532	0
	of which: from related parties	1 532	0	0	0	0	0	1 532	0
14.	Foreign exchange gain on disposal of investments	0	0	0	0	0	0	0	0
	of which: from related parties	0	0	0	0	0	0	0	0
15.	Interest and gains on non-current financial investments	0	0	0	0	0	0	0	0
	of which: from related parties	0	0	0	0	0	0	0	0
16.	Other interest received (due) and similar income	298	2 008	0	0	0	0	298	2 008
	of which: from related parties	47	162	0	0	0	0	47	162
17.	Other financial income	932	1 319	98	52	39	6	1 069	1 377
	of which: revaluation difference	0	0	0	0	0	0	0	0
VIII.	Financial income (13.+14.+15.+16.+17.)	2 762	3 327	98	52	39	6	2 899	3 385
18.	Foreign exchange loss on financial investments	0	0	0	0	0	0	0	0
	of which: to related parties	0	0	0	0	0	0	0	0
19.	Foreign exchange loss and expenses on non-current financial assets (securities, loans)	0	0	0	0	0	0	0	0
	of which: to related parties	0	0	0	0	0	0	0	0
20.	Interest payable and similar charges	1 525	1 634	0	0	0	0	1 525	1 634
	of which: to related parties	168	142	0	0	0	0	168	142
21.	Impairment of shares, securities, bank deposits	0	0	0	0	0	0	0	0
22.	Other financial expenses	1 553	1 730	76	69	3	23	1 632	1 822
	of which: revaluation difference	0	0	0	0	0	0	0	0
IX.	Financial expenses (18.+19.+20.+21.+22.)	3 078	3 364	76	69	3	23	3 157	3 456
B.	FINANCIAL LOSS OR PROFIT (VIII-IX)	-316	-37	22	-17	36	-17	-258	-71
C.	PRE-TAX PROFIT (±A±B)	2 586	1 180	-663	-1 447	1 521	3 344	3 444	3 077
X.	TAX LIABILITY	0	0	0	0	0	0	0	0
X/1.	Deferred tax difference (±)	0	0	0	0	0	0	0	0
D.	NET PROFIT (±C-X±X/1)	2 586	1 180	-663	-1 447	1 521	3 344	3 444	3 077

Table 41: MÁV-START Zrt's unbundled profit and loss account

Costs, expenses and revenues are primarily recognised for the controlling object that match the purpose of occurrence. Costs, expenses and revenues are allocated to the relevant division in view of the determined cost flow processes, specified projection bases and statistical indicators. The statement of unbundled activities from a business perspective is presented in Table 48.

IV.3 Cash flow disclosures

figures in HUF millions

Line	Item	Public service passenger transport (SK)		Non-public service passenger transport (SN)		Other activities (E)		MÁV-START Zrt. Total	
		2022	2023	2022	2023	2022	2023	2022	2023
I.	Operating cash flows (lines I-13)	50 192	18 271	-11	59	229	1 148	50 410	19 478
1a.	Pre-tax profit or loss ±	2 586	1 180	-663	-1 447	1 521	3 344	3 444	3 077
	of which: financially settled subsidy received for operations							0	0
	of which: financially settled public service cost reimbursement and reimbursement subsidy	293 009	251 594					293 009	251 594
1b.	Dividends received -	-1 532	0	0	0	0	0	-1 532	0
1c.	Amounts received/transferred free of charge recognised in profit or loss ±	0	0	0	0	0	0	0	0
1d.	Unrealised foreign exchange gain or loss on liquid assets ±	3	-2	0	-2	2	0	5	-4
1e.	Realised foreign exchange gain or loss related to the repayment of long-term loans and long-term liabilities ±	0	0	0	0	0	0	0	0
1f.	Unrealised foreign exchange gain or loss on non-current assets and long-term liabilities ±	161	-55	0	0	0	0	161	-55
1g.	Realised foreign exchange gain or loss related to the repayment of long-term loans granted and long-term liabilities ±	144	-152	0	0	0	0	144	-152
1h.	Non-specified pre-tax profit or loss adjustments related to managed state-owned assets ±	0	0	0	0	0	0	0	0
1i.	Non-current assets contributed ±	0	0	0	0	0	0	0	0
1j.	Non-current assets granted free of charge +	0	1	0	0	0	0	0	1
1k.	Other non-specified adjustments to the pre-tax profit or loss ±	0	0	0	0	0	0	0	0
1.	Adjusted pre-tax profit or loss (1a+1b+1c+1d+1e+1f+1g+1h+1i+1j+1k) ±	1 362	972	-663	-1 449	1 523	3 344	2 222	2 867
2.	Amortisation charge +	31 758	34 358	473	473	0	0	32 231	34 831
3.	Impairment loss recognised and reversed +	333	705	0	0	0	15	333	720
4.	Difference between provisions made and released ±	-1 398	8 684	0	0	0	0	-1 398	8 684
5.	Gains/Losses on non-current asset disposals ±	-112	-9	0	0	0	0	-112	-9
6.	Movements in creditors ±	19 962	34 432	410	-32	-327	18	20 045	34 418
7.	Movements in other current liabilities ±	10 637	-2 849	36	1 300	-153	-228	10 520	-1 777
7a.	Changes in intra-division settlements (liabilities) ±	0	0	41	-976	0	0	0	0
8.	Movements in accrued expenses and deferred income ±	-12 630	-14 331	-185	835	-38	31	-12 853	-13 465
9.	Movements in debtors ±	-217	-394	2	-42	-891	359	-1 106	-77
10.	Movements in current assets (less debtors and liquid assets) +	-448	-45 569	2	-143	-189	-577	-635	-46 289
10a.	Changes in intra-division settlements (receivables) ±	188	2 671	0	0	-229	-1 695	0	0
11.	Movements in prepaid expenses and accrued income ±	757	-399	-127	93	533	101	1 163	-205
12.	Income taxes paid, payable -	0	0	0	0	0	0	0	0
13.	Dividends paid, payable -	0	0	0	0	0	-220	0	-220
II.	Investing cash flows (lines 14-18)	-25 767	-13 946	0	0	0	0	-25 767	-13 946
14.	Non-current asset additions -	-27 854	-13 998	0	0	0	0	-27 854	-13 998
15.	Non-current asset disposals +	555	52	0	0	0	0	555	52
16.	Long-term loans and bank deposits repaid, terminated, redeemed +	0	0	0	0	0	0	0	0
17.	Long-term loans granted and bank deposits placed -	0	0	0	0	0	0	0	0
18.	Dividends received +	1 532	0	0	0	0	0	1 532	0
III.	Financing cash flows (lines 19-26)	976	3 100	0	0	0	0	976	3 100
19.	Shares issued, capital injection +	0	0	0	0	0	0	0	0
18.	Issue of bonds and debt securities +	0	0	0	0	0	0	0	0
20.	Loans and borrowings taken +	0	0	0	0	0	0	0	0
21.	Amounts received free of charge +	4 843	6 897	0	0	0	0	4 843	6 897
22.	Shares withdrawn, disinvestment (capital reduction) -	0	0	0	0	0	0	0	0
23.	Bonds and debt securities repaid -	0	0	0	0	0	0	0	0
24.	Loans and borrowings repaid -	-3 532	-3 437	0	0	0	0	-3 532	-3 437
26.	Amounts transferred free of charge -	-335	-360	0	0	0	0	-335	-360
IV.	Cash flows (I.+II.+III.)	25 401	7 425	-11	59	229	1 148	25 619	8 632
27.	Revaluation of cash and cash equivalents held in foreign exchange	-3	2	0	2	-2	0	-5	4
V.	Change in cash and cash equivalents (IV.+27)	25 398	7 427	-11	61	227	1 148	25 614	8 636

