

This is a translation of the Hungarian Report

## Independent Auditor's Report

To the Shareholder of MÁV Zrt.

### Opinion

We have audited the accompanying 2020 annual financial statements of MÁV Zrt. ("the Company"), which comprise the balance sheet as at 31 December 2020 - showing a balance sheet total of HUF 1,513,094 million and a profit after tax for the year of HUF 15,304 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 2020 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 II.1.2.2.3 to the 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 public related services which are not covered by related revenues and refund of renovation expenses. The relevant ministry has not yet approved HUF 93,490 million cost refunds and HUF 26,941 million renovation refunds for 2020 until the date of our audit report, accordingly these amounts may be subject to change. Our opinion is not modified in respect of this matter.

We also draw attention to Note II.1.1.3 to the financial statements, in which it is disclosed that the ownership status of some of the Company's properties since the time of the foundation of the Company is not yet settled between the Company and the Hungarian State. According to the amendment as at 28 June 2013 on Act CVI of 2007 on State Property the settlement of the ownership of the assets should not have negative effect on the Company's equity. Our opinion is not modified in respect of this matter.

## Other information

Other information consists of the 2020 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 2020 is consistent, in all material respects, with the 2020 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 controls of the Company that we identify during our audit.

Budapest, 29 April 2021

(The original Hungarian version has been signed.)

Lelkes Tamás  
Ernst & Young Kft.  
1132 Budapest, Váci út 20.  
Registration No. 001165

Lelkes Tamás  
Registered auditor  
Chamber membership No.: 007349

10856417-5221-114-01

Statistical code

01-10-042272

Registration number

# **MÁV HUNGARIAN STATE RAILWAYS**

Private Company by Shares

**1087 Budapest, Könyves Kálmán Krt 54-60.**

## **Balance sheet and profit & loss account**

31 December 2020

Date: Budapest, 2021. április 28.

Manager (representative) of the Company

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**BALANCE SHEET Version "A" - Assets**

31 December 2020

Data in million HUF

No.	Description	Previous year	Current year
a	b	c	e
<b>A.</b>	<b>Non-current assets</b>	1 158 114	1 385 824
1.	INTANGIBLE ASSETS	7 111	6 219
1.	Capitalised cost of foundation/restructuring	0	0
2.	Capitalised cost of development	134	134
3.	Concessions, licenses and similar rights	4 025	2 637
4.	Intellectual property	2 771	3 396
4/a.	of which: Managed state owned intellectual property	0	0
5.	Goodwill	0	0
6.	Advance payments for intangible assets	181	52
7.	Revaluation of intangible assets	0	0
II.	TANGIBLE ASSETS	998 524	1 214 086
1.	Land and buildings and related property rights	789 545	925 707
1/a.	of which: Managed state owned properties and related rights	737 502	878 781
2.	Plant, machinery, equipment and vehicles	184 984	190 712
2/a.	of which: Managed state owned technical equipment, machinery and vehicles	101 823	111 161
3.	Other equipment, fixtures and fittings, vehicles	49	46
4.	Breeding stock	0	0
5.	Tangible assets under construction	20 903	33 703
5/a.	of which: Managed state owned capital projects	17 943	30 517
6.	Advance payments for assets under construction	3 043	63 918
7.	Revaluation of tangible assets	0	0
III.	LONG-TERM FINANCIAL ASSETS	152 479	165 519
1.	Long-term investments in related parties	149 099	162 078
2.	Long-term loans granted to related parties	0	0
3.	Long-term investments in undertakings with which the undertaking is linked by virtue of participating interest	781	588
4.	Long-term loans granted to undertakings with which the undertaking is linked by virtue of participating interest	0	0
5.	Other long-term investments	2 580	2 848
6.	Long-term loans granted to other investments	0	0
7.	Other long-term loans granted	19	5
8.	Long-term debt securities	0	0
9.	Revaluation of financial investments	0	0
10.	Fair value adjustment of financial investments	0	0

Date: Budapest, 2021. április 28.

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**BALANCE SHEET Version "A" - Assets**

31 December 2020

Data in million HUF

No.	Description	Previous year	Current year
a	b	c	e
<b>B.</b>	<b>Current assets</b>	68 502	122 541
I.	INVENTORIES	12 635	14 562
1.	Raw materials and consumables	11 447	13 901
1/a.	of which: Managed state owned raw material and consumables	1 995	2 247
2.	Work in progress and semi-finished products	6	4
2/a.	of which: Managed state owned work in progress and semi-finished products	0	0
3.	Animals for breeding, fattening and other livestock	0	0
4.	Finished products	946	285
4/a.	of which: Managed state owned finished products	246	172
5.	Goods	236	372
6.	Advance payments for inventories	0	0
II.	RECEIVABLES	46 434	24 308
1.	Accounts receivable	3 381	8 506
2.	Receivables from related parties	21 843	10 960
3.	Receivables from undertakings with which the undertaking is linked by virtue of participating interest	47	38
4.	Receivables from other investments	2	11
5.	Notes receivable	0	0
6.	Other receivables	21 161	4 793
6/a.	of which: Managed state owned other receivables	2 130	932
7.	Fair value adjustment of receivables	0	0
8.	Positive fair value adjustment of derivatives	0	0
III.	SECURITIES	0	0
1.	Investments in related parties	0	0
2.	Investments in undertakings with which the undertaking is linked by virtue of participating interest	0	0
3.	Other investments	0	0
4.	Treasury shares and interests repurchased	0	0
5.	Marketable debt securities	0	0
6.	Fair value adjustment of securities	0	0
IV.	CASH AND BANK	9 433	83 671
1.	Cash, cheques	5	6
2.	Bank deposits	9 428	83 665
<b>C.</b>	<b>Prepaid expenses &amp; accrued income</b>	5 511	4 729
1.	Accrued income	1 979	1 738
2.	Prepaid expenses	1 779	2 236
3.	Deferred expenses	1 753	755
<b>Total assets</b>		<b>1 232 127</b>	<b>1 513 094</b>

Date: Budapest, 2021. április 28.

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**BALANCE SHEET Version "A" - Equity and liabilities**

31 December 2020

Data in million HUF

No.	Description	Previous year	Current year
a	b	c	e
<b>D. Equity</b>		242 885	268 796
I. REGISTERED CAPITAL		25 000	36 000
of which: treasury shares redeemed at face value		0	0
II. REGISTERED CAPITAL NOT PAID (-)		0	-9 763
III. CAPITAL RESERVE		158 359	167 729
IV. RETAINED EARNINGS		48 014	59 254
V. NON-DISTRIBUTABLE RESERVE		532	272
VI. REVALUATION RESERVE		0	0
1. Valuation reserve of revaluation		0	0
2. Valuation reserve for mark to fair value		0	0
VII. PROFIT / LOSS FOR THE YEAR		10 980	15 304
<b>E. Provisions</b>		28 274	26 416
1. Provisions for expected liabilities		18 219	18 498
2. Provisions for future costs		8 700	7 300
3. Other provisions		1 355	618
<b>F. Liabilities</b>		922 919	1 179 456
I. SUBORDINATED DEBT		0	0
1. Subordinated debts to related parties		0	0
2. Subordinated debts to undertakings with which the undertaking is linked by virtue of participating interest		0	0
3. Subordinated debts to other investments		0	0
4. Subordinated debts to third parties		0	0
II. LONG-TERM LIABILITIES		864 859	1 024 187
1. Long-term borrowings		0	0
2. Convertible bonds		0	0
3. Bonds payable		0	0
4. Loans received for investment and development		3 606	0
5. Other long-term loans		0	0
6. Long-term debts to related parties		0	0
7. Long-term debts to undertakings with which the undertaking is linked by virtue of participating interest		15	15
8. Long-term debts to other investments		0	0
9. Other long-term liabilities		861 238	1 024 172
9/a. of which: Liabilities related to managed state owned assets		860 843	1 023 764

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**BALANCE SHEET Version "A" - Equity and liabilities**

31 December 2020

Data in million HUF

No.	Description	Previous year	Current year
a	b	c	e
III.	CURRENT LIABILITIES	58 060	155 269
1.	Short-term borrowings	0	0
1/a.	of which: convertible and mandatory convertible bonds	0	0
2.	Other short-term loans	6 148	3 983
3.	Advances received from trade debtors	1 011	203
4.	Accounts payable	18 680	20 446
5.	Notes payable	0	0
6.	Short-term debts to related parties	12 459	12 959
7.	Short-term debts to undertakings with which the undertaking is linked by virtue of participating interest	483	137
8.	Short-term debts to other investments	29	25
9.	Other current liabilities	19 250	117 516
9/a.	of which: Liabilities related to managed state owned assets	3 801	92 935
10	Fair value adjustment of liabilities	0	0
11	Negative fair value adjustment of derivatives	0	0
<b>G.</b>	<b>Accrued expenses and deferred income</b>	38 049	38 426
1.	Prepaid income	8 032	7 305
2.	Accrued expenses	4 729	6 673
3.	Deferred income	25 288	24 448
<b>Total equity &amp; liabilities</b>		1 232 127	1 513 094

Date: Budapest, 2021. április 28.

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**PROFIT AND LOSS ACCOUNT Version "A" (total-cost method)**

31 December 2020

Data in million HUF

No.	Description	Previous year	Current year
a	b	c	e
01.	Domestic sales revenue, net	156 813	154 900
02.	Export sales revenue, net	1 876	2 042
<b>I.</b>	<b>Net sales (01+02)</b>	158 689	156 942
03.	Changes in self produced inventories	622	-663
04.	Capitalised value of self produced assets	5 672	6 776
<b>II.</b>	<b>Capitalised own performance (±03+04)</b>	6 294	6 113
<b>III.</b>	<b>Other gains</b>	153 082	198 892
	of which: impairment reversed	147	25
05.	Raw materials and consumables used	23 756	24 417
06.	Services purchased	59 183	66 546
07.	Other services	1 496	1 525
08.	Cost of goods sold	37 606	35 283
09.	Cost of sold (intermediated) services	1 826	1 630
<b>IV.</b>	<b>Material-type expenses (05+06+07+08+09)</b>	123 867	129 401
10.	Payroll cost	78 675	91 883
11.	Other employee benefits	10 991	9 331
12.	Social security and other contributions	18 231	18 050
<b>V.</b>	<b>Personnel related expenses (10+11+12)</b>	107 897	119 264
<b>VI.</b>	<b>Depreciation expense</b>	64 111	88 246
<b>VII.</b>	<b>Other expenses</b>	10 801	10 625
	of which: impairment loss	3 282	1 703
<b>A.</b>	<b>OPERATING PROFIT/LOSS (I±II±III-IV-V-VI-VII)</b>	11 389	14 411

Date: Budapest, 2021. április 28.

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**PROFIT AND LOSS ACCOUNT Version "A" (total-cost method)**

31 December 2020 Data in million HUF

No.	Description	Previous year	Current year
a	b	c	e
13.	Dividends (due) received	3 016	3 240
	of which: from related parties	2 241	2 089
14.	Disposal and other gains of equity investments	0	972
	of which: from related parties	0	0
15.	Disposal and other gains of long-term financial investments (securities, loans)	0	0
	of which: from related parties	0	0
16.	Other interest received (due) and similar income	7	51
	of which: from related parties	0	0
17.	Other financial gains	51	329
	of which: fair value adjustment	0	0
<b>VIII.</b>	<b>Financial gains (13+14+15+16+17)</b>	3 074	4 592
18.	Disposal and other losses of equity investments	0	0
	of which: to related parties	0	0
19.	Disposal and other losses of long-term financial investments (securities, loans)	0	0
	of which: to related parties	0	0
20.	Interest payable (paid) and similar charges	90	39
	of which: to related parties	0	0
21.	deposits	1 710	1 863
22.	Other financial losses	1 683	1 797
	of which: fair value adjustment	0	0
<b>IX.</b>	<b>Financial losses (18+19+20+21)</b>	3 483	3 699
<b>B.</b>	<b>FINANCIAL PROFIT/LOSS (VIII-IX)</b>	-409	893
<b>C.</b>	<b>PROFIT/LOSS FROM ORDINARY ACTIVITIES (±A±B)</b>	10 980	15 304
<b>X.</b>	<b>Tax expense</b>	0	0
<b>D.</b>	<b>PROFIT/LOSS FOR THE YEAR (±C-X)</b>	10 980	15 304

Date: Budapest, 2021. április 28.

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**MÁV HUNGARIAN STATE RAILWAYS PRIVATE COMPANY LIMITED BY SHARES**

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# **NOTES TO THE FINANCIAL STATEMENTS FOR 2020**

Budapest, 28 April 2021  
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head of the Company (representative)



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## I General disclosures

### I.1 The Company

Further to Act LIII of 1992 on the management of permanent government businesses and their assets and to Act XVI of 1991 on concessions, on 30 June 1993, the Ministry for Transport, Telecommunications and Water of the Republic of Hungary, representing the government as owner (the Founder), founded Magyar Államvasutak Részvénytársaság (hereafter: “MÁV Zrt.” or “the Company”), as a single member private company limited by shares. MÁV Zrt. was created following a transformation and was responsible for passenger and goods transport. As the goods transport (cargo) activity was outsourced as of 1 January 2006, passenger transport on standard rail tracks was outsourced as of 1 July 2007, and traction as well as tractive and hauled vehicle maintenance were outsourced as of 1 January 2008 to separate entities, these activities no longer form a part of the Company’s operations. Since 2008, rail infrastructure operation has become the Company’s main activity. As of 31 December 2015, MÁV Létesítményüzemeltető és Vasútőr Kft., and MÁV Tervezőintézet Kft. as well as its wholly-owned subsidiary, VITECO Kft., merged with MÁV Zrt., and as a result the Company’s range of activities was expanded to include the complex management, sale, and letting of real property, private security activities, and the guarding of properties and trainsets.

The principles of MÁV Zrt’s operations, organisation, and governance structure are set out in the Articles of Incorporation. The Company’s executive body is the Board of Directors; operations are directed by the Company’s Chairman and CEO.

#### **Company name:**

MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság

#### **The Company’s name in foreign languages:**

English: MÁV Hungarian State Railways Private Company Limited by Shares

French: MÁV Chemins de Fer de l’Etat Hongrois Société Anonyme privée

German: MÁV Ungarische Staatseisenbahnen Geschlossene Aktiengesellschaft

#### **The abbreviated name of the Company:**

MÁV Zrt.

#### **In foreign languages:**

English: MÁV Co

French: MÁV S.A.

German: MÁV AG

#### **The Company’s registered office:**

1087 Budapest, Könyves Kálmán krt. 54-60. Phone: +36 1/322-0660

#### **The Company’s homepage:**

[www.mavcsoport.hu](http://www.mavcsoport.hu)

#### **The Company’s founder:**

The Company’s founder is the Hungarian State.

Date of foundation: 30 June 1993

**Ownership:**

The Company's sole owner is the Hungarian State. As of 26 June 2018, the ownership rights are exercised by the minister without portfolio in charge of national assets.

Further to section 3:109 (4) of the Civil Code, no general meeting operates at the Company, and matters that would otherwise fall within the competence of the general meeting are decided by the Founder in writing.

**Company registration number:** Cg 01-10-042272

**Tax number:** 10856417-2-44

**Statistical code:** 10856417-5221-114-01

**Core activity:**

**5221 Service activities incidental to land transportation**

The Company's activities include rail infrastructure operation, railway passenger transport and other services incidental to rail transport. The substance of each activity is set out in the accounting separation policies.

Based on the Company's contract with the government on the management of state-owned assets, managed state-owned assets, as well as the related other non-current liabilities, are presented in the Company's books. In relation to the management of state-owned assets, MÁV Zrt's asset management practice is oriented towards efficient services supplied on behalf of the government, protection of the condition and value of the managed assets and to increasing the value of the managed assets.

**Person authorised to act for and on behalf of the Company:**

Authorised signatory of the financial statements: dr. HOMOLYA Róbert, domicile: 2049 Diósd, Ilona utca 7-9.

MÁV Zrt. commissioned MÁV Szolgáltató Központ Zrt. to perform the management and supervision of accounting services and the compilation of the financial statements and of the consolidated financial statements as per Section 150(2) of Act C of 2000 on Accounting (hereinafter: accounting act).

**Person in charge of accounting and financial reporting:**

The person responsible for the management and supervision of accounting services and the compilation of the financial statements is: IMRIK Márta, MÁV Szolgáltató Központ Zrt. deputy general director, head of business administration, domicile: 1173 Budapest, Vanília u. 46. registered qualified accountant, registration No.: 123386.

**Information relating to the audit:**

Based on Section 155 (2) of the accounting act, MÁV Zrt's annual financial statements are subject to mandatory audit. The Company's auditors are Ernst & Young Könyvvizsgáló Kft.

Signing statutory auditor: Lelkes Tamás, domicile: 1161 Budapest, Baross u. 152. 2., Chamber membership No.: 007349.

The auditors charged HUF 13 million for the audit of the financial statements and HUF 11 million for other assurance services.

**The Company's share capital:**

At 31 December 2020, the Company's share capital was HUF 36,000,000,000 which consisted of 3,600,000 ordinary shares of HUF 10,000 face value each.

## **1.2 Significant accounting policies**

### **Key accounting policies used for the preparation of the financial statements**

Our 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.

All figures are presented in the financial statements in HUF millions (mHUF).

The balance sheet preparation date was 16 February 2021.

State-owned assets managed based on an underlying asset management agreement with MNV Zrt. are presented in MÁV Zrt's balance sheet.

The Company's balance sheet format is based on the type 'A' template specified in Appendix 1 to the accounting act. In view of the nature of operations and the proportion of managed state-owned assets, extra rows have been added to the balance sheet template specified in the accounting act as necessary in order to present the values of state-owned assets and liabilities.

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

The Company always capitalises the costs of foundation/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 live plant inventories.

For a range of non-current assets specified in the accounting act, the Company uses the option provided in section 33(2) of the accounting act and makes other provisions as defined in section 41(4) of the act. For 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 provided on any legal grounds

- other items accounted for as other income and other expenses not listed above, presented in note II.2.3

A profit and loss account prepared based on the turnover cost method as set out in appendix 3 to the accounting act is also presented in the notes to the financial statements.

### **Special rules and recognitions concerning managed state-owned assets**

Further to section 69/A (4) of act CVI of 2007 on state-owned property (hereafter: public property act) and to the underlying agreement, assets acquired by the Company as a result of asset settlements as well as the derecognition of assets acquired by the State (including the derecognition of any related deferred income) are recognised in capital reserve.

### **Main rules concerning the accounting separation of the Company's railway activities**

Further to Act CLXXXIII of 2005 on Railway Transport (hereafter: Railway Transport Act) and Joint Decree 50/2007. (IV.26.) of the Transport Ministry and the Ministry of Finance on the unbundling of accounts for various railway activities within railway companies (hereafter: Decree), the Company prepares an Annual Supervisory Report for each separable activity as part of the notes to the financial statements (see note IV).

For accounting purposes, railway activities are separated into rail infrastructure operation, passenger transport and other activities.

## **I.3 Changes in the accounting policies in 2020**

In 2020, a new set of accounting policies (including a new valuation policy) was adopted by the Company (Chairman and CEO's Order 64/2020 (MÁV Notice No. 13 of 1 May) and Order 65/2020 (MÁV Notice No. 13 of 1 May)) and were first applied for the financial year starting 1 January 2020. However, as there was no significant change in the applied measurement procedures, the new policies have no material impact on the Company's equity and financial position and the results of its operations.

In line with the amendment of the Company's accounting policies in 2021, effective as of 2020, no provision is made for the time proportional cost of recurring periodic maintenance, determined based on technical requirements, of high performing assets constructed as a result of EU funded development, reconstruction or general overhaul projects. The balance of provision as at 31 December 2019 will be released by MÁV Zrt. in the period when the relevant maintenance costs will incur.

## **I.4 Measurement methods applied by the Company**

Assets and liabilities denominated in foreign currency are translated to HUF by the Company at the official foreign exchange rates published by Hungarian Central Bank as the Company chose in its accounting policies to use the requirements of the VAT act applicable to the calculation of the VAT base in HUF also to the translation of receivables and liabilities denominated in foreign exchange into 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.

Warehouse inventories, including any movements, are recognised at weighted average cost (standard cost).

The amount of any impairment loss on inventories is identified based on individual assessment or in view of the expected turnover or market rates of inventories.

As a general rule, the impairment of receivables is identified on their average age, in view of relevant legislation.

The Company accounts for the reduction of foreign exchange and currency reserves using moving average exchange rates.

## **I.5 Important information on and changes in the Company's operations**

On 21 December 2015, the Hungarian state and MÁV Zrt. signed a rail infrastructure operation agreement for the period 2016 to 2025. The agreement provides for the long-term financing of the costs of rail infrastructure operations.

For calculating the railtrack access charge for 2019/2020, we considered a state reimbursement of HUF 103,308 million based on statement No. VIF/51613-For1/2018-ITM of the Ministry for Innovation and Technology. Accordingly the same amount was presented in our initial business plan for 2020. The amended business plan contained extra reimbursement needs: HUF 5,171 million in relation to the pandemic situation, HUF 11,585 million for staff pay rise, and HUF 119 million for IT assets acquired because of the pandemic. The reimbursement requirement presented on our amended business plan for 2020 totalled HUF 120,183 million, of which HUF 87,183 million was for operating expenses and HUF 33,000 million for renovations. The final actual breakdown departed from the business plan and HUF 93,684 million was allocated to operating expenses and HUF 26,499 million for renovations.

In Hungary's budget act for 2020 (act LXXI of 2019 on the national budget), HUF 106,104 million was allocated to reimburse the justified expenses related to railtrack operations, of which HUF 99,050.9 million was allocated to MÁV Zrt. Beside the amount for the reporting year, the national budget act also specified HUF 7,829.5 million reimbursement approved for 2017. The reimbursement clause for 2020 which ensures the actual payment of the reimbursement was signed on 23 December 2019.

In order to ensure the amount of reimbursement specified in the business plan and to maintain the Company's stable liquidity position, extra reimbursements were transferred in three instalments during the course of 2020 further to amendments to the budget act and to the reimbursement clause as follows:

- Instalment 1: reasonable profit for 2018 and cost efficiency incentive (HUF 4,185 million) in August,

- Instalment 2: required extra reimbursement for 2019 and reasonable profit (HUF 9,035 million) and extra funding for pay increases (HUF 11,585 million) in October,
- Instalment 3: expected extra reimbursement need for 2020 (HUF 13,242 million), extra funding because of the pandemic (HUF 4,135 million) and advance payment of reasonable profit for 2020 (HUF 3,908 million) in December.

In line with government ambitions, further to government decision No. 1912/2020. (XII.16.) Korm., HUF 20,000 million was transferred to the Company at the end of December 2020 for railway network development and will be used to renew a segment of route No. 120a.

Act XC of 2020 on the national budget for 2021 was passed by Parliament on 3 July 2020. According to the act, railtrack operations are funded by HUF 127,000 million. Based on the reimbursement clause for 2021 signed on 27 January 2021, HUF 117,992 million will be disbursed to MÁV Zrt. and the first instalment was dated 17 February 2021.

As the first step towards the integration of VOLÁNBUSZ Zrt. into MÁV Group, in an effort to synchronise public railway and coach passenger services, as a result of an amendment of decree 1/2018. (VI. 25.) NVTNM of the minister for the management of national property on the appointment of persons exercising state ownership rights and obligations over state-owned companies, MÁV Zrt. became the entity exercising ownership rights over VOLÁNBUSZ Zrt. effective as of 15 July 2020.

On 29 December 2020, the minister without portfolio responsible for the management of national property ordered to have MÁV Zrt's share capital increased by contributing 100% of the government's share package in VOLÁNBUSZ Zrt. and 98.97% quota in VOLÁN Buszpark Kft. As a result, the Company's share capital increased to HUF 36,000 million and the difference between the face values and issue values of the new ordinary shares of HUF 99,938 million was posted to capital reserve. As a result of the capital increase, MÁV Zrt's equity was raised by a total of HUF 110,938 million.

As part of the capital increase, the quota of VOLÁN Buszpark Kft. was transferred on 31 December 2020, the share package of VOLÁNBUSZ Zrt. was transferred to MÁV Zrt. on 7 January 2021. The capital increase was registered by the registry court on 6 January 2021 and, according to the court decision, the change is effective as of 29 December 2020.

## **1.6 Obligation to prepare consolidated financial statements**

In accordance with Section 10(1) of the accounting act, MÁV Zrt. is required to prepare consolidated financial statements and a consolidated business report because it qualifies as a parent company under Section 3(2) subsection 1 of the accounting act, and may not be exempted from this obligation under either Section 116 or 117.

The subsidiaries that can be exempted from consolidation based on section 116 of the accounting act, are exempted by MÁV Zrt. from the preparation of consolidated financial statements and consolidated notes.

