

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholder of MÁV-Start Zrt.

Opinion

We have audited the accompanying 2022 annual financial statements of MÁV-START Zrt. ("the Company"), which comprise the balance sheet as at 31 December 2022 - showing a balance sheet total of HUF 593,244 million and a profit after tax for the year of HUF 3,444 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 2022 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 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 292,053 million cost refund for 2022, 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 needs for. Our conclusion is not modified in respect of this matter.

Other information

Other information consists of the 2022 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 2022 is consistent, in all material respects, with the 2022 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 and fair presentation of the annual financial statements 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, 26 April 2023

Kujbus Attila
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165

Kujbus Attila
Registered auditor
Chamber membership No.: 007370

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 2022

Date: Budapest, 26 April 2023

head of company (representative)

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BALANCE SHEET VERSION 'A' - Assets

31 December 2022

figures in HUF millions

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
A.	Non-current assets	439 174	0	504 903
I.	INTANGIBLE ASSETS	10 186	0	8 957
1.	Capitalised foundation/restructuring	0	0	0
2.	Capitalised research and development	0	0	0
3.	Concessions, licenses and similar rights	763	0	761
4.	Trade-marks, patents and similar assets	9 360	0	8 169
5.	Goodwill	0	0	0
6.	Advance payments for intangible assets	63	0	27
7.	Adjusted value of intangible assets	0	0	0
II.	TANGIBLE ASSETS	422 807	0	489 765
1.	Land and buildings and related property rights	2 263	0	2 750
2.	Plant, machinery, equipment and vehicles	370 936	0	460 898
3.	Other equipment, fixtures and fittings, vehicles	3	0	2
4.	Breeding stock	0	0	0
5.	Assets in the course of construction	15 645	0	19 884
6.	Advance payments for AICC	33 960	0	6 231
7.	Adjusted value of tangible assets	0	0	0
III.	LONG-TERM FINANCIAL ASSETS	6 181	0	6 181
1.	Long-term equity investments in related parties	6 180	0	6 180
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	0	1
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, 26 April 2023

head of company (representative)

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Statistical code

01-10-045551

Company registration number

BALANCE SHEET VERSION 'A' - Assets

31 December 2022

figures in HUF millions

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
B.	Current assets	56 262	0	83 312
I.	INVENTORIES	26 249	0	15 849
1.	Raw materials and consumables	16 387	0	14 243
2.	Work in progress and semi-finished products	7 511	0	681
3.	Animals for breeding, fattening and other livestock	0	0	0
4.	Finished products	2 282	0	840
5.	Goods	58	0	80
6.	Advance payments for inventories	11	0	5
II.	RECEIVABLES	23 165	0	35 001
1.	Trade receivables (debtors)	2 332	0	3 434
2.	Receivables from related parties	14 292	0	16 098
3.	Receivables from significant equity investments	57	0	284
4.	Receivables from other investments	21	0	24
5.	Bills of exchange receivable	0	0	0
6.	Other receivables	6 463	0	15 161
7.	Gain/loss on the valuation of receivables	0	0	0
8.	Gain on the valuation of derivatives	0	0	0
III.	SECURITIES	0	0	0
1.	Equity investments in related parties	0	0	0
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	6 848	0	32 462
1.	Cash, cheques	128	0	136
2.	Bank deposits	6 720	0	32 326
C.	PREPAID EXPENSES & ACCRUED INCOME	6 193	0	5 029
1.	Accrued income	2 883	0	3 700
2.	Prepaid expenses	2 240	0	446
3.	Deferred expenses	1 070	0	883
Assets, total		501 629	0	593 244

Date: Budapest, 26 April 2023

head of company (representative)

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BALANCE SHEET VERSION 'A' - Equity & liabilities

31 December 2022

figures in HUF millions

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
D.	Equity	134 784	0	138 228
I.	ISSUED CAPITAL	45 000	0	45 000
	of which: treasury shares redeemed at face value	0	0	0
II.	ISSUED CAPITAL NOT PAID	0	0	0
III.	CAPITAL RESERVE	71 301	0	71 301
IV.	RETAINED EARNINGS	16 194	0	18 290
V.	ALLOCATED RESERVES	309	0	193
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	1 980	0	3 444
E.	Provisions	8 797	0	7 400
1.	Provisions for expected liabilities	2 026	0	3 058
2.	Provisions for future expenses	6 010	0	3 652
3.	Other provisions	761	0	690
F.	Liabilities	123 947	0	143 071
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	8 143	0	4 854
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	4 034	0	1 430
5.	Other long-term loans	4 109	0	3 424
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, 26 April 2023

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BALANCE SHEET VERSION 'A' - Equity & liabilities

31 December 2022

figures in HUF millions

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
III.	CURRENT LIABILITIES	115 804	0	138 217
1.	Short-term borrowings	0	0	0
	of which: convertible bonds	0	0	0
2.	Short-term loans	3 389	0	3 588
3.	Prepayments received from debtors	7	0	3
4.	Trade payables (creditors)	25 018	0	37 052
5.	Bills of exchange payable	0	0	0
6.	Current liabilities to related parties	13 221	0	34 245
7.	Current liabilities to significant equity investments	144	0	176
8.	Current liabilities to other investments	16	0	26
9.	Other current liabilities	74 009	0	63 127
10.	Valuation gain or loss on liabilities	0	0	0
11.	Revaluation loss on derivatives	0	0	0
G.	Accrued expenses & deferred income	234 101	0	304 545
1.	Deferred income	126	0	227
2.	Accrued expenses	6 671	0	4 294
3.	Deferred other income and negative goodwill	227 304	0	300 024
Equity & Liabilities, total		501 629	0	593 244

Date: Budapest, 26 April 2023

head of company (representative)

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PROFIT & LOSS ACCOUNT (total cost method)

31 December 2022

figures in HUF millions

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
01.	Domestic sales, net	81 767	0	110 860
02.	Export sales, net	8 556	0	22 611
I.	Net sales (01+02)	90 323	0	133 471
03.	Capitalised value of self-produced assets	1 808	0	-8 272
04.	Movement in self-produced inventories	14 793	0	5 915
II.	Capitalised own output (±03+04)	16 601	0	-2 357
III.	Other income	244 481	0	312 346
	Of which: impairment loss reversed	866	0	748
05.	Material cost	56 486	0	118 037
06.	Material type services utilised	141 660	0	165 624
07.	Other services	2 542	0	3 401
08.	Cost of goods sold	9 632	0	6 959
09.	Cost of (intermediary) services	2 163	0	3 588
IV.	Material type expenses (05+06+07+08+09)	212 483	0	297 609
10.	Payroll cost	76 657	0	82 125
11.	Other payments to personnel	12 238	0	10 815
12.	Social security and other contributions	14 142	0	12 542
V.	Payments to personnel (10+11+12)	103 037	0	105 482
VI.	Depreciation charge	27 804	0	32 231
VII.	Other expenses	5 213	0	4 436
	Of which: impairment loss	1 323	0	1 081
A.	OPERATING PROFIT OR LOSS (I±II+III-IV-V-VI-VII)	2 868	0	3 702

Date: Budapest, 26 April 2023

head of company (representative)

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13834492-4910-114-01
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01-10-045551
Company registration number

PROFIT & LOSS ACCOUNT (total cost method)

31 December 2022

figures in HUF millions

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
13.	Dividends (due) received	0	0	1 532
	Of which: from related parties	0	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	88	0	298
	Of which: from related parties	7	0	47
17.	Other financial income	432	0	1 069
	Of which: from related parties	0	0	0
VIII.	Financial income (13+14+15+16+17)	520	0	2 899
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	529	0	1 525
	Of which: to related parties	163	0	168
21.	Impairment of shares, securities, bank deposits	0	0	0
22.	Other financial expenses	879	0	1 632
	Of which: valuation difference	0	0	0
IX.	Financial expenses (18+19+20+21+22)	1 408	0	3 157
B.	FINANCIAL PROFIT OR LOSS (VIII-IX)	-888	0	-258
C.	PROFIT OR LOSS BEFORE TAX (±A±B)	1 980	0	3 444
X.	Tax liability	0	0	0
D.	PROFIT OR LOSS AFTER TAX (±C-X)	1 980	0	3 444

Date: Budapest, 26 April 2023

head of company (representative)

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MÁV-START RAILWAY PASSENGER TRANSPORT COMPANY

**NOTES TO THE FINANCIAL
STATEMENTS FOR 2022**

Date: Budapest, 26 April 2023

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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.

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**

H-1087 Budapest, Könyves Kálmán körút 54-60., Hungary, phone: +36 (1) 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, managing director (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 18.7 million +VAT

In the reporting year, the auditors charged a fee of HUF 3.3 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 2022, 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 2023.

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 permanent records of the quantity and value of its inventories, with the exception of ticket inventories, coupons and gift vouchers.

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 any legal grounds
- other items accounted for as other income and other expenses not listed above, presented in notes II.2.2 and II.2.4.

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 2022 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 2022.

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

There was no significant change in the Company's operations in 2022.

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 2022 was HUF 504,903 million, which shows an increase of HUF 65,729 million (14.97%) compared to the previous year.

Due to the Company's activities, 92.9% of tangible assets at the book value of HUF 455,255 million are railway vehicles.

II.1.1.1 Changes in intangible assets

figures in HUF millions

ITEM	Capitalsd found., restruct.	Capitalsd R&D	Concessions and similar rights	Intellectual property	Goodwill	Advances for capital projects	Total
1. Cost, opening	3	516	3 619	16 860	0	63	21 061
2. Acquisition, renovation, advances paid	0	0	15	1 065	0	2	1 082
3. Self-produced assets	0	0	0	66	0	0	66
4. Reclassified (broken down, aggregated, deducted advance payment)	0	0	394	-394		-38	-38
5. Cost, closing	3	516	4 028	17 597	0	27	22 171
6. Amortisation, opening	3	516	2 856	7 500	0	0	10 875
7. Ordinary charge for the year	0	0	411	1 928	0	0	2 339
8. Amortisation, closing	3	516	3 267	9 428	0	0	13 214
9. NBV, opening	0	0	763	9 360	0	63	10 186
10. NBV, closing	0	0	761	8 169	0	27	8 957

1. Table: Changes in intangible assets in the reporting year

The net value of intangible assets decreased by HUF 1,229 million compared to 2021 mainly due to the HUF 2,339 million ordinary amortisation charged during the year. The effect of this was set off by the acquisition of computer software and systems, of which INKA2 (HUF 318 million), EMIG (HUF 143 million), and JÉ (HUF 116 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 millions

ITEM	Capitalsd found., restruct.	Capitalsd R&D	Concession s and similar rights	Intellectu al property	Goodwill	Advances for capital projects	Total
1. Cost, opening	2 763	562 463	104	0	15 658	33 960	614 948
2. Acquisition, renovation, advances paid	0	0	0	0	119 254	16 486	135 740
3. Self-produced assets	0	0	0	0	5 813	0	5 813
4. Disposal	0	-317	-1	0	-341	0	-659
5. Scrapped	0	-848	-1	0	0	0	-849
6. Missing	0	-2	0	0	0	0	-2
7. Commissioned	616	119 862	0	0	-120 478	0	0
8. Reclassified (broken down, aggregated, deducted advance payment)	0	-1 191	0	0	-9	-44 215	-45 415
9. Cost, closing	3 379	679 967	102	0	19 897	6 231	709 576
10. Depreciation, opening	500	191 527	101	0	13	0	192 141
11. Ordinary charge for the year	129	29 762	1	0	0	0	29 892
12. Extraordinary charge for the year	0	26	0	0	0	0	26
13. Disposal	0	-215	-1	0	0	0	-216
14. Scrapped	0	-843	-1	0	0	0	-844
15. Missing	0	-2	0	0	0	0	-2
16. Reclassified (broken down, aggregated)	0	-1 186	0	0	0	0	-1 186
17. Depreciation, closing	629	219 069	100	0	13	0	219 811
18. NBV, opening	2 263	370 936	3	0	15 645	33 960	422 807
19. NBV, closing	2 750	460 898	2	0	19 884	6 231	489 765

2. Table: Changes in tangible assets in the reporting year

The net value of tangible assets increased by HUF 66,958 million compared to the previous year.

The reason for the increase was the acquisition of 9+2 KISS tram trains for HUF 64,286 million, 8+4 tram-trains of HUF 29,593 million and 26 IC+ cars of HUF 16,037 million.

The decrease reflects ordinary depreciation totalling HUF 29,892 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, including advances in relation to the KISS tram trains totalling HUF 12,671 million in 2022 plus HUF 28,070 million carried over from the previous year.

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 2022, 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 2022 was HUF 83,312 million, which is a HUF 27,050 million (48.07%) 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	17 313	7 511	0	2 303	58	11	27 196
2. Acquisition, advances paid	15 655	0	0	0	4 077	1	19 733
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	-1 521	-5 708	0	7 244	0	0	15
6. Recorded as inventory	0	1 195	0	4 749	0	0	5 944
7. Surplus	2	0	0	0	0	0	2
8. Other increase	241	0	0	539	0	0	780
9. Used (expensed)	-9 938	-2 317	0	-3 743	-23	0	-16 021
10. Reclassified, advance deducted	0	0	0	0	0	-7	-7
11. Disposal	-6 566	0	0	-6 747	-3 981	0	-17 294
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	-96	0	0	-11	-49	0	-156
15. Missing	0	0	0	0	0	0	0
16. Other decrease	0	0	0	-3 448	-2	0	-3 450
17. Inventories, closing	15 090	681	0	886	80	5	16 742
18. Impairment, opening	926	0	0	21	0	0	947
20. Impairment in the reporting year	812	0	0	46	0	0	858
22. Reclassification	0	0	0	0	0	0	0
23. Written off due to decrease	-165	0	0	0	0	0	-165
24. Reversed impairment loss	-726	0	0	-21	0	0	-747
25. Impairment, closing	847	0	0	46	0	0	893
26. NBV, opening	16 387	7 511	0	2 282	58	11	26 249
27. NBV, closing	14 243	681	0	840	80	5	15 849

3. Table: Inventories

The closing value of inventories decreased by HUF 10,400 million compared to 2021.