Table 42: MÁV-START Zrt's unbundled cash flow statement

IV.4 Statement of activities

MÁV-START Zrt. prepared its supervisory report for 2023 pursuant to Section 8(4) of the GKM-PM Decree 50/2007 (26 April) and its effective accounting unbundling regulation.

The annual supervisory report is presented in two forms as a result of the new enterprise management system implemented as of 1 January 2017:

1. broken down in accordance with section 2(1) of decree 50/2007. (IV. 26.) GKM-PM, which includes cumulative figures resulting from the unbundled activities (recognised internal revenues and recognised internal expenses) based on the general ledger module of the integrated corporate governance system used by the Company (Table 47), and
2. operations based statement of activities, in which the settlements among the unbundled activities are presented as allocated to the relevant cost type – based on the settlements recorded in the Controlling module of the integrated corporate governance system used by the Company (Table 48). The operations based statement of activities ensures the comparability of reporting year figures with the previous period.

The statement of activities is prepared for public service passenger transport services, non-public service passenger transportation and for other activities.

figures in kHUF

GRAND TOTAL	MÁV-START Zrt. 2022				MÁV-START Zrt. 2023			
	Public service	Non-public service	Other activities	TOTAL	Public service	Non-public service	Other activities	TOTAL
Sales revenues, net	108 967 679	7 791 112	16 712 333	133 471 124	114 542 651	16 129 945	15 649 914	146 322 510
of which: fares	57 705 801	3 774 173	0	61 479 974	67 295 473	4 587 140	0	71 882 613
domestic fares	43 128 439	1 022 788	0	44 151 227	47 607 849	1 055 712	0	48 663 561
international fares	14 577 362	2 751 385	0	17 328 747	19 687 624	3 531 428	0	23 219 053
subsidised fares	30 847 602	199 564	0	31 047 166	35 642 085	165 720	0	35 807 806
car rent received	6 054 017	1 627 361	0	7 681 377	6 310 293	1 809 437	0	8 119 730
Other intra-group revenues	316 912 505	3 804 949	4 283	320 721 738	322 294 282	4 064 105	2 061	326 360 447
Central administration revenues	22 151 590	0	0	22 151 590	23 846 716	0	0	23 846 716
Capitalised own output	-2 344 885	0	-11 719	-2 356 604	1 479 517	0	18 063	1 497 580
Other income	312 339 136	0	6 732	312 345 869	319 944 970	426 468	12 811	320 384 249
of which: government reimbursement	294 053 345	0	0	294 053 345	253 593 802	0	0	253 593 802
- reimbursement for 2023	292 053 298	0	0	292 053 298	251 593 802	0	0	251 593 802
- reimbursement for previous years	2 000 047	0	0	2 000 047	2 000 000	0	0	2 000 000
Operating income	758 026 026	11 596 061	16 711 629	786 333 717	782 108 136	20 620 518	15 682 849	818 411 503
Other internal settlements, expenses	300 623 494	7 444 083	12 654 160	320 721 738	305 968 669	9 544 357	10 847 422	326 360 447
Central administration expenses	20 406 727	390 234	1 354 629	22 151 590	22 236 342	415 972	1 194 402	23 846 716
Material-type expenses	292 423 196	3 973 166	1 213 463	297 609 825	286 834 736	11 616 721	264 671	298 716 127
of which: network access charge	80 884 246	0	0	80 884 246	83 863 493	0	0	83 863 493
traction and shunting	2 388 811	131 457	7 469	2 527 737	2 192 374	101 228	9 673	2 303 275
pre-heating, pre-cooling and lights	0	0	0	0	0	0	0	0
maintenance	30 833 981	437	681 691	31 516 110	35 719 798	3 999	38 492	35 762 289
RIC usage charge of railcars	6 617 641	469 749	0	7 087 389	6 739 866	843 866	0	7 583 732
rent of tracted and traction vehicles	6 919 169	0	0	6 919 169	11 800 335	4 901	0	11 805 236
lease of tracted and traction vehicles	288 896	0	0	288 896	312 451	0	0	312 451
railcar cleaning costs	7 628 061	2 560	0	7 630 621	6 239 286	0	21 508	6 260 794
Central services	6 027 490	0	-3	6 027 487	6 580 476	0	0	6 580 476
Financial and accounting services	750 291	0	0	750 291	792 368	0	0	792 368
Human services (training, education, health and safety)	3 001 116	0	0	3 001 116	3 234 160	0	0	3 234 160
Procurement, logistics, environmental services	1 973 928	0	-3	1 973 924	2 233 214	0	0	2 233 214
Administrative costs	302 155	0	0	302 155	320 734	0	0	320 734
Payments to personell	105 481 663	334	22	105 482 018	117 439 830	252	-22	117 440 061
of which: payroll cost	82 124 853	0	0	82 124 853	91 494 249	0	0	91 494 249
fringe benefits	10 814 907	334	22	10 815 262	12 062 121	252	-22	12 062 352
payroll taxes	12 541 903	0	0	12 541 903	13 883 460	0	0	13 883 460
depreciation	31 757 593	472 871	0	32 230 464	34 357 665	472 871	0	34 830 537
other expenses	4 431 970	0	3 737	4 435 707	14 054 486	0	15 120	14 069 606
Operating expenses	755 124 643	12 280 689	15 226 011	782 631 343	780 891 727	22 050 174	12 321 593	815 263 494
Operating profit or loss	2 901 383	-684 627	1 485 618	3 702 375	1 216 409	-1 429 656	3 361 256	3 148 009
Financial income	2 761 788	97 747	39 234	2 898 769	3 326 835	52 385	5 823	3 385 043
Financial expense	3 077 411	75 964	3 437	3 156 812	3 363 281	69 283	23 138	3 455 702
Financial loss or profit	-315 623	21 783	35 796	-258 043	-36 446	-16 898	-17 315	-70 659
Pre-tax profit or loss	2 585 760	-662 844	1 521 415	3 444 331	1 179 963	-1 446 554	3 343 941	3 077 350
Tax liability	0	0	0	0	0	0	0	0
Net profit or loss	2 585 760	-662 844	1 521 415	3 444 331	1 179 963	-1 446 554	3 343 941	3 077 350