## II Specific disclosures

### II.1 Notes to the balance sheet

#### II.1.1 Non-current assets

##### II.1.1.1 Changes in intangible assets

Movements in intangible assets are presented in the table below:

figures in mHUF

	Description	Capitalised found., restruct.	Capitalised R&D	Concessions and similar rights	Intellectual property	Goodwill	Advances for capital projects	Total
1	Cost, opening	0	135	12 272	17 450	0	181	30 038
2	Additions, improvements, advance payments (+)		0	107	1 251		-129	1 229
3	Cost, closing	0	135	12 379	18 701	0	52	31 267
4	Amortisation, opening	0	1	8 247	14 679	0	0	22 927
5	Ordinary charge for the year (+)		0	1 495	626		0	2 121
6	Amortisation, closing	0	1	9 742	15 305	0	0	25 048
7	Net book value, opening	0	134	4 025	2 771	0	181	7 111
8	Net book value, closing	0	134	2 637	3 396	0	52	6 219

1. Table: Movements in intangible assets

##### II.1.1.2 Changes in managed state-owned intangible assets

Movements in managed intangible assets are presented in the table below:

figures in mHUF

	Description	Capitalised found., restruct.	Capitalised R&D	Concessions and similar rights	Intellectual property	Goodwill	Advances for capital projects	Total
1	Cost, opening	0	0	2 983	0	0	0	2 983
2	Increase (+)			0				0
3	Decrease (-)			0				0
4	Cost, closing	0	0	2 983	0	0	0	2 983
5	Amortisation, opening	0	0	1 649	0	0	0	1 649
6	Ordinary charge for the year (+)			448				448
7	Amortisation, closing	0	0	2 097	0	0	0	2 097
8	Net book value, opening	0	0	1 334	0	0	0	1 334
9	Net book value, closing	0	0	886	0	0	0	886

2. Table: Movements in managed, state-owned intangible assets

##### II.1.1.3 Changes in tangible assets

Movements in the values of tangible assets are shown in the table below:

figures in mHUF

	Description	Properties and related rights	Technical machinery, equipment	Other equipment, fittings, vehicles	Breeding stock	Capital projects, improvements	Advances for capital projects	Total
1	Cost, opening	1 294 618	405 806	819	0	21 570	3 043	1 725 856
2	Additions, improvements (+)					244 041	60 875	304 916
3	Count surplus (+)	71	21					92
4	Assets constructed by NIF Zrt. / NISZ Zrt. taken into asset management	177 815	21 632			-199 447		0
5	Taken into asset management (+)	3 441	76					3 517
6	Increase due to status settlements (+)	191						191
7	Disposal (-)	-2 912	-7					-2 919
8	Contributed free of charge (-)					-91		-91
9	Scrapped (-)	-3 657	-1 507	-29				-5 193
10	Missing (-)	-940	-23	-2		-5		-970
11	Decrease due to status settlement (-)	-4 186						-4 186
12	Asset manager right redeemed (-)	-203						-203
13	Commissioned (+/-)	26 463	5 028	44		-31 535		0
14	Reclassified (broken down, aggregated, deducted advance payment) (+/-)	-20	20			-118		-118
15	Cost, closing	1 490 681	431 046	832	0	34 415	63 918	2 020 892
16	Depreciation, opening	505 073	220 822	770	0	667	0	727 332
17	Ordinary charge for the year (+)	65 096	20 982	47				86 125
18	Extraordinary charge for the year (+)	1 132	55			45		1 232
19	Reversed extraordinary depreciation (-)	-11						-11
20	Disposal (-)	-752	-7					-759
21	Scrapped (-)	-3 428	-1 506	-29				-4 963
22	Missing (-)	-715	-20	-2				-737
23	Decrease due to status settlement (-)	-1 391						-1 391
24	Asset manager right redeemed (-)	-22						-22
25	Reclassified (broken down, aggregated) (+/-)	-8	8					0
26	Depreciation, closing	564 974	240 334	786	0	712	0	806 806
27	Net book value, opening	789 545	184 984	49	0	20 903	3 043	998 524
28	Net book value, closing	925 707	190 712	46	0	33 703	63 918	1 214 086

3. Table: Movements in tangible assets

The ownership status of certain MÁV Zrt. properties has been unresolved between the Company and the State of Hungary since the Company's foundation. Further to the amendment of the public

property act of 28 June 2013, the settlement of properties is not likely to cause any loss to the Company.

Tangible assets totalling HUF 199,447 million constructed as part of capital projects conducted by NIF Zrt. were taken over in legal and financial terms in 2020. Based on the information received from NIF Zrt., the gross value of assets technically handed over by NIF Zrt. but not yet taken over legally or financially by the Company totalled HUF 195,386 million at 31 December 2020. Further to the public property act, NIF Zrt. has six months from the technical hand-over date to prepare a settlement statement of the constructed assets, which will be the basis of the legal and financial take-over of the assets in the financial year of 2021.

#### II.1.1.4 Changes in managed state-owned tangible assets

figures in mHUF

Description	Properties and related rights	Technical machinery, equipment	Other equipment, fittings, vehicles	Breeding stock	Capital projects, improvements	Total
1 Cost, opening	1 223 758	235 628	23	0	18 592	1 478 001
2 Additions, improvements (+)					239 825	239 825
3 Count surplus (+)	37	13				50
4 Assets constructed by NIF Zrt. / NISZ Zrt. taken into asset management	177 815	21 632			-199 447	0
5 Taken into asset management	3 442	75				3 517
6 Scrapped (-)	-3 564	-1 239				-4 803
7 Missing (-)	-784	-17	-1			-802
8 Asset manager right redeemed (-)	-203					-203
9 Commissioned (+/-)	25 676	2 091			-27 767	0
10 Cost, closing	1 426 177	258 183	22	0	31 203	1 715 585
11 Depreciation, opening	486 256	133 805	23	0	649	620 733
12 Ordinary charge for the year (+)	64 141	14 413				78 554
13 Extraordinary charge for the year (+)	1 009	55			37	1 101
14 Reversed extraordinary depreciation (-)	-6					-6
15 Scrapped (-)	-3 340	-1 238				-4 578
16 Missing (-)	-642	-13	-1			-656
17 Asset manager right redeemed (-)	-22					-22
18 Depreciation, closing	547 396	147 022	22	0	686	695 126
19 Net book value, opening	737 502	101 823	0	0	17 943	857 268
20 Net book value, closing	878 781	111 161	0	0	30 517	1 020 459

4. Table: Movements in managed, state-owned tangible assets

figures in mHUF

Item	Gross value	Net value
Land	24 553	24 553
Buildings	58 928	53 217
Structures	1 342 696	801 011
Machines, equipment	258 205	111 161
Intangible assets	2 983	886
Construction in progress	31 203	30 517
<b>Grand total</b>	<b>1 718 568</b>	<b>1 021 345</b>

5. Table: Managed state-owned assets per category

figures in mHUF

Item	Gross value	Net value
Land	4 868	4 868
Buildings	29 688	23 675
Structures	16 160	7 506
Machines, equipment	49 511	19 607
Intangible assets	28 018	5 263
Construction in progress	3 192	3 166
<b>Grand total</b>	<b>131 437</b>	<b>64 085</b>

6. Table: MAV Zrt owned railtrack operating assets per category



#### **II.1.1.5 Managed state-owned assets**

Assets owned by the state and managed by the Company are carried separately in MÁV Zrt's books.

The accumulated values of state-owned assets and the related liabilities are presented in the tables below.

figures in mHUF

Item	2019.	2020.	Change
Intangible assets	1 334	886	-448
Land	24 356	24 553	197
Building	45 919	53 217	7 298
Structures	666 925	800 755	133 830
Property rights	301	256	-45
Machinery, equipment, vehicles	101 823	111 161	9 338
Managed assets in the course of construction	17 943	30 517	12 574
<b>Managed state owned intangible assets and tangible assets:</b>	<b>858 602</b>	<b>1 021 345</b>	<b>162 743</b>
Managed state-owned (recuperated) materials	1 995	2 247	252
Managed state-owned finished products and work in progress	246	172	-74
<b>Managed state-owned inventories, total:</b>	<b>2 241</b>	<b>2 419</b>	<b>178</b>
<b>Managed state-owned assets, total:</b>	<b>860 843</b>	<b>1 023 764</b>	<b>162 921</b>
<b>Opening long-term liabilities upon signing the asset management agreement at 30 September 2001:</b>	<b>275 578</b>	<b>275 578</b>	<b>0</b>
Asset constructed by NIF/NISZ Zrt. Taken in to asset management	639 402	838 849	199 447
<i>of which - from governmental and EU funds</i>	<i>636 918</i>	<i>836 315</i>	<i>199 397</i>
- from owned funds	1 645	1 645	0
- from other (municipal) funds	299	299	0
- from NIF/NISZ Zrt. Funds	540	590	50
Taken into asset management	15 663	19 179	3 516
Taken into asset management due to status settlement	56 946	56 946	0
Improvement, renovation from renovation reimbursement	156 103	179 865	23 762
Improvement, renovation from other governmental/municipal/EU funds	185 523	201 995	16 472
Acquired from owned funds	153 737	153 737	0
Capital projects funded by third parties	7 535	7 535	0
Surplus state-owned assets	2 129	2 179	50
Managed state-owned inventories used for managed state-owned tangible assets	1 724	1 868	144
<b>Funds of managed state-owned intangible and tangible assets, total:</b>	<b>1 218 761</b>	<b>1 462 152</b>	<b>243 391</b>
Increase in recuperated materials	4 972	5 401	429
<b>Funds of managed state-owned inventories, total:</b>	<b>4 972</b>	<b>5 401</b>	<b>429</b>
<b>Funds of the increase in managed state-owned assets, total:</b>	<b>1 223 733</b>	<b>1 467 554</b>	<b>243 821</b>
Ordinary depreciation	522 674	601 676	79 002
Extraordinary depreciation charged and reversed	74 079	75 174	1 095
Disposal	57	57	0
Scrapping	17 678	17 903	225
Missing	2 457	2 603	146
Destroyed	4	4	0
Contributed free of charge	1 656	1 656	0
Net value of state-owned assets contributed to MÁV Zrt.	1 819	1 819	0
Status settlement of managed state-owned land	8 970	8 970	0
Redeemed asset manager rights	6 341	6 523	182
<b>Funds of the decrease in managed state-owned assets, total:</b>	<b>635 736</b>	<b>716 385</b>	<b>80 649</b>
Managed state-owned inventories, used	1 809	1 947	138
Managed state-owned inventories, disposed of	678	769	91
Managed state-owned inventories, scrapped	71	74	3
Managed state-owned inventories, impaired	175	193	18
<b>Funds of the decrease in managed state-owned inventories, total:</b>	<b>2 733</b>	<b>2 983</b>	<b>250</b>
<b>Funds of the decrease in managed state-owned assets, total:</b>	<b>638 469</b>	<b>719 368</b>	<b>80 899</b>
<b>Funds of managed state-owned assets, total:</b>	<b>860 843</b>	<b>1 023 764</b>	<b>162 921</b>

7. Table: Managed state-owned assets and their funds in the balance sheet

Changes in managed state-owned assets in the reporting year and in the basis year are presented in detail in the table below:

figures in mHUF

Changes in managed state-owned assets	2019.	2020.	Change
<b>Managed state-owned assets, net, opening</b>	<b>892 008</b>	<b>860 843</b>	<b>-31 165</b>
Assets constructed by NIF/NISZ Zrt. taken into management	0	199 447	199 447
<i>of which - from governmental and EU funds</i>	0	199 397	199 397
- from own funds			0
- from other (municipal) funds			0
- from National Infrastructure Development agency funds	0	50	50
Improvement, renovation reimbursement from state treasury funds	22 090	23 762	1 672
Other assets taken under asset management	574	3 516	2 942
Assets taken under asset management as a result of ownership status settlement			0
Managed state-owned assets acquired from government funds	3 985	16 472	12 487
Managed state-owned assets acquired from own funds			0
Treasury asset development/improvement financed from third party development funds	19	0	-19
Recuperated (state) materials used for managed assets	52	144	92
Settlement of funds related to previous years			0
Managed state-owned assets surplus	39	50	11
<b>Increase in managed state-owned intangible and tangible assets</b>	<b>26 759</b>	<b>243 391</b>	<b>216 632</b>
Increase in recuperated materials	305	429	124
<b>Increase in managed state-owned inventories</b>	<b>305</b>	<b>429</b>	<b>124</b>
<b>Increase in managed state-owned assets, total</b>	<b>27 064</b>	<b>243 820</b>	<b>216 756</b>
Ordinary depreciation charge	-54 774	-79 002	-24 228
Extraordinary depreciation charged and reversed	-3 017	-1 095	1 922
Scrapped	-31	-225	-194
Missing, destroyed	-4	-146	-142
Settlement of the status of managed state-owned land	0	0	0
Asset management rights redeemed	-9	-182	-173
<b>Decrease in managed state-owned intangible and tangible assets, total</b>	<b>-57 835</b>	<b>-80 650</b>	<b>-22 815</b>
Recuperated (state) materials used	-7	-138	-131
Recuperated (state) materials sold	-387	-91	296
Managed state-owned materials scrapped	0	-3	-3
Managed state-owned materials impaired	0	-18	-18
<b>Decrease in managed state-owned inventories, total</b>	<b>-394</b>	<b>-250</b>	<b>144</b>
<b>Decrease in managed state-owned assets, total</b>	<b>-58 230</b>	<b>-80 900</b>	<b>-22 670</b>
<b>Managed state-owned assets, net, closing</b>	<b>860 843</b>	<b>1 023 764</b>	<b>162 921</b>

8. Table: Movements in managed state-owned assets

Subsidies for development purposes are shown in the following table:

figures in mHUF

Use of subsidies received for the renovation and improvement of managed state-owned assets			
Subsidy	2019.	2020.	Change
Use of renovation reimbursement in relation to managed state owned assets	21 221	24 198	2 977
of which - Renewal of assets	20 996	23 327	2 331
Advances for assets	160	850	690
Value adding improvement on inventories	64	20	-44
Use of remaining reimbursement	1 546	-3	-1 549
IKOP grant "MÁV Zrt. Traffic safety projects", (IKOP, local percentage 15%)	169	-7	-176
IKOP grant "MÁV Zrt. Station improvement and integrated customer service development at 26 locations" (IKOP, local percentage 15%)	23	0	-23
Keleti railway station reconstruction preparation Gov. -15%	0	-6	-6
Nyugati railway station reconstruction preparation Gov. -15%	4	1	-3
Soroksár track adjustment SG370001 (100% Gov.)	985	3	-982
Kisköre road and rail bridge (Tisza-híd) renovation ZE170001	20	0	-20
Kenderes reception building renovation ZV370027	471	0	-471
"MÁV Zrt. Station improvement and integrated customer service development at 26 locations" (CKTM, KAB function 100%)	10	0	-10
Budapest-Belgrád Archeology ZL680004	73	92	19
Light railways ZV560001	307	169	-138
Kaposvár Tüskevár-junction development local funds 12%	8	8	0
Budapest-Belgrád independent engineer ZL680002	458	204	-254
TEB development projects ZV980003	232	190	-42
Kalocsa highway approach and crossing 38188-4	19	0	-19
PAKS 2. ZV990001	2 674	2 113	-561
Budapest-Belgrád construction own resources 15% Z1000303	0	73 545	73 545
Kisvasutak II. stage Z1000408	0	206	206
Budapest-Belgrád NoBo/DeBo (Other activity) Z1000302	0	175	175
<b>Government subsidies used, total:</b>	<b>28 218</b>	<b>100 890</b>	<b>72 672</b>
IKOP grant to implement "MÁV Zrt. Traffic safety projects" (IKOP, KA 85%)	955	-39	-994
IKOP grant to implement "MÁV Zrt. Station improvement and integrated customer service development at 26 locations" (IKOP, KA 85%)	128	0	-128
Keleti railway station reconstruction preparation EU-85%	0	-34	-34
Nyugati railway station reconstruction preparation EU-85%	20	6	-14
Kaposvár Tüskevár-junction development EU funds 88%	57	58	1
<b>EU funds used, total:</b>	<b>1 160</b>	<b>-9</b>	<b>-1 169</b>
<b>Use of subsidies received for the renovation and improvement of managed state-owned assets</b>	<b>29 378</b>	<b>100 882</b>	<b>71 504</b>
Use of subsidies received for the renovation and improvement of MÁV Zrt's assets			
Subsidy	2019.	2020.	Change
Renovation reimbursement used for MÁV owned assets	426	2 743	2 317
Renovation reimbursement used for prepayments for MÁV owned assets	-152	0	152
Use of remaining reimbursement	27	3	-24
Light railways ZV560001	163	369	206
INKA 2 (IKOP local percentage 15%)	48	46	-2
INEA RFC 7 PSA INEA/CEF/TRAN/M2016/PSARFC07	12	0	-12
GINOP (Integrated Intelligent Railway Supervision System Development) GINOP-2.2.1-15-2017-00098	78	-15	-93
Rákostető property utilisation project KTMF/1956/5/2019 (100% state funded)	1	0	-1
TEB projects ZV980003	0	50	50
Self-calibrating wheel load network research 2018-1.1.2-KFI-2018-00148_AL-CKTM	0	5	5
<b>Government subsidies used, total:</b>	<b>604</b>	<b>3 201</b>	<b>2 597</b>
INKA 2 (IKOP EU percentage 85%)	272	263	-9
<b>EU funds used, total:</b>	<b>272</b>	<b>263</b>	<b>-9</b>
<b>Use of subsidies received for the renovation and improvement of MÁV Zrt's assets, total:</b>	<b>876</b>	<b>3 464</b>	<b>2 588</b>

9. Table: Use of development and improvement subsidies

### II.1.1.6 Impairment of non-current financial assets

figures in mHUF

Item	Impairment				
	Opening	Increase	Decrease	Reversed	Closing
Long-term investments in related parties	5 553	1 900	0	0	7 453
Long-term loans granted to related parties	0	0	0	0	0
Long-term significant equity investment	182	0	0	0	182
Long-term loans granted to significant equity investments	0	0	0	0	0
Other long-term investments	0	0	0	0	0
Long-term loans granted to other investments	0	0	0	0	0
Other long-term loans granted	552	0		37	515
Long-term debt securities	0	0	0	0	0
<b>Total:</b>	<b>6 287</b>	<b>1 900</b>	<b>0</b>	<b>37</b>	<b>8 150</b>

10. Table: Impairment of non-current financial assets

### II.1.1.7 Subordinated assets

MÁV Zrt. had no subordinated assets in 2020.

## II.1.2 Current assets

### II.1.2.1 Inventories

figures in mHUF

Item	Materials	WIP and semi-finished products	Livestock	Finished products	Goods	Advances for inventories	Total
<b>Inventories, gross, opening</b>	<b>11 885</b>	<b>6</b>	<b>0</b>	<b>946</b>	<b>236</b>	<b>0</b>	<b>13 073</b>
Purchased, advances paid	27 761				27 457		55 218
Received free of charge	50						50
Contribution in kind							
Reclassified							
Taken on inventory				160			160
Surplus	24						24
Recuperated	406						406
Other increase							0
Use (expensed)	-15 939	-2		-819			-16 760
Reclassified, advance recognised							
Disposal	-9 683			-2	-27 321		-37 006
Contributed free of charge							
Contribution in kind							
Scrapped	-21						-21
Missing	-24						-24
Other decrease							
<b>Inventories, gross, closing</b>	<b>14 459</b>	<b>4</b>	<b>0</b>	<b>285</b>	<b>372</b>	<b>0</b>	<b>15 120</b>
<b>Impairment, opening</b>	<b>438</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>438</b>
Impairment loss recognised in 2020	120						120
Written off due to inventory decrease							
Impairment loss reversed							
<b>Impairment, closing</b>	<b>558</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>558</b>
<b>Net value, opening</b>	<b>11 447</b>	<b>6</b>	<b>0</b>	<b>946</b>	<b>236</b>	<b>0</b>	<b>12 635</b>
<b>Net value, closing</b>	<b>13 901</b>	<b>4</b>	<b>0</b>	<b>285</b>	<b>372</b>	<b>0</b>	<b>14 562</b>

11. Table: Inventories

Raw materials and finished products include the value of recuperated materials from the disassembly of scrapped state-owned assets and the finished products manufactured from these materials in the amount of HUF 2,419 million.

## II.1.2.2 Receivables

### II.1.2.2.1 Receivables and impairment loss

figures in mHUF

Item	Receivables Gross value	Opening	Impairment loss for the year	Impairment loss			Closing	Book value at 31 Dec 2020	Book value at 31 Dec 2019	Change
				Impairment loss reversed	Impaired receivables collected	Impairment other derecognitions				
Trade receivables (debtors)	11 187	2 742	244	14	149	142	2 681	8 506	3 381	5 125
Receivables from related parties	10 970	0	10	0	0	0	10	10 960	21 843	-10 883
of which: fully consolidated subsidiaries	10 760	0	0	0	0	0	0	10 760	21 776	-11 016
of which: not fully consolidated subsidiaries	174	0	10	0	0	0	10	164	33	131
of which: joint ventures not consolidated based on quota	36	0	0	0	0	0	0	36	34	2
Receivables from significant equity investments	68	30	0	0	0	0	30	38	47	-9
Receivables from other investments	11	0	0	0	0	0	0	11	2	9
Bills of exchange	0	0	0	0	0	0	0	0	0	0
Other receivables	4 985	173	17	0	4	-6	192	4 793	21 161	-16 368
Receivables, total:	27 221	2 945	271	14	153	136	2 913	24 308	46 434	-22 126

12. Table: Receivables and impairment loss

### II.1.2.2.2 Receivables from related parties

figures in mHUF

Item	Fully consolidated subsidiaries	Not fully consolidated subsidiaries	Total
Advances for intangible assets	0	0	0
Advances for capital projects	619	0	619
Long-term loans granted to related parties	0	0	0
Advances for inventories	0	0	0
Receivables from related parties	10 760	200	10 960
<b>Total:</b>	<b>11 379</b>	<b>200</b>	<b>11 579</b>

13. Table: Receivables from related parties

## II.1.2.2.3 Reimbursement components

figures in mHUF			
Ref.	Title	2019	2020
A	Unused reimbursement/extra reimbursement need, opening	-6 205	-16 272
B	Reimbursement remained from last year/allocated reimbursement used to compensate development projects in the reporting year	-1 126	0
C	Reasonable profit, efficiency incentive recognised in the reporting year	-4 069	-4 498
D	Reimbursement for previous years received in the reporting year	0	21 050
<b>I.</b>	<b>Unused reimbursement/extra reimbursement need from reimbursement remained from previous periods and from allocated reimbursement (I=A+B+C+D)</b>	<b>-11 400</b>	<b>280</b>
E	Reimbursement of operating costs received in the reporting year	68 277	93 684
F	Reimbursement of operating costs recognised in the reporting year	-74 685	-93 490
<b>II.</b>	<b>Unused reimbursement of operating costs/extra reimbursement need (II=E+F)</b>	<b>-6 408</b>	<b>194</b>
G	Reimbursement of renovation expenses received in the reporting year	23 031	26 499
H	Reimbursement of renovation expenses recognised in the reporting year	-21 495	-26 941
<b>III.</b>	<b>Unused reimbursement of renovation expenses/extra reimbursement need for improvements in the reporting year (III=G+H)</b>	<b>1 536</b>	<b>-442</b>
<b>IV.</b>	<b>Reasonable profit, cost efficiency incentive received in advance in the reporting year</b>	<b>0</b>	<b>3 908</b>
<b>V.</b>	<b>Reimbursement, closing (V= I+II+III+IV.)</b>	<b>-16 272</b>	<b>3 941</b>
(+) payable/unused reimbursement, (-) receivable/extra reimbursement need			

14. Table: Composition of reimbursement

In the Company's balance sheet, the gross value of managed state-owned assets has been increasing significantly for years. The Company is able to carry out the renovation of managed state-owned assets from and to the extent of the subsidies provided and the reimbursement of renovation expenses. In 2020, the reimbursement of renovation expenses provided to the Company was by HUF 53,602 million less (used renovation reimbursement was by HUF 53,564 million less, used for state assets by HUF 55,975 less) than the ordinary and extraordinary depreciation recognised on state-owned assets, and was therefore not sufficient to replenish these assets.

The Company is entitled to the reimbursement of both justified costs not covered with related revenues and renovation expenses. The negotiations with the competent ministry on the settlement of the reimbursement of operating expenses of HUF 93,490 million and renovation expenses of HUF 26,941 million for 2020 are still in progress, therefore these amounts may change.

The amount of HUF 120,431 million reimbursement used in 2020 was by HUF 247 million more than the HUF 120,183 million reimbursement received in 2020.

## II.1.2.3 Securities

## II.1.2.3.1 Impairment of securities

MÁV Zrt. does not have any securities held for trading.

## II.1.3 Prepaid expenses and accrued income

figures in mHUF

Item	2019	2020	Difference
<b>Accrued income</b>			
Services rendered but not billed	1 571	1 386	-185
Accrued bank interest for the reporting period	0	8	8
Late payment interest, penalties, damages received	50	12	-38
Unbilled rent (RE-FX)	1	13	12
Accrued IKSZR income	357	319	-38
<b>Accrued income, total:</b>	<b>1 979</b>	<b>1 738</b>	<b>-241</b>
<b>Prepaid expenses</b>			
Pre-billed costs	251	99	-152
Redundancy pay and severance pay	129	124	-5
Unbilled expenses (credited)	1 399	2 013	614
<b>Prepaid expenses, total:</b>	<b>1 779</b>	<b>2 236</b>	<b>457</b>
<b>Deferred expenses</b>			
Deferred unrealised foreign exchange loss	1 753	755	-998
<b>Deferred expenses, total:</b>	<b>1 753</b>	<b>755</b>	<b>-998</b>
<b>Total:</b>	<b>5 511</b>	<b>4 729</b>	<b>-782</b>

15. Table: Prepaid expenses and accrued income

## II.1.4 Equity

### II.1.4.1 Movements in equity

figures in mHUF

Item	Issued capital	Issue capital not paid (-)	Capital reserve	Retained earnings	Non-distr. Reserves	After tax profit/loss	Equity
<b>Opening, 2020</b>	<b>25 000</b>	<b>0</b>	<b>158 359</b>	<b>48 014</b>	<b>532</b>	<b>10 980</b>	<b>242 885</b>
After tax profit/loss for 2019 reclassified	0	0	0	10 980	0	-10 980	0
Issued capital increase	11 000	-9 763	11 243	0	0	0	12 480
Capital injection (VPK)	0	0	0	0	0	0	0
VPK contribution in kind	0	0	0	0	0	0	0
Undistributable reserves related to unrealised foreign exchange losses	0	0	0	260	-260	0	0
Undistributable reserve allocated to unrealised foreign exchange losses, released	0	0	0	0	0	0	0
Undistributable reserve allocated to capitalised R&D not yet written off	0	0	0	0	0	0	0
Status settlement	0	0	-1 873	0	0	0	-1 873
After tax profit/loss for 2020	0	0	0	0	0	15 304	15 304
<b>Closing, 2020</b>	<b>36 000</b>	<b>-9 763</b>	<b>167 229</b>	<b>59 254</b>	<b>272</b>	<b>15 304</b>	<b>268 796</b>

16. Table: Equity components

MÁV Zrt. does not have any convertible bonds and contingent convertible bonds.