Warehouse materials dropped by HUF 2,144 million compared to 2021. There was one significant economic event: selling materials to MÁV VAGON Kft.

Work in progress and finished products fell by a total of HUF 8,272 million compared to 2021, primarily due to selling materials (worth HUF 6,747 million) to MÁV VAGON Kft.

II.1.2.2 Receivables

II.1.2.2.1 Receivables and impairment loss

figures in HUF millions

Item	Total gross receivables	Impairment loss						Net book value 2022	Net book value 2021	Change
		Opening	Impairment loss	Reversed	Collected impaired receivable	Other write-offs	Closing			
<i>Trade receivables (debtors)</i>	3 481	47	0	0	0	0	47	3 434	2 332	1 102
<i>Related party receivables</i>	16 098	0	0	0	0	0	0	16 098	14 292	1 806
of which: from parent company	1 102	0	0	0	0	0	0	1 102	598	504
of which: from fully consolidated subsidiaries and joint ventures	14 996	0	0	0	0	0	0	14 996	13 694	1 302
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>	284	0	0	0	0	0	0	284	57	227
<i>From other investments</i>	24	0	0	0	0	0	0	24	21	3
<i>Bills of exchange</i>	0	0	0	0	0	0	0	0	0	0
<i>Other receivables</i>	15 537	350	36	0	9	2	376	15 161	6 463	8 698
<i>Receivables, total:</i>	35 424	397	36	0	9	2	423	35 001	23 165	11 836

4. Table: Receivables and impairment loss

The closing balance of receivables increased by HUF 11,836 million compared to 2021, of which HUF 1,102 million related to trade receivables. Receivables from the parent company increased by HUF 504 million; receivables from related parties also increased as follows: by HUF 1,072 million from MÁV VAGON Kft., by HUF 180 million from MÁV RAIL TOURS Kft., by HUF 27 million from MÁV Szolgáltató Központ Zrt. and by HUF 17 million from VOLÁNBUSZ Zrt.

Receivables from a significant equity investment, TS-MÁV Gépészet Services Kft., increased by HUF 221 million on the previous year.

Of other receivables, reclaimed VAT increased by HUF 6,168 million, fare subsidies by HUF 2,449 million, social contributions payable by employers increased by HUF 70 million, personal income tax by HUF 45 million, while excise tax asset related to railway transport activities dropped by HUF 111 million compared to 2021.

In 2022, 100% impairment loss was recognized on fare claims related to passengers for travelling without a ticket, and the accumulated impairment loss totalled HUF 347 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 2022:

figures in HUF millions

Item	Parent company	Fully consolidated subsidiaries	Non-fully consolidated subsidiaries	Total
Advances for capital projects	0	1 460	0	1 460
Related party debtors	1 102	14 996	0	16 098
Total:	1 102	16 456	0	17 558

5. Table: Related party receivables

Receivables from related parties totalled HUF 17,558million, of which, HUF 1,102 million was from MÁV Zrt.

Receivables from fully consolidated subsidiaries totalled HUF 16,083 million from MÁV VAGON Kft. Other receivables from fully consolidated subsidiaries were as follows: HUF 278 million (of which HUF 260 million was cash pool) from MÁV RAIL TOURS Kft., HUF 35 million from MÁV KFV Kft., HUF 32 million from MÁV Szolgáltató Központ Zrt., HUF 17 million from VOLÁNBUSZ Zrt., HUF 8 million from MÁV-HÉV Zrt. and HUF 3 million 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

The Company does not have any securities on its books.

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	818	971	153
Unbilled revenues	1 583	1 252	-331
Accrued cash-pool income and interest received	5	41	36
Late payment penalty, penalties and damages related to the reporting year	469	261	-208
Unrealised foreign exchange gain or loss on accrued income	8	-19	-27
Accrued subsidy applied for (receivable) to reimburse costs and expenses	0	33	33
Accrued income related to development subsidies	0	1 161	1 161
Accrued income, total:	2 883	3 700	817
Prepaid expenses			
Prepaid pre-billed costs	366	366	0
Prepaid unbilled costs (credits)	1 874	80	-1 794
Prepaid expenses, total:	2 240	446	-1 794
Deferred expenses			
Unrealised FX loss on EUR 41,437,500 KfW Bank loan	556	459	-97
Unrealised FX loss on EUR 38,250,000 EIB Bank loan	514	424	-90
Deferred expenses, total:	1 070	883	-187
Total:	6 193	5 029	-1 164

6. Table: Prepaid expenses & accrued income

Accrued income related to RIC car hire and unsettled traffic with international railways in the reporting year showed a total increase of HUF 153 million.

The HUF 331 million drop in unbilled revenues was mainly due to ÖBB's traction revenues for 2022 and accrued material sales to MÁV-VAGON Kft.

Most of the increase in accrued development grants related to expected subsidies totalling HUF 1,000 million for IC+ cars.

The reason for the HUF 208 million change in accrued late payment penalties, other penalties and damages was due to a HUF 82 million drop in penalties due from MÁV VAGON Kft. and a HUF 126 million decrease in damages receivable from insurers.

The HUF 1,794 million change in the prepaid unbilled expenses (credits) was mainly due to credited Railjet passenger carriage usage fees totalling HUF 890 million and to a HUF 564 million decrease in costs related to C+M adjustments.

The HUF 187 million drop in foreign exchange losses was due to loan repayments in 2022.

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>16 194</i>	<i>309</i>	<i>1 980</i>	<i>134 784</i>
Prior year profit reclassified to retained earnings	0	0	0	1 980	0	-1 980	0
Released non-distributable reserve for unrealised FX loss	0	0	0	116	-116	0	0
Net profit for the year	0	0	0	0	0	3 444	<i>3 444</i>
<i>Closing 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>

7. Table: Movements in equity

II.1.4.2 Issued share capital

There was no change in 2022. 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	Release in current year	Creation in current year	Closing
Difference between the provision made for unrealised FX loss on FX loans and deferred expenses	309	116	0	193
<i>KFW</i>	161	60	0	101
<i>EIB</i>	148	56	0	92
Total:	309	116	0	193

8. Table 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	175	153	77	99
for litigations	315	67	51	299
for damages	108	88	100	120
for uniform costs	296	126	176	346
for default interest	29	28	32	33
for bonus payment (related to 2021)	19	19	0	0
for bonus payment (related to 2022)	0	0	20	20
for other litigated liabilities	0	0	0	0
Provision for other liabilities	1 084	0	1 057	2 141
Total:	2 026	481	1 513	3 058

9. Table: Provisions for expected liabilities

In 2021, a provision of HUF 175 million was made for employment-related liabilities and severance pay due to staff rationalisation, of which HUF 153 million was released in 2022 due to utilisation. Further HUF 77 million was made for similar expenses in 2022.

The amount of the bonuses due after the reporting year was not determined by the approving body until the approval of the Company's annual financial statements. As a result, the Company made a provision of HUF 20 million for bonuses and the related taxes based on a pre-calculation and, concurrently, the HUF 19 million provision made for bonuses in the previous year was released in full in 2022.

Based on available information, the Company made a provision of HUF 1,057 million for ongoing and expected litigations related to daily and weekly leisure time against the profit for 2022 (presented among provisions for other liabilities).

II.1.5.2 Provisions for liabilities to related parties

figures in HUF millions

Liabilities to related parties	Opening	Released	Made	Closing
MÁV VAGON Kft.	11	11	11	11
Total:	11	11	11	11

10. Table 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	1 875	265	123	1 733
for the maintenance of FLIRT vehicles	4 135	2 919	703	1 919
Total:	6 010	3 184	826	3 652

11. Table: Provisions for future expenses

A provision of HUF 123 million was made for the periodical (longer than annual) maintenance costs of TRAXX engines from the profit for 2022 and provisions totalling HUF 265 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 703 million was made and HUF 2,919 million was released for annual maintenance works in 2022.

II.1.5.4 Other provisions

II.1.5.4.1 Provisions for foreign exchange losses

figures in HUF millions

Loan	Opening	Released	Made	Closing
KfW Bank loan (41,437,500 EUR) TRAXX	395	37	0	358
EIB bank loan (38,250,000 EUR) TRAXX	366	34	0	332
Total:	761	71	0	690

12. Table: 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 4,854 million at the balance sheet date, including HUF 1,430 million of investment and development loans and HUF 3,424 million of 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 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 2022	
						EUR	HUFm
Project and development loans							
KfW (TRAXX)	2009.12.03	2024.05.15	-	EUR	41 437 500	4 972 500	1 990
EIB (TRAXX)	2009.12.03	2024.05.15	-	EUR	38 250 000	4 590 000	1 837
MFB*	2009.10.27	2024.09.30	-	HUF	2 800 000 000	-	350
UniCredit - MFB loan	2008.09.10	2023.12.31	-	HUF	2 376 000 000	-	156
Total:						9 562 500	4 333
Other loans							
MKB	2018.12.12	2028.12.12	-	HUF	6 847 623 010	-	4 109
Total:						0	4 109
Grand total:						9 562 500	8 442

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

13. Table: Long-term loans

Of the outstanding loan portfolio, HUF 3,588 million related to instalments due in 2023 was included in short-term loans. Foreign exchange loans were translated at a rate of 400.25 HUF/EUR (as at the balance sheet date, published by the MNB).

The only loan the remaining term of which exceeds 5 years is the MKB loan and will mature on 12 December 2028. The outstanding amount of this loan was HUF 4,109 million at the balance sheet date.

figures in HUF millions

Loan	2023	2024	2025	2026	2027 and beyond	Total
Project and development loans						
KfW	1 327	663	0	0	0	1 990
EIB	1 225	612	0	0	0	1 837
MFB	196	154		0	0	350
UniCredit	156	0	0	0	0	156
Total:	2 904	1 429	0	0	0	4 333
Other loans						
MKB	685	685	685	685	1 369	4 109
Total:	685	685	685	685	1 369	4 109
Grand total:	3 588	2 115	685	685	1 369	8 442

14. Table: Long-term loans 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 long-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 883 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 (HUF)	Of which current	Accrued/deferred FX gain or loss at year-end
<i>EUR</i>	9 562 500	6 375 000	400,25	3 827	2 552	883
<i>Total:</i>				3 827		883

15. Table: 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 138,217 million at the balance sheet date and make up for 23.30% of the balance sheet total and while 96.61% of total liabilities. Compared to the previous year, current liabilities increased by 19.35%.

Short-term loans at the balance sheet date totalled HUF 3,588 million, which is an increase of HUF 199 million compared to the previous year as a result of a significant increase in the instalments of the FX loans due higher foreign exchange rates.

The annual total of trade payables of HUF 37,052 million included the following significant items: domestic creditors (HUF 6,329 million), received but unbilled deliveries (HUF 1,143 million) and import creditors (HUF 28,735 million). The increase in these two items contributed to the HUF 12,034 million increase in 2022 from HUF 25,018 million. Received but unbilled deliveries fell by HUF 14,671 million but import creditors increased by HUF 25,588 million.

Current liabilities to related parties totalled HUF 32,254 million, which is a HUF 21,024 million increase on the previous year, of which the most material amount was HUF 25,537 million owed to the parent company.

Other current liabilities totalled HUF 63,127 million, which reflects a 14.71% decrease compared to the previous year which was largely due to a decrease in the liabilities related to subsidised vehicle purchase projects.

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	25 678	8 567	0	34 245
Total:	25 678	8 567	0	34 245

16. Table: Liabilities to related parties

Liabilities to the parent company include primarily HUF 21,765 million traction electricity cost, HUF 1,273 million track usage charge, HUF 287 million electricity cost, HUF 151 million thermal energy cost, HUF 112 million rent, HUF 57 million property management charge, HUF 33 million other public utility costs and HUF 56 million IT costs.

Debts owed to fully consolidated subsidiaries included:

- HUF 5,149 million (of which 3 million cash pool) to MÁV VAGON Kft.,
- HUF 2,056 million (of which 2 million cash pool) to MÁV Szolgáltató Központ Zrt.,
- HUF 479 million to VOLÁNBUSZ Zrt.,
- HUF 475 million (of which HUF 475 million cash pool) to ZÁHONY-PORT Zrt.
- HUF 346 million (of which HUF 346 million cash pool) to MÁV KfV Kft.,
- HUF 49 million to MÁV RAIL TOURS Kft., and
- HUF 12 million (of which HUF 5 million cash pool) to MÁV-HÉV Zrt.

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	2021	2022	Change
Deferred income			
Pre-billed revenues	35	93	58
Unbilled revenues (credited)	91	134	43
Deferred income, total:	126	227	101
Accrued expenses			
Unbilled costs	4 217	3 579	-638
RIC car rent	306	296	-10
Accrued overdraft interest	0	169	169
Interest (other than late payment penalty) due for the period	29	70	41
Accrued cash-pool interest	33	3	-30
Unrealised foreign exchange gain or loss on accrued expenses	2	-2	-4
Performance initiative - payroll	1 844	158	-1 686
Performance initiative - taxes	240	21	-219
Accrued expenses, total:	6 671	4 294	-2 377
Deferred other income			
Surplus non-current assets	11	8	-3
Surplus materials and goods	0	2	2
KÖZOP-42 MV subsidies	55 974	53 575	-2 399
GOP subsidies	143	135	-8
KÖZOP-INKA subsidies	20	2	-18
KÖZOP-6 MV subsidies	8 657	8 283	-374
KÖZOP-JKA subsidies	28	9	-19
KÖZOP-JÉ subsidies	20	0	-20
KDOP subsidies	1	0	-1
IKOP-6+9 MV subsidies	22 455	21 547	-908
CEF project Flirt ETCS 59	3 297	5 282	1 985
IKOP 39 NAGYKAP 8 pc MV	91 488	92 568	1 080
INKA2	1 108	888	-220
FLIRT standardization	1 987	3 051	1 064
Tram-train	70	19 151	19 081
KISS LOT III 21 db MV	42 045	95 523	53 478
Deferred other income, total:	227 304	300 024	72 720
Total:	234 101	304 545	70 444

17. Table: Accrued expenses and deferred income

The HUF 101 million increase in deferred income was due mainly to an increase in credited RCH revenues and to the deferral of photo railway ID cards.