Table 43: MÁV-START Zrt's profit and loss account per activity in the GL

figures in KHUF

GRAND TOTAL	MÁV-START Zrt. 2022				MÁV-START Zrt. 2023			
	Public service	Non-public service	Other activities	TOTAL	Public service	Non-public service	Other activities	TOTAL
Sales revenues, net	108 967 679	7 791 112	16 712 333	133 471 124	114 542 651	16 129 945	15 649 914	146 322 510
of which: fares	52 759 692	2 211 561	0	54 971 253	60 884 599	2 728 923	0	63 613 523
domestic fares	39 049 116	924 481	0	39 973 597	42 112 454	996 000	0	43 108 454
international fares	13 710 576	1 287 079	0	14 997 655	18 772 146	1 732 924	0	20 505 069
subsidised fares	30 847 602	199 564	0	31 047 166	35 642 085	165 720	0	35 807 806
car rent received	6 054 017	1 627 361	0	7 681 377	6 310 293	1 809 437	0	8 119 730
Capitalised own output	-2 200 514	-17 910	-138 180	-2 356 604	1 590 966	-11 357	-82 028	1 497 580
Other income	312 114 854	40 193	190 822	312 345 869	319 660 040	490 686	233 523	320 384 249
of which: government reimbursement	294 053 345	0	0	294 053 345	253 593 802	0	0	253 593 802
- reimbursement for 2023	292 053 298	0	0	292 053 298	251 593 802	0	0	251 593 802
- reimbursement for previous years	2 000 047	0	0	2 000 047	2 000 000	0	0	2 000 000
Operating income	418 882 019	7 813 395	16 764 974	443 460 389	435 793 657	16 609 274	15 801 409	468 204 340
Material-type expenses	284 691 344	6 211 139	6 707 342	297 609 825	279 004 282	14 745 850	4 965 995	298 716 127
of which: network access charge	80 649 358	207 566	27 322	80 884 246	83 647 335	192 819	23 338	83 863 493
traction and shunting	2 388 811	131 457	7 469	2 527 737	2 192 359	101 228	9 688	2 303 275
pre-heating, pre-cooling and lights	0	0	0	0	0	0	0	0
maintenance	30 150 462	459 037	906 611	31 516 110	34 251 785	1 283 294	227 209	35 762 289
RIC usage charge of railcars	6 551 312	518 135	17 943	7 087 389	6 695 763	887 969	0	7 583 732
rent of tracted and traction vehicles	6 886 618	12 125	20 426	6 919 169	11 796 950	8 208	78	11 805 236
lease of tracted and traction vehicles	286 194	1	2 701	288 896	312 449	2	0	312 451
railcar cleaning costs	7 472 884	142 363	15 374	7 630 621	6 131 512	96 072	33 210	6 260 794
Central services	5 561 667	88 945	376 875	6 027 487	6 087 235	114 377	378 863	6 580 476
Financial and accounting services	689 918	12 730	47 643	750 291	734 485	14 201	43 682	792 368
Human services (training, education, health and safety)	2 792 878	40 927	167 312	3 001 116	3 013 787	58 609	161 764	3 234 160
Procurement, logistics, environmental services	1 800 653	30 169	143 102	1 973 924	2 041 304	35 896	156 014	2 233 214
Administrative costs	278 218	5 119	18 818	302 155	297 659	5 670	17 404	320 734
Payments to personnel	97 520 586	1 565 184	6 396 249	105 482 018	108 796 034	2 386 114	6 257 912	117 440 061
of which: payroll costs	75 930 521	1 170 146	5 024 186	82 124 853	84 770 943	1 813 384	4 909 922	91 494 249
fringe benefits	9 995 751	216 638	602 872	10 815 262	11 147 954	313 414	600 985	12 062 352
payroll taxes	11 594 313	178 399	769 191	12 541 903	12 877 138	259 316	747 006	13 883 460
Depreciation charge	29 739 518	670 391	1 820 555	32 230 464	33 012 823	836 212	981 502	34 830 537
Other expenses	4 050 829	48 084	336 794	4 435 707	13 765 152	72 725	231 729	14 069 606
Operating expensea	416 002 276	8 494 798	15 260 939	439 758 014	434 578 290	18 040 901	12 437 139	465 056 330
Operating profit	2 879 743	-681 403	1 504 035	3 702 375	1 215 366	-1 431 627	3 364 271	3 148 009
Financial income	2 535 998	145 895	216 876	2 898 769	3 083 488	112 795	188 760	3 385 043
Financial expense	2 829 981	127 336	199 495	3 156 812	3 118 892	127 721	209 089	3 455 702
Financial loss	-293 983	18 559	17 380	-258 043	-35 404	-14 927	-20 329	-70 659
Tax liability	0	0	0	0	0	0	0	0
Net profit	2 585 760	-662 844	1 521 415	3 444 331	1 179 963	-1 446 554	3 343 941	3 077 350