On 29 December 2020, the minister without portfolio for the management of national property ordered to have MÁV Zrt's share capital increased by contributing 100% of the government's share package in VOLÁNBUSZ Zrt. and 98.97% quota in VOLÁN Buszpark Kft. As a result, the Company's share capital increased by HUF 11,000 million and HUF 99,938 million was posted to capital reserve.

The capital increase was registered by the registry court on 6 January 2021 effective as of 29 December 2020. However, as the share package in VOLÁNBUSZ Zrt. was transferred to MÁV Zrt. on 7 January 2021, this part of the capital increase was booked only in 2021 in accordance with the accounting act.



## II.1.4.2 Non-distributable reserves

figures in mHUF

Item	Opening	Released	Allocated	Closing
Difference btwn. the provisions for unrealised FX gains/losses on FX loans and deferred expenses	398	260	0	138
Not written off R&D costs allocated	134	0	0	134
<b>Total:</b>	<b>532</b>	<b>260</b>	<b>0</b>	<b>272</b>

17. Table: Non-distributable reserves

## II.1.5 Provisions

### II.1.5.1 Provisions for expected liabilities

figures in mHUF

Provisions for liabilities	Opening	Released	Made	Closing
Environmental liabilities	8 031	433	424	8 022
Annuity payment obligation	6 255	551	641	6 345
Redundancy costs	983	920	1 133	1 197
Litigations	888	85	246	1 049
Damages	643	313	346	676
Bonus payment	563	521	572	614
Track fault prevention	300	0	0	300
Uniforms	245	137	122	230
Late payment interest	169	169	65	65
Provision for other liabilities	141	141	0	0
<b>Total:</b>	<b>18 219</b>	<b>3 270</b>	<b>3 549</b>	<b>18 498</b>

18. Table: Provisions for expected liabilities

### II.1.5.2 Provisions for liabilities to related parties

figures in mHUF

Provisions for liabilities to related parties	Opening	Released	Made	Closing
Damages payable	462	178	206	490
Late payment interest	44	44	4	4
<b>Total:</b>	<b>506</b>	<b>222</b>	<b>210</b>	<b>494</b>

19. Table: Provisions for liabilities to related parties

### II.1.5.3 Provisions for future expenses

Provisions are made for expected and periodically recurring future expenses that will surely incur but the exact amount or the date of which is uncertain at the balance sheet preparation date (future expenses). Provisions made by MÁV Zrt. are presented as follows.

figures in mHUF

Provisions for future expenses	Opening	Released	Made	Closing
Enhanced maintenance costs	8 004	1 286	0	6 718
Maintenance costs	470	90	0	380
Wrecking costs	148	38	0	110
Children's Railway maintenance costs	78	17	31	92
<b>Total:</b>	<b>8 700</b>	<b>1 431</b>	<b>31</b>	<b>7 300</b>

20. Table: Provisions for future expenses

## II.1.5.4 Other provisions

### II.1.5.4.1 Provisions for foreign exchange losses

figures in mHUF

Loan	Opening	Released	Made	Closing
Raiffeisen	986	368	0	618
CA-CIB	369	369	0	0
<b>Total:</b>	<b>1 355</b>	<b>737</b>	<b>0</b>	<b>618</b>

21. Table: Provisions for foreign exchange losses

## II.1.6 Liabilities

### II.1.6.1 Subordinated liabilities

MAV Zrt. does not have any subordinated liabilities.

### II.1.6.2 Non-current liabilities

#### II.1.6.2.1 Long-term loans

figures in mHUF

Long-term funds in 2020								
Funds	Contract date	Matures on	Government guarantee (No. Of gov. Dec.)	Asset backed	Currency	Contracted amount (million, original)	Outstanding at 31 Dec Currency million	HUF million
<b>Development loans</b>								
Raiffeisen Bank Zrt. (+30 Flirt trains)	25 Sept 2007	2021.11.28	-	yes	EUR	141,60	10,910	3 983
<b>Total:</b>								<b>3 983</b>

Note: The Company presented HUF 3,983 million of the loans for capital projects among short-term loans.

22. Table: Long-term loans

figures in mHUF

Long-term loan	2021.	2022.	Total
<b>Development loans</b>			
Raiffeisen Bank Zrt. (+30 Flirt trains)	3 983	0	3 983
<b>Total</b>	<b>3 983</b>	<b>0</b>	<b>3 983</b>

Note: The Company presented HUF 3,983 million of the loans for capital projects among short-term loans.

23. Table: Long-term loans repayment schedule

#### II.1.6.2.2 Long-term borrowings and bonds

The Company does not have any long-term borrowings or debts from bonds.

#### II.1.6.2.3 Liabilities related to managed state-owned assets

figures in mHUF

Liabilities related to managed state-owned assets	2019.	2020.	Change
Long-term liabilities related to managed state-owned assets	860 843	1 023 764	162 921
Replenishment obligation	-	-	-
<b>Non-current liabilities related to managed state-owned assets, total</b>	<b>860 843</b>	<b>1 023 764</b>	<b>162 921</b>
Balance of settlement with the Hungarian State Treasury related to capital projects	15	60 328	60 313
of which: - performance subsidised in the reporting year	- 4 004	- 16 472	- 12 468
- subsidy received in the reporting year for subsidised performance	6 611	76 785	70 174
Liabilities from beneficiary financed subsidy	1 599	34 024	32 425
Reclassified subsidy agreements with debit balance	2 130	932	- 1 198
Year-end revaluation of foreign exchange items	-	- 2 422	- 2 422
Recuperated materials used	57	73	16
<b>Current liabilities related to managed state-owned assets, total</b>	<b>3 801</b>	<b>92 935</b>	<b>89 134</b>
<b>Liabilities related to managed state-owned assets, total</b>	<b>864 644</b>	<b>1 116 699</b>	<b>252 055</b>

24. Table: Liabilities related to managed state-owned assets

Details of liabilities related to the decrease in state-owned assets:

figures in mHUF

<b>Replenishment obligation recognised from the effective date of the amended Act on State Property (28 June 2013)</b>	<b>2019</b>	<b>2020</b>	<b>Change</b>
<b>Plenishment obligation, opening</b>	<b>27 088</b>	<b>0</b>	<b>-27 088</b>
Ordinary depreciation charge	0	0	0
Extraordinary depreciation	0	0	0
Improvement, renovation of managed state-owned assets from own funds (-)	0	0	0
Contribution in kind	-27 088	0	27 088
<b>Replenishment obligation recognised after the amendment of the Act on the State Property took effect in accordance with the rules effective before 28 June 2013</b>	<b>-27 088</b>	<b>0</b>	<b>27 088</b>
Ordinary depreciation charge	54 774	79 001	24 227
Extraordinary depreciation	3 017	1 095	-1 922
- Capital projects and tangible assets from scrapping	3 017	1 058	-1 959
- Extraordinary depreciation of managed state-owned development projects	0	37	37
Net value of missing managed state-owned assets	4	146	142
Net value of scrapped managed state-owned assets written off	31	225	194
Materials recuperated from scrapped managed state-owned assets (-)	-243	-404	-161
Forgiven replenishment obligation (-)	-57 583	-80 063	-22 480
<b>Replenishment obligation recognised after the amendment of the Act on the State Property took effect in accordance with the rules effective after 27 June 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>replenishment obligation (VPK), closing</b>	<b>0</b>	<b>0</b>	<b>0</b>
Use of managed state-owned recuperated materials for maintenance, restoration	0	0	0
<b>Liabilities related to the decrease in managed state-owned assets, total</b>	<b>0</b>	<b>0</b>	<b>0</b>

25. Table: Liabilities related to the decrease in managed state-owned assets

### II.1.6.3 Liabilities to related parties

figures in mHUF

Item	Fully consolidated subsidiaries	Not fully consolidated subsidiaries	Total
Subordinated liabilities to related parties	0	0	0
Long-term liabilities to related parties	0	0	0
Current liabilities to related parties	12 952	7	12 959
<b>Total:</b>	<b>12 952</b>	<b>7</b>	<b>12 959</b>

26. Table: Liabilities to related parties

### II.1.7 Accrued expenses and deferred income

figures in mHUF

Item	2019.	2020.	Change
<b>Deferred income</b>			
Pre-billed rents (RE-FX)	760	368	-392
Unbilled revenues (credited)	91	29	-62
Optical network use	6 973	6 718	-255
Other income	208	190	-18
<b>Deferred income, total:</b>	<b>8 032</b>	<b>7 305</b>	<b>-727</b>
<b>Prepaid expenses</b>			
Unbilled expenses	3 607	4 089	482
Invoices booked for the next financial year	11	0	-11
Calculated amount of public utilities not billed	888	773	-115
Interest due for the reporting period	4	1	-3
Incentives and related taxes	219	519	300
Employee loyalty benefit paid	0	1 291	1 291
<b>Prepaid expenses, total:</b>	<b>4 729</b>	<b>6 673</b>	<b>1 944</b>
<b>Deferred extraordinary income</b>			
Development subsidies	23 341	23 111	-230
Surplus tangible assets	728	562	-166
Tangible assets received free of charge (as gift)	114	106	-8
Other tangible assets	1 105	669	-436
<b>Deferred extraordinary income, total:</b>	<b>25 288</b>	<b>24 448</b>	<b>-840</b>
<b>Total:</b>	<b>38 049</b>	<b>38 426</b>	<b>377</b>

27. Table: Accrued expenses and deferred income

### II.1.8 Off-balance sheet items

#### II.1.8.1 Borrowing and repayment of loans not disbursed by the balance sheet

In 2020, MÁV Zrt. did not sign any loan agreements under which disbursements would have to be made in 2021.

#### II.1.8.2 Forward transactions

MÁV Zrt. had no forward transactions in 2020.

### II.1.8.3 Joint and several liability and guarantee agreements

figures in mHUF

Beneficiary	Type of guarantee	Contractor	Guarantee starts	Guarantee ends	Guarantee amount
Ministry for Innovation and Technology*	Accidental damage	KDB Bank Európa Zrt.	2021.01.01	2021.12.31	1 000
National Tax and Customs Authority	excise guarantee	OTP	2021.01.01	2021.12.31	300
<b>Bank guarantees, total:</b>					<b>1 300</b>
* legal predecessor: National Transport Authority					

28. Table: Guarantee agreements at the balance sheet date

As at 31 December 2020, there were no joint and several liability agreements signed for MÁV Zrt.

### II.1.8.4 Lien and other contingencies

figures in mHUF

Loan	Outstanding at 31 Dec 2020 (HUF million)	Security
Raiffeisen Bank Zrt. Konzorcium (+30 Flirt funding)	3 983	30 Flirt trains

29. Table: Lien liabilities

Based on a loan agreement with Raiffeisen Bank, 30 FLIRT motorcars to be acquired were encumbered with lien. The lien will also include all the ETCS equipment owned and to be installed by MÁV-START Zrt. on the railcars owned by MÁV Zrt.

MÁV Zrt. issued a parent company comfort letter to Kreditanstalt für Wiederaufbau and to the European Investment Bank as the funders of 25 TRAXX engines for MÁV-TRAKCIÓ Zrt. (merged into MÁV-START Zrt. as of 1 January 2014).

MÁV Zrt. is responsible for 0.7% (CHF 18.2 million) of EUROFIMA's share capital, of which CHF 14.56 million (80% of the share capital) is issued but not paid capital. Further to EUROFIMA's statutes, this callable share capital becomes payable upon a decision to this effect by EUROFIMA's Board of Directors. However, no such payment has yet been demanded by EUROFIMA.

Further to section 26 of EUROFIMA's statutes, MÁV Zrt. assumes guarantee, up to its share in EUROFIMA's capital, to every borrower railway company in respect of the rolling stock financing contracts signed by EUROFIMA. However, this guarantee is only available if the railway company and its backing shareholder government failed to pay and the guarantee reserve as stipulated in section 29 of EUROFIMA's statutes is not sufficient to make up for the losses due to such non-performance.

### II.1.8.5 Expected environmental liabilities and recovery obligations not recognised among liabilities

The Company does not have any unrecognised environmental protection liabilities.

## II.1.8.6 Operating lease contracts in effect at the balance sheet date where the Company is the lessee

figures in mHUF

Contractor	Subject matter	Date of contract	Matures on	Contractual amount (mHUF/m.)	Outstanding at the BS date (mHUF)
Mercarius Kft.	Vehicle rent MÁV	2017.10.19	2021.09.30	256	2 302
Raiffeisen Ingatlan Alap	Property rent (EUR)	2013.05.06	2024.05.06	125	5 000
Other contracts		1969.03.26. several contracts	definite/indefinite	57	619

30. Table: Operating lease agreements at the balance sheet date

## II.2 Notes to the profit and loss account

### II.2.1 Net sales revenues

#### II.2.1.1 Net sales revenues by activity

figures in mHUF

Activity	2019.		2020.		Change
	Amount	%	Amount	%	
<b>Rail infrastructure operations</b>	<b>148 265</b>	<b>93,43</b>	<b>146 138</b>	<b>93,12</b>	<b>-2 127</b>
Of which: Network access services	94 835	59,76	94 740	60,37	-95
Special services provided by MÁV Zrt.	300	0,19	308	0,20	8
Tracation electricity and fuel supply	36 470	22,98	34 166	21,77	-2 304
Property rental and management	11 559	7,28	11 932	7,60	373
Rail safety services	508	0,32	509	0,32	1
Other rail infrastructure services	4 593	2,89	4 483	2,86	-110
<b>Passenger transport</b>	<b>130</b>	<b>0,08</b>	<b>121</b>	<b>0,08</b>	<b>-9</b>
<b>Other activities</b>	<b>10 294</b>	<b>6,49</b>	<b>10 683</b>	<b>6,80</b>	<b>389</b>
Of which: Materials sold and inventory management	131	0,08	21	0,01	-110
Rail vehicle rental	6 316	3,98	6 384	4,07	68
Property rental and management	2 159	1,36	2 842	1,81	683
Other services (central services etc.)	1 688	1,06	1 436	0,91	-252
<b>Total:</b>	<b>158 689</b>	<b>100,00</b>	<b>156 942</b>	<b>100,00</b>	<b>-1 747</b>

31. Table: Net sales revenues by activity

#### II.2.1.2 Export and import sales revenues

figures in mHUF

Country	2019						2020					
	Export of goods	Export of services	Export total	Import of goods	Import of services	Import total	Export of goods	Export of services	Export total	Import of goods	Import of services	Import total
Germany	0	9	9	284	126	410	0	11	11	307	37	344
Austria	0	36	36	529	31	560	0	33	33	805	24	829
Italy	0	26	26	0	1 160	1 160	0	28	28	0	8	8
Slovakia	0	1 777	1 777	5	1	6	0	1 879	1 879	0	1	1
Czech Republic	0	16	16	766	0	766	0	73	73	1 067	0	1 067
Slovenia	0	0	0	0	1	1	0	0	0	0	1	1
Poland	0	0	0	35	0	35	0	0	0	49	0	49
France	0	7	7	242	70	312	0	14	14	350	70	420
Belgium	0	0	0	0	21	21	0	0	0	0	23	23
Greece	0	1	1	0	0	0	0	1	1	0	0	0
Holland	0	0	0	0	12	12	0	0	0	0	11	11
Ireland	0	0	0	0	2	2	0	0	0	0	1	1
Romania	0	3	3	0	2	2	0	3	3	0	0	0
Croatia	0	0	0	0	0	0	0	0	0	147	0	147
Bulgaria	0	1	1	0	0	0	0	0	0	0	0	0
<b>EU countries total:</b>	<b>0</b>	<b>1 876</b>	<b>1 876</b>	<b>1 861</b>	<b>1 426</b>	<b>3 287</b>	<b>0</b>	<b>2 042</b>	<b>2 042</b>	<b>2 725</b>	<b>176</b>	<b>2 901</b>
Ukraine	0	0	0	0	12	12	0	0	0	0	13	13
Russia	0	0	0	0	3	3	0	0	0	0	3	3
South-Korea	0	0	0	0	2	2	0	0	0	0	0	0
Kazakhstan	0	0	0	0	1	1	0	0	0	0	0	0
<b>Non-EU countries total:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>16</b>
<b>Grand total:</b>	<b>0</b>	<b>1 876</b>	<b>1 876</b>	<b>1 861</b>	<b>1 444</b>	<b>3 305</b>	<b>0</b>	<b>2 042</b>	<b>2 042</b>	<b>2 725</b>	<b>192</b>	<b>2 917</b>

32. Table: Exports and imports

## II.2.2 Services used

figures in mHUF

Description	2019	Percentage of last year's total cost	2020	Percentage of current year's total cost	Change
Track maintenance	12 687	4,29	16 278	4,83	3 591
Traction, shunting	3 490	1,18	3 321	0,99	-169
Railtrack metering, cleaning, welding	4 666	1,58	4 155	1,23	-511
Vehicle rental income	3 270	1,11	3 272	0,97	2
Other rail operation services (vehicle maintenance, cleaning, on-call emergency, ticket control)	1 547	0,52	1 627	0,48	80
Building management, maintenance	9 358	3,16	11 745	3,49	2 387
Public utilities (sewage, remote heating) services	686	0,23	659	0,20	-27
Properties rented	1 362	0,46	1 557	0,46	195
IT services	3 994	1,35	4 447	1,32	453
Security	2 734	0,92	3 282	0,97	548
Procurement and inventory management	4 123	1,39	4 674	1,39	551
Post and phone	324	0,11	340	0,10	16
Experts, tenders and author copyrights	956	0,32	743	0,22	-213
Legal activities	227	0,08	83	0,02	-144
Other services used	9 759	3,30	10 363	3,08	604
<b>Services used, total:</b>	<b>59 183</b>	<b>20,00</b>	<b>66 546</b>	<b>19,75</b>	<b>7 363</b>

33. Table: Services used

## II.2.3 Other income and expenses

### II.2.3.1 Other income

figures in mHUF

Item	2019.	%	2020.	%	Change
<b>Disposal of tangible and intangible assets</b>	<b>511</b>	<b>0,33</b>	<b>8 991</b>	<b>4,52</b>	<b>8 480</b>
<b>Reversed extraordinary depreciation of tangible and intangible assets</b>	<b>0</b>	<b>0,00</b>	<b>11</b>	<b>0,01</b>	<b>11</b>
<b>Reversed impairment loss on receivables</b>	<b>147</b>	<b>0,10</b>	<b>14</b>	<b>0,01</b>	<b>-133</b>
<b>Damages received</b>	<b>179</b>	<b>0,12</b>	<b>270</b>	<b>0,14</b>	<b>91</b>
<b>Amounts received on impaired receivables</b>	<b>0</b>	<b>0,00</b>	<b>1</b>	<b>0,00</b>	<b>1</b>
<b>Late payment interest received</b>	<b>251</b>	<b>0,16</b>	<b>370</b>	<b>0,19</b>	<b>119</b>
<b>Penalties collected</b>	<b>275</b>	<b>0,18</b>	<b>165</b>	<b>0,08</b>	<b>-110</b>
<b>Provisions released</b>	<b>6 716</b>	<b>4,39</b>	<b>5 438</b>	<b>2,73</b>	<b>-1 278</b>
Of which: Provisions for expected liabilities, released	4 720	3,08	3 270	1,64	-1 450
Provisions for future expenses, released	1 087	0,71	1 431	0,72	344
Provisions for unrealised foreign exchange losses, released	909	0,59	737	0,37	-172
<b>Deferred income reversed due to operating costs and expenses</b>	<b>1 762</b>	<b>1,15</b>	<b>3 187</b>	<b>1,60</b>	<b>1 425</b>
Of which: Deferred income reversed due to non-current assets received free of charge or surplus assets	26	0,02	178	0,09	152
Reversed deferred government subsidy	1 640	1,07	2 920	1,47	1 280
Reversed deferred debt forgiven by the government	81	0,05	75	0,04	-6
<b>Subsidies and allowances received to funds costs and expenses</b>	<b>82 011</b>	<b>53,57</b>	<b>99 874</b>	<b>50,22</b>	<b>17 863</b>
Of which: Operational cost reimbursement, rail infrastructure	78 753	51,44	97 540	49,04	18 787
Subsidy for Budapest-Belgrad railway development project costs	1 730	1,13	1 894	0,95	164
Public workers	414	0,27	338	0,17	-76
<b>Positive difference between the book values contributed to the Company and the values in the articles of association</b>	<b>3 061</b>	<b>2,00</b>	<b>0</b>	<b>0,00</b>	<b>-3 061</b>
<b>Income from assets received free of charge and surplus assets</b>	<b>98</b>	<b>0,06</b>	<b>112</b>	<b>0,06</b>	<b>14</b>
<b>Miscellaneous other income</b>	<b>58 071</b>	<b>37,94</b>	<b>80 459</b>	<b>40,45</b>	<b>22 388</b>
Of which: Replenishment obligation forgiven	57 583	37,62	80 063	40,25	22 480
Subsidy for capital increase	0	0,00	0	0,00	0
Forgiven and barred liabilities	1	0,00	0	0,00	-1
Assumed liabilities	0	0,00	1	0,00	1
Other income recognised in connection with collected impaired receivables	170	0,11	153	0,08	-17
<b>Total:</b>	<b>153 082</b>	<b>100,00</b>	<b>198 892</b>	<b>100,00</b>	<b>45 810</b>

34. Table: Other income



Changes in other income in 2020 were caused by the following significant items:

- Gains on the disposal of intangible assets and tangible assets were by HUF 8,480 million more than in 2019. This increase was due to property disposals totalling HUF 8,926 million in 2020, including HUF 8,700 million in relation to the disposed properties of Dunakeszi Járműjavító Kft.
- MÁV Zrt. increased Kínai-Magyar Vasúti Nonprofit Zrt.'s capital by HUF 2,300 million from the subsidy received for the development of the Budapest-Belgrade line. In 2020, the Company recognised subsidies received in an amount equalling the impairment loss recognised on the above investments (HUF 1,775 million) as other income.
- A new public work programme was launched from 11 March 2019 to 29 February 2020, under which MÁV Zrt. employed an average of 450 public workers. Another public work programme was launched from 9 March 2020 to 28 February 2021, under which the Company agreed to employ an average of 340 public workers and, on average, additional 219 public workers in a yet another programme launched from 13 July 2020 to 28 February 2021. Of the total related subsidies received, HUF 338 million was used and recognised as other income in 2020.
- Further to decision No. 25/208/2019 of the Founder, MÁV Zrt. made a capital injection of HUF 3,061 million into MÁV-START Zrt's share premium. The HUF 3,061 million positive difference between the value of the contributed assets as per the articles of association and their book value was recognised as other income in 2019. There was no capital increase in 2020.

### II.2.3.2 Other expenses

Changes between the two periods are shown in the table below:

figures in mHUF					
Item	2019.	%	2020.	%	Change
Expenses on disposed of tangible assets, AICC and intangible assets	68	0,63	2 160	20,33	2 092
Expenses on scrapped and missing tangible assets, AICC and intangible assets	-199	-1,84	57	0,54	256
Extraordinary depreciation of tangible and intangible assets	3 109	28,78	1 232	11,60	-1 877
Inventories impaired, scrapped	90	0,83	141	1,33	51
Missing inventories	81	0,75	24	0,23	-57
Impairment loss on debtors	281	2,60	271	2,55	-10
Bad debts written off	13	0,12	15	0,14	2
Losses due to damage events	804	7,44	727	6,84	-77
Late payment interest paid	-25	-0,23	8	0,08	33
Damages paid	19	0,18	7	0,07	-12
Extra tax due to self-correction	4	0,04	2	0,02	-2
Taxes and similar charged	1 637	15,16	1 513	14,24	-124
Of which: Utilities tax	666	6,17	512	4,82	-154
Building tax	571	5,29	598	5,63	27
Land tax	16	0,15	16	0,15	0
Innovation contribution	301	2,79	302	2,84	1
Penalties, fines	115	1,06	17	0,16	-98
Provisions made	4 367	40,43	3 579	33,68	-788
Of which: Provisions for expected liabilities	4 132	38,26	3 549	33,40	-583
Provisions for future expenses	235	2,18	31	0,29	-204
Assets transferred free of charge, services supplied free of charge	-239	-2,21	229	2,16	468
Miscellaneous other expenses	676	6,25	643	6,05	-33
Of which: Housing grant to employee	2	0,02	0	0,00	-2
<b>Total:</b>	<b>10 801</b>	<b>100,00</b>	<b>10 625</b>	<b>100,00</b>	<b>-176</b>

35. Table: Other expenses

- Expenses on disposed of tangible assets, capital projects and intangible assets increased by HUF 2,092 million as a result of the disposal of properties related to Dunakeszi Járműjavító Kft.

- The extraordinary depreciation/impairment of tangible assets included HUF 1,001 million related to managed state-owned assets and HUF 133 million related to own assets.

## II.2.4 Financial profit/(loss)

### II.2.4.1 Financial income

The changes between the two periods are shown in the table below:

figures in mHUF					
Item	2019.	%	2020.	%	Change
<i>Dividends received (due)</i>	3 016	98,11	3 240	70,56	224
<i>Proceeds and foreign exchange gain on investments</i>	0	0,00	972	21,17	972
<i>Foreign exchange gains on non-current financial assets (securities, loans)</i>	0	0,00	0	0,00	0
<i>Bank interest received (due) and similar income</i>	4	0,13	48	1,05	44
<i>Other Interest received (due) and similar income</i>	3	0,10	3	0,06	0
<i>Realised foreign exchange gains on receivables and liabilities in foreign exchange</i>	43	1,40	311	6,77	268
<i>Foreign exchange gains on future and forward contracts</i>	0	0,00	0	0,00	0
<i>Foreign exchange gain on the year-end revaluation of foreign exchange items</i>	0	0,00	0	0,00	0
<i>Other financial income</i>	8	0,26	18	0,39	10
<b>Total:</b>	<b>3 074</b>	<b>100,00</b>	<b>4 592</b>	<b>100,00</b>	<b>1 518</b>

36. Table: Financial income

Further details on dividends are presented in Table 79.