The HUF 638 million decrease on unbilled expenses was due to a number of factors such as: increased energy costs owed to MÁV Zrt., decrease in accrued main exam and maintenance costs to MÁV VAGON Kft., lower car mileage charges to ÖBB and released GYSEV railcar and passenger car mileage accruals.

Of the settlements with international railways in 2022, accrued expenses related to RIC car rents and uncounted traffic show a combined decrease of HUF 10 million.

Overdraft interest shows an increase of HUF 169 million.

There was a significant (HUF 1,905 million) decrease 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 2022.

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 2022 which was actually disbursed in 2023.

II.1.9.2 Hedging contracts

II.1.9.2.1 Derivative contracts

Most of the Company's revenues were earned in HUF in 2022.

In 2022, the Company had foreign exchange expenses totalling EUR 50.84 million (EUR 6.83 million in contractual debt service for foreign currency loans and EUR 44.01 million in trade payables), of which EUR 29.47 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 2022

In order to make up for foreign exchange shortages, spot contracts of EUR 29.27 million. None of these contracts stretched into 2023.

No commodity hedging contract was signed in 2022 to mitigate the risks of increased fuel costs as a result of higher gasoline prices.

No hedging contract was signed in 2022 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 271/2007. (X.19.)	payment guarantee	OTP Bank Nyrt.	2021.06.01	2022.12.31	400
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
Ministry for Innovation and Technology based on government decree 213/1996. (XII.23)	payment guarantee	OTP Bank Nyrt.	2022.07.01	2023.06.30	7,5
Bank guarantees, total:					1 692,5

18. Table: Guarantee agreements existing 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 2022	Security
EIB (TRAXX)	1 837	Rolling stock
KfW (TRAXX)	1 990	Rolling stock
UniCredit	156	Rolling stock
MFB	350	Rolling stock
MKB	4 109	Rolling stock
Total:	8 442	

19. Table: Lien liabilities

The EIB and KfW loans relating to the purchase of 25 TRAXX locomotives are secured with liens on the TRAXX locomotives. The new MKB refinancing loan 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 (HUFm/month)	Outstanding at the BS date
Deutsche Leasing Hungaria Kft	8 Desiro motor trains	2008.09.24	2029.02.28	26	1 949
MÁV Zrt.	Office building rent	2014.09.08	indefinite	37	n/a
MÁV Zrt.	Railway vehicles (rolling stock) rent	2007.06.20	indefinite	561	n/a
Mercarius Flottakezelő Kft.	Vehicle rents	2017.07.19	2023.04.19	29	100
Total:				653	2 049

20. Table: Operating leases at the reporting date

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

In 2022, 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 revenues

II.2.1.1 Net sales revenues by activity

figures in HUF millions

Activity	2021		2022		Change
	Amount	Percentage (%)	Amount	Percentage (%)	
Public passenger transport service revenues	71 143	78,77	108 968	81,64	37 825
of which Fares and seats	34 860	38,59	57 738	43,26	22 878
Fare subsidy	21 612	23,93	30 848	23,11	9 236
Materials and goods sold	10 391	11,50	13 462	10,09	3 071
Mileage charge	452	0,50	632	0,47	180
Other	3 828	4,24	6 288	4,71	2 460
Non-public passenger transport service revenues	3 720	4,12	7 791	5,84	4 071
of which Fares and seats	1 772	1,96	3 774	2,83	2 002
Fare subsidy	164	0,18	200	0,15	36
Mileage charge	365	0,40	1 627	1,22	1 262
Other	1 419	1,57	2 190	1,64	771
Other activities	15 460	17,12	16 712	12,52	1 252
of which Passenger and freight train traction	3 549	3,93	4 680	3,51	1 131
Traction services	4 178	4,63	4 082	3,06	-96
Shunting	2 965	3,28	3 777	2,83	812
Other traction	195	0,22	582	0,44	387
Engineering	259	0,29	361	0,27	102
Materials and goods sold	464	0,51	195	0,15	-269
Other	3 850	4,26	3 035	2,27	-815
Total:	90 323	100,00	133 471	100,00	43 148

21. Table: Net sales revenues by activity

In 2022, sales revenues from public service passenger transport increased by HUF 37,825 million and by HUF 4,071 million from non-public passenger transport compared to the previous period. In line with the lifted lockdown measures, a gradual increase in passenger numbers was experienced on both domestic and international routes.

Social policy fare support increased by HUF 9,236 million in public services and increased by HUF 36 million in non-public services compared to 2021.

Revenues from other activities increased by HUF 1,252 million compared to 2021, the majority of which came from passenger and freight train traction revenues.

II.2.1.2 Export revenues and imports

figures in HUF millions

Country	2021						2022					
	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	905	905	341	398	739	0	2 133	2 133	376	514	890
Austria	0	3 730	3 730	2 400	2 631	5 031	0	10 867	10 867	574	5 125	5 699
Slovakia	0	783	783	591	145	736	0	1 783	1 783	37	424	461
Czech Republic	0	962	962	318	252	570	0	1 498	1 498	251	280	531
Slovenia	0	94	94	0	1	1	0	198	198	0	4	4
Poland	0	402	402	310	10	320	0	823	823	13	18	31
France	0	14	14	0	2	2	0	22	22	0	3	3
Sweden	0	1	1	0	0	0	0	16	16	0	2	2
Belgium	0	5	5	0	3 122	3 122	0	33	33	260	87	347
Denmark	0	0	0	0	0	0	0	3	3	0	0	0
Holland	0	272	272	0	117	117	0	1 524	1 524	0	255	255
Luxembourg	0	0	0	0	5	5	0	0	0	0	5	5
Spain	0	0	0	170	0	170	0	0	0	30 138	11 186	41 324
Romania	0	1 053	1 053	0	325	325	0	2 405	2 405	0	373	373
Croatia	0	-19	-19	0	1	1	0	73	73	0	6	6
Bulgaria	0	0	0	0	0	0	0	1	1	0	0	0
EU countries total.:	0	8 202	8 202	4 130	7 009	11 139	0	21 379	21 379	31 649	18 282	49 931
Non-EU countries												
UK	0	8	8	1	0	1	0	20	20	1	0	1
Serbia	0	7	7	0	1	1	0	6	6	0	1	1
Ukraine	0	55	55	0	5	5	0	253	253	0	29	29
Switzerland	0	284	284	75 039	69 457	144 496	0	953	953	69 500	7 134	76 634
Non-EU countries	0	354	354	75 040	69 463	144 503	0	1 232	1 232	69 501	7 164	76 665
Total:	0	8 556	8 556	79 170	76 472	155 642	0	22 611	22 611	101 150	25 446	126 596

22. Table: Exports and imports

In 2022, the Company's major import suppliers were Switzerland and Spain. 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	2020	Percentage (%)	2021	Percentage (%)	Change
Gains on tangible and intangible asset disposals	29	0,01	112	0,04	83
Reversed impairment loss on inventories	866	0,35	747	0,24	-119
Gains on the disposal of receivables	25	0,01	0	0,00	-25
Reversed impairment loss on receivables	0	0,00	1	0,00	1
Collected impaired receivables	6	0,00	9	0,00	3
Damages received	803	0,33	772	0,25	-31
Late payment penalties collected	9	0,00	102	0,03	93
Penalties collected	205	0,08	22	0,01	-183
Provision for unrealised foreign exchange losses, released	1 022	0,42	481	0,15	-541
Released provision for future expenses	866	0,35	3 184	1,02	2 318
Released provision for unrealised foreign exchange losses	159	0,07	71	0,02	-88
Reimbursement subsidies	53	0,02	150	0,05	97
Public service reimbursement	233 237	95,40	294 053	94,14	60 816
Development subsidies received	6 464	2,64	11 736	3,76	5 272
Positive difference between the book value and value in the articles of association of assets contributed by the Company	619	0,25	0	0,00	-619
Surplus assets received free of charge, found during asset count	29	0,01	4	0,00	-25
Miscellaneous other income	89	0,04	902	0,29	813
Összesen:	244 481	100,00	312 346	100,00	67 865

23. Table: Other income

Other income increased by a total of HUF 67,865 million on 2021, public cost reimbursement increased by HUF 60,816 million. Development subsidies received increased by HUF 5,272 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 increased by HUF 2,318 million on 2021 and reflect the release of provisions for the maintenance of FLIRT and TRAXX vehicles. Miscellaneous other income increased by HUF 813 million on the previous year.

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	2021	Percentage within total cost in 2021	2022	Percentage within total cost in 2022	Change
Services used					
Rail network access charge	78 193	22,78	80 884	18,58	2 691
Revenues from rail and road cars	6 733	1,96	7 564	1,74	831
Railcar rent, RIC and other usage charges	4 694	1,37	7 087	1,63	2 393
Railcar maintenance	12 712	3,70	30 404	6,98	17 692
Train heating/cooling, car tests, train replacement, call center, labour hire and other railway operating services	1 753	0,51	2 304	0,53	551
Property rents	3 980	1,16	3 365	0,77	-615
IT services	7 156	2,08	7 374	1,69	218
Procurement and inventory management services	2 321	0,68	1 798	0,41	-523
Building management, maintenance	2 673	0,78	2 557	0,59	-116
Traction and shunting	2 041	0,59	2 528	0,58	487
Railcar cleaning, graffiti removal	8 271	2,41	7 631	1,75	-640
Security services	2 775	0,81	2 869	0,66	94
Training and human services	3 248	0,95	3 155	0,72	-93
Ticket sales commission	427	0,12	1 415	0,33	988
Other maintenance	1 002	0,29	867	0,20	-135
Accounting and financial services	804	0,23	750	0,17	-54
Public utilities (sewage, remote heating)	576	0,17	965	0,22	389
Telecom and postal services	267	0,08	240	0,06	-27
Secondment	440	0,13	572	0,13	132
Advertising, promotion, market surveys	512	0,15	315	0,07	-197
Railtrack measuring, cleaning, welding	72	0,02	68	0,02	-4
Other rents	275	0,08	247	0,06	-28
Legal	28	0,01	26	0,01	-2
Experts, tenders, authorship	48	0,01	92	0,02	44
Track maintenance	1	0,00	1	0,00	0
Other services used	658	0,19	546	0,13	-112
Services used, total:	141 660	41,26	165 624	38,04	23 964

24. Table: Services used

Services used totalled HUF 165,624 million, which is a HUF 23,964 million increase on 2021. Rail network access charges increased by HUF 2,691 million, railcar rent, RIC and other usage charges increased by HUF 2,393 million, and railcar maintenance costs increased by HUF 17,692 million compared to 2021.

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	2021	Percentage (%)	2022	Percentage (%)	Change
Expenses of scrapped and missing tangible and intangible assets, capital projects	32	0,61	5	0,11	-27
Extraordinary depreciation of tangible and intangible assets	48	0,92	26	0,59	-22
Inventories impaired, scrapped	1 212	23,25	1 014	22,86	-198
Inventory shortage	1	0,02	0	0,00	-1
Impairment of receivables	31	0,59	36	0,81	5
Losses from damage events	31	0,59	128	2,89	97
Late payment penalties paid	225	4,32	335	7,55	110
Damages paid	89	1,71	83	1,87	-6
Tax paid as a result of self-audit	1	0,02	57	1,28	56
Taxes and similar charges	83	1,59	33	0,74	-50
Penalties, fines	46	0,88	36	0,81	-10
Provisions for expected liabilities	1 603	30,75	1 513	34,11	-90
Provisions for future expenses	956	18,34	826	18,62	-130
Provisions for unrealised foreign exchange losses	0	0,00	0	0,00	0
Assets transferred and services provided free of charge	3	0,06	1	0,02	-2
Forgiven receivables	2	0,04	3	0,07	1
Amounts transferred free of charge	390	7,48	335	7,55	-55
Miscellaneous other expenses	460	8,82	5	0,11	-455
Total:	5 213	100,00	4 436	100,00	-777

25. Table: Other expenses

Other expenses decreased by HUF 777 million compared to 2021. The impairment of receivables increased by HUF 5 million, losses due to damages increased by HUF 97 million and late payments penalties paid increased by HUF 110 million on the previous year. Significant decreases included the impairment of inventories by HUF 198 million, provisions made for future expenses by HUF 130 million and miscellaneous other expenses by HUF 455 million. The extraordinary depreciation (impairment) of tangible assets totalled HUF 26 million in 2022, which is a HUF 22 million drop compared to 2021.

II.2.6 Financial profit or loss

II.2.6.1 Financial income

figures in HUF millions

Item	2021	Percentage (%)	2022	Percentage (%)	Change
Dividends received (due)	0	0,00	1 532	52,85	1 532
Bank interest received (due) and similar income	80	15,38	251	8,66	171
Other interest received (due) and similar income	8	1,54	47	1,62	39
Realised foreign exchange gains on receivables and liabilities in foreign exchange	431	82,88	1 066	36,77	635
Other financial income	1	0,19	3	0,10	2
Total:	520	100,00	2 899	100,00	2 379

26. Table: Financial income

Financial income increased by HUF 2,379 million on the previous year, mostly due to dividends received (HUF 1,532 million) of which HUF 1,531 million was from MÁV VAGON Kft., HUF 474 thousand from MÁV Szolgáltató Központ Zrt. and HUF 9 thousand from MÁV-HÉV Zrt. Realised foreign exchange gains on receivables and liabilities held in foreign currencies was HUF 635 million more than in 2021.

II.2.6.2 Financial expenses

figures in HUF millions

Item	2021	Percentage (%)	2022	Percentage (%)	Change
Bank interest payable (paid) and similar charges	366	25,99	1 357	42,98	991
Other interest payable (paid) and similar charges	163	11,58	168	5,32	5
Realised foreign exchange losses on receivables and liabilities in foreign exchange	873	62,00	1 626	51,50	753
Other financial expenses	6	0,43	6	0,19	0
Total:	1 408	100,00	3 157	100,00	1 749

27. Table: Financial expenses

Financial expenses increased by HUF 1,749 million compared to the previous year. Bank interest paid and similar charges increased by HUF 991 million on 2021. The increase in realised foreign exchange losses on receivables and liabilities held in foreign currencies was also significant by HUF 753 million.