<i>Exceptions for government reimbursement purposes</i>	2 585 760	0	0	2 585 760	1 179 963	0	0	1 179 963
Reimbursement related to previous years received	2 000 047			2 000 047	2 000 000			2 000 000
Impairment loss recognised, reversed	-25 254			-25 254	-37 675			-37 675
Penalties paid, recharged	-8 898			-8 898	-34 916			-34 916
Provisions used, made	-926 136			-926 136	-688 404			-688 404
Dividend received	1 407 084			1 407 084	128			128
Reimbursement related to previous years recognised	0			0	0			0
Other	138 919			138 919	-59 172			-59 172
Net profit or loss after exceptions	-0	-662 844	1 521 415	858 571	-0	-1 446 554	3 343 941	1 897 387

Table 48: MÁV-START Zrt's statement of activities from a business perspective

IV.4.1 Narrative to the rail passenger transportation supervisory report

IV.4.1.1 Revenues

MÁV-START Zrt's **net sales revenues** for 2023 totalled HUF 146,323 million (2022: HUF 133,471 million), of which fare revenue was HUF 63,614 million (a HUF 8,643 million increase on HUF 54,971 million in 2022), social fare subsidy was HUF 35,808 million (a HUF 4,761 million increase on HUF 31,047 million in 2022).

Net sales revenue increased by HUF 12,852 million on 2022, mainly due to the following:

- **County and Hungary passes:** On 1 May 2023, a new region-based pass system was introduced to complement the existing product structure. County and Hungary passes, which can be used (under slightly different conditions) on the services of all interurban transport operators during their 30-day validity, fundamentally transform passenger turnovers. A significant number of passengers switched from route passes to the new products, and students preferred buying the discounted passes instead of the student fare with 50% discount. The Hungary and county passes also had a significant impact on the revenues from intermediary services. At company level, the revenues from domestic intermediary services was HUF 6,886 million higher than in 2022, which is mainly caused by the revenues due to partners (GYSEV, HÉV, VOLÁNBUSZ). (In accordance with the Company's accounting unbundling policy, the revenues and expenses of intermediary services do not affect public service activities.)
- **Surcharge restructuring:** The surcharge restructuring introduced on 1 July 2023 affected seat reservation revenues in 2023.
- **Armed conflict between Russia and Ukraine:** The ongoing armed conflict between Russia and Ukraine had an impact on revenues in 2023 as Ukrainian citizens fleeing Ukraine by train are given free solidarity tickets which enables free travel towards Hungary's western border instead of having to pay international fares. However, non-Ukrainian citizens fleeing Ukraine by train has to pay international fares to travel across Hungary.
- A significant part of **other revenues** was the passenger transport cost reimbursement by the government totalling HUF 253,594 million, of which the reimbursement of reasonable costs not covered by revenues in the reporting year was HUF 251,594 million. The amount of reasonable profit recognised for 2022, as approved by the customer, was HUF 2,000 million. (In 2022, annual reimbursement was HUF 294,053 million, of which the reasonable profit recognised for the previous year was HUF 2,000 million.) The significant decrease in cost reimbursement in the reporting year compared to the previous year is predominantly the effect of the subsequently received unbilled discount of HUF 46,122 million provided by MÁV Zrt. and GYSEV Zrt. In Government Decree No. 1280/2023 (VII.17.), the Government of Hungary granted additional cost reimbursement for MÁV Zrt. in order to reduce the network access fee payable by the Company for 2023. MÁV-START Zrt. states this subsequently received unbilled discount among other revenues in the accounts for 2023 – in accordance with the agreements concluded on the subject.