The increase in income from investments and foreign exchange gains was due to the disposal of a 25.10% quota of HUF 194 million at face value in Dunakeszi Járműjavító Kft. to TMH Hungary Invest Zrt. at a market price of HUF 1,070 million identified by independent appraisers in accordance with government decision No. 1312/2019. (V. 28.) Korm.

### II.2.4.2 Financial expenses

The changes between the two periods are shown in the table below:

figures in mHUF					
Item	2019.	%	2020.	%	Change
<i>Expenses and foreign exchange losses on investments</i>	0	0,00	0	0,00	0
<i>Foreign exchange losses on non-current financial assets (securities, loans)</i>	0	0,00	0	0,00	0
<i>Bank interest paid (payable) and similar charges</i>	90	2,58	39	1,05	-51
<i>Other interest paid (payable) and similar charges</i>	0	0,00	0	0,00	0
<i>Impairment on shareholdings, securities, bank deposits and long-term loans given</i>	1 710	49,10	1 863	50,37	153
<i>Realised exchange loss on foreign exchange receivables and liabilities</i>	1 683	48,32	1 797	48,58	114
<i>Foreign exchange losses on future and forward contracts</i>	0	0,00	0	0,00	0
<i>Foreign exchange losses on the year-end revaluation of foreign exchange items</i>	0	0,00	0	0,00	0
<i>Other financial expenses</i>	0	0,00	0	0,00	0
<b>Total:</b>	<b>3 483</b>	<b>100,00</b>	<b>3 699</b>	<b>100,00</b>	<b>216</b>

37. Table: Financial expenses

Impairment losses on equity investments recognised in 2020 included HUF 1,775 million for Kínai-Magyar Vasúti Nonprofit Zrt. and HUF 125 million for ZÁHONY-PORT Zrt. as a result of the following:

- The project company established for construction of the Budapest-Belgrade line does not have any revenues from operations and only incurs expenses. Kínai-Magyar Vasúti

Nonprofit Zrt. had losses for 2020. The company's operations are funded from subsidy agreements between MÁV Zrt. and the State of Hungary.

- ZÁHONY-PORT Zrt. had losses for the financial year of 2020.

No impairment loss recognised on equity investments was reversed in 2020.

## II.2.5 Income from and expenses on related parties

figures in mHUF

Item	Fully consolidated entities	Not fully consolidated entities	Total
<b>Income</b>			
Sales revenues, net	118 650	532	119 182
Other income	771	7	778
Financial income	2 096	0	2 096
<b>Income, total:</b>	<b>121 517</b>	<b>539</b>	<b>122 056</b>

38. Table: Income from and expenses on related parties

## II.2.6 Corporate tax base adjusting items

figures in mHUF

Item	Increasing	Decreasing	Change in tax base
<b>Pre-tax profit or loss</b>			<b>15 304</b>
Adjustment due to provision	3 580	4 700	-1 120
Adjustment due to depreciation	80 249	83 437	-3 188
Dividends received		3 240	-3 240
Unpaid tax, fine, penalty	13		13
Impairment loss on receivables recognised/reversed	271	168	103
Lapsed claim			0
Expired receivables	10		10
Non-refundable grant/amounts/assets given/received free of charge	517		517
Expense/income identified by tax audit/ self-correction	13 136	13 649	-513
Workers' hostel rent		137	-137
Non-arm's length basis price between related parties	112		112
Donation		33	-33
Liability assumed or forgiven by the State of Hungary		80 064	-80 064
<b>Total:</b>	<b>97 888</b>	<b>185 428</b>	<b>-87 540</b>
<b>Tax base:</b>			<b>-72 236</b>

39. Table: Corporate tax base adjusting items

## II.2.7 Profit and loss account based on the turnover cost method

Further to the Company's accounting policies, a profit and loss account is prepared under both the total cost method and the turnover cost method. The Company's after-tax profit/(loss) is shown in the following table:

figures in mHUF

Serial No.	Item	2019.	2020.	Change
01.	Domestic sales revenues, net	156 813	154 900	-1 913
02.	Export sales revenues, net	1 876	2 042	166
I.	<i>Sales revenues, net</i>	<i>158 689</i>	<i>156 942</i>	<i>-1 747</i>
03.	Direct cost of sales	220 758	260 861	40 103
04.	Cost of sold goods	37 606	35 283	-2 323
05.	(Consignment) services sold	1 826	1 630	-196
II.	<i>Direct cost of sales</i>	<i>260 190</i>	<i>297 774</i>	<i>37 584</i>
III.	<i>Gross profit on sales (I-II.)</i>	<i>-101 501</i>	<i>-140 832</i>	<i>-39 331</i>
06.	Selling and distribution expenses	441	765	324
07.	Administrative costs	28 950	32 259	3 309
08.	Other general costs	0	0	0
IV.	<i>Indirect cost of sales</i>	<i>29 391</i>	<i>33 024</i>	<i>3 633</i>
V.	<i>Other income</i>	<i>153 082</i>	<i>198 892</i>	<i>45 810</i>
VI.	<i>Other expenses</i>	<i>10 801</i>	<i>10 625</i>	<i>-176</i>
A.	<b><i>Operating profit or loss</i></b>	<b><i>11 389</i></b>	<b><i>14 411</i></b>	<b><i>3 022</i></b>
VII.	<i>Financial income</i>	<i>3 074</i>	<i>4 592</i>	<i>1 518</i>
VIII.	<i>Financial expenses</i>	<i>3 483</i>	<i>3 699</i>	<i>216</i>
B.	<b><i>Financial profit or loss</i></b>	<b><i>-409</i></b>	<b><i>893</i></b>	<b><i>1 302</i></b>
C.	<b><i>Pre-tax profit or loss</i></b>	<b><i>10 980</i></b>	<b><i>15 304</i></b>	<b><i>4 324</i></b>
IX.	<i>Tax liability</i>	<i>0</i>	<i>0</i>	<i>0</i>
D.	<b><i>After tax profit or loss</i></b>	<b><i>10 980</i></b>	<b><i>15 304</i></b>	<b><i>4 324</i></b>

40. Table: After tax profit based on the turnover cost method

## II.2.8 Other profit and loss related disclosures

The Company's management does not propose a profit distribution upon the approval of the financial statements for 2020.

## II.3 Cash flow statement

		figures in mHUF	
Serial No.	Item	2019.	2020.
<b>I.</b>	<b>Operating cash flows (lines 1-13)</b>	<b>4 828</b>	<b>12 646</b>
1a.	Pre-tax profit or loss +	10 980	15 303
	of which: operating subsidy received	454	305
	of which: public service reimbursement subsidy received	68 277	93 684
1b.	Dividends received -	-3 016	-3 240
1c.	Amounts transferred/received free of charge recognised in profit or loss +	487	609
1d.	Revaluation of cash and cash equivalents held in foreign exchange +	-2	109
1e.	Gain or loss on long-term liabilities forgiven/assumed +	-81	-75
1f.	Unrealised foreign exchange gain or loss on non-current assets and long-term liabilities +	264	2 656
1g.	Realised foreign exchange gain and loss on recovery of long-term loans granted and the repayment of long-term liabilities +	112	314
1h.	Unspecified pre-tax profit adjusting items related to managed state-owned assets +	-57 584	-80 066
1i.	Non-current assets contributed (contribution in kind) +	-3 061	0
1j.	Non-current assets transferred free of charge +	0	91
1k.	Other unspecified pre-tax profit adjusting items +	-210	-311
1.	Adjusted pre-tax profit or loss (1a+1b+1c+1d+1e+1f+1g+1h+1i+1j+1k) +	-52 111	-64 610
2.	Amortisation charge +	64 111	88 246
3.	Impairment loss recognised/reversed +	4 845	3 541
4.	Difference between provisions made and used +	-2 349	-1 858
5.	Disposal of non-current assets +	-443	-7 803
6.	Movements in creditor +	613	-43 793
7.	Movements in other current liabilities +	8 048	13 578
7a.	Movements in inter-division settlements (liabilities) +	0	0
8.	Movements in accrued expenses and deferred income +	-1 613	-4 639
9.	Movements in debtors +	-879	1 316
10.	Movements in current assets (less debtors and liquid assets) +	-18 176	27 886
10a.	Movements in inter-division settlements (assets) +	0	0
11.	Movements in prepaid expenses and accrued income +	2 782	782
12.	Corporate tax liability -	0	0
13.	Dividends payable -	0	0
<b>II.</b>	<b>Investing cash flows (lines 14-18)</b>	<b>-33 133</b>	<b>-42 171</b>
14.	Acquisition of non-current assets -	-36 690	-45 953
15.	Disposal of non-current assets +	510	2 474
16.	Long-term loans granted repaid, long-term bank deposits cancelled, cashed +	31	46
17.	Long-term loans granted and bank deposits placed -	0	0
18.	Dividends received +	3 016	1 262
<b>III.</b>	<b>Financing cash flow (lines 19-27)</b>	<b>19 271</b>	<b>103 872</b>
19.	Income from shares issued (capital addition) +	0	0
20.	Income from the issue of bonds, debt securities +	0	0
21.	Loans taken and borrowings +	0	0
22.	Amounts received free of charge +	28 154	110 489
23.	Disinvestment (capital reduction) -	0	0
24.	Repayment of bonds, debt securities -	0	0
25.	Repayment of loans and borrowings -	-8 172	-6 462
26.	Amounts transferred free of charge -	-487	-609
27.	Changes in other long-term liabilities +	-224	454
<b>IV.</b>	<b>Cash flow (I.+II.+III.)</b>	<b>-9 034</b>	<b>74 347</b>
28.	Revaluation of cash and cash equivalents held in foreign exchange +	2	-109
<b>V.</b>	<b>Change in cash and cash equivalents (IV.+28.)</b>	<b>-9 032</b>	<b>74 238</b>

41. Table: Cash flow statement

Differences between operating cash flows and the balance sheet movements:

- Line 6: Movements in creditors: a HUF 45,559 million decrease, including a HUF -45,559 million adjustment due to non-current asset acquisitions (as a result of major projects completed in the reporting year) which were set off against adjustments to creditors in accordance with the accounting act;
- Line 7: Movements in other current liabilities: a HUF 84,837 million decrease, of which HUF -83,990 million reflects the adjustment of subsidies received in 2020 for own and state-owned assets (related to a number of significant projects);
- Line 8: Movements in accrued expenses and deferred income: a HUF 5,015 million decrease, of which HUF -3,079 million was adjustment related to subsidised own assets (adjusted in connection with the acquisition of non-current assets); HUF -2,743 million renovation reimbursement adjustment related to own assets, set off against liabilities to the

founders; and HUF +731 million adjustment of deferred income related to asset settlements, which was set off against the „Income from the issue of shares, capital contribution” line;

- Line 9: Movements in debtors: a HUF 7,249 million increase, of which the most significant item was a HUF +7,489 million adjustment of Non-current asset disposals, set off against debtors in relation to the disposal of a high value property which was only partly paid in 2020;
- Line 10: Movements in current assets (less debtors and liquid assets): a HUF 2,562 million increase, of which Adjustments related to dividends received were HUF +1,978 million (financially unrealised amount of dividends received).

## II.4 Net assets, financial position and results of operations

figures in mHUF

### Fixed asset ratio

$$\frac{\text{Non-current assets}}{\text{Total assets}} = \frac{1\,385\,824}{1\,513\,094} = 91,59\% \quad (\text{base: } 93,99\%)$$

### Tangible asset margin

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{268\,796}{129\,926} = 206,88\% \quad (\text{base: } 175,35\%)$$

$$\frac{\text{Equity} + \text{Government funds}}{\text{Tangible assets}} = \frac{1\,385\,495}{1\,214\,086} = 114,12\% \quad (\text{base: } 110,92\%)$$

### Gross margin

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{268\,796}{300\,778} = 89,37\% \quad (\text{base: } 81,84\%)$$

$$\frac{\text{Equity} + \text{Government funds}}{\text{Non-current assets}} = \frac{1\,385\,495}{1\,385\,824} = 99,98\% \quad (\text{base: } 95,63\%)$$

### Current assets to non-current assets

$$\frac{\text{Current assets}}{\text{Non-current assets}} = \frac{122\,541}{1\,385\,824} = 8,84\% \quad (\text{base: } 5,91\%)$$

### Equity and liabilities

#### Capital strength

$$\frac{\text{Equity}}{\text{Equity\&liabilities}} = \frac{268\,796}{1\,513\,094} = 17,76\% \quad (\text{base: } 19,71\%)$$

$$\frac{\text{Equity}}{\text{Equity\&liabilities} - \text{Government funds}} = \frac{268\,796}{396\,395} = 67,81\% \quad (\text{base: } 66,09\%)$$

#### Gearing

$$\frac{\text{Borrowed capital}}{\text{Equity}} = \frac{1\,179\,456}{268\,796} = 438,79\% \quad (\text{base: } 379,98\%)$$

$$\frac{\text{Equity\&liabilities} - \text{Government funds}}{\text{Equity}} = \frac{62\,757}{268\,796} = 23,35\% \quad (\text{base: } 23,99\%)$$

#### Indebtedness

$$\frac{\text{Borrowed capital}}{\text{Equity\&liabilities}} = \frac{1\,179\,456}{1\,513\,094} = 77,95\% \quad (\text{base: } 74,90\%)$$

figures in mHUF

Non-current liabilities ratio

$\frac{\text{Long-term liabilities}}{\text{Long-term liabilities} + \text{Equity}}$	=	$\frac{1\,024\,187}{1\,292\,983}$	=	79,21%	(base: 78,07%)
$\frac{\text{Long-term liabilities} - \text{Central taxes}}{\text{Long-term liabilities} - \text{Central taxes} + \text{Equity}}$	=	$\frac{423}{269\,219}$	=	0,16%	(base: 1,63%)

Equity growth ratio

$\frac{\text{Equity}}{\text{Issued capital}}$	=	$\frac{268\,796}{36\,000}$	=	746,66%	(base: 971,54%)
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Non-current asset margin

$\frac{\text{Equity}}{\text{Non-current assets}}$	=	$\frac{268\,796}{1\,385\,824}$	=	19,40%	(base: 20,97%)
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Profitability ratios

<i>EBITDA (Operating profit/loss + depreciation)</i>	=	14 411	+	88 246	=	102 657	(base: 75 500)
<i>EBITDA rate</i>	=	$\frac{\text{EBITDA}}{\text{Sales revenues, net}}$	=	$\frac{102\,657}{156\,942}$	=	65,41%	(base: 47,58%)
<i>Return on Sales (ROS)</i>	=	$\frac{\text{Operating profit/loss}}{\text{Sales revenues, net}}$	=	$\frac{14\,411}{156\,942}$	=	9,18%	(base: 7,18%)

Financial position

Working capital and liquidity

Net working capital

$\text{Current assets} - \text{Current liabilities}$	=	122 541	-	155 269	=	-32 728	(base: 10 442)
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Liquidity ratio

$\frac{\text{Current assets}}{\text{Current liabilities}}$	=	$\frac{122\,541}{155\,269}$	=	78,92%	(base: 117,98%)
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Quick ratio

$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	=	$\frac{107\,979}{155\,269}$	=	69,54%	(base: 96,22%)
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Cash liquidity ratio

$\frac{\text{Cash and cash equivalents}}{\text{Current liabilities}}$	=	$\frac{83\,671}{155\,269}$	=	53,89%	(base: 16,25%)
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## II.5 Balance sheet and profit and loss account affecting previous years

The effect of errors identified in 2020 for previous years did not reach the thresholds specified in the accounting policy in effect, and thus errors identified were not disclosed in a separate column but accounted in profit/(loss) for the year.

### III Informative part

#### III.1 Environment protection

##### III.1.1 Environmental liabilities

figures in mHUF

Item	Amount of provision			
	2019	Released	Made	2020
Illegal waste	2 363	95	305	2 573
Soil and seepage pollution liabilities	1 640	162	119	1 597
Protection of technical structures of gasoline forwarding and drawing systems	1 480	0	0	1 480
Elimination of cross-sleepers	1 360	176	0	1 184
Concrete bed and other scrap concrete removal	547	0	0	547
Leakage surveys of hazardous waste collectors and lubricant containers, coating repairs	400	0	0	400
Technological channel network surveys, cleaning, coating	175	0	0	175
Assesment of unused sewers, utilities mapping	66	0	0	66
<b>Liabilities total:</b>	<b>8 031</b>	<b>433</b>	<b>424</b>	<b>8 022</b>

42. Table: Environmental provision

The Company did not have any non-distributable reserves allocated to environmental liabilities in 2020.

figures in mHUF

Item	2019	2020
Decontamination contractor and monitoring costs	136	160
Environmental service charge	811	666
Waste management	996	347
Administrative charges	5	2
<b>Total</b>	<b>1 948</b>	<b>1 175</b>

43. Table: Environmental expenses



### III.1.2 Tangible assets directly serving environmental purposes

Changes in tangible assets used directly for environment protection are presented in the table below:

figures in mHUF

No.	ITEM	Properties and related rights	Technical machinery, equipment, vehicles	Other equipment, fittings, vehicles	Capital projects	Total
1.	<i>Cost, opening</i>	8 503	407	0	0	8 910
2.	Additions	45				
3.	Disposals	22	5			
4.	Reclassified					
5.	<i>Cost, closing</i>	8 526	402	0	0	8 928
6.	<i>Depreciation, opening</i>	3 013	407	0	0	3 420
7.	Ordinary depreciation	331				331
8.	Extraordinary depreciation					
9.	Extraordinary depreciation reversed					
10.	Depreciation written off	3	5			
11.	Other increase					
12.	Other decrease					
13.	Reclassified					
14.	<i>Depreciation, closing</i>	3 341	402	0	0	3 743
15.	<i>Net book value, opening</i>	5 490	0	0	0	5 490
16.	<i>Net book value, closing</i>	5 185	0	0	0	5 185

44. Table: Changes in tangible assets used directly for environment protection

### III.1.3 Hazardous waste values and quantities

figures in kgs					
Waste ID code	Item	Opening quantity (kg)	Increase (kg)	Decrease (kg)	Closing quantity (kg)
060101*	Sulphuric acid and sulphurous acid	315	135	315	135
060102*	Hydrochloric acid	120	0	0	120
060106*	Other acids	75	0	75	0
060404*	Mercury stained waste	0	35	14	21
080111*	Waste paint or varnish with organic solvents and other hazardous contents	661	972	1 346	287
080117*	Contaminated waste from the removal of paint or varnish	48	0	48	0
080317*	Waste toner with hazardous substance contents	3 329	3 026	5 282	1 073
080409*	Waste adhesives and sealing agents with organic solvents and other hazardous contents	2	16	2	16
120109*	Non-halogenous cooling and lubricant fluids and agents	10	5	15	0
120112*	Used wax and grease	0	105	65	40
130205*	Non-chlorine engine oils and lubricants	54	1 598	1 132	520
130307*	Mineral oil based, non-chlorine coating and heat transmission oils	745	14 714	15 437	22
130502*	Sludge from oil-water separators	0	1 905	1 905	0
130506*	Oil from oil-water separators	0	0	0	0
130507*	Water containing oil from oil-water separators	145	400	545	0
130508*	Waste mix from degitters and from oil-water separators	0	12 010	12 010	0
130701*	Heating and diesel oil	1 524	55	1 579	0
140603*	Non-halogenous solvents (washing liquid)	20	0	20	0
150110*	Waste packaging materials with hazardous content, stains	8 102	11 474	17 528	2 048
150111*	Hazardous metal packaging materials with porous matrix content (e.g. asbestos), including empty spray cans	731	519	1 061	189
150202*	Polluted absorbents and filters (incl. unspecified oil filters), cloths, protective clothing	26 717	18 636	41 976	3 377
160107*	Oil filters	0	8	6	2
160114*	Antifreeze solutions containing hazardous substances	0	190	190	0
160121*	Hazardous parts	0	0	0	0
160211*	Decommissioned equipment with HCFC, HFC content	25	0	25	0
160213*	Decommissioned equipment	3 453	2 724	5 355	822
160303*	Inorganic waste with hazardous contents	54	33	74	13
160305*	Organic waste with hazardous contents	1 772	871	2 526	117
160506*	Hazardous laboratory chemicals and stains	0	14	7	7
160507*	Decommissioned hazardous inorganic chemicals and stains	12	13	25	0
160601*	Lead batteries	7 803	45 786	9 836	43 753
160709*	Other waste with hazardous contents/substances	0	0	0	0
170106*	Concrete, bricks, tiles and ceramic fractions with hazardous stains	0	0	0	0
170204*	Polluted/stained glass, plastic, timber	1 172	1 776 366	1 776 389	1 149
170301*	Asphalt mix with coal tar content	54	1 360	1 264	150
170409*	Polluted metal waste (tar stained weighing cable)	677	2 902	3 579	0
170410*	Oil, tar stained or otherwise polluted cables	32 963	26 382	59 245	100
170503*	Polluted land and stone/gravel	1 909	97	2 006	0
170507*	Polluted track bedding ballast	0	23 400	23 400	0
170601*	Asbestos containing insulating materials	500	155	505	150
170603*	Other hazardous or polluted/stained insulating materials	0	270	270	0
170605*	Asbestos containing building materials	150	840	750	240
170901*	Mercury stained building and demolishing waste	0	0	0	0
170903*	Other hazardous building and demolishing waste	0	21 870	21 870	0
180103*	Other waste, the collection and disposal/elimination of which is subject to special requirements in order to avoid infection/contamination	17	0	17	0
200121*	Light tubes and other mercury containing waste	331	1 839	1 896	274
200133*	Batteries, also including those under codes 160601, 160602 and 160603	1 151	2 705	3 336	520
200135*	Hazardous scrapped electric and electronic equipment, other than those under codes 200121 and 200123	16 484	20 244	31 019	5 709
<b>Total</b>		<b>111 125</b>	<b>1 993 674</b>	<b>2 043 945</b>	<b>60 854</b>

45. Table: Movements in hazardous waste quantities

figures in mHUF

ID code	Item	Opening	Increase	Decrease	Closing
160601*	Acid battery	1	8	1	8
<b>Total</b>		<b>1</b>	<b>8</b>	<b>1</b>	<b>8</b>

46. Table: Movements in hazardous waste values

## III.2 Research and development expenses

figures in mHUF

Item	2019	2020
<b>Research expenses</b>	<b>0</b>	<b>0</b>
Of which: basic research	0	0
applied research	0	0
<b>Experimental development</b>	<b>97</b>	<b>0</b>
Production development	0	0
Of which: capitalised	0	0
Product development	97	0
Of which: capitalised	0	0
<b>Total:</b>	<b>97</b>	<b>0</b>

47. Table: R&amp;D expenses

### III.3 Subsidies received

figures in mHUF

Subsidy	Amount received (approved)	Current year						Base year					
		Subsidy settlements in previous years	Subsidy settlements	Unused subsidy	Subsidy disbursed/ repaid	Amounts paid from subsidies	Amounts available at the BS date from subsidies disbursed	Subsidy settlements in previous years	Subsidy settlements	Unused subsidy	Subsidy disbursed/ repaid	Amounts paid from subsidies	Amounts available at the BS date from subsidies disbursed
Station improvement and integrated customer service development at 25 locations	9 965	6 882	10	3 073	57	10	-157	6 584	298	3 083	0	27	-205
INKA Project	2 616	2 616	0	0	0	0	-28	2 616	0	0	0	0	-28
Keleti railway station reconstruction	24	102	-78*	0	0	-78	0	86	16	887	0	16	-78
MÁV Zrt. traffic safety projects	10 858	9 078	-44*	1 825	16	-44	19	8 600	478	1 780	37	30	-42
Nyugati railway station reconstruction	55	95	-41*	0	0	-34	0	65	31	972	31	24	-34
Route adjustment at Soroksár	1 196	1 196	0	0	0	3	0	1 104	92	4	-4	985	3
Kenderes – reception building renovation	471	471	0	0	0	0	0	0	471	0	78	471	0
INKA 2	1 129	455	345	329	10	-84	-47	42	413	674	16	143	-141
Kaposvár – Tüskevár junction development	131	66	66	0	66	66	0	65	0	0	0	65	0
Budapest-Belgrade independent engineer	6 139	675	311	5 153	600	204	438	92	583	5 464	500	458	42
Budapest-Belgrade archaeology	202	168	20	14	-7	110	0	4	163	34	202	73	117
Rákosrendező property utilisation project	750	682	0	68	-68	0	0	0	682	68	300	682	68
GINOP (Integrated Intelligent Railway Supervision System development)	464	78	-15*	401	27	-15	146	0	78	386	46	78	104
RFC 7 PSA	154	13	4	136	0	0	64	13	0	141	0	12	64
Light railways development subsidy	1 464	1 461	0	2	-2	538	0	419	1 042	2	0	677	541
TEB Project	472	472	0	0	0	239	0	0	472	0	472	232	239
Railways overhaul in the Central Danube area	7 000	1 231	4 339	1 429	3 300	2 113	2 212	0	1 231	5 769	3 700	2 674	1 026
Volánbusz bus parking facility at Déli Pályaudvar (Southern Railway Station), Budapest	80	0	0	80	-80	0	0	0	0	80	80	0	80
Development of electronic railway communication networks	1 988	0	0	1 988	998	0	1 885	0	0	1 988	888	0	888
Research of self-calibrating wheel load metering network	79	0	17	62	0	5	28	0	0	79	33	0	33
RFC11 webpage development	3	3	0	0	0	0	0	0	3	0	0	0	0
Budapest-Belgrade NoBo/DeBo (Other activities)	12 036	0	351	0	1 115	277	838	0	0	0	0	0	0
Light railway development subsidy Phase II	1 140	0	1 006	0	1 140	206	934	0	0	0	0	0	0
Renovation of route No. 13 (Veszprémvársány-Franciavágás)	2 498	0	0	0	2 498	0	2 498	0	0	0	0	0	0
Modernisation of route No. 100 a. (Vecsés-Monor)	20 000	0	0	0	20 000	0	20 000	0	0	0	0	0	0
Railway station renovation at Tatabánya	1 016	0	0	0	1 016	0	1 016	0	0	0	0	0	0
Property utilisation study at Keleti Railway Station and adjacent area	800	0	0	0	800	0	800	0	0	0	0	0	0
Clearing bottleneck cross sections along the Budapest Kelenföld-Hegyeshalom route	25 627	0	2	0	0	0	0	0	0	0	0	0	0
Service standard improvement along route No. 80	341	341	0	0	0	0	0	341	0	0	325	0	0
Budapest-Belgrade route construction (USD)	715 959	0	10 554	705 404	76 818	73 545	3 273	0	0	0	0	0	0
Public work subsidy (settlement period of 11 March 2019 - 29 February 2020)	569	337	64	168	5	71	0	0	337	232	389	330	59
Public work subsidy (settlement period of 9 March 2020 - 28 February 2021)	409	0	249	160	223	223	0	0	0	0	0	0	0
Public work subsidy (settlement period of 13 July 2020 - 28 February 2021)	168	0	25	143	19	19	0	0	0	0	0	0	0
OSZZSD Ministerial Meeting	12	0	9	3	-338	9	3	0	0	350	350	0	350
Reimbursement of renovation expenses (2020)	26 499	0	26 941	-442	26 499	26 941	-442	0	21 495	1 535	23 031	21 495	1 534
Reimbursement of operating expenses (2020)	93 684	0	93 490	194	93 684	93 490	194	0	74 685	-6 408	68 277	74 685	-6 408
<b>Total:</b>	<b>945 997</b>	<b>26 422</b>	<b>137 625</b>	<b>720 192</b>	<b>228 396</b>	<b>197 815</b>	<b>33 675</b>	<b>20 032</b>	<b>102 569</b>	<b>17 121</b>	<b>98 751</b>	<b>103 156</b>	<b>-1 787</b>