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	4 922	14 551	0	19 473
Other income	1 016	124	0	1 140
Financial income	1	1 591	0	1 592
Revenues, total:	5 939	16 266	0	22 205

28. Table: Income from related parties

The most significant revenues from the parent company included shunting of HUF 3,574 million and emergency response and chemical protection emergency revenues of HUF 735 million.

In the case of the fully consolidated subsidiaries, most of the revenues came from MÁV VAGON Kft., MÁV RAIL TOURS Kft. and from MÁV FKG Kft. Revenues from MÁV VAGON Kft. totalled HUF 14,117 million, revenues from materials and goods sold totalled HUF 13,462 million. Revenues from MÁV RAIL TOURS Kft. totalled HUF 141 million, of which traction revenues amounted to HUF 115 million. Revenues from MÁV FKG Kft. totalled HUF 133 million, of which revenues from engineering services were HUF 86 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			3 444
Adjustment due to provisions	2 339	3 667	-1 328
Adjustment due to depreciation	32 033	57 874	-25 841
Costs and expenses incurred outside the normal course of business	220	0	220
Penalty/reimbursement identified by authorities	11	0	11
Impairment loss on receivables recognised/reversed	36	11	25
Expense/income identified by tax audit, self-audit	2 902	2 426	476
Donations	0	21	-21
Dividends received	0	1 532	-1 532
Total:	37 541	65 531	-24 546

29. Table: 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 2022 is presented in the following table:

figures in HUF millions

No.	Item	2021.12.31	2022.12.31
I.	Operating cash flows (lines 1-13)	19 546	50 410
1a.	Pre-tax profit or loss ±	1 980	3 444
	of which: financially settled public service cost reimbursement and reimbursement subsidy	231 237	293 009
1b.	Dividends received -	0	-1 532
1c.	Amounts received/transferred free of charge recognised in profit or loss ±	0	0
1d.	Unrealised foreign exchange gain or loss on liquid assets ±	2	5
1e.	Gain or loss on forgiven or assumed long-term liabilities ±	0	0
1f.	Unrealised foreign exchange gain or loss on non-current assets and long-term liabilities ±	31	161
1g.	Realised foreign exchange gain or loss related to the repayment of long-term loans granted and long-term liabilities ±	-29	144
1h.	Non-specified pre-tax profit or loss adjustments related to managed state-owned assets ±	0	0
1i.	Non-current assets contributed ±	-620	0
1j.	Non-current assets granted free of charge +	0	0
1k.	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) ±	1 364	2 222
2.	Amortisation charge +	27 804	32 231
3.	Impairment loss recognised and reversed ±	457	333
4.	Difference between provisions made and released ±	512	-1 398
5.	Gains/Losses on non-current asset disposals ±	-29	-112
6.	Movements in creditors ±	21 835	20 045
7.	Movements in other current liabilities ±	-21 403	10 520
7a.	Changes in intra-division settlements (liabilities) ±	0	0
8.	Movements in accrued expenses and deferred income ±	-5 354	-12 853
9.	Movements in debtors ±	1 083	-1 106
10.	Movements in current assets (less debtors and liquid assets) ±	-5 045	-635
10a.	Changes in intra-division settlements (receivables) ±	0	0
11.	Movements in prepaid expenses and accrued income ±	-1 678	1 163
12.	Income taxes paid, payable -	0	0
13.	Dividends paid, payable -	0	0
II.	Investing cash flows (lines 14-18)	-26 988	-25 767
14.	Non-current asset additions -	-26 988	-27 854
15.	Non-current asset disposals +	0	555
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 +	0	1 532
III.	Financing cash flows (lines 19-26)	-3 462	976
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 +	268	4 843
23.	Shares withdrawn, disinvestment (capital reduction) -	0	0
24.	Bonds and debt securities repaid -	0	0
25.	Loans and borrowings repaid -	-3 340	-3 532
26.	Amounts transferred free of charge -	-390	-335
IV.	Cash flows (I.+II.+III.)	-10 904	25 619
27.	Revaluation of cash and cash equivalents held in foreign exchange	-2	-5
V.	Change in cash and cash equivalents (IV.+27)	-10 906	25 614

30. Table: 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	Movements in creditors (related to fixed asset acquisitions)	8,011 million
line 8	Changes in accrued expenses and deferred income (related to assets constructed/acquired from subsidies)	-83,297 million

The pre-tax profit was HUF 3,444 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 25,614m in 2022. This change was due to the following factors:

- Operating cash flows relating to core operations show inflows of HUF 50,410 million in 2022 and were due predominantly to the changes in recognised depreciation charge, trade creditors and other current liabilities.
- There was a HUF -25.767 million outflow from investing cash flows as a result of tangible asset acquisitions.
- Financing cash flows show an inflow of HUF 976 million mostly as a result of subsidies received for own assets and loan repayments.

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

Assets

Non-current asset ratio

$$\frac{\text{Non-current assets}}{\text{Total assets}} = \frac{504\,903}{593\,244} = 85,11\% \quad (\text{basis: } 87,55\%)$$

Tangible asset margin

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{138\,228}{489\,765} = 28,22\% \quad (\text{basis: } 31,88\%)$$

Fixed asset margin

$$\frac{\text{Equity}}{\text{Own non-current assets}} = \frac{138\,228}{504\,903} = 27,38\% \quad (\text{basis: } 30,69\%)$$

Current assets to non-current assets

$$\frac{\text{Current assets}}{\text{Non-current assets}} = \frac{83\,312}{504\,903} = 16,50\% \quad (\text{basis: } 12,81\%)$$

Equity and liabilities

Gearing ratio

$$\frac{\text{Equity}}{\text{Total equity and liabilities}} = \frac{138\,228}{593\,244} = 23,30\% \quad (\text{basis: } 26,87\%)$$

Borrowed capital ratio

$$\frac{\text{Borrowed capital (Liabilities)}}{\text{Equity}} = \frac{143\,071}{138\,228} = 103,50\% \quad (\text{basis: } 91,96\%)$$

Indebtedness ratio

$$\frac{\text{Borrowed capital (Liabilities)}}{\text{Total equity and liabilities}} = \frac{143\,071}{593\,244} = 24,12\% \quad (\text{basis: } 24,71\%)$$

Long-term liabilities ratio

$$\frac{\text{Long-term liabilities}}{\text{Long-term liabilities + Equity}} = \frac{4\,854}{143\,082} = 3,39\% \quad (\text{basis: } 5,70\%)$$

Equity increase ratio

$$\frac{\text{Equity}}{\text{Issued capital}} = \frac{138\,228}{45\,000} = 3,07 \quad (\text{basis: } 3,00)$$

Profitability ratios

<i>EBITDA (operating profit + depreciation)</i>	=	3 702	+	32 231	=	35 933	(basis: 30.672 M Ft)
<i>EBITDA rate</i>	=	$\frac{\text{EBITDA}}{\text{Sales revenues, net}}$	=	$\frac{35\,933}{133\,471}$	=	26,92%	(basis: 33,96 %)
<i>Return on sales (ROS)</i>	=	$\frac{\text{Operating profit}}{\text{Sales revenues, net}}$	=	$\frac{3\,702}{133\,471}$	=	2,77%	(basis: 3,18 %)

Financial positionWorking capital and liquidity

Net working capital

Current assets – Current liabilities	=	83 312	-	138 217	=	-54 905	(basis: -59.542 M Ft)
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Liquidity ratio

$\frac{\text{Current assets}}{\text{Current liabilities}}$	=	$\frac{83\,312}{138\,217}$	=	60,28%	(basis: 48,58 %)
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Quick ratio

$\frac{\text{Current assets - Inventories}}{\text{Current liabilities}}$	=	$\frac{67\,463}{138\,217}$	=	48,81%	(basis: 25,92 %)
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Cash liquidity

$\frac{\text{Liquid assets}}{\text{Current liabilities}}$	=	$\frac{32\,462}{138\,217}$	=	23,49%	(basis: 5,91 %)
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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 2022 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.

Responsibilities related to environmental audits in 2022:

- Further to an environmental audit conducted at the site of the Pécs vehicle insurance directorate (JBI) in November 2021, the environmental authority launched proceedings and determined the ways to make up for the (not material) non-compliance issues identified by the environmental audit in four sections. Each section was completed by the specified deadlines. There was no penalty and only the cost of the proceedings (HUF 40 thousand) was charged.
- At the site of the boiler house at Záhony, the authority approved the noise prevention plan prepared in response to a noise test carried out in 2021 which identified noise nuisance over the limit. The authority also approved the noise levels measured at the vehicles placed to reduce the spreading of sound along with the minutes prepared on the practical experiences and the specialist's report. Based on the report, noise reduction does not require extra development, „only” to have more engines moved to the appropriate spots as noise shield when the technological process at issue is in progress.
- In October 2022, the government authority carried out an environmental audit at the Nyíregyháza site of Debrecen JBI. The minutes of the audit contain no observation that would require action.

In 2022, the Company's internal audit organisation conducted an audit in the subject of „Appropriacy of the management of hazardous waste produced by railway operations”. The audit had no significant observation. The action plan that wrapped up the audit specified requirements to update the Environmental Local Execution Policies and to implement practices that reflect the new policies. To this end, the Safety Directorate issued a standard Guidance, based on the closing report of the audit, to the employees of the services provider. The deadlines as well as the amendment and the implementation of the local execution policies were deferred to 2023.

A public utility pipe fault at our Szombathely site has produced notable extra costs. At the end of June 2020, indications of a pipe burst along the sewer pipeline connected to our local sewage plant at Szombathely were found. As a result, the on-site sewage plant was stopped and, since early July 2020, the sewage generated has been disposed of as part of our oily sludge disposal general contract. The pipe is the property of GYSEV and VAGON Kft. has been assigned with the repairs. While the repair works started, unexpected difficulties (the trail of the pipe, which was thought to be a public utility tunnel, is unknown and is largely filled up with sewage) rendered the works to halt. GYSEV has the modified plans made. The delayed repair works and the disposal of the oily sludge (hazardous waste HAK 130508*) produced in the meantime continue to incur considerable extra costs to our Company and causes undue pressure on our general contract.

Actually disposed of quantities of this type of waste:

- 2022: 108,800 kg,
- 2021: 84,460 kg
- 2020: 91,250 kg (the cable got torn in the summer of 2020)
- 2019: 58,920 kg

at a contractual unit price of 34 HUF/kg.

As a result, as opposed to the HUF 2 million waste disposal cost in 2019, the waste quantities and waste disposal costs increased by approx. 1.5 fold in 2020 and in 2021 and nearly doubled in 2022. In the audited three years (2020 – 2021 -2022) approximately HUF 3.6 million more was paid due to the protracted repair works. As hazardous waste was disposed of an existing general waste disposal contract (there was no better option), the contractual limit (which was determined when the cable fault was yet unknown) is likely to be reached earlier than planned and, therefore, the next proceedings will probably also have to be launched earlier.

A decontamination washer with a closed sewage pit was added to the car wash machine at Nagykanizsa to enable the sanitation wash of vehicles soiled with organic materials as a result of a crash. The sewage produced as a result of this technology was duly tested and did not qualify as hazardous waste. It was therefore suitable to be drained into the public sewer, which is a less costly option.

Further to management's decision, the cassis of diesel vehicles were also washed here during 2022. As a result, in view of the sewage sample tests in Q4 2022, the collected sewage is polluted with various oily substances and therefore cannot be drained into the public sewer as the percentages of some of the pollutants the sewage was tested for (KOI, BOI, SZOE) are over the upper limits multiple times.

As of 2023, we have the thus produced liquid waste with organic material and oily substance contents (HAK 161001*) disposed of as part of our nationwide general waste disposal contact at a unit price of 118 HUF/kg.

III.1.1 Environmental liabilities

The Company did not have any reserve or provision for environmental liabilities in 2022.

figures in HUF millions

Item	2021	2022	Change
Environmental expenses	456	359	-97

31. Table: 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.	<i>Cost, opening</i>	736	253	0	0	989
2.	Additions	0	1	0	0	1
3.	Disposals	0	-6	0	0	-6
4.	Reclassified	0	0	0	0	0
5.	<i>Cost, closing</i>	736	248	0	0	984
6.	<i>Depreciation, opening</i>	93	96	0	0	189
7.	Ordinary depreciation in 2022	34	16	0	0	50
8.	Extraordinary deprec. in 2022	0	0	0	0	0
9.	Extraordinary deprec., reversed	0	0	0	0	0
10.	Depreciation written off	0	-5	0	0	-5
11.	Other increase	0	0	0	0	0
12.	Other decrease	0	0	0	0	0
13.	Reclassified	0	0	0	0	0
14.	<i>Depreciation, closing</i>	127	107	0	0	234
15.	<i>NBV, opening</i>	643	157	0	0	800
16.	<i>NBV, closing</i>	609	141	0	0	750

32. Table: 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 waste

figures in HUF millions

HAK	Item	Opening	Increase	Decrease	Closing
130205*	Non-chlorine lubricants	1	6	5	2
130307*	Crude oil based, non-chlorine insulation and heat transmission oils	0	1	1	0
160601*	Lead batteries	2	7	2	7
Total		3	14	8	9

*The closing figures for 2021 were adjusted by the difference between the specialist's calculation vs actual figures.