MÁV-START Zrt's **operating income** in 2023 totalled HUF 468,204 million (2022: HUF 443,460 million).

IV.4.1.2 Costs and expenses

Operating expenses in the reporting year totalled HUF 465,056 million (2022: HUF 439,758 million), an increase of HUF 25,298 on the previous year. Of this increase, 85% was due to payments to personnel

(predominantly the effect of the MÁV-VOLÁN group level wage agreement), and the increase in provisions made for the maintenance costs of the KISS tram trains presented among other expenses.

Material-type expenses totalled HUF 298,716 million in 2023 (2022: HUF 297,610 million), and included the following key items:

- Network access charge (rail track usage charge and other rail track services): HUF 83,863 million (2022: HUF 80,884 million);
- Traction by partner railways: HUF 2,303 million (2022: HUF 2,528 million);
- Maintenance costs: HUF 35,762 million (2022: HUF 31,516 million);
- Expense paid by MÁV-START Zrt. for the number of kilometres run by rail passenger cars owned by partner railway companies: HUF 7,584 million (2022: HUF 7,087 million);
- Railcar rents: HUF 11,805 million (2022: HUF 6,919 million);
- Railcar cleaning costs: HUF 6,261 million in the reporting period (2022: HUF 7,631 million);
- Central services
 - financial and accounting services: HUF 792 million (2022: HUF 750 million),
 - costs of human services (education, training, work health and safety services): HUF 3,234 million (2022: HUF 3,001 million),
 - procurement, logistics, environmental services: HUF 2,233 million (2022: HUF 1,974 million),
- administrative services: HUF 321 million (2022: HUF 302 million).

Payments to personnel incurred in 2023 totalled HUF 117,440 million (payroll costs: HUF 91,494 million, fringe benefits: HUF 12,062 million and social security: HUF 13,883 million).

(2022: payments to personnel total: HUF 105,482 million, payroll costs: HUF 82,125 million, fringe benefits: HUF 10,815 million, social security: HUF 12,542 million).

Annual depreciation charge totalled HUF 34,831 million in 2023 (2022: HUF 32,230 million).

Other expenses totalled HUF 14,070 million and included damages paid, fines and default interest paid, various grants, cost contributions, impairment of inventories and receivables, and provisions made (2022: HUF 4,436 million).

Financial income included dividend received, interest received on term deposits and foreign exchange gains on receivables and liabilities. Financial expenses included interest paid on overdrafts, development loans and realized foreign exchange losses on receivables and liabilities. Overall, the Company had a **financial loss** of HUF -71 million (2022: HUF -258 million).

IV.4.2 Narrative to the supervisory report on rail passenger transportation performed as a public service

In line with the stance of the Principal, the Company does not consider (excludes) the following items for the purpose of determining the amount of reasonable costs not covered by revenues incurred during the performance of public services (i.e. the reimbursement need):

- ✓ recognised and reversed impairment loss on receivables and its own tangible assets;
- ✓ penalties paid and re-charged;
- ✓ gains and expenses on assets disposed of, received or transferred free of charge, and assets related to contribution in kind;
- ✓ costs of and income from intermediary services;
- ✓ expenses on provisions made and income from the use of provisions (except provisions for

- ✓ maintenance costs and for the revaluation of loans);
- ✓ dividends received;
- ✓ its own output to be capitalised and capitalised;
- ✓ and – in order to avoid double funding – the depreciation of deferred other income and the related subsidised development projects (equal to the amount of deferred other income).

IV.4.2.1 Revenues

In 2023, MÁV-START Zrt's **net sales revenues** from public service passenger transport services totalled HUF 114,543 million, of which **fares** HUF 60,885 million and social fare subsidy HUF 35,642 million. (2022: HUF 108,968 million, including HUF 52,760 million fare revenues and HUF 30,848 million social fare subsidy).

A significant part of **other revenues** was the passenger transport cost reimbursement by the government totalling HUF 253,594 million, of which the reimbursement of reasonable costs not covered by revenues in the reporting year was HUF 251,594 million (resulting from the reimbursement decreasing effect of the subsequently received unbilled discount of HUF 46,122 million provided by MÁV Zrt and GYSEV Zrt.), and the reasonable profit recognised for 2022 was HUF 2,000 million. (2022 annual reimbursement was HUF 294,053 million, of which reimbursement for 2022 was HUF 292,053 million, and the reasonable profit for 2021 recognized in 2022 was HUF 2,000 million.). Other income items within other revenues that are treated as exceptions for the purposes of determining the reimbursement totalled HUF 2,321 million in 2023 (including the HUF 2,000 million reasonable profit for 2022). (Exceptional income items in 2022: HUF 4,010 million, including HUF 2,000 million reasonable profit recognised for 2021.)