\*The negative amounts are due to resource adjustments

48. Table: Subsidies recognised in the reporting year

### III.4 Average number of employees, payroll costs, payments to personnel

figures in mHUF

Personnel	2019				2020			
	Payroll costs	Other payments to personnel	Total	Ratio (%)	Payroll costs	Other payments to personnel	Total	Ratio (%)
Blue collar	46 599	7 275	53 874	60,08	55 088	6 026	61 114	60,38
White collar	31 820	3 664	35 484	39,57	36 504	3 265	39 769	39,29
Inactive	256	52	308	0,35	291	40	331	0,33
<b>Total</b>	<b>78 675</b>	<b>10 991</b>	<b>89 666</b>	<b>100,00</b>	<b>91 883</b>	<b>9 331</b>	<b>101 214</b>	<b>100,00</b>

49. Table: Payments to personnel (less payroll taxes and social security)

figures in mHUF

Payroll taxes	2019		2020	
	Amount	%	Amount	%
Vocational training contribution based on personal base wage and time-based pay	699	3,84	775	4,29
Vocational training contribution based on other payments to personnel	452	2,48	535	2,97
Health contribution %-based	3	0,02	0	0,00
Rehabilitation contribution	1 161	6,37	1 260	6,98
Social contribution tax payable by the employer based on personal base wage and time-based pay	8 593	47,13	8 496	47,07
Social contribution tax payable by the employer based on other payments to personnel	7 208	39,54	6 933	38,41
Social contribution tax on certain defined benefits not attributable to natural persons	115	0,63	51	0,28
<b>Total:</b>	<b>18 231</b>	<b>100,00</b>	<b>18 050</b>	<b>100,00</b>

50. Table: Payroll taxes and social security

Personnel	2019			2020		
	Average statistical number	Ratio (%)	of which: public workers	Average statistical number	Ratio (%)	of which: public workers
- blue collar	12 351,81	68,97	318,39	12 343,10	68,92	283,31
- white collar	5 556,31	31,03	18,52	5 567,26	31,08	14,91
<b>Total:</b>	<b>17 908,12</b>	<b>100,00</b>	<b>336,91</b>	<b>17 910,36</b>	<b>100,00</b>	<b>298,22</b>

51. Table: Number of employees (persons)

### III.5 Information on payments to senior officers and Supervisory Board members

#### III.5.1 Remuneration paid to senior officers and Supervisory Board members

figures in mHUF

Item	2019	2020	Change
Senior officers	83	102	19
Supervisory Board	16	24	8
<b>Total:</b>	<b>99</b>	<b>126</b>	<b>27</b>

52. Table: Remuneration paid

### **III.5.2 Advances and loans disbursed to senior officers and Supervisory Board members, and guarantees assumed on their behalf**

No loans were disbursed to or guarantees assumed on behalf of members of the Board of Directors or the Supervisory Board in 2020.

### **III.5.3 The Company's pension liabilities to former officers and members of the Supervisory Board**

The Company had no pension liabilities to former members of the Board of Directors or the Supervisory Board at the balance sheet date.

## III.6 The Company's investments

figures in HUF

	Consolidated entities	MÁV Group member	Key subsidiary	Number	Change in numbers	Internal code	Distribution code	Company	CHANGE	MÁV (1 Jan 2020)	MÁV (31 Dec 2020)	Founded at	Postcode	Seat	Address	Issued capital 31 Dec 2020	Issued capital MÁV 31 Dec 2020
	KTL	X	X	1		180	SK	MÁV-START Zrt.	0,00%	100,00%	100,00%	2006.10.15	1087	Budapest	Könyves Kálmán körút 54-60.	45 000 000 000	45 000 000 000
	KTL	X	X	1		101	SK	MÁV FKG Kft.	0,00%	99,99%	99,99%	1993.12.31	5137	Jászkisér	Jászladányi út 10.	1 504 760 000	1 504 660 000
	KTL	X		1		131	SK	MÁV KfV Kft.	0,00%	99,98%	99,98%	1996.09.01	1097	Budapest	Péceli utca 2.	569 400 000	569 300 000
	KTL	X	X	1		194	SK	MÁV-HÉV Zrt.	0,00%	100,00%	100,00%	2016.09.09	1087	Budapest	Könyves Kálmán körút 54-60.	11 000 000 000	11 000 000 000
	KTL	X		1		179	SK	ZÁHONY-PORT Zrt.	0,00%	100,00%	100,00%	2006.08.31	4625	Záhony	Európa tér 12.	11 000 000	11 000 000
	KTL	X	X	1		138	SK	MÁV Szolgáltató Központ Zrt.	0,00%	99,63%	99,63%	1996.11.01	1087	Budapest	Könyves Kálmán körút 54-60.	801 000 000	798 000 000
	KTL	X		1		195	SK	MÁV Rail Tours Kft.	99,00%	0,00%	99,00%	2020.02.20	1142	Budapest	Tatai utca 93./a	100 000 000	99 000 000
	KTL	X		1		197	SK	VOLÁN Buszpark Kft.	98,97%	0,00%	98,97%	2006.07.20	1097	Budapest	Könyves Kálmán körút 11.B ép.	8 464 360 000	8 377 177 092
9	KTL	X		1		020	SK	MÁV VAGON Kft.	0,00%	0,04%	0,04%	1992.12.30	8000	Székesfehérvár	Takarodó utca 1.	243 980 000	100 000
Fully consolidated subsidiaries, total																67 694 500 000	67 359 237 092
1	KEL			1		015	SK	MÁV NOSZTALGIA Kft.	0,00%	57,00%	57,00%	1992.12.18	1142	Budapest	Tatai utca 95.	10 000 000	5 700 000
Equity consolidated subsidiaries, total																10 000 000	5 700 000
1	KEK			1		193	SK	Kinai-Magyar Vasúti Nonprofit Zrt.	0,00%	15,00%	15,00%	2016.10.28	1095	Budapest	Máriássy utca 7.	5 000 400	750 060
Equity consolidated joint ventures, total																5 000 400	750 060
	KET			1	-1	027	SJ	Dunakeszi Járműjavító Kft.	-25,10%	25,10%	0,00%	1992.12.30	2120	Dunakeszi	Állomás sétány 19.	772 000 000	0
	KET			1		142	SJ	MULTISZOLG'97 Hidmérleg Kft.	0,00%	25,00%	25,00%	1997.04.15	1081	Budapest	Népszínház utca 21. IV. em. 1.	61 280 000	15 320 000
	KET			1		116	SJ	MÁV-THERMIT Kft. "v.a."	0,00%	35,00%	35,00%	1995.02.28	2310	Szigetszentmiklós	ÁTI-SZIGET Ipari Park ipartelep 1. A. ép. 1. em. 111-112.	138 000 000	48 300 000
	KET			1		037	SJ	VAMAV Kft.	0,00%	50,00%	50,00%	1991.11.26	3200	Gyöngyös	Gyártelep utca 1.	1 400 000 000	700 000 000
4	KET			1		038	SJ	EURO-METALL Kft.	0,00%	34,99%	34,99%	1991.01.23	1045	Budapest	Elem utca 5-7.	50 590 000	17 700 000
Equity consolidated associates, total																2 421 870 000	781 320 000
	KRT			1		022	SJ	MÁV VASJÁRMŰ Kft. "f.a."	0,00%	25,01%	25,01%	1992.12.30	9700	Szombathely	Szövő utca 85.	88 890 000	22 230 000
2	KRT			1		165	SJ	MÁV-REC Kft.	0,00%	49,00%	49,00%	2001.10.11	1097	Budapest	Könyves Kálmán körút 16.	50 000 000	24 500 000
Associates consolidated as equity investments, total																138 890 000	46 730 000
	KRE			1		147	SE	Bureau Central de Clearing s.c.f.l. (BCC)	0,00%	1,36%	1,36%	1997.01.28	40-B-1060	Bruxelles	Avenue de la Porte de Hal	40 255 583	547 695
	KRE			1		128	SE	Eurofima Societe Europeenne Pour Le Financement de Material Ferroviaire (Vasúti Gördülőanyag-finanszírozási Európai Zrt.)	0,00%	0,70%	0,70%	1992.06.01	CH4001	Basel	Rittergasse 20.	877 266 000 000	6 140 862 000
	KRE			1		120	SE	Vasútegészségügyi Nonprofit Közhasznú Kft.	0,00%	14,21%	14,21%	1997.07.31	1062	Budapest	Podmaniczky utca 109.	701 020 000	99 600 000
	KRE			1		169	SE	HIT Rail B.V. (Informatikai Szolgáltató)	0,00%	9,52%	9,52%	2001.11.26	3511 ER	Utrecht	Laan van Puntenburg 100	496 941 930	47 327 803
Other consolidated investments, total																878 504 217 513	6 288 337 498
17				22	-1											948 774 477 913	74 482 074 650
*preliminary (unaudited) figures																	

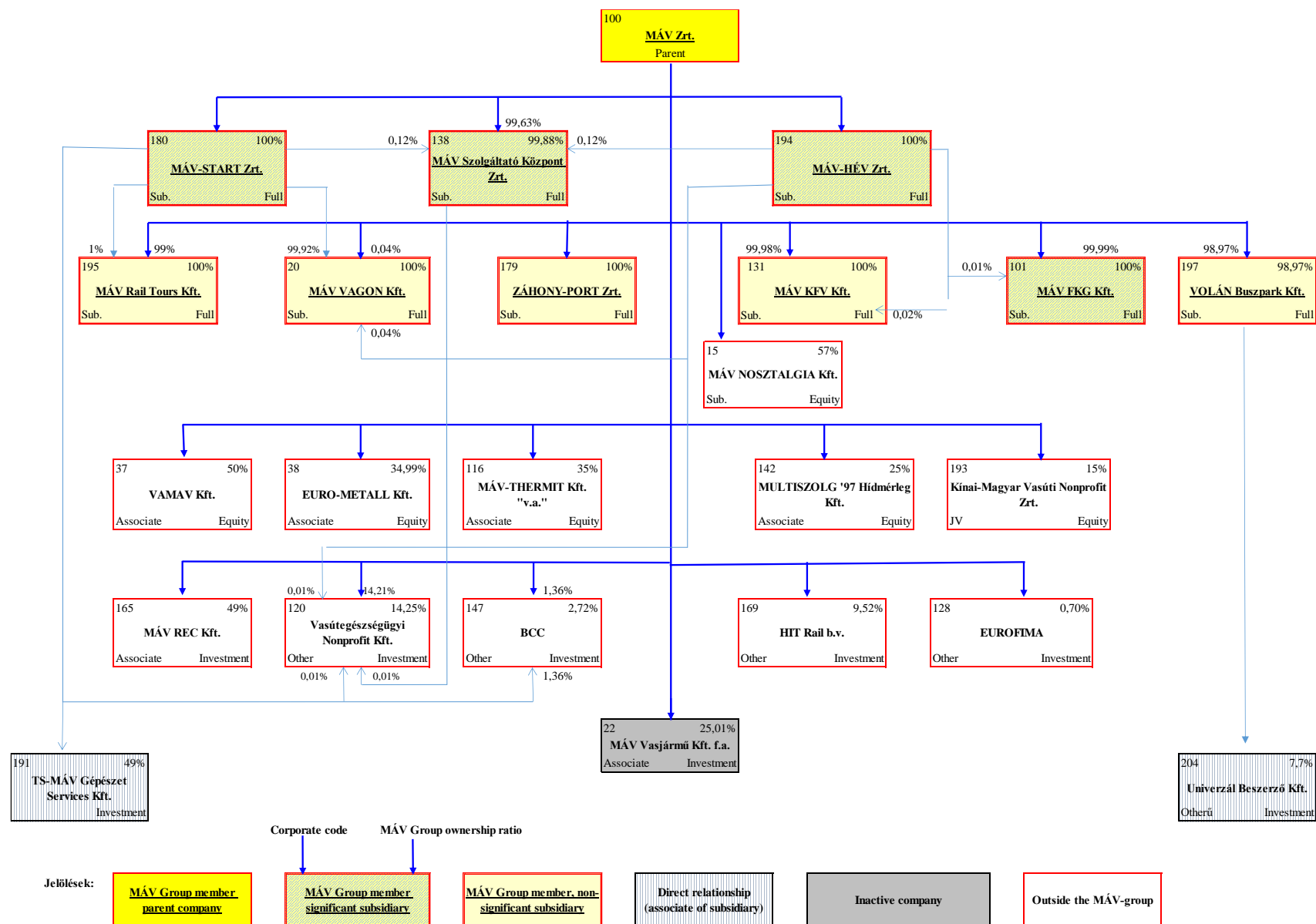
53. Table: The Company's investments and opening balances

figures in HUF

	Consolidated entities	MÁV Group member	Key subsidiary	Number	Change in numbers	Internal code	Distribution code	Company	BV of capital (opening) 1 Jan 2020	Accumulate impairment loss (opening) 1 Jan 2020	Recorded value (opening) 1 Jan 2020	Increase due to foundation and capital injection (in cash) 2020	Decrease in cost due to voluntary/ involuntary liquidation 2020	Reduced gross value due to disposal 2020.	Unrealised FX gain/loss on cost 2020	BV of capital 31 Dec 2020	Impairment loss in 2020	Decrease in impairment due to voluntary/ involuntary liquidation 2020	Accumulated impairment loss 31 Dec 2020	Book value at 31 Dec 2020
	KTL	X	X	1		180	SK	MÁV-START Zrt.	125 959 223 416	0	125 959 223 416	0				125 959 223 416			0	125 959 223 416
	KTL	X	X	1		101	SK	MÁV FKG Kft.	1 535 166 401	0	1 535 166 401					1 535 166 401			0	1 535 166 401
	KTL	X		1		131	SK	MÁV KfV Kft.	569 300 000	0	569 300 000					569 300 000			0	569 300 000
	KTL	X	X	1		194	SK	MÁV-HEV Zrt.	18 202 918 217	0	18 202 918 217					18 202 918 217			0	18 202 918 217
	KTL	X		1		179	SK	ZÁHONY-PORT Zrt.	1 155 617 000	-862 677 080	292 939 920					1 155 617 000	-124 700 410		-987 377 490	168 239 510
	KTL	X	X	1		138	SK	MÁV Szolgáltató Központ Zrt.	1 423 332 417	0	1 423 332 417					1 423 332 417			0	1 423 332 417
	KTL	X		1		195	SK	MÁV Rail Tours Kft.	0	0	0	99 000 000				99 000 000			0	99 000 000
	KTL	X		1		197	SK	VOLÁN Buszpark Kft.	0	0	0		12 480 324 875			12 480 324 875			0	12 480 324 875
9	KTL	X		1		020	SK	MÁV VAGON Kft.	100 000	0	100 000					100 000			0	100 000
								<b>Fully consolidated subsidiaries</b>	<b>148 845 657 451</b>	<b>-862 677 080</b>	<b>147 982 980 371</b>	<b>99 000 000</b>	<b>12 480 324 875</b>	<b>0</b>	<b>0</b>	<b>161 424 982 326</b>	<b>-124 700 410</b>	<b>0</b>	<b>-987 377 490</b>	<b>160 437 604 836</b>
1	KEL			1		015	SK	MÁV NOSZTALGIA Kft.	5 700 000	0	5 700 000					5 700 000			0	5 700 000
								<b>Equity consolidated subsidiaries</b>	<b>5 700 000</b>	<b>0</b>	<b>5 700 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5 700 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5 700 000</b>
1	KEK			1		193	SK	Kinai-Magyar Vasúti Nonprofit Zrt.	5 800 750 020	-4 690 827 903	1 109 922 117	2 300 000 010				8 100 750 030	-1 775 149 224		-6 465 977 127	1 634 772 903
								<b>Equity consolidated joint ventures</b>	<b>5 800 750 020</b>	<b>-4 690 827 903</b>	<b>1 109 922 117</b>	<b>2 300 000 010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8 100 750 030</b>	<b>-1 775 149 224</b>	<b>0</b>	<b>-6 465 977 127</b>	<b>1 634 772 903</b>
	KET			1	-1	027	SJ	Dunakeszi Járműjavító Kft.	193 770 000	0	193 770 000			-193 770 000		0			0	0
	KET			1		142	SJ	MULTISZOLG'97 Hídmérleg Kft.	15 320 000		15 320 000					15 320 000			0	15 320 000
	KET			1		116	SJ	MÁV-THERMIT Kft. "v.a."	48 300 000	-24 150 000	24 150 000					48 300 000	0		-24 150 000	24 150 000
	KET			1		037	SJ	VAMAV Kft.	480 000 000	0	480 000 000					480 000 000			0	480 000 000
4	KET			1		038	SJ	EURO-METALL Kft.	17 700 000	0	17 700 000					17 700 000			0	17 700 000
								<b>Equity consolidated associates</b>	<b>755 090 000</b>	<b>-24 150 000</b>	<b>730 940 000</b>	<b>0</b>	<b>0</b>	<b>-193 770 000</b>	<b>0</b>	<b>561 320 000</b>	<b>0</b>	<b>0</b>	<b>-24 150 000</b>	<b>537 170 000</b>
	KRT			1		022	SJ	MÁV VASJÁRMŰ Kft. "f.a."	158 000 000	-158 000 000	0					158 000 000			-158 000 000	0
2	KRT			1		165	SJ	MÁV-REC Kft.	50 500 000	0	50 500 000					50 500 000			0	50 500 000
								<b>Associates consolidated as equity investments</b>	<b>208 500 000</b>	<b>-158 000 000</b>	<b>50 500 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>208 500 000</b>	<b>0</b>	<b>0</b>	<b>-158 000 000</b>	<b>50 500 000</b>
	KRE			1		147	SE	Bureau Central de Clearing s.c.f.l. (BCC)	494 127	0	494 127				51 742	545 869			0	545 869
	KRE			1		128	SE	Eurofima Societe Europeenne Pour Le Financement de Material Ferroviaire (Vasúti Gördülőanyag-finanszírozási Európai Zrt.)	2 407 554 442	0	2 407 554 442				261 169 708	2 668 724 150			0	2 668 724 150
	KRE			1		120	SE	Vasútegészségügyi Nonprofit Közhasznú Kft.	99 600 000	0	99 600 000				0	99 600 000			0	99 600 000
	KRE			1		169	SE	HIT Rail B.V. (Informatikai Szolgáltató)	71 993 536	0	71 993 536				7 538 715	79 532 251			0	79 532 251
								<b>Other consolidated investments</b>	<b>2 579 642 105</b>	<b>0</b>	<b>2 579 642 105</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>268 760 165</b>	<b>2 848 402 270</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 848 402 270</b>
17				22	-1				<b>158 195 339 576</b>	<b>-5 735 654 983</b>	<b>152 459 684 593</b>	<b>2 399 000 010</b>	<b>12 480 324 875</b>	<b>-193 770 000</b>	<b>268 760 165</b>	<b>173 149 654 626</b>	<b>-1 899 849 634</b>	<b>0</b>	<b>-7 635 504 617</b>	<b>165 514 150 009</b>

54. Table: Changes in the Company's investments in 2020





55. Table: MÁV Group structure at 31 December 2020

### **III.7 Disclosures of an exempted parent company**

The Company does not qualify as an exempted parent company, so it is required to prepare and publish consolidated financial statements.

### **III.8 Material transactions with related parties that were not made on an arm's-length basis**

From the Company's perspective, related parties are deemed to include companies qualifying as subsidiaries, jointly managed companies or associated companies within the meaning of the Accounting Act, as well as key members of management and their close relatives. For the purposes of interpreting the term related parties, key members of management are deemed to include the Company's Chairman and CEO and his deputies, as well as the head of the Company's internal audit function as well as members of the Company's Board of Directors and Supervisory Board.

In the reporting year, MÁV Zrt. had no material transactions with any related parties within the meaning of the Accounting Act that were not made on an arm's-length basis.

### **III.9 Description of foreign permanent establishments**

The Company has no foreign permanent establishments.

### **III.10 COVID-19**

As a result of the pandemic outbreak in March 2020, MÁV Group incurred material extra costs and lost revenues which management has tried to offset through various cost saving measures. However, these measures are not sufficient to make up for the significant lost revenues of the passenger public service companies. Any cut in scheduled services is subject to the approval of the Ministry for Innovation and Technology as Principal, but there has been no significant reduction in the ordered services precisely because of the pandemic. This means that each MÁV Group member is fully operational. All costs incurred in relation to the pandemic are reasonable costs and are therefore reimbursable by the Principal both based on the underlying legislation and service contracts. Funding of the extra costs incurred in 2020 of the companies that provide public services was ensured. In 2021, we have been in continuous discussions with the competent ministries in order to ensure railway services as adjusted to the actual government measures so that the potentially increased demand for reimbursement by the public service companies does not cause further difficulties. The unbudgeted cost increases of public service supporting subsidiaries will be recovered through cost-based pricing.

## **IV Annual supervisory report – Disclosures according to Joint Decree No. 50/2007 GKM-PM on the separation of the accounting records of the individual railway activities of rail companies**

In this section, the Company fulfils the disclosure requirements set out in the Decree in accordance with it and with the Company's effective accounting separation policy.

The legal basis for separation and the changes to the policy during the reporting year are described in point I.2.

The activity statement presented as part of the supervisory report is prepared in HUF thousands, in accordance with the Decree, while other statements that contain monetary values are in HUF millions, in accordance with the Accounting Act.

The accounting separation of the Company's activities is carried out at the level of divisions.