33. Table: Hazardous and polluting waste

• Hazardous waste and pollutant quantities

figures in kgs

HAK	Item	Opening	Additions	Disposals	Closing
060102*	Chlorohydric acid	0	3	0	3
060106*	Acidic sulphur waste	195	51	195	51
060204*	Natrium and potassium hydroxide	1 265	2 904	4 169	0
060205*	Other alkali solution	27	0	27	0
060404*	Mercury stained waste	3	0	3	0
070104*	Other organic solvents, washing liquids and solid caustics	3	30	3	30
080111*	Waste paint and varnish containing organic solvents and other hazardous substances	811	1 526	1 423	914
080117*	Waste containing organic solvents or other hazardous substances from the removal of paint and varnish	0	270	270	0
080317*	Toner waste with hazardous substances	359	815	600	574
080409*	Waste adhesive, filling and sealing agents with organic solvents and other hazardous substances	0	40	0	40
120112*	Waste wax and grease	440	543	728	255
130113*	Other hydraulic oils	340	1 500	1 330	510
130205*	Chlorine engine and other lubricants	14 934	92 301	77 525	29 710
130208*	Other engine and gear lubricants	180	0	180	0
130307*	Mineral oil based, non-chlorine insulation and heat transmitting oils	270	13 275	8 641	4 904
130501*	Solid materials from sand trap and from oil/water separators	0	338	338	0
130502*	Sludge from oil/water separators	531	211 061	211 592	0
130506*	Oil from oil/water separators	0	61 606	61 606	0
130508*	Mixed waste from de-gritter and from oil/water separators	1 616	615 568	616 566	618
130701*	Burning oil and diesel oil	719	1 488	2 118	89
130899*	Unspecified waste (stained fuel)	950	1 007	1 357	600
140601*	Chlorine-fluorine-hydrocarbons, HCFC, HFC	0	142	142	0
150110*	Packaging with hazardous content or stains	3 877	15 325	13 582	5 620
150111*	Metal packaging with hazardous solid porous matrix (e.g. asbestos) including empty spray cans	441	1 136	1 100	477
150202*	Absorbents, filters (incl. Non-specified oil filters), clothes and protective clothing stained with hazardous materials	12 199	46 323	43 091	15 431
160107*	Oil filters	1 719	5 491	5 693	1 517
160114*	Anti-freeze with hazardous substances	210	3 790	1 705	2 295
160121*	hazardous spare parts other than waste types under codes from 16 01 07 to 16 01 11 and under 16 01 13 and 16 01 14	120	1 538	1 303	355
160211*	Decommissioned equipment with HCFC and HFC content	23	160	0	183
160213*	Scrapped equipment with hazardous material content other than under codes from 16 02 09 to 16 02 12	795	724	795	724
160303*	Inorganic waste with hazardous substances	25	74	42	57
160305*	Organic waste with hazardous substances	2 712	6 188	6 353	2 547
160504*	Gases with hazardous content stored in pressure-proof tanks (including halons)	0	2	0	2
160506*	Hazardous laboratory materials and contaminated laboratory materials, including mixtures	14	238	14	238
160507*	Demissioned inorganic chemicals with hazardous substance contents	0	12	12	0
160601*	Lead batteries	11 592	40 667	10 181	42 078
160606*	Electrolites collected separately from batteries	0	5 970	5 970	0
161001*	Hazardous liquid waste	450	51 157	51 607	0
170204*	Stained/contaminated glass, plastic, timber	18	177	18	177
170410*	Oil stained, carbon stained or other hazardous cable waste	55	0	55	0
170503*	Stained soil and stones	435	16 154	14 917	1 672
170605*	Asbestos containing building materials	0	100	100	0
180103*	Other waste the collection and treatment of which require special conditions in order to avoid contamination	0	24	0	24
200121*	Light tubes and other mercurous waste	124	849	876	97
200133*	Batteries including those with codes 16 06 01, 16 06 02 and 16 06 03	83	1 926	1 716	293
200135*	Hazardous scrapped electric and electronic equipment other than waste coded 20 01 21 and 20 01 23	7 552	11 570	13 514	5 608
200137*	Contaminated timber	0	475	475	0
Total:		65 087	1 214 538	1 161 932	117 693

* The closing figures for 2021 were adjusted by the difference between the specialist's calculation vs actual figures.

34. Table: Hazardous waste and pollutant quantities

III.2 Research and development expenses

No research and development costs incurred in 2022.

III.3 Subsidies received

figures in HUF millions

Subsidy	Subsidy received (approved) (as in the underlying document)	2021						2022					
		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*	33 274	2 227	31 047	0	34 753	0	4 676	819	21 777	0	25 430		-2 227
Reimbursed excise tax on gasoline use*	3 375	583	2 793	0	2 320	0	472	668	3 459	0	2 884		-583
Subsidies (project + cost)	290 493	178 252	84 572	27 671	59 282	59 282	40 106	101 353	110 445	75 084	195	0	35 598
<i>of which: KÖZOP-IKOP INKA</i>	630	630	0	0	0	0	0	630	0	41	0	0	0
<i>IKOP Tram Train</i>	21 276	71	19 492	1 713	11 647	11 647	0	8 013	11	9 599	11	0	0
<i>ETCS 59 motor trains</i>	7 351	3 297	1 986	2 068	1 392	1 392	-9	3 584	933	2 834	123	0	0
<i>IKOP 19 high capacity motor trains</i>	105 966	93 398	4 269	8 300	130	130	0	49 836	47 579	8 551	57	0	0
<i>IKOP- INKA2</i>	3 600	1 828	225	1 546	166	166	0	1 933	0	1 667	0	0	0
<i>FLIRT standardization</i>	4 987	2 187	1 453	1 348	997	997	0	1 831	1 233	1 923	4	0	0
<i>IKOP 21 high capacity motor trains</i>	106 568	42 307	56 082	8 179	40 433	40 433	0	0	60 615	45 953	0	0	0
<i>IC+</i>	31 045	30 045	1 000	0	0	0	31 045	31 045	0	0	0	0	31 045
Tram Train domestic subsidies	9 070	4 489	65	4 517	4 517	4 517	9 070	4 480	74	4 516	0	0	4 553
Prior years public service reimbursement settlements in 2021	2 000	0	2 000	0	0	0	0	0	2 000	0	0	0	0
Public service reimbursement for 2022	292 053	0	292 053	0	305 485	305 485	13 432	0	231 237	0	231 999	0	762
GINOP-001 received to cover costs	65	0	7	58	3	3	0	0	0	0	0	0	0
Tram Train contribution from state budget	29	0	29	0	0	0	0	0	0	0	0	0	0
Total:	621 289	181 062	412 501	27 729	401 843	364 770	58 686	102 840	368 918	75 084	260 508	0	33 551

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

35. Table: 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	2021				2022			
	Payroll cost	Other payments to personnel	Total	Percentage (%)	Payroll cost	Other payments to personnel	Total	Percentage (%)
Blue collar	53 899	8 631	62 530	70,34	58 779	7 590	66 369	71,41
White collar	22 677	3 584	26 261	29,54	23 287	3 207	26 494	28,51
Inactive	81	23	104	0,12	59	18	77	0,08
Total:	76 657	12 238	88 895	100,00	82 125	10 815	92 940	100,00

36. Table: Payments to personnel and other payments to personnel

figures in HUF millions

Payroll taxes	2021		2022	
	Amount	Percentage (%)	Amount	Percentage (%)
Social contribution tax	12 100	85,56	11 471	91,46
Rehabilitation contribution	952	6,73	1 072	8,55
Vocational training contribution	1 090	7,71	-1	-0,01
Total:	14 142	100,00	12 542	100,00

37. Table: Payroll taxes by type

Staff category	2021		2022	
	Average statistical number of staff	Percentage (%)	Average statistical number of staff	Percentage (%)
Blue collar	9 354,6	69,72	8 552,3	69,75
White collar	4 062,7	30,28	3 709,9	30,25
Total number of staff:	13 417,3	100,00	12 262,2	100,00

38. Table: 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	2021	2022	Change
Senior officers	49	43	-6
Supervisory Board	11	12	1
Total:	60	55	-5

39. Table: Remunerations paid in 2022

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 2022.

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 2022	Reserves at 31 Dec 2022 *	Net profit for 31 Dec 2022 *	Equity at 31 Dec 2022 *	Registered capital 1 Jan 2022	Accumulated impairment loss at 1 Jan 2022	Book value at 1 Jan 2022
138	MÁV Szolgáltató Központ Zrt.	0.12	2011.07.19	1087	Budapest	Könyves Kálmán körút 54-60.	801 000 000	2 488 237 838	775 851 597	4 065 089 435	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	507 466 000	75 641 000	685 107 000	5 545 387	-	5 545 387
020	MÁV VAGON Kft.	99,92	2014.01.01	5000	Szolnok	Körösi út 1-3.	245 180 000	6 448 713 299	87 340 542	6 781 233 841	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	8 070 152 877	- 26 776 896	19 043 375 981	1 654 811	-	1 654 811
196	VOLÁNBUSZ Zrt.	0.01	2021.10.20	1091	Budapest	Üllői út 131.	82 768 309 000	68 420 701 119	5 284 744 121	156 473 754 240	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	3 000 000	n/a.	n/a.	n/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	44 627 563	n.a.	n.a.	n.a.	553 500	0	553 500
120	Vasútegészségügyi Kft.	0,010	2013.10.07	1062	Budapest	Podmaniczky u 109.	701 020 000	n.a.	n.a.	2 553 769 063	100 000	0	100 000
<i>Other investments total:</i>											653 500	0	653 500
Total:											6 180 451 125	0	6 180 451 125

* based on preliminary figures

40. Table: The Company's investments and opening balances

figures in HUF

Company code	Name	Purchase	Capital increase, injection	Capital decrease, divestment	Disposal	Reversal due to winding up, final settlement	Increase due to transformation	Decrease due to transformation	Exchange difference at the end of current year	Issued capital at 30 Sep 2022	Impairment for 2022	Impairment reversal	Reversal due to sale, contribution	Accumulated impairment at 31 Dec 2022	Book value at 31 Dec 2022	Accumulated depreciation at 31 Dec 2022	BV at 31 Dec 2022
138	MÁV Szolgáltató Központ Zrt.										1 000 000						1 000 000
195	MÁV Rail Tours Kft.										5 545 387						5 545 387
020	MÁV VAGON Kft.										6 170 157 873						6 170 157 873
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	0	0	0	0	0	0	0	6 179 547 625	0	0	0	0	0	6 179 547 625
191	TS-MÁV Gépészet Services Kft.										250 000						250 000
<i>Associates, total:</i>		0	0	0	0	0	0	0	0	0	250 000	0	0	0	0	0	250 000
147	BCC									46 875	553 500						600 375
120	Vasútegészségügyi Kft.										100 000						100 000
<i>Other investments, total:</i>		0	0	0	0	0	0	0	0	46 875	653 500	0	0	0	0	0	700 375
Total:		0	0	0	0	0	0	0	0	46 875	6 180 451 125	0	0	0	0	0	6 180 451 125

41. Table: Changes in the Company's investments in 2022

There was no change in MÁV-START Zrt's investments in 2022.

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.	31 Dec 2022
Non-current assets	7 351
Equity	6 781
Sales revenues, net	43 846
Net profit	87
Statistical number of staff	1 713

42. Table: MÁV VAGON Kft. reported figures as at 31 December 2022

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.

III.10 COVID-19 and other new, external circumstances and impacts

The pandemic situation that started in March 2020 no longer had a significant impact on the Company's operations in 2022 as the related restrictions were lifted.

At the end of 2021, listed energy prices (traction, fuel etc.) started to hike, and the previously stable market shifted to a volatile environment with spiralling rates.

In February 2022, a war broke out in Ukraine. Although the Group does not have any operations in the area, and therefore any direct impact is immaterial, the ensuing sanctions have had a profound effect on Hungary's economy and all companies, and may further contribute to the spiralling fuel and energy prices in addition to similarly hiking raw material prices, rising inflation and volatile foreign exchange rates.

The future evolution of market prices and key macroeconomic indicators is currently hardly predictable. Group management as well as the managements of the Group companies continuously monitor and analyse the situation and its potential effects on the operations of the Company and the Group, including possible going concern considerations. The soaring energy prices continue to generate significant extra costs, mostly directly but also through the service value chain of the supporting companies, and therefore extra reimbursement demand for public service providers in 2023.

Discussions with the ministries were continuous in 2022 and remain so in 2023 in order to ensure seamless transport services while complying with the actual government measures and that the expected higher reimbursement needs of public service companies do not cause financing difficulties during the year.