MÁV-START Zrt's **operating income** related to public services in 2023 totalled HUF 435,794 million (2022: HUF 418,882 million). Operating income less cost reimbursement totalled HUF 182,200 million, which is a HUF 25,371 million increase on the previous year (2022: HUF 124,829 million). Of this significant increase, 80% was due to the subsequently received unbilled discount (HUF 46,122 million) provided by MÁV Zrt and GYSEV Zrt., as mentioned above.

IV.4.2.2 Costs and expenses

Operating expenses on public railway passenger transport services in 2023 totalled HUF 434,578 million (2022: HUF 416,002 million). The HUF 18,576 million increase in expenses predominantly relates to payments to personnel – as an effect of the MÁV-VOLÁN group level wage agreement – and the provision made for the maintenance costs of the KISS tram trains recognized among other expenses.

Material-type expenses on public services totalled HUF 279,004 million in 2023 (2022: HUF 284.691 million), and included the following key items:

- Network access charge (rail track usage charge and other rail track services): HUF 83,647 million (2022: HUF 80,649 million);
- Traction by partner railways: HUF 2,192 million (2022: HUF 2,389 million);
- Maintenance costs related to public railway passenger transport: HUF 34,252 million (2022: HUF 30.150 million);
- Expense paid by MÁV-START Zrt. for the number of kilometres run by rail passenger cars owned by partner railway companies: HUF 6,696 million (2022: HUF 6,551 million);
- Railcar rent in relation to public service passenger services: HUF 11,797 million (2022: HUF 6,887 million);

- Railcar cleaning costs in 2022: HUF 6,132 million (2022: HUF 7,473 million).
- Of central services, the costs attributable to public passenger transport service were as follows:
 - financial and accounting services: HUF 734 million (2022: HUF 690 million),
 - human services (education, training, work health and safety services): HUF 3,014 million (2022: HUF 2,793 million),
 - procurement, logistics, environmental services: HUF 2,041 million (2022: HUF 1,801 million),
 - administrative services: HUF 298 million (2022: HUF 278 million).

Payments to personnel incurred in 2023 totalled HUF 108,796 million, exclusive of the expenses of non-public workers (2022: HUF 97,521 million).

Depreciation charge relating to public services totalled HUF 33,013 million in 2023 (2022: HUF 29,740 million).

Other expenses related to public railway passenger transport totalled HUF 13,765 million (2022: HUF 4,051 million). Of other expenses, items that are excluded from the reimbursable items in 2023: HUF 1,142 million (2022: HUF 1,424 million).

Financial income from rail passenger transport performed as a public service include dividend received, interest received on fixed-term deposits, foreign exchange gains on receivables and liabilities. Financial expenses include the interest paid on overdrafts and project loans, and realised foreign exchange loss on receivables and liabilities. Overall, the Company had a **financial loss** of HUF -35 million on public services (2022: HUF -294 million).

IV.5 Other disclosures relating to unbundling

Revenues from and expenses incurred toward related parties are included per related party in the tables below.

figures in HUF millions

Related party	Revenues				Expenses				Grand total
	Sales revenues, net	Other income	Financial income	Total	Costs	Other expenses	Financial expenses	Total	
020 MÁV VAGON Kft.	3 742	407	19	4 168	21 321	4	13	21 338	-17 170
100 MÁV Zrt. Anyavállalat	55	46 131	1	46 187	189 534	398	0	189 932	-143 745
101 MÁV FKG Kft.	2	0	0	2	0	0	0	0	2
131 MÁV KfV Kft.	0	0	0	0	13	0	29	42	-42
138 MÁV Szolgáltató Központ Zrt.	11	50	0	61	13 925	4	0	13 929	-13 868
179 ZÁHONY-PORT Zrt.	0	0	0	0	0	0	7	7	-7
194 MÁV-HEV Zrt.	275	4	129	408	43	0	0	43	365
195 MÁVRail Tours Zrt.	5	2	33	40	760	302	2	1 064	-1 024
196 VOLÁNBUSZ Zrt.	1 192	0	0	1 192	3 924	1	106	4 031	-2 839
Grand total	5 282	46 594	182	52 058	229 520	709	157	230 386	-178 328

Table 49: Related parties – public service passenger transport

figures in HUF millions

Related party	Revenues				Expenses				Grand total
	Sales revenues, net	Other income	Financial income	Total	Costs	Other expenses	Financial expenses	Total	
020 MÁV VAGON Kft.	0	0	0	0	0	0	0	0	0
100 MÁV Zrt. Anyavállalat	1	143	0	144	8	0	0	8	136
101 MÁV FKG Kft.	0	0	0	0	0	0	0	0	0
131 MÁV KfV Kft.	0	0	0	0	0	0	0	0	0
138 MÁV Szolgáltató Központ Zrt.	0	0	0	0	0	0	0	0	0
179 ZÁHONY-PORT Zrt.	0	0	0	0	0	0	0	0	0
194 MÁV-HEV Zrt.	0	0	0	0	0	0	0	0	0
195 MÁV Rail Tours Zrt.	1	0	4	5	217	0	0	217	-212
196 VOLÁNBUSZ Zrt.	0	0	0	0	0	0	0	0	0
Grand total	2	143	4	149	225	0	0	225	-76