Pursuant to the Decree, the Company separated the following activities in 2020:

- Rail infrastructure operation (rail infrastructure division)
- Passenger transport (non-public passenger transport division)
- Other activities (other activities division)

### **IV.1 Rail infrastructure operations**

The balance sheet, profit and loss account, cash flow statement and activity statement prepared on the basis of the figures of the rail infrastructure division are shown in the following tables:

figures in mHUF

No.		2019.12.31	2020.12.31	Change
<b>A.</b>	<b>NON-CURRENT ASSETS (I.+II.+III.)</b>	<b>928 305</b>	<b>1 149 337</b>	<b>221 032</b>
<b>I.</b>	<b>INTANGIBLE ASSETS (I./ 1.+ 7. )</b>	<b>7 111</b>	<b>6 201</b>	<b>-910</b>
1.	Capitalised foundation, restructuring	0	0	0
2.	Capitalised research and development	134	134	0
3.	Concessions and similar rights	4 025	2 619	-1 406
3/a.	of which: Managed state-owned rights	1 334	886	-448
4.	Intellectual property	2 771	3 396	625
4/a.	of which: Managed state-owned intellectual property	0	0	0
5.	Goodwill	0	0	0
6.	Advances for intangible assets	181	52	-129
7.	Adjustment of intangible assets	0	0	0
<b>II.</b>	<b>TANGIBLE ASSETS (II./ 1.+ 7.)</b>	<b>921 194</b>	<b>1 143 136</b>	<b>221 942</b>
1.	Properties and related rights	776 463	914 830	138 367
1/a.	of which: Managed state-owned properties and related rights	737 502	878 781	141 279
2.	Technical machinery, equipment, vehicles	121 074	130 722	9 648
2/a.	of which: Managed state-owned technical machinery, equipment, vehicles	101 823	111 161	9 338
3.	Other equipment, fittings, vehicles	49	46	-3
3/a.	of which: Managed state-owned other equipment, fittings, vehicles	0	0	0
4.	Livestock	0	0	0
5.	Capital projects, renovations	20 619	33 683	13 064
5/a.	of which: Managed state-owned capital projects	17 943	30 517	12 574
6.	Advances for capital projects	2 989	63 855	60 866
6/a.	of which: Managed state-owned advances for capital projects	2 744	63 701	60 957
7.	Adjustment of tangible assets	0	0	0
<b>III.</b>	<b>NON-CURRENT FINANCIAL ASSETS (III./ 1.+ 10.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Long-term investments in related parties	0	0	0
2.	Long-term loans granted to related parties	0	0	0
3.	Significant equity investments	0	0	0
4.	Long-term loans granted to significant equity investments	0	0	0
5.	Other long-term investments	0	0	0
6.	Long-term loans granted to other investments	0	0	0
7.	Other long-term loans granted	0	0	0
8.	Long-term debt securities	0	0	0
9.	Adjustment of non-current financial assets	0	0	0
10.	Revaluation gain or loss on non-current financial assets	0	0	0
<b>B.</b>	<b>Current assets (B./ I.+II.+III.+IV.+ids.)</b>	<b>58 102</b>	<b>89 589</b>	<b>31 487</b>
<b>I.</b>	<b>INVENTORIES (I./ 1.+ 6.)</b>	<b>12 446</b>	<b>14 373</b>	<b>1 927</b>
1.	Materials	11 446	13 900	2 454
1/a.	of which: Managed state-owned materials	1 995	2 247	252
2.	Work in progress and semi-finished products	6	4	-2
2/a.	of which: Managed state-owned work in progress and semi-finished products	0	0	0
3.	Breeding and fattening stock (formerly: livestock)	0	0	0
4.	Finished products	946	285	-661
4/a.	of which: Managed state-owned finished products	246	172	-74
5.	Goods	48	184	136
6.	Advances for inventories	0	0	0
<b>II.</b>	<b>RECEIVABLES (II./ 1.+ 8.)</b>	<b>42 285</b>	<b>10 965</b>	<b>-31 320</b>
1.	Trade receivables (debtors)	3 207	1 856	-1 351
2.	Receivables from related parties	20 140	7 515	-12 625
3.	Receivables from significant investments	18	13	-5
4.	Receivables from other investments	2	10	8
5.	Bills of exchange receivable	0	0	0
6.	Other receivables	18 918	1 571	-17 347
6/a.	of which: related to managed state-owned assets	2 130	932	-1 198
7.	Revaluation gain or loss on receivables	0	0	0
8.	Revaluation gain on derivatives	0	0	0
	<b>Receivables from inter-division settlements</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>SECURITIES (III./ 1.+ 6.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Shares in related parties	0	0	0
2.	Significant equity investment	0	0	0
3.	Other investments	0	0	0
4.	Treasury shares, quotas	0	0	0
5.	Debt securities held for trading	0	0	0
6.	Revaluation gain or loss on securities	0	0	0
<b>IV.</b>	<b>LIQUID ASSETS (IV./ 1.+2.)</b>	<b>3 371</b>	<b>64 251</b>	<b>60 880</b>
1.	Cash, cheques	0	0	0
2.	Bank deposits	3 371	64 251	60 880
<b>C.</b>	<b>PREPAID EXPENSES AND ACCRUED INCOME (C./ 1.+2.+3.)</b>	<b>3 213</b>	<b>3 393</b>	<b>180</b>
1.	Accrued income	1 542	1 184	-358
2.	Prepaid expenses	1 671	2 209	538
3.	Deferred expenses	0	0	0
	<b>ASSETS, TOTAL (A.+B.+C.)</b>	<b>989 620</b>	<b>1 242 319</b>	<b>252 699</b>

56. Table: Rail infrastructure operations division - Balance sheet: Asset side

figures in mHUF

No.	Item	2019.12.31	2020.12.31	Change
<b>D.</b>	<b>Equity (D/ I.+ VII)</b>	<b>-19 083</b>	<b>-16 905</b>	<b>2 178</b>
I.	ISSUED CAPITAL	6 166	6 166	0
	of which: redeemed treasury shares at face value	0	0	0
II.	ISSUED CAPITAL NOT PAID	0	0	0
III.	CAPITAL RESERVE	46 428	44 555	-1 873
IV.	RETAINED EARNINGS	-75 880	-71 810	4 070
V.	NON-DISTRIBUTABLE RESERVES	134	134	0
VI.	VALUATION RESERVE	0	0	0
1.	Valuation reserve for adjustments	0	0	0
2.	Fair valuation reserve	0	0	0
VII.	AFTER TAX PROFIT OR LOSS	4 069	4 050	-19
<b>E.</b>	<b>Provisions (E/ 1+2+3)</b>	<b>18 581</b>	<b>17 461</b>	<b>-1 120</b>
1.	Provision for expected liabilities	9 960	10 253	293
2.	Provision for future expenses	8 621	7 208	-1 413
3.	Other provisions	0	0	0
<b>F.</b>	<b>LIABILITIES (F/ I.+II.+III.+ids.)</b>	<b>953 792</b>	<b>1 204 808</b>	<b>251 016</b>
<b>I.</b>	<b>SUBORDINATED LIABILITIES (F.I./ 1+2+3+4)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Subordinated liabilities to related parties	0	0	0
2.	Subordinated liabilities to significant investments	0	0	0
3.	Subordinated liabilities to other investments	0	0	0
4.	Subordinated liabilities to third parties	0	0	0
<b>II.</b>	<b>LONG-TERM LIABILITIES (F.II./ 1+ _8)</b>	<b>861 152</b>	<b>1 024 102</b>	<b>162 950</b>
1.	Long-term borrowings	0	0	0
2.	Convertible bonds	0	0	0
3.	Debts from the issue of bonds	0	0	0
4.	Development and improvement loans	0	0	0
5.	Other long-term loans	0	0	0
6.	Long-term liabilities to related parties	0	0	0
7.	Long-term liabilities to significant investments	15	15	0
8.	Long-term liabilities to other investments	0	0	0
9.	Other long-term liabilities	861 137	1 024 087	162 950
9./a	of which: Liabilities related to managed state-owned assets	860 843	1 023 764	162 921
<b>III.</b>	<b>CURRENT LIABILITIES (F.III./ 1+ _10+)</b>	<b>92 640</b>	<b>180 706</b>	<b>88 066</b>
1.	Short-term borrowings	0	0	0
1/a.	of which: convertible bonds	0	0	0
2.	Short-term loans	0	0	0
3.	Advances from debtors	985	178	-807
4.	Trade payables (creditors)	17 569	19 608	2 039
5.	Bills of exchange payable	0	0	0
6.	Current liabilities to related parties	11 958	12 766	808
7.	Current liabilities to significant investments	483	137	-346
8.	Current liabilities to other investments	28	25	-3
9.	Other current liabilities	11 354	105 041	93 687
9./a	of which: Liabilities related to managed state-owned assets	3 801	92 935	89 134
10.	Revaluation gain or loss on liabilities	0	0	0
11.	Revaluation loss on derivatives	0	0	0
	<b>Liabilities from inter-division settlements</b>	<b>50 263</b>	<b>42 951</b>	<b>-7 312</b>
<b>G.</b>	<b>Accrued expenses and deferred income (G./ 1+2+3)</b>	<b>36 330</b>	<b>36 955</b>	<b>625</b>
1.	Deferred income	7 902	7 277	-625
2.	Accrued expenses	4 640	6 568	1 928
3.	Deferred extraordinary income and negative goodwill	23 788	23 110	-678
	<b>EQUITY AND LIABILITIES, TOTAL (D.+E.+F.+G.)</b>	<b>989 620</b>	<b>1 242 319</b>	<b>252 699</b>

\*Balance sheet line „F. Liabilities” also reflects the amount of liabilities from inter business line settlements of HUF 50,263 million in 2019 and HUF 42,951 million in 2020. The amounts of liabilities per business line exceed the amount presented in line „F. Liabilities” by the amount of liabilities from inter business line settlements.

57. Table: Rail infrastructure operations division - Balance sheet: Equity and liabilities

figures in mHUF

Line	Item	2019.12.31	2020.12.31	Change
.01.	Domestic sales, net	146 392	144 099	-2 293
.02.	Export sales, net	1 873	2 039	166
<b>I.</b>	<b>Sales revenues, net (01.+02.)</b>	<b>148 265</b>	<b>146 138</b>	<b>-2 127</b>
I/A 1.	Income from other internal settlements	152	230	78
I/A 2.	Revenues from internal railtrack services	419	212	-207
I/A 3.	Central control revenues	7	6	-1
<b>I/A.</b>	<b>Recognised internal income, total:</b>	<b>578</b>	<b>448</b>	<b>-130</b>
.03.	Movements in self-produced inventories	622	-663	-1 285
.04.	Capitalised self-produced assets	5 633	6 770	1 137
<b>II.</b>	<b>Capitalise own output (03.+04.)</b>	<b>6 255</b>	<b>6 107</b>	<b>-148</b>
<b>III.</b>	<b>Other income</b>	<b>145 211</b>	<b>186 025</b>	<b>40 814</b>
	of which: reversed impairment loss (962,1-962,2)	60	15	-45
	<b>Operating returns, total</b>	<b>300 309</b>	<b>338 718</b>	<b>38 409</b>
.05.	Material cost	23 625	24 299	674
.06.	Services used	56 759	63 873	7 114
.07.	Other services	1 250	1 245	-5
.08.	Cost of goods sold	37 586	35 261	-2 325
.09.	(Consignment) services sold	265	265	0
<b>IV.</b>	<b>Material-type expenses (05.+06.+07.+08.+09.)</b>	<b>119 485</b>	<b>124 943</b>	<b>5 458</b>
IV/A 1.	Income from other internal settlements	364	250	-114
IV/A 2.	Revenues from internal railtrack services	0	0	0
IV/A 3.	Central control revenues	2 125	2 200	75
<b>IV/A</b>	<b>Recognised internal expenses total:</b>	<b>2 489</b>	<b>2 450</b>	<b>-39</b>
.10.	Payroll costs	77 284	90 227	12 943
.11.	Other payments to personnel	10 521	9 082	-1 439
.12.	Payroll taxes	17 859	17 705	-154
<b>V.</b>	<b>Payments to personnel (10.+11.+12.)</b>	<b>105 664</b>	<b>117 014</b>	<b>11 350</b>
<b>VI.</b>	<b>Depreciation</b>	<b>59 599</b>	<b>83 865</b>	<b>24 266</b>
<b>VII.</b>	<b>Other expenses</b>	<b>8 995</b>	<b>6 354</b>	<b>-2 641</b>
	of which: impairment (862)	3 144	1 549	-1 595
	<b>Operating expenses, total:</b>	<b>296 232</b>	<b>334 626</b>	<b>38 394</b>
<b>A.</b>	<b>OPERATING PROFIT OR LOSS (I.+I/A.+II.+III.-IV.-IV/A.-V.-VI.-VII)</b>	<b>4 077</b>	<b>4 092</b>	<b>15</b>
.13.	Dividends received	0	0	0
	Of which: from related parties	0	0	0
.14.	Foreign exchange gains on disposed of investments	0	0	0
	Of which: from related parties	0	0	0
.15.	Income and foreign exchange gains on non-current financial assets (securities, loans)	0	0	0
	Of which: from related parties	0	0	0
.16.	Other interest received (due) and similar income	0	0	0
	Of which: from related parties	0	0	0
.17.	Other financial income	17	287	270
	Of which: valuation gain or loss	0	0	0
<b>VIII.</b>	<b>Financial income (13.+14.+15.+16.+17.)</b>	<b>17</b>	<b>287</b>	<b>270</b>
.18.	Expenses and foreign exchange losses on investments	0	0	0
	of which: to related parties	0	0	0
.19.	Expenses and foreign exchange losses on non-current financial assets (securities, loans)	0	0	0
	Of which: to related parties	0	0	0
.20.	Interest payable (paid) and similar charges	0	0	0
	Of which: to related parties	0	0	0
.21.	Impairment of shares, securities, long-term loans granted and bank deposits	0	-1	-1
.22.	Other financial expenses	25	330	305
	Of which: valuation gain or loss	0	0	0
<b>IX.</b>	<b>Financial expenses (18.+19.+20.+21.+22.)</b>	<b>25</b>	<b>329</b>	<b>304</b>
<b>B.</b>	<b>FINANCIAL PROFIT OR LOSS (VIII-IX)</b>	<b>-8</b>	<b>-42</b>	<b>-34</b>
<b>C.</b>	<b>PRE-TAX PROFIT OR LOSS (±A±B)</b>	<b>4 069</b>	<b>4 050</b>	<b>-19</b>
X.	TAX LIABILITY	0	0	0
<b>D.</b>	<b>AFTER-TAX PROFIT OR LOSS (±C-X)</b>	<b>4 069</b>	<b>4 050</b>	<b>-19</b>

58. Table: Rail infrastructure operations division - Profit and loss account

figures in mHUF

No.	Item	2019.	2020.
<b>I.</b>	<b>Operating cash flows (lines 1-13)</b>	<b>3 832</b>	<b>-3 660</b>
1a.	Pre-tax profit or loss ±	4 069	4 050
	of which: operating subsidy received	454	305
	of which: public service reimbursement subsidy received	68 277	93 684
1b.	Dividends received -	0	0
1c.	Amounts transferred/received free of charge recognised in profit or loss ±	279	415
1d.	Revaluation of cash and cash equivalents in foreign exchange +	-2	117
1e.	Gain or loss on long-term liabilities forgiven/assumed ±	-67	-64
1f.	Unrealised foreign exchange gain or loss on non-current assets and long-term liabilities ±	0	2 284
1g.	Realised foreign exchange gain or loss on the recovery of long-term loans granted and the repayment of long-term liabilities ±	0	0
1h.	Unspecified pre-tax profit adjusting items related to managed state-owned assets ±	-57 584	-80 066
1i.	Non-current assets contributed (contribution in kind) ±	0	0
1j.	Non-current assets transferred free of charge +	0	58
1k.	Other unspecified pre-tax profit adjusting items ±	-56	-42
1.	Adjusted pre-tax profit or loss (1a+1b+1c+1d+1e+1f+1g+1h+1i+1j+1k) +	-53 361	-73 248
2.	Amortisation charge +	59 599	83 865
3.	Impairment loss recognised/reversed ±	3 084	1 533
4.	Difference between provisions made and used ±	-804	-1 159
5.	Disposal of non-current assets ±	-5	-47
6.	Movements in creditors ±	1 936	-41 484
7.	Movements in other current liabilities ±	5 142	9 341
7a.	Movements in inter-division settlements (liabilities) ±	7 329	-7 322
8.	Movements in accrued expenses and deferred income ±	-1 564	-3 575
9.	Movements in debtors ±	-791	391
10.	Movements in current assets (less debtors and liquid assets) ±	-17 538	28 225
10a.	Movements in inter-division settlements (assets) ±	0	0
11.	Movements in prepaid expenses and accrued income ±	805	-180
12.	Corporate tax liability -	0	0
13.	Dividends payable -	0	0
<b>II.</b>	<b>Investing cash flows (lines 14-18)</b>	<b>-36 092</b>	<b>-45 889</b>
14.	Acquisition of non-current assets -	-36 112	-45 953
15.	Disposal of non-current assets +	20	63
16.	Long-term loans granted and bank deposits repaid, terminated or cashed +	0	1
17.	Long-term loans granted and bank deposits -	0	0
18.	Dividends received +	0	0
<b>III.</b>	<b>Financing cash flows (lines 19-27)</b>	<b>27 595</b>	<b>110 546</b>
19.	Income from shares issued (capital addition) +	0	0
20.	Income from the issue of bonds, debt securities +	0	0
21.	Loans taken and borrowings +	0	0
22.	Amounts received free of charge +	28 154	110 491
23.	Disinvestment (capital reduction) -	0	0
24.	Repayment of bonds, debt securities -	0	0
25.	Repayment of loans and borrowings -	-58	0
26.	Amounts transferred free of charge -	-279	-415
27.	Changes in other long-term liabilities±	-222	470
<b>IV.</b>	<b>Cash flows (I.+II.+III.)</b>	<b>-4 665</b>	<b>60 997</b>
28.	Revaluation of cash and cash equivalents in foreign exchange +	2	-117
<b>V.</b>	<b>Changes in cash and cash equivalents (lines IV.+28.)</b>	<b>-4 663</b>	<b>60 880</b>

59. Table: Rail infrastructure operations division – Cash flow statement

The activity statement for rail infrastructure operations is shown in the table below:

figures in HUF thousands			
<i>Line</i>	<i>Item</i>	<i>2019</i>	<i>2020</i>
1	Net revenues	148 265 051	146 138 614
	of which: fares	148 265 051	146 138 614
	of which: fare subsidy	0	0
	of which: revenues from gov.	0	0
2	Internal revenues	577 776	447 965
3	Capitalised own output	6 254 099	6 107 216
4	Other income	145 211 008	186 024 592
	of which: government reimbursement	74 684 673	93 489 748
	of which: government subsidy	2 763 117	3 260 213
<b>5</b>	<b>OPERATING INCOME, TOTAL</b>	<b>300 307 934</b>	<b>338 718 387</b>
6	Material-type expenses	119 485 204	124 943 171
	of which: network access charge	0	0
7	Internal expenses	2 489 071	2 449 788
	of which: network access	0	0
	of which: traction	0	0
	of which: other railway services	419 021	212 474
	of which: central services	0	0
	of which: central administration	2 125 083	2 199 431
8	Payments to personnel	105 663 864	117 014 065
9	Depreciation charge	59 598 736	83 865 395
10	Other expenses	8 994 592	6 353 740
<b>11</b>	<b>OPERATING EXPENSES, TOTAL</b>	<b>296 231 467</b>	<b>334 626 159</b>
<b>12</b>	<b>OPERATING PROFIT OR LOSS</b>	<b>4 076 467</b>	<b>4 092 228</b>
13	Financial income	17 329	287 062
14	Financial expense	24 996	329 019
<b>15</b>	<b>FINANCIAL PROFIT OR LOSS</b>	<b>-7 667</b>	<b>-41 957</b>
16	Extraordinary income	0	0
	of which: government subsidy	0	0
17	Extraordinary expense	0	0
<b>18</b>	<b>EXTRAORDINARY PROFIT OR LOSS</b>	<b>0</b>	<b>0</b>
19	Tax liability	0	0
<b>20</b>	<b>AFTER TAX PROFIT OR LOSS</b>	<b>4 068 800</b>	<b>4 050 271</b>

60. Table: Rail infrastructure operations division – Activity statement



Significant effects in the profit or loss for the reporting year:

A predominant part of net sales revenues in 2020 was made up of infrastructure access charges (HUF 95,048 million), of which revenues from traction electricity (HUF 25,020 million) and fuel sold (HUF 9,147 million) are presented separately:

figures in mHUF

Customer	2019	2020	Change
<b>Infrastructure access, net of traction electricity and fuel</b>	<b>95 135</b>	<b>95 048</b>	<b>-87</b>
MÁV-START Zrt.	73 696	74 577	881
Rail Cargo Hungary Zrt.	11 642	10 492	-1 150
Other railway companies	9 797	9 979	182
<b>Traction electricity</b>	<b>24 849</b>	<b>25 020</b>	<b>171</b>
MÁV-START Zrt.	15 298	15 763	465
Rail Cargo Hungary Zrt.	4 688	4 242	-446
Other railway companies	4 863	5 015	152
<b>Traction fuel</b>	<b>11 621</b>	<b>9 147</b>	<b>-2 474</b>
MÁV-START Zrt.	9 636	7 515	-2 121
Other railway companies	1 985	1 632	-353
<b>Total</b>	<b>131 605</b>	<b>129 215</b>	<b>-2 390</b>
* Less net revenues from filling station use			

61. Table: Rail network access charge revenues

In the major segments representing a predominant part of sales revenues from infrastructure access charges for open access services (net of traction electricity and fuel), infrastructure access charges slightly changed compared to the base period. Revenues lost compared to 2019 were primarily due to a decline in cargo transport. Owing to the negative effects of the Covid pandemic on our industry, passenger transport performance started to recover only in the second half of 2020.

Revenues from re-sold traction electricity increased as a result of a drop in specific electricity cost (average price in 2019: 28.08 HUF/kWh, actual average price: 27,92 HUF/kWh) and the increase of volumes compared to the base period. The decrease in traction fuel sales was due to a 12.60% decline in consumption (2019: 40,704 thousand litres, 2020: 35,573 thousand litres) and a 9.10% drop in specific fuel price (2019: average price 285.51 HUF/litre, 2020: average price 259.53 HUF/litre).

According to the activity statement for rail infrastructure operations, other income increased by HUF 40,814 million in the reporting year as a result of the following:

- The most significant growth item was the increase in the recognised reimbursement of operating costs which totalled HUF 93,490 million in 2020 (+18,805 million HUF). Increased government subsidy for operating expenses is ensured.
- A new public work programme was launched from 11 March 2019 to 29 February 2020, under which MÁV Zrt. employed an average of 450 public workers. Further to the decision of the Home Office, a new public work programme was launched from 9 March 2020 to 28 February 2021, the related contract with the regulator was approved under which MÁV Zrt. agreed to employ an average of 340 public workers. Another programme was launched from 13 July 2020 to 28 February 2021 (Programme II), the related contract with the regulator was approved and the Company agreed to employ an average of additional 219 public workers. Of the related subsidies received, HUF 338 million was used and recognised as other income in 2020.

- A reasonable profit of HUF 3,801 million plus the part available for non-specified use of the extra incentive for performance improvement (HUF 249 million) was recognised upon approval of the settlement for 2019.

Amendment No. 3 to the reimbursement clause of the Rail Infrastructure Operation Agreement for 2020 was signed on 11 December 2020, on the basis of which the reimbursement disbursed for 2020 amounted to HUF 145,141 million. Of this, HUF 93,684 million operating cost reimbursement and HUF 26,499.1 million renovation reimbursement, while HUF 21,049.9 million was additional reimbursement related to previous years approved in the relevant annual settlement clause, and HUF 3,908 million was advance payment for the reasonable profit and cost efficiency incentive for 2020.

Actual reimbursement for operating losses and the reimbursement for the renovation of rail infrastructure operating assets and the use of these amounts in 2020 are presented in the following table:

		figures in mHUF	
Ref.	Reimbursement	2019	2020
A	Unused reimbursement/Extra reimbursement need, opening	-6 205	-16 272
B	Remained from the previous year, amount used from allocated funds for improvement/renovation in the reporting year	-1 126	0
C	Reasonable profit recognised in the reporting year, extra efficiency incentive	-4 069	-4 498
D	Reimbursement for previous years received in the reporting year	0	21 050
<b>I.</b>	<b>Unused reimbursement for previous periods and from allocated funds/extra reimbursement need (I.=A+B+C+D)</b>	<b>-11 400</b>	<b>280</b>
E	Reimbursement of operational expenses in the reporting year	68 277	93 684
F	Reimbursement of operational expenses recognised in the reporting year	-74 685	-93 490
<b>II.</b>	<b>Unused operational cost reimbursement /extra reimbursement need (II.=E+F)</b>	<b>-6 408</b>	<b>194</b>
G	Reimbursement of renovation for the reporting year	23 031	26 499
H	Reimbursement of renovation used in the reporting year	-21 495	-26 941
<b>III.</b>	<b>Unused reimbursement of renovation/Extra reimbursement need in the reporting year (III.=G+H)</b>	<b>1 536</b>	<b>-442</b>
<b>IV.</b>	<b>Reasonable profit, cost efficiency incentive received in advance in the reporting year</b>	<b>0</b>	<b>3 908</b>
<b>V.</b>	<b>Reimbursement, closing (V= I.+II.+III.+IV.)</b>	<b>-16 272</b>	<b>3 941</b>
(+) liability/unused reimbursement, (-) receivable/extra reimbursement need			

62. Table: Reimbursement items

figures in mHUF			
Item	2019	2020	Change
Material costs	23 625	24 299	674
Services used	56 759	63 873	7 114
Other services	1 250	1 245	-5
Cost of goods sold	37 586	35 261	-2 325
(Consignment) services sold	265	265	0
<b>Material-type expenses, total:</b>	<b>119 485</b>	<b>124 943</b>	<b>5 458</b>

63. Table: Material-type expenses

A significant portion of internal expenses (HUF 2,200 million) was due to the allocation of the expenses of MÁV Zrt.'s central management. The amount of internal financial support to the Children's Railway passenger transport service was by nearly 50% less than in 2019 (HUF 212 million).

Payments to personnel increased by HUF 11,350 million compared to 2019 mostly as a result of an agreement on wages and salaries in 2020 signed on 5 March 2020 in relation to the consolidated entities of MÁV Zrt. which brought an average pay increase of 10% to the affected employees.

An employee loyalty bonus was introduced in 2020 as a tool to increase retention and reduce fluctuation. The amount of bonus for those in continuous service between 1 December of the year before payment and 30 November 2020 was HUF 350,000, gross, and was paid in December 2020 partly from funds used for fringe benefits in previous years. The fringe benefit system was discontinued.

The amount of employee loyalty bonus was doubled as of 2020. The first bonus is paid in the 15th year of service and in every third year in service thereafter and the amount equals the number of years in service \* 2 kHUF (kHUF 30 after 15 years, kHUF 36 after 18 years etc.).

The Company continued to pay a pension fund membership allowance to its employees in 2020 equal to 4% of their base salary, plus a SZÉP-card catering allowance of kHUF 92,900 per annum.

Part of the funds saved as a result of the social contribution tax cut from 17.50% to 15.50% as of 1 July 2020, was used by MÁV Group to disburse allowances for self-care and health protection. As a result, MÁV Group paid HUF 3,000 per month to each employee of the Group who is member of a health care fund.

The loyalty bonus was increased by a one-off HUF 65,000, gross. High performing employees (4,100 people) were given an additional one-off bonus totalling HUF 320 million.

The annual depreciation charge totalled HUF 83,865 million (+40.72%) as a result of the depreciation of assets constructed from EU funds taken over from NIF Zrt.

Of the depreciation charged in the reporting period, HUF 79,001 million was recognised on managed state-owned assets.