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	
		2021.	2022.	2021.	2022.	2021.	2022.	2021.	2022.
A.	NON-CURRENT ASSETS	430 369	496 571	8 805	8 332	0	0	439 174	504 903
I.	INTANGIBLE ASSETS	9 918	8 779	268	178	0	0	10 186	8 957
1.	Capitalised cost of foundation/restructuring	0	0	0	0	0	0	0	0
2.	Capitalised cost of development	0	0	0	0	0	0	0	0
3.	Concessions, licenses and similar rights	763	761	0	0	0	0	763	761
4.	Trade-marks, patents and similar rights	9 092	7 991	268	178	0	0	9 360	8 169
5.	Goodwill	0	0	0	0	0	0	0	0
6.	Advance payments for intangible assets	63	27	0	0	0	0	63	27
7.	Revaluation of intangible assets	0	0	0	0	0	0	0	0
II.	TANGIBLE ASSETS	414 270	481 611	8 537	8 154	0	0	422 807	489 765
1.	Land and buildings and related property rights	2 263	2 750	0	0	0	0	2 263	2 750
2.	Plant, machinery, equipment and vehicles	362 399	452 744	8 537	8 154	0	0	370 936	460 898
3.	Other equipment, fixtures and fittings, vehicles	3	2	0	0	0	0	3	2
4.	Breeding stock	0	0	0	0	0	0	0	0
5.	Capital projects in progress	15 645	19 884	0	0	0	0	15 645	19 884
6.	Advance payments for capital projects	33 960	6 231	0	0	0	0	33 960	6 231
7.	Adjusted value of tangible assets	0	0	0	0	0	0	0	0
III.	NON-CURRENT FINANCIAL ASSETS	6 181	6 181	0	0	0	0	6 181	6 181
1.	Long-term investments in related parties	6 180	6 180	0	0	0	0	6 180	6 180
2.	Long-term loans granted to related parties	0	0	0	0	0	0	0	0
3.	Other long-term investments	0	0	0	0	0	0	0	0
4.	Long-term loans to significant investments	0	0	0	0	0	0	0	0
5.	Other long-term investments	1	1	0	0	0	0	1	1
6.	Long-term loans granted to other investments	0	0	0	0	0	0	0	0
7.	Other long-term loans granted	0	0	0	0	0	0	0	0
8.	Long-term debt securities	0	0	0	0	0	0	0	0
9.	Adjusted of financial investments	0	0	0	0	0	0	0	0
10.	Gain/Loss on the valuation of financial investments	0	0	0	0	0	0	0	0
B.	CURRENT ASSETS	55 638	81 211	115	100	9 764	11 296	56 262	83 312
I.	INVENTORIES	26 151	15 762	0	0	98	87	26 249	15 849
1.	Materials	16 387	14 243	0	0	0	0	16 387	14 243
2.	Work in progress and semi-finished products	7 413	594	0	0	98	87	7 511	681
3.	Animals for breeding, fattening and other livestock	0	0	0	0	0	0	0	0
4.	Finished products	2 282	840	0	0	0	0	2 282	840
5.	Goods	58	80	0	0	0	0	58	80
6.	Advance payments for inventories	11	5	0	0	0	0	11	5
II.	RECEIVABLES	23 330	33 894	24	20	9 066	10 382	23 165	35 001
1.	Trade debtors	484	701	21	20	1 827	2 713	2 332	3 434
2.	Receivables from related parties	13 505	15 337	0	0	787	761	14 292	16 098
3.	Receivables from significant investments	0	0	0	0	57	284	57	284
4.	Receivables from other investments	21	24	0	0	0	0	21	24
5.	Bills of exchange receivable	0	0	0	0	0	0	0	0
6.	Other receivables	6 460	15 161	3	0	0	0	6 463	15 161
7.	Revaluation difference of receivables	0	0	0	0	0	0	0	0
8.	Gain on derivative transactions	0	0	0	0	0	0	0	0
	<i>Receivables from inter-division settlements</i>	2 860	2 671	0	0	6 395	6 624	0	0
III.	SECURITIES	0	0	0	0	0	0	0	0
1.	Equity in related parties	0	0	0	0	0	0	0	0
2.	Significant equity investment	0	0	0	0	0	0	0	0
3.	Other equity investments	0	0	0	0	0	0	0	0
4.	Treasury shares and quotas	0	0	0	0	0	0	0	0
5.	Marketable debt securities	0	0	0	0	0	0	0	0
6.	Revaluation difference of securities	0	0	0	0	0	0	0	0
IV.	LIQUID ASSETS	6 157	31 555	91	80	600	827	6 848	32 462
1.	Cash, cheques	128	136	0	0	0	0	128	136
2.	Bank deposits	6 029	31 419	91	80	600	827	6 720	32 326
C.	PREPAID EXPENSES AND ACCRUED INCOME	4 968	4 210	334	461	891	358	6 193	5 029
1.	Accrued income	1 662	2 882	334	460	887	358	2 883	3 700
2.	Prepaid expenses	2 236	445	0	1	4	0	2 240	446
3.	Deferred expenses	1 070	883	0	0	0	0	1 070	883
	ASSETS, TOTAL	490 975	581 992	9 254	8 893	10 655	11 654	501 629	593 244

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

figures in HUF millions

Line	Item	Public service passenger transport (SK)		Non-public service passenger transport (SN)		Other activities (E)		MÁV-START Zrt. Total	
		2021.	2022.	2021.	2022.	2021.	2022.	2021.	2022.
D.	SAJÁT TŐKE	125 458	128 043	-455	-1 118	9 781	11 303	134 784	138 228
I.	EQUITY	44 767	44 767	233	233	0	0	45 000	45 000
	ISSUED CAPITAL	0	0	0	0	0	0	0	0
II.	of which: treasury shares redeemed at face value	0	0	0	0	0	0	0	0
III.	ISSUED CAPITAL NOT PAID	69 273	69 273	2 028	2 028	0	0	71 301	71 301
IV.	CAPITAL RESERVE	9 117	11 224	-1 502	-2 716	8 579	9 782	16 194	18 290
V.	RETAINED EARNINGS	309	193	0	0	0	0	309	193
VI.	ALLOCATED RESERVES	0	0	0	0	0	0	0	0
1.	REVALUATION RESERVE	0	0	0	0	0	0	0	0
2.	Revaluation reserve on value adjustments	0	0	0	0	0	0	0	0
VII.	Revaluation reserve on fair value	1 992	2 586	-1 214	-663	1 202	1 521	1 980	3 444
E.	PROFIT FOR THE YEAR	8 797	7 400	-	-	-	-	8 797	7 400
1.	PROVISIONS	2 026	3 058	0	0	0	0	2 026	3 058
2.	Provisions for expected liabilities	6 010	3 652	0	0	0	0	6 010	3 652
3.	Provisions for future expenses	761	690	0	0	0	0	761	690
F.	Other provisions	123 034	142 197	9 439	9 925	729	244	123 947	143 071
I.	LIABILITIES	0	0	0	0	0	0	0	0
1.	SUBORDINATED LIABILITIES	0	0	0	0	0	0	0	0
2.	Subordinated liabilities to related parties	0	0	0	0	0	0	0	0
3.	Subordinated liabilities to significant investments	0	0	0	0	0	0	0	0
4.	Subordinated liabilities to other investments	0	0	0	0	0	0	0	0
II.	Subordinated liabilities to third parties	8 143	4 854	-	-	-	-	8 143	4 854
1.	LONG-TERM LIABILITIES	0	0	0	0	0	0	0	0
2.	Long-term borrowings	0	0	0	0	0	0	0	0
3.	Convertible bonds	0	0	0	0	0	0	0	0
4.	Debts from the issue of bonds	4 034	1 430	0	0	0	0	4 034	1 430
5.	Investment and development loans	4 109	3 424	0	0	0	0	4 109	3 424
6.	Other long-term loans	0	0	0	0	0	0	0	0
7.	Long-term liabilities to related parties	0	0	0	0	0	0	0	0
8.	Long-term liabilities to significant investments	0	0	0	0	0	0	0	0
9.	Other long-term liabilities	0	0	0	0	0	0	0	0
III.	CURRENT LIABILITIES	114 891	137 343	9 439	9 925	729	244	115 804	138 217
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	3 389	3 588	0	0	0	0	3 389	3 588
3.	Prepayments received from debtors	2	3	0	0	5	0	7	3
4.	Creditors	24 535	36 486	149	558	334	8	25 018	37 052
5.	Bills of exchange payable	0	0	0	0	0	0	0	0
6.	Short-term debts to related parties	12 815	33 937	35	72	371	236	13 221	34 245
7.	Short-term debts to significant investments	144	176	0	0	0	0	144	176
8.	Short-term debts to other investments	16	26	0	0	0	0	16	26
9.	Other current liabilities	73 990	63 127	0	0	19	0	74 009	63 127
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
	<i>Liabilities from inter-division settlements</i>	-	-	9 255	9 295	-	-	-	-
G.	ACCRUED EXPENSES AND DEFERRED INCOME	233 686	304 352	270	86	145	107	234 101	304 545
1.	Deferred income	35	125	0	0	91	102	126	227
2.	Accrued expenses	6 347	4 203	270	86	54	5	6 671	4 294
3.	Deferred other income and negative goodwill	227 304	300 024	0	0	0	0	227 304	300 024
	EQUITY AND LIABILITIES, TOTAL	490 975	581 992	9 254	8 893	10 655	11 654	501 629	593 244

44. Table: 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 (SK)		Non-public service passenger transport		Other activities (E)		MÁV-START Zrt. Total	
		2021.	2022.	2021.	2022.	2021.	2022.	2021.	2022.
01.	Domestic sales, net	65 318	90 434	1 654	4 698	14 795	15 728	81 767	110 860
02.	Export sales, net	5 825	18 534	2 066	3 093	665	984	8 556	22 611
I.	Sales revenues, net (01.+02.)	71 143	108 968	3 720	7 791	15 460	16 712	90 323	133 471
	1. Revenues from other internal settlements	220 162	316 913	3 117	3 805	0	4	223 279	320 722
	4. Central management	23 313	22 152	0	0	0	0	23 313	22 152
I/A.	Internal revenues recognised:	243 475	339 065	3 117	3 805	-	4	246 592	342 874
03.	Capitalised value of self produced assets	1 885	-8 260	0	0	-77	-12	1 808	-8 272
04.	Movements in self produced inventories	14 782	5 915	11	0	0	0	14 793	5 915
II.	Capitalised own output (±03.+04.)	16 667	- 2 345	11	-	- 77	- 12	16 601	- 2 357
III.	Other income	244 466	312 339	1	-	14	7	244 481	312 346
	of which: reversed impairment loss	866	748	0	0	0	0	866	748
05.	Materials	56 380	118 021	0	0	106	16	56 486	118 037
06.	Material type services used	140 752	164 135	545	757	363	732	141 660	165 624
07.	Other services	2 508	3 349	34	52	0	0	2 542	3 401
08.	Cost of goods sold	9 504	6 822	27	111	101	26	9 632	6 959
09.	Cost of (consignment) services	104	96	1 764	3 053	295	439	2 163	3 588
IV.	Material-type expenses (05.+06.+07.+08.+09.)	209 248	292 423	2 370	3 973	865	1 213	212 483	297 609
	1. Revenues from other internal settlements	206 474	300 623	5 022	7 445	11 783	12 654	223 279	320 722
	4. Central management	21 598	20 407	188	390	1 527	1 355	23 313	22 152
IV/A.	Internal expenses recognised	228 072	321 030	5 210	7 835	13 310	14 009	246 592	342 874
10.	Payroll cost	76 657	82 125	0	0	0	0	76 657	82 125
11.	Other payments to personnel	12 238	10 815	0	0	0	0	12 238	10 815
12.	Social security and other contributions	14 142	12 542	0	0	0	0	14 142	12 542
V.	Payments to personnel (10.+11.+12.)	103 037	105 482	-	-	-	-	103 037	105 482
VI.	Depreciation charge	27 330	31 758	474	473	-	-	27 804	32 231
VII.	Other expenses	5 211	4 432	-	-	2	4	5 213	4 436
	of which: impairment loss (862)	1 321	1 081	0	0	2	0	1 323	1 081
A.	OPERATING PROFIT (I±II+III-IV-V-VI-VII)	2 853	2 902	- 1 205	- 685	1 220	1 485	2 868	3 702
13.	Dividends (due) received	0	1 532	0	0	0	0	0	1 532
	of which: from related parties	0	1 532	0	0	0	0	0	1 532
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	88	298	0	0	0	0	88	298
	of which: from related parties	7	47	0	0	0	0	7	47
17.	Other financial income	393	932	17	98	22	39	432	1 069
	of which: revaluation difference	0	0	0	0	0	0	0	0
VIII.	Financial income (13.+14.+15.+16.+17.)	481	2 762	17	98	22	39	520	2 899
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
	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	529	1 525	0	0	0	0	529	1 525
	of which: to related parties	163	168	0	0	0	0	163	168
21.	Impairment of shares, securities, bank deposits	0	0	0	0	0	0	0	0
22.	Other financial expenses	813	1 553	26	76	40	3	879	1 632
	of which: revaluation difference	0	0	0	0	0	0	0	0
IX.	Financial expenses (18.+19.+20.+21.+22.)	1 342	3 078	26	76	40	3	1 408	3 157
B.	FINANCIAL LOSS OR PROFIT (VIII-IX)	- 861	- 316	- 9	22	- 18	36	- 888	- 258
C.	PRE-TAX PROFIT (±A±B)	1 992	2 586	- 1 214	- 663	1 202	1 521	1 980	3 444
X.	TAX LIABILITY	0	0	0	0	0	0	0	0
D.	NET PROFIT (±C-X)	1 992	2 586	- 1 214	- 663	1 202	1 521	1 980	3 444

45. Table: 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	
		2021.	2022.	2021.	2022.	2021.	2022.	2021.	2022.
I.	Operating cash flows (lines 1-13)	19 676	50 192	31	-11	-162	229	19 546	50 410
1a.	Pre-tax profit or loss ±	1 992	2 586	-1 214	-663	1 202	1 521	1 980	3 444
	ebből: működésre kapott, pénzügyileg rendezett támogatás	0	0	0	0	0	0	0	0
	of which: financially settled public service cost reimbursement and reimbursement subsidy	231 237	293 009	0	0	0	0	231 237	293 009
1b.	Dividends received -	0	-1 532	0	0	0	0	0	-1 532
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 ±	1	3	0	0	1	2	2	5
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 ±	31	161	0	0	0	0	31	161
1g.	Realised foreign exchange gain or loss related to the repayment of long-term loans granted and long-term liabilities ±	-29	144	0	0	0	0	-29	144
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 ±	-620	0	0	0	0	0	-620	0
1j.	Non-current assets granted free of charge +	0	0	0	0	0	0	0	0
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) ±	1 375	1 362	-1 214	-663	1 203	1 523	1 364	2 222
2.	Amortisation charge +	27 331	31 758	473	473	0	0	27 804	32 231
3.	Impairment loss recognised and reversed ±	455	333	0	0	2	0	457	333
4.	Difference between provisions made and released ±	512	-1 398	0	0	0	0	512	-1 398
5.	Gains/Losses on non-current asset disposals ±	-29	-112	0	0	0	0	-29	-112
6.	Movements in creditors ±	21 588	19 962	-87	410	334	-327	21 835	20 045
7.	Movements in other current liabilities ±	-21 803	10 637	31	36	369	-153	-21 403	10 520
7a.	Changes in intra-division settlements (liabilities) ±	0	0	622	41	0	0	622	0
8.	Movements in accrued expenses and deferred income ±	-5 502	-12 630	35	-185	113	-38	-5 354	-12 853
9.	Movements in debtors ±	-26	-217	-11	2	1 120	-891	1 083	-1 106
10.	Movements in current assets (less debtors and liquid assets) ±	-4 709	-448	-2	2	-334	-189	-5 045	-635
10a.	Changes in intra-division settlements (receivables) ±	1 574	188	0	0	-2 196	-229	-622	0
11.	Movements in prepaid expenses and accrued income ±	-1 089	757	184	-127	-773	533	-1 678	1 163
12.	Income taxes paid, payable -	0	0	0	0	0	0	0	0
13.	Dividends paid, payable -	0	0	0	0	0	0	0	0
II.	Investing cash flows (lines 14-18)	-26 977	-25 767	-11	0	0	0	-26 988	-25 767
14.	Non-current asset additions -	-26 977	-27 854	-11	0	0	0	-26 989	-27 854
15.	Non-current asset disposals +	0	555	0	0	0	0	0	555
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 +	0	1 532	0	0	0	0	0	1 532
III.	Financing cash flows (lines 19-27)	-3 462	976	0	0	0	0	-3 462	976
19.	Shares issued, capital injection +	0	0	0	0	0	0	0	0
20.	Issue of bonds and debt securities +	0	0	0	0	0	0	0	0
21.	Loans and borrowings taken +	0	0	0	0	0	0	0	0
22.	Amounts received free of charge +	268	4 843	0	0	0	0	268	4 843
23.	Shares withdrawn, disinvestment (capital reduction) -	0	0	0	0	0	0	0	0
24.	Bonds and debt securities repaid -	0	0	0	0	0	0	0	0
25.	Loans and borrowings repaid -	-3 340	-3 532	0	0	0	0	-3 340	-3 532
26.	Amounts transferred free of charge -	-390	-335	0	0	0	0	-390	-335
IV.	Cash flows (I.+II.+III.)	-10 763	25 401	21	-11	-162	229	-10 904	25 619
27.	Revaluation of cash and cash equivalents held in foreign exchange	-1	-3	0	0	-1	-2	-2	-5
V.	Change in cash and cash equivalents (IV.+28)	-10 764	25 398	22	-11	-164	227	-10 906	25 614