Table 50: Related parties – non-public service passenger transport

figures in HUF millions

Related party	Revenues				Expenses				Grand total
	Sales revenues, net	Other income	Financial income	Total	Costs	Other expenses	Financial expenses	Total	
020 MÁV VAGON Kft.	317	0	0	317	39	0	0	39	278
100 MÁV Zrt. Anyavállalat	5 022	0	0	5 022	48	0	0	48	4 974
101 MÁV FKG Kft.	60	0	0	60	0	0	0	0	60
131 MÁV KfV Kft.	19	0	0	19	0	0	0	0	19
138 MÁV Szolgáltató Központ Zrt.	19	0	0	19	0	0	0	0	19
179 ZÁHONY-PORT Zrt.	1	0	0	1	0	0	0	0	1
194 MÁV-HEV Zrt.	7	0	0	7	0	0	0	0	7
195 MÁV Rail Tours Zrt.	274	0	0	274	9	0	0	9	265
196 VOLÁNBUSZ Zrt.	0	0	0	0	0	0	0	0	0
Grand total	5 719	0	0	5 719	96	0	0	96	5 623

Table 51: Related parties – other activities

figures in HUF millions

Related party	Revenues				Expenses				Grand total
	Sales revenues, net	Other income	Financial income	Total	Costs	Other expenses	Financial expenses	Total	
020 MÁV VAGON Kft.	4 059	407	19	4 485	21 360	4	13	21 377	-16 892
100 MÁV Zrt. Anyavállalat	5 078	46 274	1	51 353	189 590	398	0	189 988	-138 635
101 MÁV FKG Kft	62	0	0	62	0	0	0	0	62
131 MÁV KfV Kft	19	0	0	19	13	0	29	42	-23
138 MÁV Szolgáltató Központ Zrt.	30	50	0	80	13 925	4	0	13 929	-13 849
179 ZÁHONY-PORT Zrt.	1	0	0	1	0	0	7	7	-6
194 MÁV-HÉV Zrt.	282	4	129	415	43	0	0	43	372
195 MÁV Rail Tours Zrt.	280	2	37	319	986	302	2	1 290	-971
196 VOLANBUSZ Zrt.	1 192	0	0	1 192	3 924	1	106	4 031	-2 839
Grand total	11 003	46 737	186	57 926	229 841	709	157	230 707	-172 781

Table 52: Related parties - MÁV-START Zrt.

Annual average statistical number of employees in 2023

Activity	Number of staff
Public service passenger transport	12 242
Not public service passenger transport	
Company, total:	12 242

Table 53: Annual average statistical number of employees per activity

The assets, liabilities and employees are directly assigned to the Company's divisions reflected in the balance sheet (SK, SN, E divisions). The employees serving all separable activities were mostly assigned to the passenger transportation activity as a public service on the basis of the majority principle.

Subsidies by title per activity

figures in HUF millions

Item	Public service passenger transport		Non-public service passenger transport		Other activities		MÁV-START Zrt.	
	2022	2023	2022	2023	2022	2023	2022	2023
Subsidised fares on social grounds	30 848	35 642	199	166			31 047	35 808
Reimbursed excise tax on gasoline use	2 793	3 166	0				2 793	3 166
Development subsidy	84 572	192 682	0	0	0	0	84 572	192 682
<i>of which</i>								
<i>IKOP Tram Train</i>	19 492	567	0	0	0	0	19 492	567
<i>ETCS 59 motor trains</i>	1 986	2 694	0	0	0	0	1 986	2 694
<i>IKOP 19 high-capacity trains KISS</i>	4 269	9 383	0	0	0	0	4 269	9 383
<i>IKOP- INKA2</i>	225	264	0	0	0	0	225	264
<i>FLIRT standardization</i>	1 453	1 544	0	0	0	0	1 453	1 544
<i>IKOP 21 high-capacity trains KISS</i>	56 082	20 304	0	0	0	0	56 082	20 304
<i>IC+</i>	1 000	30 045	0	0	0	0	1 000	30 045
<i>Tram Train Domestic subsidy</i>	65	9 006	0	0	0	0	65	9 006
<i>IKOP Plusz 19 high-capacity trains KISS**</i>	0	107 230	0	0	0	0	0	107 230
<i>IKOP Plusz 2 high-capacity trains KISS**</i>	0	11 464	0	0	0	0	0	11 464
<i>IKOP HKIR 2017-00014</i>	0	79	0	0	0	0	0	79
<i>IKOP HKIR 2017-00028</i>	0	102	0	0	0	0	0	102
Public service reimbursement	294 053	253 594	0	0	0	0	294 053	253 594
GINOP Spektrum received to cover expenses	0	1	0	0	0	0	0	1
GINOP-001 received to cover expenses	7	48	0	0	0	0	7	48
Tram Train reimbursement subsidy	29	73	0	0	0	0	29	73
Recognised subsidies, total	412 302	485 206	199	166	0	0	412 501	485 372
<i>Of which: recognised as income</i>	<i>324 937</i>	<i>289 358</i>	<i>199</i>	<i>166</i>	<i>0</i>	<i>0</i>	<i>325 136</i>	<i>289 524</i>

**On 7th December 2023, the IKOP-2.1.0-15-2021-00062 21 high-capacity trains project turned into 2 new projects: the IKOP-PLUS.2.2.0-23-2023-00001 2 high-capacity trains project and the IKOP-PLUS 2.1.0-23-2023-00001 19 high-capacity trains project. The items accounted for within the framework of the 21 high-capacity trains project were also shown in the table for the 2 new projects.