Related company balances (income and expenses) related to rail infrastructure operations are presented below:

figures in mHUF

Related party	Income			Expenses			Total
	Net revenues	Other and financial income	Total revenues	Material-type expenses	Other and financial expenses	Total expenses	
MÁV FKG KFT	973	29	1 002	19 063	1	19 064	-18 062
MÁV KfV Kft.	64	0	64	1 875	0	1 875	-1 811
MÁV NOSZTALGIA Kft.	338	6	344	167	0	167	177
MÁV RAIL TOURS Kft.	1	0	1	35	0	35	-34
MÁV Szolgáltató Központ Zrt.	2 181	51	2 232	17 931	5	17 936	-15 704
MÁV VAGON Kft.	34	0	34	199	0	199	-165
MÁV-HÉV Zrt.	184	0	184	171	0	171	13
MÁV-START Zrt.	105 956	503	106 459	27 675	284	27 959	78 500
ZÁHONY-PORT Zrt.	250	1	251	148	415	563	-312
<b>Total</b>	<b>109 981</b>	<b>590</b>	<b>110 571</b>	<b>67 264</b>	<b>705</b>	<b>67 969</b>	<b>42 602</b>

64. Table: Railtrack infrastructure operations: income from and expenses on related parties

The effects of asset transfers in 2020 and the related compensation are presented in the following table:

figures in mHUF

Item	Reduced asset value due to asset transfers (A)	Segregation adjustment (B)	Reduced capital reserve due to asset transfers (C=A+B)	Increase in issued capital from asset transfer compensation (D)	Increase in capital reserve from asset transfer compensation (E)	Asset transfer compensation, total (F=D+E)
Eger (VÜSZ)	20	0	20	0	0	0
Pápa (VÜNSZ)	2	-2	0	0	-2	-2
Jászkisér (reverse asset settlement)	-190	0	-190	0	0	0
Körvasútsor (VÜSZ)	0	13	13	0	0	0
PVSK (VÜNSZ)	0	0	0	0	-17	-17
Dunakeszi (VÜNSZ)	0	0	0	0	0	0
Dunaújváros (reverse asset settlement)	0	0	0	0	0	0
Málenkij Robot (VÜNSZ)	0	0	0	0	-5	-5
NIF5 (VÜSZ)	1762					
NIF5 (VÜSZ) deferred extraordinary income	-205	-1	1556	0	0	0
Zánka (VÜNSZ)	0	0	0	0	-2	-2
Nyíregyháza (VÜSZ)	969					
Nyíregyháza (VÜSZ) deferred extraordinary income	-522	-1	447	0	0	0
<b>Total:</b>	<b>1 835</b>	<b>9</b>	<b>1 844</b>	<b>0</b>	<b>-25</b>	<b>-25</b>

65. Table: Impact of asset settlements on the rail infrastructure GL

## IV.2 Passenger transport

The balance sheet, the profit and loss account, the cash flow statement and the activity statement of the passenger transport division are presented in the following tables:

figures in mHUF				
No.	Item	2019.12.31	2020.12.31	Change
<b>A.</b>	<b>NON-CURRENT ASSETS (I+II+III.)</b>	<b>543</b>	<b>578</b>	<b>35</b>
<b>I.</b>	<b>INTANGIBLE ASSETS (I./ 1.+ 7.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Capitalised foundation, restructuring	0	0	0
2.	Capitalised research and development	0	0	0
3.	Concessions and similar rights	0	0	0
3/a.	of which: Managed state-owned rights	0	0	0
4.	Intellectual property	0	0	0
4/a.	of which: Managed state-owned intellectual property	0	0	0
5.	Goodwill	0	0	0
6.	Advances for intangible assets	0	0	0
7.	Adjustment of intangible assets	0	0	0
<b>II.</b>	<b>TANGIBLE ASSETS (II./ 1.+ 7.)</b>	<b>543</b>	<b>578</b>	<b>35</b>
1.	Properties and related rights	0	0	0
1/a.	of which: Managed state-owned properties and related rights	0	0	0
2.	Technical machinery, equipment, vehicles	314	578	264
2/a.	of which: Managed state-owned technical machinery, equipment, vehicles	0	0	0
3.	Other equipment, fittings, vehicles	0	0	0
3/a.	of which: Managed state-owned other equipment, fittings, vehicles	0	0	0
4.	Livestock	0	0	0
5.	Capital projects, renovations	229	0	-229
5/a.	of which: Managed state-owned capital projects	0	0	0
6.	Advances for capital projects	0	0	0
6/a.	of which: Managed state-owned advances for capital projects	0	0	0
7.	Adjustment of tangible assets	0	0	0
<b>III.</b>	<b>NON-CURRENT FINANCIAL ASSETS (III./ 1.+ 10.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Long-term investments in related parties	0	0	0
2.	Long-term loans granted to related parties	0	0	0
3.	Significant equity investments	0	0	0
4.	Long-term loans granted to significant equity investments	0	0	0
5.	Other long-term investments	0	0	0
6.	Long-term loans granted to other investments	0	0	0
7.	Other long-term loans granted	0	0	0
8.	Long-term debt securities	0	0	0
9.	Adjustment of non-current financial assets	0	0	0
10.	Revaluation gain or loss on non-current financial assets	0	0	0
<b>B.</b>	<b>Current assets (B./ I.+II+III.+IV.+ids.)</b>	<b>674</b>	<b>101</b>	<b>-573</b>
<b>I.</b>	<b>INVENTORIES (I./ 1.+ 6.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Materials	0	0	0
1/a.	of which: Managed state-owned materials	0	0	0
2.	Work in progress and semi-finished products	0	0	0
2/a.	of which: Managed state-owned work in progress and semi-finished products	0	0	0
3.	Breeding and fattening stock (formerly: livestock)	0	0	0
4.	Finished products	0	0	0
4/a.	of which: Managed state-owned finished products	0	0	0
5.	Goods	0	0	0
6.	Advances for inventories	0	0	0
<b>II.</b>	<b>RECEIVABLES (II./ 1.+ 8.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Trade receivables (debtors)	0	0	0
2.	Receivables from related parties	0	0	0
3.	Receivables from significant investments	0	0	0
4.	Receivables from other investments	0	0	0
5.	Bills of exchange receivable	0	0	0
6.	Other receivables	0	0	0
6/a.	of which: related to managed state-owned assets	0	0	0
7.	Revaluation gain or loss on receivables	0	0	0
8.	Revaluation gain on derivatives	0	0	0
	<b>Receivables from inter-division settlements</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>SECURITIES (III./ 1.+ 6.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Shares in related parties	0	0	0
2.	Significant equity investment	0	0	0
3.	Other investments	0	0	0
4.	Treasury shares, quotas	0	0	0
5.	Debt securities held for trading	0	0	0
6.	Revaluation gain or loss on securities	0	0	0
<b>IV.</b>	<b>LIQUID ASSETS (IV./ 1.+2.)</b>	<b>674</b>	<b>101</b>	<b>-573</b>
1.	Cash, cheques	1	1	0
2.	Bank deposits	673	100	-573
<b>C.</b>	<b>PREPAID EXPENSES AND ACCRUED INCOME (C./ 1.+2.+3.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Accrued income	0	0	0
2.	Prepaid expenses	0	0	0
3.	Deferred expenses	0	0	0
	<b>ASSETS, TOTAL (A.+B.+C.)</b>	<b>1 217</b>	<b>679</b>	<b>-538</b>

66. Table: Passenger transport activity – Balance sheet: Assets side

figures in mHUF

No.	Item	2019.12.31	2020.12.31	Change
<b>D.</b>	<b>Equity (D/ I.+ VII)</b>	<b>123</b>	<b>59</b>	<b>-64</b>
I.	ISSUED CAPITAL	0	0	0
	of which: redeemed treasury shares at face value	0	0	0
II.	ISSUED CAPITAL NOT PAID	0	0	0
III.	CAPITAL RESERVE	0	0	0
IV.	RETAINED EARNINGS	174	122	-52
V.	NON-DISTRIBUTABLE RESERVES	0	0	0
VI.	VALUATION RESERVE	0	0	0
1.	Valuation reserve for adjustments	0	0	0
2.	Fair valuation reserve	0	0	0
VII.	AFTER TAX PROFIT OR LOSS	-51	-63	-12
<b>E.</b>	<b>Provisions (E/ 1+2+3)</b>	<b>79</b>	<b>92</b>	<b>13</b>
1.	Provision for expected liabilities	0	0	0
2.	Provision for future expenses	79	92	13
3.	Other provisions	0	0	0
<b>F.</b>	<b>LIABILITIES (F/ I+II.+III.+ids.)</b>	<b>546</b>	<b>91</b>	<b>-455</b>
<b>I.</b>	<b>SUBORDINATED LIABILITIES (F.I./ 1+2+3+4)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Subordinated liabilities to related parties	0	0	0
2.	Subordinated liabilities to significant investments	0	0	0
3.	Subordinated liabilities to other investments	0	0	0
4.	Subordinated liabilities to third parties	0	0	0
<b>II.</b>	<b>LONG-TERM LIABILITIES (F.II./ 1+ _ 8)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Long-term borrowings	0	0	0
2.	Convertible bonds	0	0	0
3.	Debts from the issue of bonds	0	0	0
4.	Development and improvement loans	0	0	0
5.	Other long-term loans	0	0	0
6.	Long-term liabilities to related parties	0	0	0
7.	Long-term liabilities to significant investments	0	0	0
8.	Long-term liabilities to other investments	0	0	0
9.	Other long-term liabilities	0	0	0
9./a	of which: Liabilities related to managed state-owned assets	0	0	0
<b>III.</b>	<b>CURRENT LIABILITIES (F.III./ 1+ _ 10+)</b>	<b>546</b>	<b>91</b>	<b>-455</b>
1.	Short-term borrowings	0	0	0
1/a.	of which: convertible bonds	0	0	0
2.	Short-term loans	0	0	0
3.	Advances from debtors	0	0	0
4.	Trade payables (creditors)	3	3	0
5.	Bills of exchange payable	0	0	0
6.	Current liabilities to related parties	459	84	-375
7.	Current liabilities to significant investments	0	0	0
8.	Current liabilities to other investments	0	0	0
9.	Other current liabilities	0	4	4
9./a	of which: Liabilities related to managed state-owned assets	0	0	0
10.	Revaluation gain or loss on liabilities	0	0	0
11.	Revaluation loss on derivatives	0	0	0
	<b>Liabilities from inter-division settlements</b>	<b>84</b>	<b>0</b>	<b>-84</b>
<b>G.</b>	<b>Accrued expenses and deferred income (G./ 1+2+3)</b>	<b>469</b>	<b>437</b>	<b>-32</b>
1.	Deferred income	0	0	0
2.	Accrued expenses	0	1	1
3.	Deferred extraordinary income and negative goodwill	469	436	-33
	<b>EQUITY AND LIABILITIES, TOTAL (D.+E.+F.+G.)</b>	<b>1 217</b>	<b>679</b>	<b>-538</b>

67. Table: Passenger transport activity – Balance sheet: Equity and liabilities side

figures in mHUF

No.	Item	2019.12.31	2020.12.31	Change
.01.	Domestic sales, net	130	121	-9
.02.	Export sales, net	0	0	0
<b>I.</b>	<b>Sales revenues, net (01.+02.)</b>	<b>130</b>	<b>121</b>	<b>-9</b>
I/A 1.	Income from other internal settlements	419	212	-207
I/A 2.	Revenues from internal railtrack services	0	0	0
I/A 3.	Central control revenues	0	0	0
<b>I/A.</b>	<b>Recognised internal income, total:</b>	<b>419</b>	<b>212</b>	<b>-207</b>
.03.	Movements in self-produced inventories	0	0	0
.04.	Capitalised self-produced assets	2	1	-1
<b>II.</b>	<b>Capitalise own output (03.+04.)</b>	<b>2</b>	<b>1</b>	<b>-1</b>
<b>III.</b>	<b>Other income</b>	<b>151</b>	<b>201</b>	<b>50</b>
	of which: reversed impairment loss	0	0	0
	<b>Operating returns, total</b>	<b>702</b>	<b>535</b>	<b>-167</b>
.05.	Material cost	45	28	-17
.06.	Services used	117	143	26
.07.	Other services	1	4	3
.08.	Cost of goods sold	0	0	0
.09.	(Consignment) services sold	0	0	0
<b>IV.</b>	<b>Material-type expenses (05.+06.+07.+08.+09.)</b>	<b>163</b>	<b>175</b>	<b>12</b>
IV/A 1.	Income from other internal settlements	31	56	25
IV/A 2.	Revenues from internal railtrack services	419	212	-207
IV/A 3.	Central control revenues	6	3	-3
<b>IV/A.</b>	<b>Recognised internal expenses total:</b>	<b>456</b>	<b>271</b>	<b>-185</b>
.10.	Payroll costs	78	69	-9
.11.	Other payments to personnel	6	3	-3
.12.	Payroll taxes	17	13	-4
<b>V.</b>	<b>Payments to personnel (10.+11.+12.)</b>	<b>101</b>	<b>85</b>	<b>-16</b>
<b>VI.</b>	<b>Depreciation</b>	<b>19</b>	<b>35</b>	<b>16</b>
<b>VII.</b>	<b>Other expenses</b>	<b>14</b>	<b>32</b>	<b>18</b>
	of which: impairment (862)	0	0	0
	<b>Operating expenses, total:</b>	<b>753</b>	<b>598</b>	<b>-155</b>
<b>A.</b>	<b>OPERATING PROFIT OR LOSS (I.+I/A+II.+III.-IV.-IV/A-V.-VI-VII)</b>	<b>-51</b>	<b>-63</b>	<b>-12</b>
.13.	Dividends received	0	0	0
	Of which: from related parties	0	0	0
.14.	Foreign exchange gains on disposed of investments	0	0	0
	Of which: from related parties	0	0	0
.15.	Income and foreign exchange gains on non-current financial assets (securities, loans)	0	0	0
	Of which: from related parties	0	0	0
.16.	Other interest received (due) and similar income	0	0	0
	Of which: from related parties	0	0	0
.17.	Other financial income	0	0	0
	Of which: valuation gain or loss	0	0	0
<b>VIII.</b>	<b>Financial income (13.+14.+15.+16.+17.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
.18.	Expenses and foreign exchange losses on investments	0	0	0
	of which: to related parties	0	0	0
.19.	Expenses and foreign exchange losses on non-current financial assets (securities, loans)	0	0	0
	Of which: to related parties	0	0	0
.20.	Interest payable (paid) and similar charges	0	0	0
	Of which: to related parties	0	0	0
.21.	Impairment of shares, securities, long-term loans granted and bank deposits	0	0	0
.22.	Other financial expenses	0	0	0
	Of which: valuation gain or loss	0	0	0
<b>IX.</b>	<b>Financial expenses (18.+19.+20.+21.+22.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B.</b>	<b>FINANCIAL PROFIT OR LOSS (VIII-IX)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C.</b>	<b>PRE-TAX PROFIT OR LOSS (±A±B)</b>	<b>-51</b>	<b>-63</b>	<b>-12</b>
X.	TAX LIABILITY	0	0	0
<b>D.</b>	<b>AFTER-TAX PROFIT OR LOSS (±C-X)</b>	<b>-51</b>	<b>-63</b>	<b>-12</b>

68. Table: Passenger transport activity – Profit and loss account

		figures in mHUF	
No.	Item	2019.	2020.
<b>I.</b>	<b>Operating cash flows (lines 1-13)</b>	<b>660</b>	<b>-573</b>
1a.	Pre-tax profit or loss ±	-51	-63
	of which: operating subsidy received	0	0
	of which: public service reimbursement subsidy received	0	0
1b.	Dividends received -	0	0
1c.	Amounts transferred/received free of charge recognised in profit or loss ±	0	0
1d.	Revaluation of cash and cash equivalents in foreign exchange +	0	0
1e.	Gain or loss on long-term liabilities forgiven/assumed ±	0	0
1f.	Unrealised foreign exchange gain or loss on non-current assets and long-term liabilities ±	0	0
1g.	Realised foreign exchange gain or loss on the recovery of long-term loans granted and the repayment of long-term liabilities ±	0	0
1h.	Unspecified pre-tax profit adjusting items related to managed state-owned assets ±	0	0
1i.	Non-current assets contributed (contribution in kind) +	0	0
1j.	Non-current assets transferred free of charge +	0	0
1k.	Other unspecified pre-tax profit adjusting items +	0	0
1.	Adjusted pre-tax profit or loss (1a+1b+1c+1d+1e+1f+1g+1h+1i+1j+1k) +	-51	-63
2.	Amortisation charge +	19	35
3.	Impairment loss recognised/reversed +	0	0
4.	Difference between provisions made and used +	13	13
5.	Disposal of non-current assets +	0	0
6.	Movements in creditors +	611	-70
7.	Movements in other current liabilities +	-12	-372
7a.	Movements in inter-division settlements (liabilities) +	80	-84
8.	Movements in accrued expenses and deferred income +	0	-32
9.	Movements in debtors +	0	0
10.	Movements in current assets (less debtors and liquid assets) +	0	0
10a.	Movements in inter-division settlements (assets) +	0	0
11.	Movements in prepaid expenses and accrued income ±	0	0
12.	Corporate tax liability -	0	0
13.	Dividends payable -	0	0
<b>II.</b>	<b>Investing cash flows (lines 14-18)</b>	<b>-449</b>	<b>0</b>
14.	Acquisition of non-current assets -	-449	0
15.	Disposal of non-current assets +	0	0
16.	Long-term loans granted and bank deposits repaid, terminated or cashed +	0	0
17.	Long-term loans granted and bank deposits -	0	0
18.	Dividends received +	0	0
<b>III.</b>	<b>Financing cash flows (lines 19-27)</b>	<b>0</b>	<b>0</b>
19.	Income from shares issued (capital addition) +	0	0
20.	Income from the issue of bonds, debt securities +	0	0
21.	Loans taken and borrowings +	0	0
22.	Amounts received free of charge +	0	0
23.	Disinvestment (capital reduction) -	0	0
24.	Repayment of bonds, debt securities -	0	0
25.	Repayment of loans and borrowings -	0	0
26.	Amounts transferred free of charge -	0	0
27.	Changes in other long-term liabilities +	0	0
<b>IV.</b>	<b>Cash flows (I.+II.+III.)</b>	<b>211</b>	<b>-573</b>
28.	Revaluation of cash and cash equivalents in foreign exchange +	0	0
<b>V.</b>	<b>Changes in cash and cash equivalents (lines IV.+28.)</b>	<b>211</b>	<b>-573</b>

69. Table: Passenger transport activity – Cash flow statement



The activity statement of the passenger transport activity is presented below:

figures in HUF thousands			
No.	Item	Base year 2019.	Current year 2020.
1	Net revenues	130 466	120 538
	of which: fares	130 466	120 538
	of which: fare subsidy	0	0
	of which: revenues from gov.	0	0
2	Internal revenues	419 068	212 474
3	Capitalised own output	1 960	650
4	Other income	151 384	201 231
	of which: government reimbursement	0	0
	of which: government subsidy	0	32 967
<b>5</b>	<b>OPERATING INCOME, TOTAL</b>	<b>702 878</b>	<b>534 893</b>
6	Material-type expenses	163 006	175 187
	of which: network access charge	0	0
7	Internal expenses	456 556	271 325
	of which: network access	419 021	212 474
	of which: traction	0	0
	of which: other railway services	0	0
	of which: central services	0	0
	of which: central administration	6 425	3 335
8	Payments to personnel	101 738	84 931
9	Depreciation charge	18 752	35 027
10	Other expenses	13 527	31 795
<b>11</b>	<b>OPERATING EXPENSES, TOTAL</b>	<b>753 579</b>	<b>598 265</b>
<b>12</b>	<b>OPERATING PROFIT OR LOSS</b>	<b>-50 701</b>	<b>-63 372</b>
13	Financial income	117	23
14	Financial expense	0	0
<b>15</b>	<b>FINANCIAL PROFIT OR LOSS</b>	<b>117</b>	<b>23</b>
16	Extraordinary income	0	0
	of which: government subsidy	0	0
17	Extraordinary expense	0	0
<b>18</b>	<b>EXTRAORDINARY PROFIT OR LOSS</b>	<b>0</b>	<b>0</b>
19	Tax liability	0	0
<b>20</b>	<b>AFTER TAX PROFIT OR LOSS</b>	<b>-50 584</b>	<b>-63 349</b>

70. Table: Passenger transport activity – Activity statement

MÁV Zrt's passenger transport services changed in the base scheduling period of 2019/2020 and in the current scheduling period of 2020/2021 as follows:

MÁV Zrt. performs passenger transport services only on the Children's Railway, which is a scheduled passenger service, but no longer qualifies as a public service since the train schedule change of 13 December 2009.

Passenger transport alone was a loss-making activity in 2020 because net sales revenues (HUF 121 million) did not cover the related expenses (HUF 598 million), and this activity made losses also at operating level (-63 million HUF).

The rail infrastructure operation service provided for passenger transport on the Children's Railway does not qualify as an open access service; however, it is mandatory to provide rail infrastructure operation services under the Rail Infrastructure Operation Agreement (hereafter: RIOA). However, the cost of infrastructure access, recognised at prime cost, was not covered by revenues from this non-public passenger transport services.

As a result of the above, changing the operating conditions of the Children's Railway continued in 2020 (the Railtrack division contributed to the costs of internal services in a total of HUF 419 million in 2019 and HUF 212 million in 2020). Rail infrastructure expenses related to rail infrastructure operation and expenses related to subsidies provided qualify as eligible expenses under the RIOA.

Under the current methodology, the separate accounting records prescribed by the Decree are ensured by accounting rail infrastructure operation as internal services, which is offset by internal financial support.

Returns on operations significantly fell in the reporting year (by HUF 168 million) as a combined result of the following factors: Other income increased by HUF 50 million due to released provisions and deferred income, while net sales revenues were by HUF 9 million less than last year and internal revenues by HUF 207 million. The HUF 69 million drop in domestic fares was due to the complete suspension of services as part of the anti-pandemic measures (the first pause lasted from March to June 2020, the second was in November through December 2020). The increase in other income was due to the continuous release of deferred income during 2020 related to vehicle renovation projects completed by the end of December 2019 from special purpose budgetary funds.

Extra HUF 60 million net sales revenue was earned from other passenger transport services provided based on a three-year service contract signed in 2020 with MÁV-HÉV Zrt.

MÁV-START Zrt. provided a grant of HUF 150 million to cover the operating expenses of the Children's Railway. HUF 419 million was recognised as internal financial support in 2019, while in the reporting year HUF 212 million was recognised as internal revenue.

The HUF 18 million increase in other expenses was due to an increase in provisions made for the for the time proportional cost of the expected maintenance of two vehicles scheduled to 2021 and 2023 and for five more vehicles. A total provision of HUF 31 million was made in 2020 in accordance with our accounting policies.

Related party balances (income and expenses) related to public passenger transport services are presented below:

figures in mHUF

Related party	Income			Expenses			Total
	Net revenues	Other and financial income	Total revenues	Material-type and personnel expenses	Other and financial expenses	Total expenses	
MÁV KfV Kft.	0	0	0	7	0	7	-7
MÁV Szolgáltató Központ Zrt.	0	0	0	10	0	10	-10
MÁV VAGON Kft.	0	0	0	110	0	110	-110
MÁV-HÉV Zrt.	60	0	60	0	0	0	60
MÁV-START Zrt.	0	150	150	6	0	6	144
<b>Total</b>	<b>60</b>	<b>150</b>	<b>210</b>	<b>133</b>	<b>0</b>	<b>133</b>	<b>77</b>

71. Table: Passenger transport activity – balances with related parties

## IV.3 Other activities

The balance sheet, profit and loss account, cash flow statement and activity statement prepared on the basis of the figures of the other activities division are shown in the following tables:

		figures in mHUF		
No.	Item	2019.12.31	2020.12.31	Change
<b>A.</b>	<b>NON-CURRENT ASSETS (I.+II.+III.)</b>	<b>229 266</b>	<b>235 909</b>	<b>6 643</b>
<b>I.</b>	<b>INTANGIBLE ASSETS (I./ 1.+ 7.)</b>	<b>0</b>	<b>18</b>	<b>18</b>
1.	Capitalised foundation, restructuring	0	0	0
2.	Capitalised research and development	0	0	0
3.	Concessions and similar rights	0	18	18
3/a.	of which: Managed state-owned rights	0	0	0
4.	Intellectual property	0	0	0
4/a.	of which: Managed state-owned intellectual property	0	0	0
5.	Goodwill	0	0	0
6.	Advances for intangible assets	0	0	0
7.	Adjustment of intangible assets	0	0	0
<b>II.</b>	<b>TANGIBLE ASSETS (II./ 1.+ 7.)</b>	<b>76 787</b>	<b>70 372</b>	<b>-6 415</b>
1.	Properties and related rights	13 082	10 877	-2 205
1/a.	of which: Managed state-owned properties and related rights	0	0	0
2.	Technical machinery, equipment, vehicles	63 596	59 412	-4 184
2/a.	of which: Managed state-owned technical machinery, equipment, vehicles	0	0	0
3.	Other equipment, fittings, vehicles	0	0	0
3/a.	of which: Managed state-owned other equipment, fittings, vehicles	0	0	0
4.	Livestock	0	0	0
5.	Capital projects, renovations	55	20	-35
5/a.	of which: Managed state-owned capital projects	0	0	0
6.	Advances for capital projects	54	63	9
6/a.	of which: Managed state-owned advances for capital projects	0	0	0
7.	Adjustment of tangible assets	0	0	0
<b>III.</b>	<b>NON-CURRENT FINANCIAL ASSETS (III./ 1.+ 10.)</b>	<b>152 479</b>	<b>165 519</b>	<b>13 040</b>
1.	Long-term investments in related parties	149 099	162 078	12 979
2.	Long-term loans granted to related parties	0	0	0
3.	Significant equity investments	781	588	-193
4.	Long-term loans granted to significant equity investments	0	0	0
5.	Other long-term investments	2 580	2 848	268
6.	Long-term loans granted to other investments	0	0	0
7.	Other long-term loans granted	19	5	-14
8.	Long-term debt securities	0	0	0
9.	Adjustment of non-current financial assets	0	0	0
10.	Revaluation gain or loss on non-current financial assets	0	0	0
<b>B.</b>	<b>Current assets (B./ I.+II.+III.+IV.+ids.)</b>	<b>60 073</b>	<b>75 802</b>	<b>15 729</b>
<b>I.</b>	<b>INVENTORIES (I./ 1.+ 6.)</b>	<b>189</b>	<b>189</b>	<b>0</b>
1.	Materials	1	1	0
1/a.	of which: Managed state-owned materials	0	0	0
2.	Work in progress and semi-finished products	0	0	0
2/a.	of which: Managed state-owned work in progress and semi-finished products	0	0	0
3.	Breeding and fattening stock (formerly: livestock)	0	0	0
4.	Finished products	0	0	0
4/a.	of which: Managed state-owned finished products	0	0	0
5.	Goods	188	188	0
6.	Advances for inventories	0	0	0
<b>II.</b>	<b>RECEIVABLES (II./ 1.+ 8.)</b>	<b>54 496</b>	<b>56 294</b>	<b>1 798</b>
1.	Trade receivables (debtors)	174	6 650	6 476
2.	Receivables from related parties	1 703	3 445	1 742
3.	Receivables from significant investments	29	25	-4
4.	Receivables from other investments	0	1	1
5.	Bills of exchange receivable	0	0	0
6.	Other receivables	2 243	3 222	979
6/a.	of which: related to managed state-owned assets	0	0	0
7.	Revaluation gain or loss on receivables	0	0	0
8.	Revaluation gain on derivatives	0	0	0
	<b>Receivables from inter-division settlements</b>	<b>50 347</b>	<b>42 951</b>	<b>-7 396</b>
<b>III.</b>	<b>SECURITIES (III./ 1.+ 6.)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Shares in related parties	0	0	0
2.	Significant equity investment	0	0	0
3.	Other investments	0	0	0
4.	Treasury shares, quotas	0	0	0
5.	Debt securities held for trading	0	0	0
6.	Revaluation gain or loss on securities	0	0	0
<b>IV.</b>	<b>LIQUID ASSETS (IV./ 1.+2.)</b>	<b>5 388</b>	<b>19 319</b>	<b>13 931</b>
1.	Cash, cheques	4	5	1
2.	Bank deposits	5 384	19 314	13 930
<b>C.</b>	<b>PREPAID EXPENSES AND ACCRUED INCOME (C./ 1.+2.+3.)</b>	<b>2 298</b>	<b>1 336</b>	<b>-962</b>
1.	Accrued income	437	554	117
2.	Prepaid expenses	108	27	-81
3.	Deferred expenses	1 753	755	-998
	<b>ASSETS, TOTAL (A.+B.+C.)</b>	<b>291 637</b>	<b>313 047</b>	<b>21 410</b>

\*Balance sheet line „II. Receivables” also reflects the amount of receivables from inter business line settlements of HUF 50,347 million in 2019 and HUF 42,951 million in 2020. The amounts of receivables per business line exceed the amount presented in line „II. Receivables” by the amount receivable from inter business line settlements.