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

IV.4 Statement of activities

MÁV-START Zrt. prepared its supervisory report for 2022 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 recognise 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. 2021				MÁV-START Zrt. 2022			
	Public service	Non-public service	Other activities	TOTAL	Public service	Non-public service	Other activities	TOTAL
Sales revenues, net	71 143 695	3 719 826	15 459 786	90 323 307	108 967 679	7 791 112	16 712 333	133 471 124
of which: fares	34 843 725	1 771 869	0	36 615 594	57 705 801	3 774 173	0	61 479 974
domestic fares	30 629 427	678 287	0	31 307 714	43 128 439	1 022 788	0	44 151 227
international fares	4 214 298	1 093 582	0	5 307 880	14 577 362	2 751 385	0	17 328 747
subsidised fares	21 613 154	164 232	0	21 777 386	30 847 602	199 564	0	31 047 166
car rent received	3 632 192	365 184	0	3 997 376	6 054 017	1 627 361	0	7 681 377
Other intra-group revenues	220 161 498	3 116 701	490	223 278 689	316 912 505	3 804 949	4 283	320 721 738
Central administration revenues	23 312 527	0	0	23 312 527	22 151 590	0	0	22 151 590
Capitalised own output	16 667 383	11 017	-77 437	16 600 963	-2 344 885	0	-11 719	-2 356 604
Other income	244 465 838	518	14 285	244 480 641	312 339 136	0	6 732	312 345 868
of which: government reimbursement	233 237 142	0	0	233 237 142	294 053 345	0	0	294 053 345
- reimbursement for 2021	231 237 161	0	0	231 237 161	292 053 298	0	0	292 053 298
- reimbursement for previous years	1 999 981	0	0	1 999 981	2 000 047	0	0	2 000 047
Other internal settlements, expenses	206 473 998	5 021 734	11 782 957	223 278 689	300 623 494	7 444 083	12 654 160	320 721 737
Central administration expenses	21 597 276	188 097	1 527 154	23 312 527	20 406 727	390 234	1 354 629	22 151 590
Material-type expenses	209 247 841	2 370 222	865 387	212 483 451	292 423 196	3 973 166	1 213 463	297 609 825
of which: network access charge	78 191 157	1 374	0	78 192 531	80 884 246	0	0	80 884 246
traction and shunting	1 894 742	146 720	0	2 041 463	2 388 811	131 457	7 469	2 527 737
pre-heating, pre-cooling and lights	0	0	0	0	0	0	0	0
maintenance	13 733 603	14 651	343 576	14 091 830	30 833 981	437	681 691	31 516 110
RIC usage charge of railcars	4 453 625	240 071	0	4 693 696	6 617 641	469 749	0	7 087 389
rent of tracted and traction vehicles	6 074 611	1 092	0	6 075 703	6 919 169	0	0	6 919 169
lease of tracted and traction vehicles	264 296	0	0	264 296	288 896	0	0	288 896
railcar cleaning costs	8 271 416	0	0	8 271 416	7 628 061	2 560	0	7 630 621
Central services	6 731 620	0	0	6 731 620	6 027 490	0	-3	6 027 487
Financial and accounting services	803 715	0	0	803 715	750 291	0	0	750 291
Human services (training, education, health and safety)	3 119 482	0	0	3 119 482	3 001 116	0	0	3 001 116
Procurement, logistics, environmental	2 530 543	0	0	2 530 543	1 973 928	0	-3	1 973 924
Administrative costs	277 880	0	0	277 880	302 155	0	0	302 155
Payments to personell	103 036 796	203	0	103 036 998	105 481 663	334	22	105 482 018
of which: payroll cost	76 657 402	0	0	76 657 402	82 124 853	0	0	82 124 853
fringe benefits	12 237 632	203	0	12 237 835	10 814 907	334	22	10 815 262
payroll taxes	14 141 761	0	0	14 141 761	12 541 903	0	0	12 541 903
depreciation	27 330 587	473 527	0	27 804 115	31 757 593	472 871	0	32 230 464
other expenses	5 210 704	10	1 880	5 212 593	4 431 970	0	3 737	4 435 707
Operating profit or loss	2 853 738	-1 205 732	1 219 747	2 867 753	2 901 383	-684 627	1 485 619	3 702 375
Financial income	480 753	16 589	22 559	519 900	2 761 788	97 747	39 234	2 898 769
Financial expense	1 342 445	25 546	40 013	1 408 004	3 077 411	75 964	3 437	3 156 812
Financial loss or profit	-861 692	-8 958	-17 454	-888 104	-315 623	21 783	35 796	-258 043
Pre-tax profit or loss	1 992 046	-1 214 689	1 202 293	1 979 649	2 585 760	-662 844	1 521 415	3 444 331
Tax liability	0	0	0	0	0	0	0	0
Net profit or loss	1 992 046	-1 214 689	1 202 293	1 979 649	2 585 760	-662 844	1 521 415	3 444 331

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

figures in kHUF

GRAND TOTAL	MÁV START Zrt. 2021				MÁV-START Zrt. 2022			
	Public service	Non-public service	Other activities	TOTAL	Public service	Non-public service	Other activities	TOTAL
Sales revenues, net	71 143 695	3 719 826	15 459 786	90 323 307	108 967 679	7 791 112	16 712 333	133 471 124
of which: fares	32 056 322	1 402 409	0	33 458 731	52 759 692	2 211 561	0	54 971 253
domestic fares	27 964 693	612 425	0	28 577 118	39 049 116	924 481	0	39 973 597
international fares	4 091 629	789 984	0	4 881 613	13 710 576	1 287 079	0	14 997 655
subsidised fares	21 613 154	164 232	0	21 777 386	30 847 602	199 564	0	31 047 166
car rent received	3 632 192	365 184	0	3 997 376	6 054 017	1 627 361	0	7 681 377
Capitalised own output	16 994 761	-9 093	-384 704	16 600 963	-2 200 514	-17 910	-138 180	-2 356 604
Other income	244 023 056	34 122	423 463	244 480 641	312 114 854	40 193	190 822	312 345 869
of which: government reimbursement	233 237 142	0	0	233 237 142	294 053 345	0	0	294 053 345
- reimbursement for 2019	231 237 161	0	0	231 237 161	292 053 298	0	0	292 053 298
- reimbursement for previous years	1 999 981	0	0	1 999 981	2 000 047	0	0	2 000 047
Operating income	332 161 511	3 744 855	15 498 545	351 404 910	418 882 019	7 813 395	16 764 974	443 460 389
Material-type expenses	203 914 565	3 530 521	5 038 365	212 483 451	284 691 344	6 211 139	6 707 342	297 609 825
of which: network access charge	77 972 110	186 576	33 844	78 192 531	80 649 358	207 566	27 322	80 884 246
traction and shunting	1 894 742	146 720	0	2 041 463	2 388 811	131 457	7 469	2 527 737
pre-heating, pre-cooling and lights	0	0	0	0	0	0	0	0
maintenance	13 304 021	225 432	562 377	14 091 830	30 150 462	459 037	906 611	31 516 110
RIC usage charge of railcars	4 420 524	250 179	22 993	4 693 696	6 551 312	518 135	17 943	7 087 389
rent of tracted and traction vehicles	6 047 023	15 951	12 729	6 075 703	6 886 618	12 125	20 426	6 919 169
lease of tracted and traction vehicles	262 425	0	1 871	264 296	286 194	1	2 701	288 896
railcar cleaning costs	8 151 511	106 025	13 880	8 271 416	7 472 884	142 363	15 374	7 630 621
Central services	6 201 187	60 779	469 654	6 731 620	5 561 667	88 945	376 875	6 027 487
Financial and accounting services	739 114	6 408	58 194	803 715	689 918	12 730	47 643	750 291
Human services (training, education, health and safety)	2 909 923	29 563	179 995	3 119 482	2 792 878	40 927	167 312	3 001 116
Procurement, logistics, environmental services	2 296 439	22 403	211 701	2 530 543	1 800 653	30 169	143 102	1 973 924
Administrative costs	255 712	2 404	19 764	277 880	278 218	5 119	18 818	302 155
Payments to personnel	95 258 621	942 287	6 836 091	103 036 998	97 520 586	1 565 184	6 396 249	105 482 018
of which: payroll costs	70 850 345	685 580	5 121 477	76 657 402	75 930 521	1 170 146	5 024 186	82 124 853
fringe benefits	11 343 723	131 771	762 340	12 237 835	9 995 751	216 638	602 872	10 815 262
payroll taxes	13 064 553	124 935	952 273	14 141 761	11 594 313	178 399	769 191	12 541 903
Depreciation	25 388 531	438 032	1 977 552	27 804 115	29 739 518	670 391	1 820 555	32 230 464
Other expenses	4 815 487	32 758	364 348	5 212 593	4 050 829	48 084	336 794	4 435 707
Operating expenses	329 377 203	4 943 598	14 216 356	348 537 157	416 002 276	8 494 798	15 260 939	439 758 014
Operating profit	2 784 308	-1 198 743	1 282 189	2 867 753	2 879 743	-681 403	1 504 035	3 702 375
Financial income	442 307	20 156	57 437	519 900	2 535 998	145 895	216 876	2 898 769
Financial expenses	1 234 569	36 103	137 333	1 408 004	2 829 981	127 336	199 495	3 156 812
Financial loss	-792 262	-15 946	-79 896	-888 104	-293 983	18 559	17 380	-258 043
Tax liability	0	0	0	0	0	0	0	0
Net profit	1 992 046	-1 214 689	1 202 293	1 979 649	2 585 760	-662 844	1 521 415	3 444 331
Exceptions for government reimbursement purposes	1 992 046	0	0	1 992 046	2 585 760	0	0	2 585 760
Reimbursement related to previous years received	1 999 981	0	0	1 999 981	2 000 047			2 000 047
Impairment loss recognised, reversed	-23 575	0	0	-23 575	-25 254			-25 254
Penalties paid, recharged	-8 611	0	0	-8 611	-8 898			-8 898
Provisions used, made	-524 598	0	0	-524 598	-926 136			-926 136
Reimbursement related to previous years recognised	0	0	0	0	1 407 084			1 407 084
Other	548 847	0	0	548 847	138 919		0	138 919
Net profit or loss after exceptions	0	-1 214 689	1 202 293	-12 396	0	-662 844	1 521 415	858 571

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

IV.4.1 Narrative to the rail passenger transportation supervisory report

Events with a significant impact on the state of affairs in 2022 (compared to 2021):

The Company's operations changed effective as of 1 October 2021. The Hungarian government, in Government Decision No. 1257/2021. (V. 12.) on the implementation of strategic rolling stock development goals, the government endorsed the Company's profile cleansing plans and ordered the outsource MÁV-START Zrt's vehicle manufacturing activities not directly related to passenger transport, maintenance services related to major railway technical tests and the related human resources to MÁV Vagon Vasúti Jármű Gyártó és Javító Kft. The outsourcing was duly implemented by the prescribed deadline.

Passenger turnover was affected by the armed conflict between Russia and Ukraine, which started in February 2022 and continued throughout the year. As a result, thousands of refugees arrived in and partly travelled through Hungary by train.

The Company's business operations were profoundly affected also by the significant hike in energy prices in 2022 which resulted in extra traction electricity costs.

In addition to the above factors, the Covid pandemic continued to have an impact on the Company's business in both audited periods, though to different extents.

IV.4.1.1 Revenues

MÁV-START Zrt's **net sales revenues** for 2022 totalled HUF 133,471 million (2021: HUF 90,323 million), of which fare revenue was HUF 54,971 million (a HUF 21,512 million increase on HUF 33,459 million in 2021), social fare subsidy was HUF 31,047 million (a HUF 9,270 million increase on HUF 21,777 million in 2021).

Net sales revenues increased by HUF 43,148 million on 2021. The increase from fares and social fare subsidies further intensified by the effect of inventory transfers as of 1 October 2021 (the amount of material-type expenses (cost of goods sold) incurred in relation to the transfer of warehouse inventories of the outsourced permanent establishments against the resulting extra income were also recognised). The ongoing armed conflict between Russia and Ukraine had an impact on revenues in 2022 as Ukrainian citizens fleeing Ukraine by train were given free solidarity tickets which enabled free travel towards Hungary's western border instead of having to pay international fares. However, non-Ukrainian citizens fleeing Ukraine by train had to pay international fares to travel across Hungary, and this increased fare revenues.