Table 54: Subsidies recognised in the reporting year

V Cost reimbursement for public service and funding in 2023

Pursuant to the rail passenger transportation public service contract between the Company and the Hungarian State, the Company is entitled to be reimbursed for eligible expenses relating to the public services defined in the contract and not covered by revenues.

In the clause of the public service contract (as amended from time to time and effective in 2023), the planned amount of reimbursement for public service activities is HUF 297,486 million. In order to have all the reasonable costs of public services not covered with revenues financed, a total of HUF 251,594 million was presented in the financial statements as the amount to be reimbursed, which is HUF 45,892 million less than the amount specified in the clause. The reimbursement for 2023 will be approved by the Principal as part of the annual settlement for 2023 (after the preparation of the annual financial statements for 2023), so the final amount may still change.

In 2023, other income also included extra reimbursement (reasonable profit) of HUF 2,000 million related to 2022 as approved by the Principal. As a result, a total reimbursement of HUF 253,594 was recognised in 2023.

The Company's receivables from the state for public service costs are presented below:

figures in HUF millions

Period	Amount receivable at 1 Jan 2023	Amount payable at 1 Jan 2023	Reasonable profit recognised for 2022	Financial settlements in 2023		Amount receivable at 31 Dec 2023	Amount payable at 31 Dec 2023
				Overcompensation for 2022	Financial settlement in 2023		
2022	0	13 432	2 000	-11 432	0	0	0
2023	0	0	0	11 432	0	0	57 324
Grand total	0	13 432	2 000	0	0	0	57 324

Table 55: MÁV-START Zrt. – public service cost reimbursement

Revenues from reimbursement:

figures in HUF millions

Reimbursement related income	2022	2023
Justified cost not covered with revenues	292 053	251 594
Reasonable profits related to previous years	2 000	2 000
Total:	294 053	253 594

Table 56: Revenues from reimbursement

Under the cost basis of accounting, a total governmental reimbursement of HUF 297,486 million was received in 2023 to offset the operating expenses during the year, of which HUF 251,594 million was utilized.

The HUF 57,324 million overcompensation includes on the one hand the offset of the overcompensation in 2022 and on the other hand the subsequently received unbilled discount of HUF 46,122 million from MÁV Zrt. and GYSEV Zrt., which - based on the agreements concluded on the subject – the Company is required to show in the public service accounting records as a liability towards the Hungarian State.

In 2023, significant changes in market circumstances have led to a number of events beyond the Company's control (e.g. spiralling energy prices, market interest rates and raw material prices etc.), which generate a material increase in reimbursement need in 2022 compared to the previous periods and the amount specified in the National Budget Act.

figures in HUF millions

Item	2022 actual	2023 actual	2024 planned
Justified costs not covered with revenues	292 053	251 594	272 252

Table 57: Reimbursed public services in the reporting year

The future changes in market prices and key macroeconomic indicators are currently highly unpredictable and any such change may have further significant impacts on the Company's reimbursement needs in 2024 and in the future.

In order to maintain seamless public services and balanced finances, market developments and their impacts on both the Company and the Group are continuously monitored, analysed and presented to the Owner and the Principal, and are continuously discussed in order to take appropriate action as necessary.

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This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholder of MÁV-Start Zrt.

Opinion

We have audited the accompanying 2023 annual financial statements of MÁV-START Zrt. ("the Company"), which comprise the balance sheet as at 31 December 2023 - showing a balance sheet total of HUF 632,430 million and a profit after tax for the year of HUF 3,077 million -, the related profit and loss account for the financial year then ended and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion the annual financial statements give a true and fair view of the equity and financial position of the Company as at 31 December 2023 and of the results of its operations for the financial year then ended in accordance with the Act C of 2000 on Accounting ("Hungarian Accounting Law").

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the annual financial statements" section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note V. of the notes to the annual financial statements, in which it is disclosed that the Company is entitled to cost compensation with respect to its justifiable costs incurred in relation to the fulfilment of the public services ordered by the relevant ministry which are not covered with related revenues. The relevant ministry has not yet approved HUF 251,594 million cost refund for 2023 until the date of our audit report, accordingly this amount may be subject to change. Note V. further describes the potential impact of the increased volatility of the

market prices and key macroeconomic indicators on the Company's justifiable costs and cost compensation need. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the 2023 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the annual financial statements does not cover the business report.

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

Concerning the business report it is our responsibility also, in accordance with the Hungarian Accounting Law, to consider whether the business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

In our opinion, the business report of the Company for 2023 is consistent, in all material respects, with the 2023 annual financial statements of the Company and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Company further requirements with regard to its business report, we do not express opinion in this regard.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the annual financial statements

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

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Management is required to apply going concern principle unless the applicability of that principle is precluded by other provisions or there are facts and circumstances that contradict with the continuance of the Company's business activity.

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

Auditor's responsibilities for the audit of the annual financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Budapest, 9 May 2024

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Registered auditor
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