72. Table: Other activities – Balance sheet: Asset side

figures in mHUF

No.	Item	2019.12.31	2020.12.31	Change
<b>D.</b>	<b>Equity (D/ I.+ VII)</b>	<b>261 845</b>	<b>285 642</b>	<b>23 797</b>
I.	ISSUED CAPITAL	18 834	29 834	11 000
	of which: redeemed treasury shares at face value	0	0	0
II.	ISSUED CAPITAL NOT PAID	0	-9 763	-9 763
III.	CAPITAL RESERVE	111 931	123 174	11 243
IV.	RETAINED EARNINGS	123 720	130 942	7 222
V.	NON-DISTRIBUTABLE RESERVES	398	138	-260
VI.	VALUATION RESERVE	0	0	0
1.	Valuation reserve for adjustments	0	0	0
2.	Fair valuation reserve	0	0	0
VII.	AFTER TAX PROFIT OR LOSS	6 962	11 317	4 355
<b>E.</b>	<b>Provisions (E/ 1+2+3)</b>	<b>9 614</b>	<b>8 863</b>	<b>-751</b>
1.	Provision for expected liabilities	8 259	8 245	-14
2.	Provision for future expenses	0	0	0
3.	Other provisions	1 355	618	-737
<b>F.</b>	<b>LIABILITIES (F/ I.+II.+III.+ids.)</b>	<b>18 928</b>	<b>17 508</b>	<b>-1 420</b>
<b>I.</b>	<b>SUBORDINATED LIABILITIES (F.I./ 1+2+3+4)</b>	<b>0</b>	<b>0</b>	<b>0</b>
1.	Subordinated liabilities to related parties	0	0	0
2.	Subordinated liabilities to significant investments	0	0	0
3.	Subordinated liabilities to other investments	0	0	0
4.	Subordinated liabilities to third parties	0	0	0
<b>II.</b>	<b>LONG-TERM LIABILITIES (F.II./ 1+ 8)</b>	<b>3 707</b>	<b>85</b>	<b>-3 622</b>
1.	Long-term borrowings	0	0	0
2.	Convertible bonds	0	0	0
3.	Debts from the issue of bonds	0	0	0
4.	Development and improvement loans	3 606	0	-3 606
5.	Other long-term loans	0	0	0
6.	Long-term liabilities to related parties	0	0	0
7.	Long-term liabilities to significant investments	0	0	0
8.	Long-term liabilities to other investments	0	0	0
9.	Other long-term liabilities	101	85	-16
9/a	of which: Liabilities related to managed state-owned assets	0	0	0
<b>III.</b>	<b>CURRENT LIABILITIES (F.III./ 1+ 10+)</b>	<b>15 221</b>	<b>17 423</b>	<b>2 202</b>
1.	Short-term borrowings	0	0	0
1/a.	of which: convertible bonds	0	0	0
2.	Short-term loans	6 148	3 983	-2 165
3.	Advances from debtors	26	25	-1
4.	Trade payables (creditors)	1 108	835	-273
5.	Bills of exchange payable	0	0	0
6.	Current liabilities to related parties	42	109	67
7.	Current liabilities to significant investments	0	0	0
8.	Current liabilities to other investments	1	0	-1
9.	Other current liabilities	7 896	12 471	4 575
9/a	of which: Liabilities related to managed state-owned assets	0	0	0
10.	Revaluation gain or loss on liabilities	0	0	0
11.	Revaluation loss on derivatives	0	0	0
	<b>Liabilities from inter-division settlements</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>G.</b>	<b>Accrued expenses and deferred income (G./ 1+2+3)</b>	<b>1 250</b>	<b>1 034</b>	<b>-216</b>
1.	Deferred income	130	28	-102
2.	Accrued expenses	89	104	15
3.	Deferred extraordinary income and negative goodwill	1 031	902	-129
	<b>EQUITY AND LIABILITIES, TOTAL (D.+E.+F.+G.)</b>	<b>291 637</b>	<b>313 047</b>	<b>21 410</b>

73. Table: Other activities – Balance sheet: Equity and liabilities side

figures in mHUF

No.	Item	2019.12.31	2020.12.31	Change
.01.	Domestic sales, net	10 291	10 680	389
.02.	Export sales, net	3	3	0
<b>I.</b>	<b>Sales revenues, net (01.+02.)</b>	<b>10 294</b>	<b>10 683</b>	<b>389</b>
I/A 1.	Income from other internal settlements	4	3	-1
I/A 2.	Revenues from internal railtrack services	0	0	0
I/A 3.	Central control revenues	2 126	2 200	74
<b>I/A.</b>	<b>Recognised internal income, total:</b>	<b>2 130</b>	<b>2 203</b>	<b>73</b>
.03.	Movements in self-produced inventories	0	0	0
.04.	Capitalised self-produced assets	37	5	-32
<b>II.</b>	<b>Capitalise own output (03.+04.)</b>	<b>37</b>	<b>5</b>	<b>-32</b>
<b>III.</b>	<b>Other income</b>	<b>7 720</b>	<b>12 666</b>	<b>4 946</b>
	of which: reversed impairment loss (962,1-962,2)	87	10	-77
	<b>Operating returns, total</b>	<b>20 181</b>	<b>25 557</b>	<b>5 376</b>
.05.	Material cost	86	90	4
.06.	Services used	2 307	2 530	223
.07.	Other services	245	276	31
.08.	Cost of goods sold	20	22	2
.09.	(Consignment) services sold	1 561	1 365	-196
<b>IV.</b>	<b>Material-type expenses (05.+06.+07.+08.+09.)</b>	<b>4 219</b>	<b>4 283</b>	<b>64</b>
IV/A 1.	Income from other internal settlements	180	139	-41
IV/A 2.	Revenues from internal railtrack services	0	0	0
IV/A 3.	Central control revenues	2	3	1
<b>IV/A</b>	<b>Recognised internal expenses total:</b>	<b>182</b>	<b>142</b>	<b>-40</b>
.10.	Payroll costs	1 313	1 587	274
.11.	Other payments to personnel	464	246	-218
.12.	Payroll taxes	355	332	-23
<b>V.</b>	<b>Payments to personnel (10.+11.+12.)</b>	<b>2 132</b>	<b>2 165</b>	<b>33</b>
<b>VI.</b>	<b>Depreciation</b>	<b>4 493</b>	<b>4 346</b>	<b>-147</b>
<b>VII.</b>	<b>Other expenses</b>	<b>1 792</b>	<b>4 239</b>	<b>2 447</b>
	of which: impairment (862)	138	154	16
	<b>Operating expenses, total:</b>	<b>12 818</b>	<b>15 175</b>	<b>2 357</b>
<b>A.</b>	<b>OPERATING PROFIT OR LOSS (I.+I/A+II.+III.-IV.-IV/A-V-VI-VII)</b>	<b>7 363</b>	<b>10 382</b>	<b>3 019</b>
.13.	Dividends received	3 016	3 240	224
	Of which: from related parties	2 241	2 089	-152
.14.	Foreign exchange gains on disposed of investments	0	972	972
	Of which: from related parties	0	0	0
.15.	Income and foreign exchange gains on non-current financial assets (securities, loans)	0	0	0
	Of which: from related parties	0	0	0
.16.	Other interest received (due) and similar income	7	51	44
	Of which: from related parties	0	0	0
.17.	Other financial income	34	42	8
	Of which: valuation gain or loss	0	0	0
<b>VIII.</b>	<b>Financial income (13.+14.+15.+16.+17.)</b>	<b>3 057</b>	<b>4 305</b>	<b>1 248</b>
.18.	Expenses and foreign exchange losses on investments	0	0	0
	of which: to related parties	0	0	0
.19.	Expenses and foreign exchange losses on non-current financial assets (securities, loans)	0	0	0
	Of which: to related parties	0	0	0
.20.	Interest payable (paid) and similar charges	90	39	-51
	Of which: to related parties	0	0	0
.21.	Impairment of shares, securities, long-term loans granted and bank deposits	1 710	1 864	154
.22.	Other financial expenses	1 658	1 467	-191
	Of which: valuation gain or loss	0	0	0
<b>IX.</b>	<b>Financial expenses (18.+19.+20.+21.+22.)</b>	<b>3 458</b>	<b>3 370</b>	<b>-88</b>
<b>B.</b>	<b>FINANCIAL PROFIT OR LOSS (VIII-IX)</b>	<b>-401</b>	<b>935</b>	<b>1 336</b>
<b>C.</b>	<b>PRE-TAX PROFIT OR LOSS (±A±B)</b>	<b>6 962</b>	<b>11 317</b>	<b>4 355</b>
X.	TAX LIABILITY	0	0	0
<b>D.</b>	<b>AFTER-TAX PROFIT OR LOSS (±C-X)</b>	<b>6 962</b>	<b>11 317</b>	<b>4 355</b>

74. Table: Other activities - Profit and loss account

		figures in mHUF	
Serial No.	Item	2019.	2020.
<b>I.</b>	<b>Operating cash flows (lines 1-13)</b>	<b>336</b>	<b>16 879</b>
1a.	Pre-tax profit or loss +	6 962	11 316
	of which: operating subsidy received	0	0
	of which: public service reimbursement subsidy received	0	0
1b.	Dividends received -	-3 016	-3 240
1c.	Amounts transferred/received free of charge recognised in profit or loss +	208	194
1d.	Revaluation of cash and cash equivalents in foreign exchange +	0	-8
1e.	Gain or loss on long-term liabilities forgiven/assumed +	-14	-11
1f.	Unrealised foreign exchange gain or loss on non-current assets and long-term liabilities +	264	372
1g.	Realised foreign exchange gain or loss on the recovery of long-term loans granted and the repayment of long-term liabilities ±	112	314
1h.	Unspecified pre-tax profit adjusting items related to managed state-owned assets +	0	0
1i.	Non-current assets contributed (contribution in kind) +	-3 061	0
1j.	Non-current assets transferred free of charge +	0	33
1k.	Other unspecified pre-tax profit adjusting items +	-154	-269
1.	Adjusted pre-tax profit or loss (1a+1b+1c+1d+1e+1f+1g+1h+1i+1j+1k) +	1 301	8 701
2.	Amortisation charge +	4 493	4 346
3.	Impairment loss recognised/reversed +	1 761	2 008
4.	Difference between provisions made and used +	-1 558	-751
5.	Disposal of non-current assets +	-438	-7 756
6.	Movements in creditor +	-1 934	-2 646
7.	Movements in other current liabilities +	2 918	4 642
7a.	Movements in inter-division settlements (liabilities) +	-7 409	7 406
8.	Movements in accrued expenses and deferred income +	-49	-210
9.	Movements in debtors +	-88	924
10.	Movements in current assets (less debtors and liquid assets) +	-638	-747
10a.	Movements in inter-division settlements (assets) +	0	0
11.	Movements in prepaid expenses and accrued income +	1 977	962
12.	Corporate tax liability -	0	0
13.	Dividends payable -	0	0
<b>II.</b>	<b>Investing cash flows (lines 14-18)</b>	<b>3 408</b>	<b>3 718</b>
14.	Acquisition of non-current assets -	-129	0
15.	Disposal of non-current assets +	490	2 411
16.	Long-term loans granted and bank deposits repaid, terminated or cashed +	31	45
17.	Long-term loans granted and bank deposits -	0	0
18.	Dividends received +	3 016	1 262
<b>III.</b>	<b>Financing cash flow (lines 19-27)</b>	<b>-8 324</b>	<b>-6 674</b>
19.	Income from shares issued (capital addition) +	0	0
20.	Income from the issue of bonds, debt securities +	0	0
21.	Loans taken and borrowings +	0	0
22.	Amounts received free of charge +	0	-2
23.	Disinvestment (capital reduction) -	0	0
24.	Repayment of bonds, debt securities -	0	0
25.	Repayment of loans and borrowings -	-8 114	-6 462
26.	Amounts transferred free of charge -	-208	-194
27.	Changes in other long-term liabilities+	-2	-16
<b>IV.</b>	<b>Cash flows (I.+II.+III.)</b>	<b>-4 580</b>	<b>13 923</b>
28.	Revaluation of cash and cash equivalents in foreign exchange +	0	8
<b>V.</b>	<b>Change in cash and cash equivalents (IV.+28.)</b>	<b>-4 580</b>	<b>13 931</b>

75. Table: Other activities – Cash flow statement

The activity statement for other activities is presented in the table below:

figures in HUF thousands

<i>No.</i>	<i>Item</i>	<i>Base year 2019.</i>	<i>Current year 2020.</i>
1	Net revenues	10 293 755	10 683 127
	of which: fares	10 293 755	10 683 127
	of which: fair subsidy	0	0
	of which: revenues from gov.	0	0
2	Internal revenues	2 130 290	2 202 448
3	Capitalised own output	37 227	5 173
4	Other income	7 719 963	12 666 369
	of which: government reimbursement	0	0
	of which: government subsidy	1 825 781	1 897 007
<b>5</b>	<b>OPERATING INCOME, TOTAL</b>	<b>20 181 235</b>	<b>25 557 117</b>
6	Material-type expenses	4 218 577	4 283 093
	of which: network access charge	0	0
7	Internal expenses	181 504	141 774
	of which: network access	0	0
	of which: traction	0	0
	of which: other railway services	0	0
	of which: central services	0	0
	of which: central administration	1 807	3 008
8	Payments to personnel	2 131 248	2 165 829
9	Depreciation charge	4 493 125	4 345 889
10	Other expenses	1 793 597	4 238 787
<b>11</b>	<b>OPERATING EXPENSES, TOTAL</b>	<b>12 818 051</b>	<b>15 175 372</b>
<b>12</b>	<b>OPERATING PROFIT OR LOSS</b>	<b>7 363 184</b>	<b>10 381 745</b>
13	Financial income	3 056 582	4 304 918
14	Financial expense	3 457 870	3 369 680
<b>15</b>	<b>FINANCIAL PROFIT OR LOSS</b>	<b>-401 288</b>	<b>935 238</b>
16	Extraordinary income	0	0
	of which: government subsidy	0	0
17	Extraordinary expense	0	0
<b>18</b>	<b>EXTRAORDINARY PROFIT OR LOSS</b>	<b>0</b>	<b>0</b>
19	Tax liability	0	0
<b>20</b>	<b>AFTER TAX PROFIT OR LOSS</b>	<b>6 961 896</b>	<b>11 316 983</b>

76. Table: Other activities – Activity statement

MÁV Zrt.'s other activities include primarily the following: company and group management, leasing out rolling stock, use of land and buildings and other services.

Details of net sales revenues:

Activity	figures in mHUF	
	2019	2020
Materials sale and inventory management	131	21
Rail vehicle rental	6 316	6 384
Property rental and management	2 159	2 842
Other services (human, training, accounting and other central services)	1 688	1 436
<b>Total</b>	<b>10 294</b>	<b>10 683</b>

77. Table: Other activities – net revenues

The most important items of net sales revenues from other services are as follows: recharged maintenance costs and insurance fees of multiple-unit trains rented by MÁV-START Zrt.

Details of internal revenues per activity:

Internal activity	figures in mHUF	
	2019	2020
Other internal settlements	4	3
Central administration	2 126	2 200
<b>Total</b>	<b>2 130</b>	<b>2 203</b>

78. Table: Other activities – internal revenues

The most significant items of other gains in the reporting period:

- Disposed of own intangible and tangible assets totalled HUF 8,919 million (HUF +8,420 million) in 2020, of which HUF 8,700 million was the disposal of properties related to Dunakeszi Járműjavító Kft.
- Of the subsidy received for the development of the Budapest-Belgrade line, HUF 2,300 million was used for a capital injection in Kínai-Magyar Vasúti Nonprofit Zrt. A subsidy equal to the recognised impairment loss on the investment (HUF 1,775 million) was recognised in 2020 among other income.
- In 2019, further to decision No. 25/208/2019 of MÁV Zrt's Founder, a capital injection of HUF 3,061 million into MÁV-START Zrt's share premium was carried out and the HUF 3,061 million positive difference between the value of the contributed assets as per the articles of association and their book value was recognised as other income. No capital increase took place in 2020.

Material expenses increased compared to the base year. The most significant items in 2020:

- Material costs remained nearly at last year's level. The most significant item in 2020 was gas costs of HUF 38 million. Fuel and water costs decreased compared to the previous year.
- The increase in services used was due primarily to higher rents.

The increase in other expenses was due mainly to a HUF 429 million increase in annuity obligation provisions and the derecognition of properties disposed of in relation to Dunakeszi Járműjavító Kft.



The details of the total dividends of HUF 3,240 million received in the reporting year are presented in the table below:

figures in mHUF

Name	Dividends paid in 2020
EUROFIMA	24
EURO-METALL Kft.	17
HIT Rail b.v.	2
MÁV-START Zrt.	370
MÁV Vagon Kft.	0
MÁV KFV Kft.	400
MÁV SZK Zrt.	219
MÁV-HÉV Zrt.	100
MÁV FKG Kft.	1 000
VAMAV Kft.	1 108
<b>Total</b>	<b>3 240</b>

79. Table: Dividends received in 2020

In addition to the increase in dividends received compared to 2019, financial income increased mainly due to the disposal of the Company's 25.10% quota in Dunakeszi Járműjavító Kft. (HUF 972 million) and interest of HUF 51 million received.

The financial expenses of Other activities in 2020 included impairment losses on investments, including HUF 1,775 million on Kínai-Magyar Vasúti Nonprofit Zrt. and HUF 125 million on ZÁHONY-PORT Zrt.

Related company balances (income and expenses) related to other activities are presented below:

figures in mHUF

Related party	Income			Expenses			Total
	Net revenues	Other and financial income	Total revenues	Material-type and personnel expenses	Other and financial expenses	Total costs and expenses	
Kínai-Magyar Vasúti Nonprofit Zrt.	179	0	179	181	1 775	1 956	-1 777
MÁV FKG Kft.	2	1 037	1 039	20	3	23	1 016
MÁV KFV Kft.	4	400	404	1	0	1	403
MÁV NOSZTALGIA Kft.	14	0	14	0	0	0	14
MÁV Szolgáltató Központ Zrt.	0	0	0	0	0	0	0
MÁV RAIL TOURS Kft.	535	226	761	179	1	180	581
MÁV VAGON Kft.	132	0	132	72	0	72	60
MÁV-HÉV Zrt.	1	100	101	1	0	1	100
MÁV-START Zrt.	8 266	370	8 636	1 175	4	1 179	7 457
ZÁHONY-PORT Zrt.	5	0	5	1	125	126	-121
<b>Total</b>	<b>9 138</b>	<b>2 133</b>	<b>11 271</b>	<b>1 630</b>	<b>1 908</b>	<b>3 538</b>	<b>7 733</b>

80. Table: Related company balances (income and expenses) related to other activities

The effects of asset transfers in 2020 and the related compensation are presented in the following table:

figures in mHUF

<i>Item</i>	<i>Reduced asset value due to asset transfers (A)</i>	<i>Segregation adjustment (B)</i>	<i>Reduced capital reserve due to asset transfers (C=A+B)</i>	<i>Increase in issued capital from asset transfer compensation (D)</i>	<i>Increase in capital reserve from asset transfer compensation (E)</i>	<i>Asset transfer compensation, total (F=D+E)</i>
Pápa (VÜNSZ)	0	2	2	0	2	2
Körvasútsor (VÜSZ)	13	-13	0	0	0	0
PVSK (VÜNSZ)	21	0	17	0	17	17
PVSK (VÜNSZ) deferred extraordinary income	-4					
Dunakeszi (VÜNSZ)	0	0	0	0	0	0
Málenkij Robot (VÜNSZ)	5	0	5	0	5	5
NIF5 (VÜSZ)	1	1	2	0	0	0
Zánka (VÜNSZ)	2	0	2	0	2	2
Nyíregyháza (VÜSZ)	1	1	1	0	0	0
<b>Összesen:</b>	<b>38</b>	<b>-9</b>	<b>29</b>	<b>0</b>	<b>25</b>	<b>25</b>

81. Table: Effects of asset transfers on the central GL

## IV.4 Other disclosures on accounting separation

The average annual headcount of employees per type of activity (including public workers) is shown in the table below:

<b>Activity</b>	<b>No. of Staff</b>
Railtrack infrastructure operations	17 764
Passenger transport	11
Other activities	134
<b>MÁV Zrt. Total</b>	<b>17 909</b>

82. Table: Annual average statistical number of employees per activity (including public workers)

Subsidies used for operations broken down by title are presented in the table below:

figures in mHUF

Subsidies recognised as other income				
Item	Rail infrastructure	Passenger transp.	Other activities	MÁV Zrt. total
Reimbursement of public service operating expenses	93 490	0	0	93 490
Reimbursement of public service operating expenses- reasonable profit	4 050	0	0	4 050
Public work subsidy	338	0	0	338
Subsidies for the costs and expenses of the Budapest-Belgrade route development (Archaeology)	18	0	0	18
Subsidies for the costs and expenses of the Budapest-Belgrade route development (NoBo/DeBo, Other activities)	101	0	0	101
IKOP grants to fund costs	-64	0	0	-64
Other subsidies to fund costs	0	150	0	150
Subsidy for capital injection	0	0	1 775	1 775
<b>Government subsidies, total</b>	<b>97 933</b>	<b>150</b>	<b>1 775</b>	<b>99 858</b>
Development subsidies (governmental and EU)				
Item	Rail infrastructure	Passenger transp.	Other activities	MÁV Zrt. total
Use of renovation reimbursement for treasury assets	24 198	0	0	24 198
Use of renovation reimbursement for MÁV Zrt's assets	2 743	0	0	2 743
Accrued subsidy reversed	2 852	33	122	3 007
Budapest-Belgrade railway development	11 117	0	0	11 117
IKOP grant "MÁV Zrt. Traffic safety projects"	-46	0	0	-46
Infrastructure and rolling stock maintenance SW and IT application consolidation Phase II (INKA2) (IKOP)	350	0	0	350
Traffic safety and cyclist friendly improvements at the Kapostűskevár junction in Kaposvár	66	0	0	66
Keleti railway station reconstruction preparation	-40	0	0	-40
GINOP subsidy for "Integrated Intelligent Railway Supervision System Development"	-15	0	0	-15
Subsidies received for light railway development Phase II	1 006	0	0	1 006
Railway renovation in the Central Danube area	4 339	0	0	4 339
Self-calibrating wheel load weighing network research to develop vehicle diagnostics services	17	0	0	17
RFC07 customer information system development	4	0	0	4
Clearing bottleneck cross sections and penetrability improvements along the Budapest (Kelenföld) – Hegyeshalom route	2	0	0	2
<b>Development subsidies, total</b>	<b>46 593</b>	<b>33</b>	<b>122</b>	<b>46 748</b>

83. Table: Subsidies used for operations broken down by title

Cumulative figures of income, expenses and profits per activity are presented below:

figures in mHUF

Partner business line	Business lines recognising internal profit or loss									MÁV Zrt. total:		
	Rail infrastructure operations			Other activities			Regional passenger transport					
	Internal income	Internal expense	Internal profit or loss	Internal income	Internal expense	Internal profit or loss	Internal income	Internal expense	Internal profit or loss	Internal income	Internal expense	Internal profit or loss
Rail infrastructure operations				2 202	146	2 056	212	267	-55	2 414	413	2 001
Other activities	233	2 237	-2 004				0	4	-4	233	2 241	-2 008
Regional passenger transport	215	213	2	1	-4	5				216	209	7
Total:	448	2 450	-2 002	2 203	142	2 061	212	271	-59	2 863	2 863	

84. Table: Cumulative figures per activity

The table columns show internal income, expenses and profit/(loss) broken down by division and aggregated at Company level. Internal profit/(loss) is calculated as the difference between a division's internal revenues from another division (partner division) (internal services supplied or internal support received) and internal expenses (internal services received or internal support provided).

Rail infrastructure operation and passenger transport has generated an overall internal loss (negative values in the internal profit/loss column).

Other activities have generated an overall internal profit (positive value in the internal profit/loss column).

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