A significant part of **other revenues** was the passenger transport cost reimbursement by the government totalling HUF 294,053 million, of which the reimbursement of reasonable costs not covered by revenues in the reporting year was HUF 292,053 million. The amount of reasonable profit recognised for 2021, as approved by the customer, was HUF 2,000 million. (In 2021, annual reimbursement was HUF 231,237 million, of which the reasonable profit recognised for the previous year was HUF 2,000 million.)

MÁV-START Zrt's **operating income** in 2022 totalled HUF 443,460 million (2021: HUF 351,405 million).

IV.4.1.2 Costs and expenses

Operating expenses in 2022 totalled HUF 439,758 million (2021: HUF 348,537 million), an increase of HUF 91,221 on the previous year. Of this increase, 80% was due to increased traction electricity costs which mostly the result of the significantly rising energy prices (+ HUF 73,279 million).

Material-type expenses on public services totalled HUF 297,610 million in 2022 (2021: HUF 212,483 million), and included the following key items:

- Network access charge (rail track usage charge and other rail track services): HUF 80,884 million (2021: HUF 78,193 million);
- Traction by partner railways: HUF 2,528 million (2021: HUF 2,041 million);
- Maintenance costs: HUF 31,516 million (2021: HUF 14,092 million);
- Expense paid by MÁV-START Zrt. for the number of kilometres run by rail passenger cars owned by partner railway companies: HUF 7,087 million (2021: HUF 4,694 million);
- Railcar rents: HUF 6,919 million (2021: HUF 6,076 million);
- Railcar cleaning costs: HUF 7,631 million in the reporting period (2021: HUF 8,271 million);
- Central services
 - financial and accounting services: HUF 750 million (2021: HUF 804 million),
 - costs of human services (education, training, work health and safety services): HUF 3,001 million (2021: HUF 3,119 million),
 - procurement, logistics, environmental services: HUF 1,974 million (2021: HUF 2,531 million),
- administrative services: HUF 302 million (2021: HUF 278 million).

Payments to personnel incurred in 2022 totalled HUF 105,482 million (payroll costs: HUF 82,125 million, fringe benefits: HUF 10,815 million and social security: HUF 12,542 million). (2021: payments to personnel total: HUF 103,037 million, payroll costs: HUF 76,657 million, fringe benefits: HUF 12,238 million, social security: HUF 14,142 million).

Annual depreciation charge totalled HUF 32,230 million in 2022 (2021: HUF 27,804 million).

Other expenses totalled HUF 4,436 million and included damages paid, fines and default interest paid, various grants, cost contributions, impairment of inventories and receivables, and provisions made (2021: HUF 5,213 million).

Financial income included 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 -258 million (2021: HUF -888 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 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;
- 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 2022, MÁV-START Zrt's **net sales revenues** from public service passenger transport services totalled HUF 108,968 million, of which **fares** HUF 52,760 million and social fare subsidy HUF 30,848 million. (2021: HUF 71,144 million, including HUF 32,056 million fare revenues and HUF 21,613 million social fare subsidy).

A significant part of **other revenues** was the passenger transport cost reimbursement by the government totalling HUF 294,053 million, of which the reimbursement of reasonable costs not covered by revenues in the reporting year was HUF 292,053 million, and the reasonable profit recognised for 2021 was HUF 2,000 million (2021 annual reimbursement was HUF 233,237 million, of which reimbursement for the reporting period was HUF 231,237 million). Other income items within other revenues that are treated as exceptions for the purposes of determining the reimbursement totalled HUF 2,603 million in 2022 (including the HUF 2,000 million reasonable profit for 2021). (Exceptional income items in 2021: HUF 3,550 million, including HUF 2,000 million reasonable profit recognised for 2020.)

MÁV-START Zrt's **operating income** related to public services totalled HUF 418,882 million (2021: HUF 332,162 million). Operating income less cost reimbursement totalled HUF 124,829 million, which is a HUF 25,904 million increase on the previous year (2021: HUF 98,925 million). The increase was typically due to increased fare revenues and a higher fare subsidy for 2022.

IV.4.2.2 Costs and expenses

Operating expenses on public railway passenger transport services in 2022 totalled HUF 416,002 million (2021: HUF 329,377 million). Of the HUF 86,625 million increase in expenses, 83% was due to a HUF 71,777 million hike in traction electricity costs as a result of a significant rise in overall energy prices.

Material-type expenses on public services totalled HUF 284,691 million in 2022 (2021: HUF 203,915 million), and included the following key items:

- Network access charge (rail track usage charge and other rail track services): HUF 80,649 million (2021: HUF 77,972 million);
- Traction by partner railways: HUF 2,389 million (2021: HUF 1,895 million);
- Maintenance costs related to public railway passenger transport: HUF 30.150 million (2021: HUF 13,304 million);
- Expense paid by MÁV-START Zrt. for the number of kilometres run by rail passenger cars owned by partner railway companies: HUF 6,551 million (2021: HUF 4,421 million);
- Railcar rent in relation to public service passenger services: HUF 6,887 million (2021: HUF 6,047 million);
- Railcar cleaning costs in 2022: HUF 7,473 million (2021: HUF 8,152 million).
- Of central services, the costs attributable to public passenger transport service were as follows:
 - financial and accounting services: HUF 690 million (2021: HUF 739 million),
 - human services (education, training, work health and safety services): HUF 2,793 million (2021: HUF 2,910 million),
 - procurement, logistics, environmental services: HUF 1,801 million (2021: HUF 2,296 million),
 - administrative services: HUF 278 million (2021: HUF 256 million).

Payments to personnel incurred in 2022 totalled HUF 97,521 million, less the expenses of non-public workers (2021: HUF 95,259 million).

Depreciation charge relating to public services totalled HUF 29,740 million in 2022 (2021: HUF 25,389 million).

Other expenses related to public railway passenger transport totalled HUF 4,051 million (2021: HUF 4,815 million). Of other expenses, items that are excluded from the reimbursable items in 2022: HUF 1,424 million (2021: HUF 1,558 million).

Financial income from rail passenger transport performed as a public service include 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 -294 million on public services (2021: HUF -792 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.	13 462	118	1 541	15 121	17 758	14	44	17 816	-2 695
100 MÁV Zrt. Anyavállalat	195	1 016	1	1 212	201 584	613	1	202 198	-200 986
101 MÁV FKG Kft.	3	0	0	3	0	0	0	0	3
131 MÁV KFV Kft.	0	0	0	0	17	0	15	32	-32
138 MÁV Szolgáltató Központ Zrt.	10	4	0	14	13 847	7	0	13 854	-13 840
179 ZÁHONY-PORT Zrt.	0	0	0	0	0	0	12	12	-12
194 MÁV-HÉV Zrt.	6	1	23	30	32	0	0	32	-2
195 MÁV Rail Tours Zrt.	5	1	25	31	253	1	2	256	-225
196 VOLÁNBUSZ Zrt.	25	0	0	25	1 953	1	141	2 095	-2 070
Grand total	13 706	1 140	1 590	16 436	235 444	636	215	236 295	-219 859

49. Table: 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 MAV VAGON Kft.	3	0	0	3	0	0	0	0	3
100 MAV Zrt. Anyavállalat	1	0	0	1	8	0	0	8	-7
101 MAV FKG Kft.	0	0	0	0	0	0	0	0	0
131 MAV KFV Kft.	8	0	0	8	0	0	0	0	8
138 MAV 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-HÉV Zrt.	0	0	0	0	0	0	0	0	0
195 MAV Rail Tours Zrt.	0	0	2	2	173	0	0	173	-171
196 VOLÁNBUSZ Zrt.	0	0	0	0	0	0	0	0	0
Grand total	12	0	2	14	181	0	0	181	-167

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

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 MAV VAGON Kft.	652	0	0	652	681	0	0	681	-29
100 MAV Zrt. Anyavállalat	4 726	0	0	4 726	42	0	0	42	4 684
101 MAV FKG Kft.	131	0	0	131	0	0	0	0	131
131 MAV KFV Kft.	85	0	0	85	0	0	0	0	85
138 MAV Szolgáltató Központ Zrt.	15	0	0	15	0	0	0	0	15
179 ZÁHONY-PORT Zrt.	1	0	0	1	0	0	0	0	1
194 MÁV-HÉV Zrt.	9	0	0	9	0	0	0	0	9
195 MAV Rail Tours Zrt.	136	0	0	136	7	0	0	7	129
196 VOLÁNBUSZ Zrt.	0	0	0	0	0	0	0	0	0
Grand total	5 755	0	0	5 755	730	0	0	730	5 025

51. Table: 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.	14 117	118	1 541	15 776	18 439	14	44	18 497	-2 721
100 MÁV Zrt. Anyavállalat	4 922	1 016	1	5 939	201 634	613	1	202 248	-196 309
101 MÁV FKG Kft	134	0	0	134	0	0	0	0	134
131 MÁV KfV Kft	93	0	0	93	17	0	15	32	61
138 MÁV Szolgáltató Központ Zrt.	25	4	0	29	13 847	7	0	13 854	-13 825
179 ZÁHONY-PORT Zrt.	1	0	0	1	0	0	12	12	-11
194 MÁV-HÉV Zrt.	15	1	23	39	32	0	0	32	7
195 MÁV Rail Tours Zrt.	141	1	27	169	433	1	2	436	-267
196 VOLÁNBUSZ Zrt.	25	0	0	25	1 953	1	141	2 095	-2 070
Grand total	19 473	1 140	1 592	22 205	236 355	636	215	237 206	-215 001

52. Table: Related parties - MÁV-START Zrt.

Annual average statistical number of employees in 2022:

Activity	Number of staff
Public service passenger transport	12 262
Not public service passenger transport	
Company, total:	12 262

53. Table: 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.	
	2021.	2022.	2021.	2022.	2021.	2022.	2021.	2022.
Subsidised fares on social grounds	21 613	30 848	164	199	0	0	21 777	31 047
Reimbursed excise tax on gasoline use	3 459	2 793	0	0	0	0	3 459	2 793
Development subsidy	110 445	84 572	0	0	0	0	110 445	84 572
of which:								
IKOP Tram Train	11	19 492	0	0	0	0	11	19 492
FLIRT ETCS 59 Motor train standardization	933	1 986	0	0	0	0	933	1 986
IKOP 19 high capacity trains	47 579	4 269	0	0	0	0	47 579	4 269
IKOP-INKA 2 subsidy	0	225	0	0	0	0	0	225
FLIRT standardization	1 233	1 453	0	0	0	0	1 233	1 453
IKOP 21 high capacity motor trains	60 615	56 082	0	0	0	0	60 615	56 082
IC+	0	1 000	0	0	0	0	0	1 000
Tram Train domestic subsidy	74	65	0	0	0	0	74	65
Public service reimbursement	233 237	294 053	0	0	0	0	233 237	294 053
GINOP-187 "Spektrum" received to cover expenses	0	7	0	0	0	0	0	7
Received to cover costs of "IKOP INKA 2 project"	0	29	0	0	0	0	0	29
Recognised subsidies, total	368 754	412 302	164	199	0	0	368 918	412 501
<i>Of which: recognised as income</i>	<i>254 850</i>	<i>324 937</i>	<i>164</i>	<i>199</i>	<i>0</i>	<i>0</i>	<i>255 014</i>	<i>325 136</i>

54. Table: Subsidies recognised in the reporting year

V Cost reimbursement for public service and funding in 2022

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 2022, clause of the public service contract (as amended several times) the planned amount of reimbursement for public service activities is HUF 305,485 million. In order to have all the reasonable costs of public services not covered with revenues, HUF 292,053 million was presented in the financial statements as the amount to be reimbursed, which is HUF 13,432 million less than the amount specified in the clause. The 2022, reimbursement will be approved by the Principal as part of the 2022 annual settlement (after the preparation of the 2022 annual financial statements), so the final amount may still change.

In 2022, other income also included extra reimbursement (reasonable profit) of HUF 2,000 million related to and disbursed in 2021 as approved by the Principal. As a result, a total reimbursement of HUF 294,053 was recognised for 2022.

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

figures in HUF millions

Period	Amount receivable at 1 Jan 2022	Amount payable at 1 Jan 2022	Reasonable profit recognised for 2021	Financial settlements in 2022		Amount receivable at 31 Dec 2022	Amount payable at 31 Dec 2022
				Overcompensation for 2020	Financial settlement in 2022		
2020	0	282	0	-282	0	0	0
2021	0	762	2 000	282	956	0	0
2022	0	0	0		0	0	13 432
Grand total	0	1 044	2 000	0	956	0	13 432

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

Revenues from reimbursement:

figures in HUF millions

Reimbursement related income	2021	2022
Justified cost not covered with revenues	231 237	292 053
Reasonable profits related to previous years	2 000	2 000
Total:	233 237	294 053

56. Table: Revenues from reimbursement

Under the cost basis of accounting, a total governmental reimbursement of HUF 306,441 million was received in 2022, of which HUF 956 million was financial settled in relation to the settlement of the reimbursement for 2021 (including the overcompensations of HUF 282 million for 2020 and HUF 762 million for 2021). As a result, at the balance sheet preparation date, the Company had no outstanding reimbursement receivable from or payable to the state with respect to previous years.

Of the reimbursement received, HUF 292,053 million was used to cover the cost of operations in 2022. The settlement of the extra reimbursement of HUF 13,432 million over the reimbursement requirement less the reasonable profit for 2022 (HUF 2,000 million) is set out in the cash flow appendix to the business plan for 2023.

In 2022, 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.). While these are reflected in 2022, they may generate a material increase in reimbursement need compared to the previous periods and the amount specified in the National Budget Act.

figures in HUF millions

Item	2021 actual	2022 actual
Justified costs not covered with revenues	231 237	292 053

57. Table: 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 2023 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 and analysed, are presented to the Owner and the Principal, and are continuously discussed in order to take appropriate action as necessary.

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